Reducing our environmental footprint – Climate change, decarbonisation and responsible energy consumption

Climate change is a critical challenge for the energy-intensive mining and minerals processing sector, demanding lower GHG emissions, greater climate resilience, and transparent stakeholder engagement.

Highlights

- Board approved construction of 45MW solar plant at Zimplats
- Completed commissioning of 35MW solar plant at Zimplats
- Concluded a renewable electricity supply agreement to provide up to 90% of Impala Refineries' electricity requirements with solar and wind energy from Q2 2026
- 281 539tCO_2e emissions avoided through energy efficiency and market-based renewable electricity initiatives.

Lowlights/challenges

- Financial constraints impacted further renewable electricity projects, increasing the risk of the Group not meeting its interim decarbonisation target to reduce scope 1 and scope 2 emissions by 30% by 2030, relative to 2019 as the baseline year
- Reduced hydroelectricity availability at Zimplats due to a regional drought.

Performance against key indicators

- 281 539tCO_2e emissions avoided through energy efficiency and market-based renewable electricity initiatives.

Focus areas for FY2026 and beyond

- Investigate alternative funding modalities for identified renewable electricity projects at our southern African operations to close opportunity gaps
- Progress energy-efficiency projects at all operations to reduce electricity consumption
- Finalise SBTi validation of decarbonisation pathways.

Our decarbonisation and energy security policy statement affirms our commitment to transitioning towards renewable and low-carbon energy sources, while ensuring clear and consistent communication regarding the potential impacts of climate change on our business.

Since 2022, Implats has published climate reports, aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the Johannesburg Stock Exchange (JSE) Climate Change Disclosure Guidance. These reports provided comprehensive insights into our governance structures, strategic approach to climate-related risks and opportunities, and our decarbonisation roadmap and renewable energy initiatives. This foundational information remains well-articulated and unchanged. With the TCFD framework now integrated into the IFRS reporting standards, our climate change disclosures are included as part of our broader ESG report.

Responding to stakeholder expectations and evolving reporting practices, our current disclosures emphasise performance during the reporting period – specifically regarding GHG emissions and progress towards our interim decarbonisation targets. Previously disclosed details on climate-related/ESG governance and strategy continue to be available in our ASMRGR.

Implats has a publicly stated goal to reduce its GHG emissions at managed operations 30%, off 2019 as a baseline year, by removing approximately 1.7Mt CO_2e emissions by 2030, and to reach carbon neutrality by 2050. This mainly relies on shifting electricity supply at our southern African operations from coal-based electricity to renewables. Other levers to effect decarbonisation include accelerating energy efficiency initiatives, fuel switching to low or no-carbon fuels and using reputable and recognised offsets for those hard-to-abate emissions (less than 10% of target, in line with SBTi methodology) as we approach our neutrality targets.

Although the low PGM pricing environment negatively impacted the availability of funding for renewable electricity projects, the Group has allocated R1 billion towards building Phase 2 (45MW) of Zimplats solar power project. This follows the commissioning of Phase 1 (35MW) of the Zimplats solar project in 2025. The 45MW solar project is scheduled for completion in 2027.

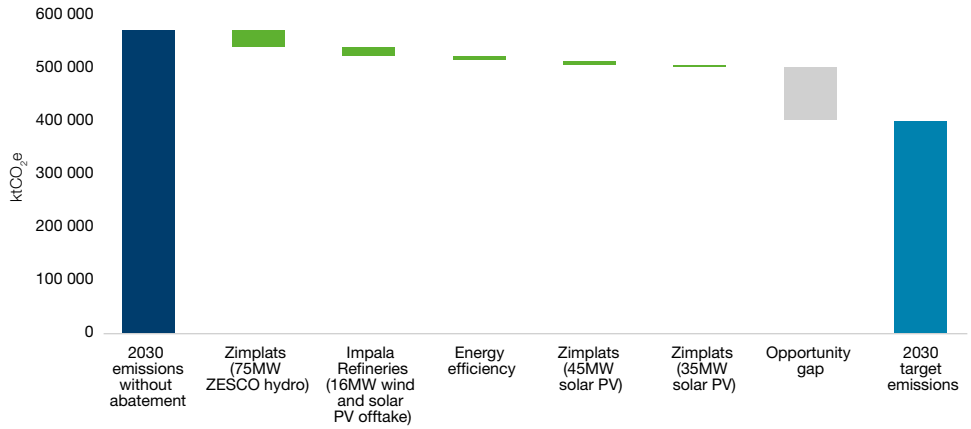
Implats has also concluded a five-year renewable electricity supply agreement (RESA), which will replace up to 90% of Impala Refineries' electricity demand with a combination of solar and wind-generated electricity starting in Q2 2026. Similar to the power purchase agreement at Zimplats, established in 2023 to supply 75MW (with a possibility to increase to 90MW) of hydroelectricity from Zambia, the Impala Refineries RESA does not require upfront capital expenditure.

The approved and executed projects, together with other ongoing initiatives, will lead to an emissions reduction of just under 800ktCO_2e by 2030, short of our targeted reduction. We are investigating alternative funding modalities for other projects that we have identified at our southern African operations to close this opportunity gap: (see **page 69**).

At the Base Metals Refinery (BMR) at Impala Refineries

Reducing our environmental footprint – Climate change, decarbonisation and responsible energy consumption continued

Board-approved and implemented decarbonisation projects and projects to close opportunity gap



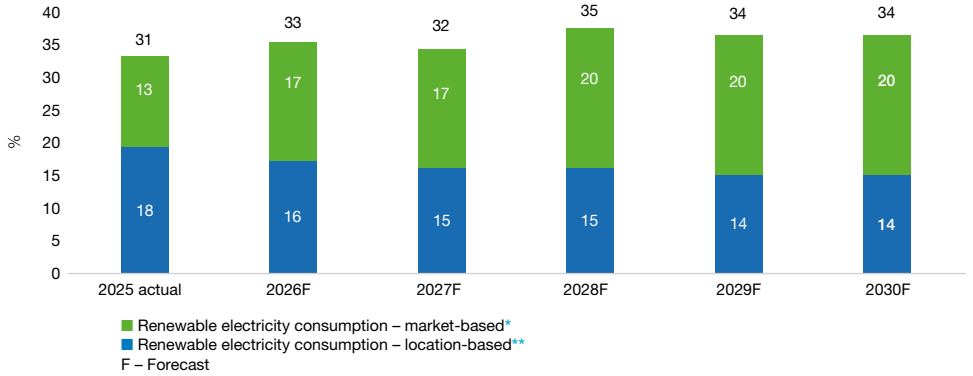
Identified projects to address opportunity gap:

- The Group is progressing studies to source up to 240MW of renewable electricity for our Impala Rustenburg operations and has signed an agreement to assess the feasibility of a 50MW solar photo voltaic plant in the lease area. The Group is also assessing opportunities similar to Impala Refineries' RESA, which do not require any upfront capital for the operation
- Conceptual studies into a further 105MW of solar electricity for Zimplats are ongoing
- A conceptual study is underway for the supply of 98MW solar for Impala Bafokeng
- A bankable feasibility study has been completed for a 30MW solar photo voltaic power plant at Marula.

Asset closures (see **page 66**) and improvements to country grid emission factors will also be monitored for their impacts on our goals. However, the prolonged drought in Zimbabwe, which resulted in reduced consumption of hydroelectricity in the reporting period, remains a risk. Recent good rains in the region are cause for optimism for 2026 and beyond.

Implats' projected renewable and non-carbon-based electricity consumption to 2030 is depicted in the graph to the right and only considers implemented and board-approved and funded renewable electricity projects and initiatives. Our renewable and non-carbon-based electricity decreased from 37% in 2024 to 31% in 2025.

Renewable and non-carbon-based electricity consumption



* *Market-based renewable electricity – renewable electricity sourced from own-built facilities or through RESA/ power purchase agreements with energy traders.*

** *Location-based renewable and non-carbon-based electricity – renewable and non-carbon-based electricity (nuclear) supplied from national utility. We expect location-based renewable and non-carbon-based energy mix to gradually increase as our host countries implement their renewable energy transition policies, but have conservatively assumed the mix to remain 17% for South Africa and 50% for Zimbabwe to 2030.*

Aerial view of the solar photo voltaic plant at Zimplats

Reducing our environmental footprint – Climate change, decarbonisation and responsible energy consumption continued

Climate-related risks and mitigations

The Group will continue to communicate annually on its decarbonisation progress and its management of climate change-related risks through the Carbon Disclosure Project (CDP). The 2024 CDP scores were recently published, allowing benchmarking versus participating peers, with Implats scoring a B for climate. Climate-related risks are continuously monitored for their physical impacts and financial implications on the Group. During the period, we continued to track and manage the following key climate-related risks:

Risk	Description	Classification	Mitigation actions	Financial implications
Extreme weather events	• Risk of overtopping of tailings dams and other water storage areas during extreme rainfall events • Disruptions to mining operations • Damage to owned and community infrastructure.	Physical	• All Group tailings storage facilities, except Impala Canada, working towards achieving conformance with Global Industry Standard on Tailings Management (GISTM) • Independent tailings review board reviews the Group's tailings facilities annually and continues to report no significant areas of concern • Maintain appropriate freeboard on tailings dams through real-time monitoring and the use of specialised weather forecasts and rainfall patterns predicted by climate modelling • We implement projects to help our surrounding communities build resilience against water scarcity, flooding and drought-related food insecurity.	• Costs associated with tailings management. R7 million spend planned for 2026 for water balance simulation model and to optimise abstraction and scavenger wells at tailings • Revenue loss due to operational disruptions (unseasonal heavy rains in the second and third quarter impacted production at Impala Refineries; Western Limb: heavy rainfall and flooding in Q3 led to production disruption, including water ingress, affecting blasting. The rainfall also affected mineral supply chain with delays in receipt of toll material) • Increased operating costs due to increased insurance premiums • Costs associated with climate-resilient community infrastructure and health and wellness programmes (see **page 48**).
Failure to establish resilience against water scarcity at southern African operations	• Climate change can exacerbate water scarcity through prolonged and frequent droughts.	Physical	• Board approved the Group water strategy and water management policy • Capital allocated to site-specific water stewardship initiatives to improve water recycling/re-use and reduce freshwater withdrawals • Mature risk management practices.	• R500 million in planned spend on water stewardship projects to 2030 (see **page 67**) • Costs associated with climate resilient community infrastructure and health and wellness programmes (see **page 48**).
Long-term habitat restoration and rehabilitation	• Uncertainty around the post-closure landscape under future climate scenario.	Physical	• Board approved budgets on rehabilitation of non-operational areas and land management initiative • Implemented concurrent rehabilitation programmes to ensure effective land management • Updated our water stewardship framework to include climate-related risks to post-closure landscapes.	• R101 million in planned spend to 2030 on rehabilitation of non-operational areas and land management initiatives.
Inability to meet Group interim decarbonisation target	• Inability to meet Group interim decarbonisation targets (30% reduction in scope 1 and scope 2 emissions by 2030 off 2019 as the baseline year).	Transition	• Board approved the decarbonisation strategy and management policy • Capital allocated to renewable electricity initiatives • SBTi validation of our decarbonisation pathways planned for 2026 • Mature risk management practices.	• R1 billion in planned spend towards a 45MW solar power plant at Zimplats.
Policy and regulatory changes	• Carbon tax exposure from the use of fossil fuels.	Transition	• Board approved the decarbonisation strategy and management policy • Membership in industry associations shaping policy.	• Impala Rustenburg operations and Impala Refineries will continue to report their annual GHG emissions from thermal power (mainly coal combustion) to the Department of Forestry, Fisheries and the Environment for carbon tax purposes. A carbon tax is also applicable at Impala Canada (related to propane for heating). In the reporting period, the Group paid R29 million in carbon taxes. The Group's exposure to carbon taxes in South Africa to 2030 is R398 million (Impala Refineries R240 million and Impala Rustenburg R158 million) • R15.3 million spent on membership fees to industry bodies in South Africa and Zimbabwe.

Reducing our environmental footprint – Climate change, decarbonisation and responsible energy consumption continued

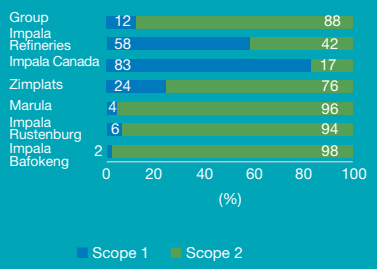
GHG emissions and energy usage

Implats' carbon emissions (combined scope 1 and scope 2 emissions) increased by 2.6% to 4 409 915tCO_2 in FY2025 (2024: 4 298 488tCO_2). Carbon emission and energy-use intensities deteriorated to 0.168tCO_2 per tonne milled (2024: 0.154tCO_2 per tonne milled) and 0.835GJ per tonne milled (2024: 0.783GJ per tonne milled), respectively, on the back of decreased production (6% year-on-year) and increased energy usage (0.3%), mostly associated with the commissioning of Furnace 2 at Zimplats. The Group's total energy usage was 21 960 350GJ (2024: 21 903 733GJ).

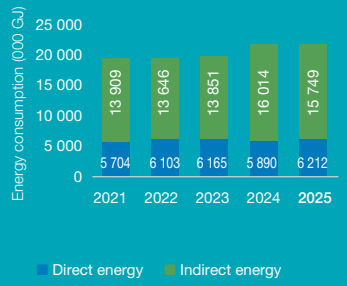
Our total scope 1 emissions for 2025 increased to 514 541tCO_2e (2024: 507 760tCO_2e) as a result of increased coal usage at Zimplats and Impala Refineries. Burning coal accounts for 73% of our scope 1 emissions, followed by diesel, which makes up 21%, with natural gas, propane and industrial burning oil (IBO) comprising the remaining 6%. Scope 2 emissions associated with grid (location-based) electricity were 3 895 373tCO_2e (2024: 3 790 729tCO_2e).

The total reduction (emissions avoided) in scope 1 and scope 2 emissions as a result of implemented initiatives (energy-efficiency initiatives and renewable electricity usage) was 281 539tCO_2e (2024: 356 406tCO_2e), or 6% of total (combined scope 1 and scope 2) emissions (2024: 8%). The reduction in renewable electricity usage was mainly due to reduced volumes of hydropower from ZESCO as result of a regional drought. Our energy efficiency initiatives, primarily focused on compressed air systems and shaft electricity usage at Impala Rustenburg and Marula yielded 32.5GWh in energy savings, saving the Group R72.2 million in energy costs.

Scope 1 and Scope 2 (%)



Energy consumption



GHG (scope 1 and scope 2) contribution

Scope 3 emissions reporting is voluntary under the GHG Protocol, but allows us to assess the impacts of our value chain emissions (upstream and downstream) and identify the most effective ways to influence them. Our scope 3 emissions were recorded as 2 729 602tCO_2e in our 2024 reporting. In line with CDP reporting, this inventory was based on 2023 activities. In 2025, our scope 3 emissions – based on 2024 activities – are estimated at 2 819 213tCO_2e and mark the first full inclusion of activities related to Impala Bafokeng. Our scope 3 category definitions and activity boundaries included in the assessment are given on page 108.

No	Scope 3 category	2025* tCO_2e	% of scope 3	2024** tCO_2e	% of scope 3
	Upstream activities* **				
1	Purchased goods and services	**120 172**	**4.3**	184 736	19.2
2	Capital goods	**–**	**–**	–	–
3	Fuel and energy-related activities (not included in scopes 1 or 2)	**512 485**	**18.2**	523 323	19.2
4	Upstream transportation and distribution	**9 686**	**0.3**	14 070	0.5
5	Waste generated in operations	**5 735**	**0.2**	5 519	0.2
6	Business travel	**238**	**–**	175	–
7	Employee commuting	**22 887**	**0.8**	20 457	0.8
8	Upstream leased assets	**–**	**–**	–	–
	Downstream activities* **				
9	Downstream transportation and distribution	**1 046**	**–**	1 084	–
10	Processing of sold products	**1 839 092****	**65.2**	1 739 928****	63.7
11	Use of sold products	**–**	**–**	–	–
12	End-of-life treatment of sold products	**–**	**–**	–	–
13	Downstream leased assets	**–**	**–**	–	–
14	Franchises	**–**	**–**	–	–
15	Investments	**307 873**	**10.9**	240 310	8.8
	Total	**2 819 213**	**100**	2 729 602	100

* *Based on 2024 activities in line with CDP reporting.*
** *Based on 2023 activities in line with CDP reporting.*
*** *Upstream emissions are indirect GHG emissions related to purchased or acquired goods and services. Downstream emissions are indirect GHG emissions from the first use or processing of sold goods and services.*
**** *Activities related to PGM, base metals and chromite processing.*
– *See* page 108 *for more information.*