



INNOVATION



COMMITMENT



ACCOUNTABILITY



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SAFETY

COMBATTING ILLEGAL MINING



"IT IS ILLEGAL TO MINE FOR MINERALS AND TO BE IN THE POSSESSION OF UNWROUGHT PRECIOUS METAL ORE, PGMs, GOLD-BEARING MATERIAL OR ROUGH DIAMONDS IN SOUTH AFRICA."

Illegal mining presents a growing risk to the sustainability of the mining industry in South Africa. It undermines the rule of law and property rights, degrading the state's ability to attract investment and meet its developmental goals.

From a security and crime perspective, the operating environment in the Southern African (SA) region remains challenging. We face syndicated/organised crime as well as incidents of social upheaval. The most serious challenge for us is illegal mining at our SA gold operations. At our SA PGM operations, non-ferrous metal related theft, particularly of copper cable, is the main security threat.

Illegal mining is well-established, organised and transnational in nature, presenting a material risk for our operations and causing substantial losses to the Group. It is also a risk to South Africa's mining industry at large, and to the country's ability to raise investment.

Illegal mining activities are facilitated by well-organised crime syndicates and extend to infiltrating underground workings. Large groups of illegal miners may damage critical controls and infrastructure to gain access to underground work areas. These criminal groups are often heavily armed and are willing to use violence and damage infrastructure in pursuit of their aims.

According to South Africa's Mineral and Petroleum Resources Development Act, 2002 (MPRDA) and the Precious Metals Act, 2005, it is illegal to mine for minerals and to be in possession of unwrought precious metal ore, PGMs, gold-bearing material or rough diamonds, without the required statutory authorisation.

Illegal miners steal product like gold-bearing material (GBM) or similar valuable minerals as well as stealing copper cable and equipment. Unless they are found in possession of such product, illegal miners cannot be charged with theft. Given the fact that

South Africa's justice system struggles to cope with the country's high crime rate, it mainly falls on Sibanye-Stillwater to police its property and try to bring perpetrators to justice. This often involves collaborating with the South African Police Service (SAPS) and the Directorate for Priority Crime Investigation (DPCI).

Illegal mining is not directly addressed by South African legislation. Thus, in many cases illegal miners are charged with minor offences such as trespassing, which carries a maximum fine of R2,000 or imprisonment not exceeding two years, or both, which is not a significant disincentive. Illegal miners may also be charged with illegal possession of regulated minerals, possession of illegal firearms, or violation of health and safety laws (Mine Health and Safety Act and MPRDA), again, which do not result in punitive sentences, with most cases resulting in sentences of around six months imprisonment on average or fines of up to R10,000.

We are working with the National Prosecuting Authority to improve prosecution effectiveness under the current legislation; and we are also working with them to improve the legal framework such that illegal mining is comprehensively criminalised under the Precious Metals Act.

In addition to the threat to the safety of our employees and cost to the industry and state, the negative impact of illegal mining extends to surrounding communities and to the environment.



State custodianship of mineral resources

The MPRDA provides for state custodianship of mineral resources for the benefit of all South Africans. Mining and related activities are regulated by numerous statutes, which make **no provision** for informal or artisanal mining.

The state (through the Department of Mineral Resources and Energy) grants authorisations, including prospecting and mining rights, mining permits and environmental authorisations.

It is illegal to be in possession of unwrought precious metal ore, PGMs, gold-bearing material or rough diamonds without the required statutory authorisation.



See www.dmr.gov.za/mineral-policy-promotion/small-scale-mining/

Artisanal and small-scale mining

According to the International Council on Mining and Metals (ICMM), artisanal and small-scale mining (ASM) includes a range of operations "from small, informal subsistence activities through to organised, formal, small commercial mining activities".

ASM is broadly understood to refer to "mining activities that are labour intensive and capital, mechanisation and technology poor".

In March 2022, an ASM policy was published as an expression of the SA government's intent to formalise the ASM industry. The objective of the policy is to foster the creation of a formalised ASM industry while contributing to the economy in the form of taxes, royalties and job creation and elimination of illegal ASM operations. The policy has not yet been translated into regulation which makes ASM activities currently unlawful. This exacerbates the illegal mining issues.

SOCIAL IMPACTS OF ILLEGAL MINING

The presence of illegal mining near a community is associated with an increase in crime, gender based violence (GBV), prostitution, teenage/learner pregnancies and substance abuse. It is also associated human rights abuses as community members, employees and contractors may be coerced into illegal activities. Employees in local communities are at great risk of being threatened and intimidated into complicity. Employees working underground are put at significant risk from engagements with illegal miners and from illegal mining activities.

Illegal mining is also associated with an increase in theft of copper cables, explosives, and diesel from mines and other local industries. There is also the risk to health and safety when illegal miners induce our employees to flout safety regulations. Further, their activities are life-threatening to the illegal miners themselves, as well as to the security personnel who may encounter them.

ENVIRONMENTAL IMPACTS OF ILLEGAL MINING

- Sabotaged water pipelines lead to contamination of the environment
- Illegal water use and wastage
- Increased incidence of sinkholes
- Increased mercury contamination (owing to its use in processing GBM)
- Associated hazards of excavating and re-opening closed shafts

SIBANYE-STILLWATER PROTECTION SERVICES

Human rights

Sibanye-Stillwater Protection services (Protection services) provide specialised investigative and security services to our South African operations. The unit also conducts internal and external risk assessments to evaluate security measures, adherence to responsible practices, and compliance with the controls the Group has in place.

At all times, Protection services adhere to the letter of the law, the Constitution and the Group's Human rights policy. Induction training encompasses human rights elements with regards to security. See Security policy and Human rights policy at www.sibanyestillwater.com/about-us/governance. Our security approach aligns with the Voluntary Principles on Security and Human Rights, a multi-stakeholder initiative to guide best practice on human rights in mining and other industries. In terms of compliance and accountability, we have completed essential procedures related to key legislation, including those addressing GBV, POPIA, and the Financial Intelligence Compliance Act.

Our training programmes for Protection services personnel include a strong human rights element, which covers the rights of the suspect and the responsibilities of Protection services personnel in dealing with criminals.

See 2024 Integrated report for more on the Group's commitment to human rights, www.sibanyestillwater.com/newsinvestors/reports/annual/



Attacks on Protection services personnel

Injury resulting from attacks on Protection services personnel is a significant safety risk. Illegal miners may attack frontline security personnel, with the attacks ranging from throwing stones to using live ammunition. We record attacks on Protection services personnel and include detail of such incidents in the Audit Committee reports to the Board.

Protection services follows specific rules of engagement and life-saving behaviours; which are aimed at minimising the use of force and reducing risk of death/injury to all parties, including the illegal miners. We equip our teams with advanced training in special weapons and tactical training and supplement in-house security teams with specialist tactical teams.

In 2024, there were 141 attacks on Protection services personnel (2023: 158), with 17 of our personnel injured in 12 incidents (2023: 27 injured in 19 incidents). We have strict guidelines around rules of engagement and life-saving behaviours, on which our security personnel are thoroughly trained. The emphasis is on minimising risk to life and limb to both parties. It should be noted that illegal miners are far safer being arrested and rehabilitated than they are continuing in a way of life that is extremely dangerous and destructive. The Protection services' policies and procedures are aligned to the Voluntary Principles on Security and Human Rights (a multi-stakeholder initiative to guide best practice on human rights in mining and other industries). In terms of compliance and accountability, we have completed essential procedures related to key legislation, including those addressing GBV, POPIA, and the Financial Intelligence Compliance Act.





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Underground intrusions at our SA PGM operations

Organised crime syndicates dealing in the illicit trade of copper and other non-ferrous metals continue to target industries reliant on such commodities. For our SA PGM operations, underground intrusions and theft of copper reticulation cable remains the biggest security threat.

The geological features of the area, coupled with a complex underground labyrinth created by mining activities over the last 100 years, makes the area easy pickings for copper thieves. Inclines are breached by, *inter alia*, creating holes from the surface into the underground workings. Utilising special manpower deployment, drones and intelligence, Protection Services continues to fight this phenomenon. As far as is possible holes are plugged with concrete. Mitigation strategies (supported by top management) include:

- An underground sealing programme
- A focus on outcrop areas, including vegetation control
- Deployment of technology and intelligence driven operations
- A focus on sealing surface holes, using excavation to expose the main line to underground, and filling with waste and concrete
- Enhancing controls regarding the issuing and ordering of reticulation cable, as well as ensuring availability of surplus cable

Employees complicit in illegal underground mining

On average, some 22,000 employees access our underground workings at our SA gold operations daily. Managing access for so many miners is complicated. Control measures include biometric access control systems, smart turnstiles, remotely-operated padlocks, intelligent lamp room controls, control and inspection of material cars' access, CCTV systems with thermal capability, unmanned aerial vehicles, intensified stop-and-search procedures, highly-trained search-and-rescue teams, reward systems, as well as saturation patrols and armed guarding. At our SA gold operations our biometric system includes a wave reader function, for improved control. While contractors make up only around 3,000 employees accessing our underground workings daily, they constitute the majority of incidents of collusion with illegal miners. Some employees assist syndicates in recruiting individuals from contractor teams.

Crime gangs often rely on the complicity of employees to gain access to underground workings and to subvert our access controls. Assistance by employees takes the form of various actions, including carefully planned and executed methods of concealing food, medicines, liquids, supplies, notes, mobile phone SIM cards and money for illegal miners. We have certain underground food restrictions to limit employees carrying extra food underground to sustain criminals.

The integrity and loyalty of Protection services officials and employees in general is a foremost concern for the Group. Protection services collaborate with the Group's Organisational growth function, with PSiRA (Private Security Industry Regulatory Authority), and with business partners in a concerted effort to prevent collusion. Systems for doing so include vetting, screening, profiling and investigating employees. Comprehensive screening is also conducted at the pre-employment level to better manage high-risk employee engagement and placement. Further, we are working on more stringent process to deter contractors partaking in illegal activities. Protection services also have an Insider threat programme that identifies critical risk areas for collusion, with targeted interventions to mitigate key risk indicators and enhance our management of people-related risks. In 2024 we recorded 654 incidents of employee and contractor collusion with illegal miners (2023: 451).

Surface illegal mining

Surface illegal mining mainly affects the SA gold operations. Perpetrators target specific areas containing gold-bearing material, then move into these areas in large numbers under darkness to

collect it. Protection services teams are often attacked by these surface illegal miners.

Dealing with amalgamated gold bearing material

Amalgamated GBM is a semi-refined material consisting of refined gold and mercury, which is used to separate out the gold. The amalgam is important in prosecuting suspects. Once found on a suspect, the amalgam is sealed in a specially designed tamper proof exhibit bag and secured in a safe at our Central investigations department. The suspect and the sealed exhibit is handed over to the Directorate of Priority Crime Investigation (DPCI), who attend the scene. Once the police have completed their forensic analysis the exhibit is returned to the Central investigation department for safekeeping until the court case (as per guidance in the Criminal Procedure Act and the disposal order made by the court).

Undocumented foreign nationals

Around 90% of those detained by Protection services in connection with illegal mining are undocumented foreign nationals. Unfortunately, those who are in the country illegally, can easily be tempted to join criminal gang, such as illegal mining syndicates. Due to lax border control, in many instances, when found and deported, they simply walk back over the border to continue their illegal activities.

A proactive risk-based approach to crime

Protection services take a proactive response to crime prevention, working with the authorities to apprehend crime bosses, and to break up the crime syndicates who are behind most of the illegal mining.

In 2024 Protection services modified its strategy to emphasise intelligence-driven risk mitigation. This entails deriving informed insights that enable us to prioritise areas for urgent attention. This approach will ensure optimal use of all available resources, including technology, vetting, and personnel.

The Group has established collaborations with law enforcement agencies, employing intelligence-led strategies to identify and dismantle illegal operations. Innovative tactics, aimed at reducing risk of violence are used to coax illegal miners out of hiding, and arrest them. Additionally, Protection services is making ongoing efforts to address the supply of illegal firearms, which contributes to violence in communities and presents a serious risk to our security personnel.

Our efforts are focused on the following key risk areas:

- Insider threat
- Illegal mining
- Illegal intrusion
- Damage to and theft of infrastructure
- Threats to and from local communities
- Fraud and commercial crimes
- People safety

Protection services have various programmes to reduce copper theft, including underground sealing programmes, as well as preventive and detective controls. The security control environment at our SA PGM operations is, with the help of technology, equipped with early warning systems, unmanned aerial vehicles, as well as tactical response and stopper teams. We conduct R&D and testing for other technologies and innovations on an ongoing basis. We work proactively with the authorities and other stakeholders to identify and apprehend higher tier criminals, with the aim of stemming the illicit outflow of copper from the country.

Thanks to an ongoing emphasis on intelligence gathering and on developing a good security control environment, we are able to make numerous arrests before illegal miners enter underground



workings. Raids on illicit supply chains underline our proactive approach to combatting illegal mining, and they too lead to numerous arrests.

In 2024, we conducted 15 security operations in collaboration with government policing departments, specifically the Directorate for Priority Crime Investigation (DPCI), also known as the Hawks (2023: 15 security operations).

An anonymous reporting platform, managed externally and independently by Deloitte, is available for anonymous tip-offs and whistleblowing. Many of the calls provide valuable leads, which are investigated.

Community engagement

In addition to crime prevention efforts, the Group is investing in community engagement initiatives aimed at building local governance capacities. Training for local councillors and support for community development projects are being prioritised to foster collaboration and address the underlying socioeconomic factors that contribute to crime and illegal mining.

The Group remains committed to navigating these challenges while enhancing safety, security, and shared value in the communities it serves. Through comprehensive strategies and partnerships, it aims to create a safer and more sustainable environment for all stakeholders involved.

Illegal mining incidents and arrests (underground)

	Number of incidents reported to which Sibanye-Stillwater responded	Number of illegal miners arrested	Number of employees (including contractors) charged with aiding and abetting illegal miners
2013	143	321	89
2014	129	257	62
2015	144	282	45
2016	253	485	479
2017	515	1,405	449
2018	92	141	144
2019	185	483	185
2020	227	549	183
2021	187	473	239
2022	363	1,115	200
2023	459	1,239	483
2024	540	1,487	737
Total	3,237	8,237	3,295

Performance

Our SA gold operations are targeted by crime gangs who deal in precious metals and who are behind our most serious security threat, which is illegal underground mining. During 2024, we recorded 540 incidents of illegal mining (2023: 459) and made

1,487 arrests (2023: 1,239) of illegal miners at our SA gold operations. The increase of detections and arrests can be ascribed to improved security practices and investment in technology and resources to help curb illegal mining.

At our SA PGM operations the main threat is underground intrusions and theft of copper cable, co-ordinated by crime syndicates dealing in the illicit trade of copper and non-ferrous metals. In 2024, we dealt with 1,720 copper related incidents (2023: 2,010), with 458 suspects (2023: 642) arrested by Protection services. Direct financial losses relating to copper theft amounted to R53.4 million (2023: R113 million), of which R11.5 million (2023: R19 million) was recovered by Protection services.

A total of 352 anonymous calls (2023: 305) were received during 2024 at the SA operations, with most of these relating to fraud and corruption. Many of the calls provided valuable leads, which were investigated.

Those concerned were charged and disciplined in terms of our Code of ethics, as well as being subject to criminal investigation if their misdemeanour included law-breaking. Crimes are recorded on the crime management system, and are investigated.

Group: Anonymous calls

Area	2024	2023	2022
Fraud	76	66	79
Breach of Company policy	65	73	68
Procurement fraud	35	29	10
Corruption	25	27	16
Illegal mining	43	39	25
Theft of mine property	17	10	19
Time and attendance fraud	3	11	2
Industrial action	0	0	1
Theft of gold-bearing material	7	2	4
Arson	0	0	0
Trespassing	1	1	0
Human resource related issues	36	13	3
Theft of PGM	3	2	4
Copper theft	5	1	17
Other	36	31	41
Total	352	305	289

A total of nine calls were received for the US region, one from Zimbabwe and one from the Australian region during 2024. They relate to 1 x theft of GBM, 1 x fraud, 5 x breach of company policy related cases, 2 x HR related, 1 x safety issue and 1 call that does not fit into the formal categories and relates to a legal request issue

For more information on illegal mining, please refer to the 2024 Combined integrated report, www.sibanyestillwater.com/news-investors/report/annual/



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OUR VISION:

To be a leader in superior shared value for all stakeholders