

W0. Introduction

W0.1

**(W0.1) Give a general description of and introduction to your organization.**

The core business of Impala Platinum Holdings Limited (Implats) is the mining, refining and marketing of platinum group metals (PGMs). Implats is one of the world's foremost producers of platinum group metals. Implats is currently structured around six main operations with a total of 20 underground shafts, as well as the Impala Refining Services, a toll-refining business. Implats holds mining interests in both the Bushveld Complex in South Africa and the Great Dyke in Zimbabwe, which are considered to be the two most significant PGM-bearing orebodies in the world and the Canadian Shield (Lac des Iles intrusive Complex in Ontario, Canada), an igneous domain for PGMs.

During the 2020 reporting period, Implats produced 1.74 million oz of platinum and 2.80 million oz of PGMs. Implats markets and sells products in South Africa, Japan, China, India, the USA and Europe. The metals produced by Implats are the key to making many industrial, medical, and electronic items, as well as contributing to a cleaner, greener world. The Group employs 50,744 people across its operations in South Africa, Zimbabwe and Canada.

During the 2020 reporting period, the group reported on four mining operations, as well as the refinery, located in South Africa, Zimbabwe and Canada. Implats acquired Impala Canada during the 2020 reporting period. Consequently, this is the first year in which Impala Canada will be reported on. Impala Canada was not included in Implats' previous CDP Water Security submission, as a result changes in volumes of water withdrawn and consumed are largely attributed to the acquisition of Impala Canada. The South African operations include Impala Rustenburg and Marula, as well as the Impala Refining Services. The mining operations based in Zimbabwe include Zimplats, while the mining operations in Canada include Impala Canada. The Impala Refining Services (IRS) is based in Springs in Gauteng, South Africa. The IRS processes the concentrate and matte produced from the various operations, as well as the material purchased from third party companies. Impala Platinum's excess smelting and refining capacity is used to refine on behalf of other companies.

The structure of Implats' operating framework allows for each of its operations to establish and maintain close relationships with our stakeholders, while operating within a Group-wide approach to managing economic, social and environmental aspects of sustainability. The King IV Code on Corporate Governance guides the principles by which the Group's strategy is implemented. Implats has a group-wide water strategy which focuses on water consumption and water management initiatives. It also proposes a framework for operation-specific water conservation strategies, that is in-line with the Group's commitment to reduce its levels of potable water usage and increase water recycling on site. In addition, Impala Platinum works closely with a broad range of stakeholders to ensure security of supply for its operations and the surrounding communities.

Responsible stewardship of natural resources, mitigating the environmental impact of Implats' activities and going beyond compliance of regulatory standards are key Group policies. All of Implats' operations, with the exception of Impala Canada, are certified against ISO 14001:2015 environmental standards. The Implats environmental policy outlines the Group's commitment to effective management of resources, reduced impacts on the environment and host communities, as well as compliance to legal requirements.

Water remains a key environmental concern given the water-scarce operating environments in South Africa and Zimbabwe, which has been exacerbated by recent droughts. Scarcity of water impacts the Group's ability to operate effectively and consistently. Growing regulatory and societal pressures, increasing demands for limited natural resources and the changing of costs of energy and water all highlight the business imperative of responsible environmental management. Impala Platinum has participated in the CDP since 2007

W-MM0.1a

**(W-MM0.1a) Which activities in the metals and mining sector does your organization engage in?**

Activity	Details of activity
Mining	Copper Gold Platinum group metals Nickel Other non-ferrous metal mining
Processing	Copper Gold Platinum group metals Nickel Other non-ferrous materials processing, please specify (Cobalt)

W0.2

**(W0.2) State the start and end date of the year for which you are reporting data.**

	Start date	End date
Reporting year	July 1 2019	June 30 2020

**W0.3**

**(W0.3) Select the countries/areas for which you will be supplying data.**

Canada  
South Africa  
Zimbabwe

*Implats concluded the acquisition of Impala Canada in December 2019*

**W0.4**

**(W0.4) Select the currency used for all financial information disclosed throughout your response.**

ZAR

**W0.5**

**(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.**

Companies, entities or groups over which financial control is exercised

**W0.6**

**(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?**

Yes

**W0.6a**

**(W0.6a) Please report the exclusions.**

Exclusion	Please explain
Two Rivers Operation	Reporting is only undertaken for operations over which Impala Platinum has financial control. Two Rivers is a joint venture between African Rainbow Minerals (54%) and Implats (46%). As a result, Implats does not exercise financial control over the Two Rivers Operation and consequently it is excluded from the reporting boundary.
Mimosa	Although Mimosa is jointly held by Implats (50%) and Sibanye-Stillwater (50%), it no longer falls under the financial control of Implats, thus it is listed as an exclusion from the applicable reporting boundary.

**W1. Current state**

**W1.1**

**(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.**

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Vital	Important	Primary use: -Direct operations: freshwater is crucial for the optimal and successful functioning of all Implats' operations. Freshwater is vital for both domestic and operational purposes within the mining industry. The primary use of freshwater is for the processing of mined ore, aiding in the transport of ore slurries, underground cooling and dust suppression on site. The utilization of a hydrometallurgical process during platinum processing results in the consumption of vast quantities of freshwater. The fresh water made available for Implats' employees and the surrounding communities for health and sanitation purposes must comply with strict quality standards at all times. In this context, Implats considers sufficient amounts of good quality freshwater vital for continued operation, for the integrity of production, as well as for the health and safety of employees. -Indirect operations: several value chain partners supply essential products to Implats. Freshwater is primarily used to manufacture and produce a broad range of materials required for refinery operations within the mining industry, including cement; steel; concrete; catalysts; additives and leaching agents. In addition, freshwater is used in the production of electricity in South Africa. Importance rating for direct and indirect operations: -Freshwater is vital in direct operations during nearly every stage of an operational mine's life. It is also crucial for Implats to manage water usage and disposal responsibly to uphold the social and environmental viability of host communities, which are vitally important for the continued viability of Implats' business. -Freshwater is important for the continuous supply of essential products to Implats, such as electricity, cement and steel. Future water dependency: the need for freshwater for direct and indirect use will not differ in the future as it remains vital for production on site and important for production throughout the supply and value chain.
Sufficient amounts of recycled, brackish and/or produced water available for use	Vital	Important	Primary use: - Direct operations: recycled water is vitally important for a number of mining operations and procedures. The primary use of recycled water relates to the processing of mined ore and to the transport of ore slurries at Implats' operations. - Indirect operations: Although value chain partners and host communities are highly reliant on freshwater, they are not as reliant on brackish, produced or recycled water. Consequently, recycled/or produced water is important, but not vital, for indirect operations. Importance rating for direct and indirect operations: - Recycled water is classified as vital for Implats' operations as platinum mining and refining require vast quantities of water, which is obliged to comply with strict water quality standards. - Additionally, recycled water suppliers play an important role in South Africa due to the country facing water scarcity. Consequently, Implats' operations are expanding and improving recycling procedures and infrastructure to ensure production continues during water shortages. Recycled water is important to Implats to reduce the amount of freshwater used where possible. Future water dependency: for the supply and use of recycled/or produced water is expected to remain vital in direct operations and increase in importance in indirect operations, as Implats operates in water stressed areas and there is an increasing need to source alternative sources of water. Water stress is likely to increase as a result of climate change. Consequently, Implats is actively working on water efficiency methods to lower our water consumption. Simultaneously, Implats intends to increase overall production in the future which will, thus, increase our water use. The trade-off between increased production and increased water efficiency will result in water use remaining approximately unchanged in the future, unless drought resumes or worsens which could decrease supply.

**W1.2**

**(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?**

	% of sites/facilities/operations	Please explain
Water withdrawals – total volumes	100%	Scope: all operations owned by Implats (100%) are required to measure, monitor and report the total volume of water withdrawn. The term "operations" applies to all Implats' mines as well as the Refinery. Water aspects that are monitored include fresh surface water, renewable groundwater, municipal water and municipal wastewater. Reason for monitoring: to ensure that Implats complies with both the group's water-use licences and water management targets set for the FY2020 reporting period. Frequency: Volumes are continuously monitored, with surface and groundwater monitoring at each operation and annual water risk assessments conducted. Implats conducts an annual renewal of our water use licences, rehabilitation strategies and implementation plans, as well as our integrated water and waste management plans. Method for measurement: use of meters in a monitoring network. Measurements for water sources are aggregated on a regular basis to track performance throughout the year.
Water withdrawals – volumes by source	100%	Scope of monitoring: Implats measures and monitors all withdrawals (100%) per abstraction source. The term "operations" applies to all Implats' mines as well as the Refinery. Sources consist of fresh surface water, renewable groundwater, municipal water and municipal wastewater. Reason for monitoring: to ensure compliance with water-use licences. Implats makes use of the measured and monitored withdrawals to track progress on water management and withdrawal targets per operation. Volumes are continuously monitored, with surface and groundwater monitoring at each operation and annual water risk assessments conducted accordingly. Implats conducts an annual renewal of our water use licences, rehabilitation strategies and implementation plans, as well as our integrated water and waste management plans. Method for measurement: include the use of meters in a monitoring network. Measurements for these water sources are aggregated on a regular basis to track performance throughout the year.
Entrained water associated with your metals & mining sector activities - total volumes [only metals and mining sector]	Not relevant	Why entrained water is not relevant: Raw materials mined by Implats' mining operations do not contain water. The term "operations" applies to all Impala Platinum's mines as well as the Refinery. Water that enters Impala Platinum's boundary is fissure water, which is as a result of mining into water bodies. Groundwater monitoring networks are managed at each operation. Expected relevance in the future: entrained water is not expected to be measured and monitored in the future, as Implats' mining operations do not entail the production of water in the raw materials that are mined.
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	<Not Applicable>	<Not Applicable>
Water withdrawals quality	100%	Scope: Implats measures and monitors the water quality of all withdrawals (100% of operations). The term "operations" applies to all Implats' mines as well as the Refinery. Sources consist of fresh surface water, renewable groundwater, municipal water and municipal wastewater. Reason for monitoring: to ensure that the withdrawn water complies with the quality required for operational use. Frequency: volumes are continuously monitored, with surface and groundwater monitoring at each operation and annual water risk assessments conducted accordingly. Implats conducts an annual renewal of our water use licences, rehabilitation strategies and implementation plans, as well as our integrated water and waste management plans. Method for measurement: Implats' operations make use of monitoring methods such as quality standards to measure and monitor the quality of withdrawn water. Measurements for the water sources are aggregated on a regular basis to track performance throughout the year.
Water discharges – total volumes	100%	Scope of monitoring: Implats measures and monitors the total discharge volumes across all operations (100%) that discharge water. Currently, only the Zimplats operation has water discharges and these discharge volumes are measured and monitored. The term "operations" applies to all Implats' mines as well as the Refinery. Monitoring of discharges are required to ensure that each operation's discharged water falls within the required qualitative and quantitative parameters stipulated in its water use licence. Volumes are monitored continuously, with surface and groundwater monitoring at each operation and annual water risk assessments conducted. Implats conducts an annual renewal of our water use licences, rehabilitation strategies and implementation plans, as well as our integrated water and waste management plans. Method: use of meters in a monitoring network. Measurements for these water discharges are aggregated on a regular basis to track performance throughout the year.
Water discharges – volumes by destination	100%	Implats requires all of its operations (100%) that discharge water to measure and monitor the water volume discharged to each discharge destination. Currently, only the Zimplats operation has water discharges. Discharges are made to fresh surface water sources. Reason: ensure that sufficient treatment of the discharged water is maintained and that volumes discharged to each source do not exceed the licensing boundaries and regulations. Volumes are monitored continuously, with surface and groundwater monitoring at each operation and annual water risk assessments conducted. Implats conducts an annual renewal of our water use licences, rehabilitation strategies and implementation plans, as well as our integrated water and waste management plans. Method: include the use of meters in a monitoring network. Measurements for these water discharges are aggregated on a regular basis to track performance throughout the year.

	% of sites/facilities/operations	Please explain
Water discharges – volumes by treatment method	100%	Scope of monitoring: Implats requires all of its operations (100%) that discharge water to measure and monitor the water volume discharged by treatment method. Currently, only the Zimplats operation has water discharges. The term "operations" applies to all Implats' mines as well as the Refinery. Reason for monitoring: to ensure compliance with Implats' water-use licence. As water is used in multiple processes, the quality of the water post-process differs. Volumes are measured continuously, with surface and groundwater monitoring at each operation and annual water risk assessments conducted accordingly. Implats conducts an annual renewal of our water use licences, rehabilitation strategies and implementation plans, as well as our integrated water and waste management plans. Method for measurement: include the use of meters in a monitoring network. Measurements for these water discharges are aggregated on a regular basis to track performance throughout the year.
Water discharge quality – by standard effluent parameters	100%	Implats requires all operations (100%) that discharge water to monitor the water quality – by standard effluent parameters. Currently, only Zimplats has water discharges. The term "operations" applies to all Implats' mines as well as the Refinery. Reason: to ensure compliance with Implats' water-use licence. If water is discharged at one of Implats' closed water loop operations, the effluent parameters of the discharged water is immediately measured to ensure compliance with environmental regulations. Implats conducts an annual renewal of our water use licences. Monitoring occurs as and when required. Method: The water discharge quality is regulated by the Environmental Management (Effluent and solid waste disposal) regulations. Measurements for discharges are aggregated on a regular basis to track performance through the year. Implats' operations also make use of monitoring methods such as quality standards to monitor the effluent parameters of discharged water.
Water discharge quality – temperature	Not relevant	Why water discharge quality- temperature is not relevant: measuring and monitoring discharge temperature is not relevant to Implats' operations as no hot water is discharged at the Zimplats site (the only operation that discharges water). Expected relevance in the future: there is no future plan to measure water discharge temperatures, unless the nature of the water discharge changes. Discharge water quality in terms of temperature will only be relevant to Implats' operations if our entire operating system changes.
Water consumption – total volume	100%	Scope of monitoring: Implats measures and monitors the volume of water consumed at all Implats' operations (100% of operations). The term "operations" applies to all Implats' mines as well as the Refinery. Reason for monitoring: ensure that the operations meet water strategy targets and to determine our operational efficiency per unit tonne of product produced. Frequency of monitoring: volumes are monitored continuously, with surface and groundwater monitoring at each operation and annual water risk assessments conducted accordingly. Implats conducts an annual renewal of our water use licences, rehabilitation strategies and implementation plans, as well as our integrated water and waste management plans. Method/s for measurement includes the use of meters in a monitoring network. Measurements for these water discharges are aggregated on a regular basis to track performance throughout the year.
Water recycled/reused	100%	Scope of monitoring: Implats measures and monitors the total volume of water recycled at each of its operations (100% of operations). The term "operations" applies to all Implats' mines as well as the Refinery. Reason for monitoring: to ensure that operations meet our water strategy targets and to determine operational efficiency per unit tonne of product produced. Frequency of monitoring: volumes are monitored continuously, with surface and groundwater monitoring at each operation and annual water risk assessments conducted accordingly. Implats conducts an annual renewal of our water use licences, rehabilitation strategies and implementation plans, as well as our integrated water and waste management plans. Method/s for measurement: include the use of meters in a monitoring network. Measurements for recycled/reused water are aggregated on a regular basis to track performance throughout the year.
The provision of fully-functioning, safely managed WASH services to all workers	100%	Implats monitors the provision of fully-functioning, safely managed WASH services to all workers at each of its operations (100%). All operations have WASH services that are accessible and usable by all employees. The term "operations" applies to all Implats mines and the Refinery. This is to ensure that employees have access to a healthy and safe water supply source for personal consumption and use, particularly during COVID-19. The licence conditions of all Implats' operations require the provision of fully-functioning, safely managed WASH services to all workers. Health and safety-based processes and policies, such as those related to WASH facilities, are monitored by the HSER committee. Monitoring at this level occurs on a quarterly basis. In addition, the Health and Safety Manager at each operation ensures on a continuous basis that fully functioning WASH services are provided to all workers. Methods include scheduled maintenance and inspections of WASH facilities as measurement.

## W1.2b

**(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, and how do these volumes compare to the previous reporting year?**

	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Total withdrawals	24029	About the same	Change from previous year: The total water withdrawals remained about the same, increasing by 3.8% compared to the previous reporting year. Implats defines "about the same" to be between 0 – 10%. Changes of +/-10% are considered to be higher/ lower. Changes of +/-40% are considered much higher/lower. The increase in the volume of water withdrawn is attributed to the acquisition of Impala Canada. The change in water withdrawn from the previous reporting year is 883MI, while Impala Canada withdrew 920MI during FY2020. The difference in these values is an indication of Implats' commitment to reduce water withdrawals, and increase water efficiencies and recycling initiatives. Future volumes: The water withdrawal volumes are expected to remain about the same in the future due to expectation that the Group's production levels will increase gradually year on year but be offset by an increase in water recycling initiatives. With increasing production, the Group's operations will require a larger volume of water input to our processes, thus increasing the total water withdrawals. The future freshwater withdrawal volumes are, however, expected to be offset by the Group's focus on meeting its water recycling/reuse targets (40% recycle target), which is expected to be increased in the future, thus withdrawal volumes are expected to remain the same.
Total discharges	160	About the same	Impala's Zimplats operation is the only operation that discharges water. In FY2020, the water discharged at the Zimplats' operation remained about the same, decreasing marginally by 7.5% from the previous reporting period. The Zimplats' operation discharges water to a fresh surface water source. Implats defines "about the same" to be between 0 – 10%. Changes of +/-10% are considered to be higher/ lower. Changes of +/-40% are considered much higher/lower. The slight decrease in water discharges at Zimplats could be attributed to increased temperatures and drought conditions experienced in Zimbabwe. The temperature increase results in process water being more rapidly evaporated from tailings dams and other such processes, leading to decreased discharges to fresh water sources. Future discharge volumes are expected to decrease slightly if not remain approximately the same, considering the variance in ambient temperatures leading to increasing of decreasing evaporation patterns and Implats' increasing water recycling initiatives and activities across all operations, including Zimplats.
Total consumption	23869	Much lower	Water consumption decreased significantly during FY2020, as Implats transitioned to reporting total consumption as per the CDP water accounting methodology for calculating total water consumption (Total consumption = Total water withdrawn minus Total water discharged). In previous reporting periods Implats used an in-house methodology for calculating total water consumption. Implats calculated Total water consumption as per the following: Total water withdrawn + Water internally recycled (2020 ESGR pg130). Due to the transition, water consumption across the Implats Group is much lower, decreasing by 40%. That is from 43 123 MI that was reported in 2020 submission. Implats defines "about the same" to be between 0 – 10%. Changes of +/-10% are considered to be higher/ lower. Changes of +/-40% are considered much higher/lower. The decrease in total consumption is linked to the change in water consumption methodologies. (If one was to use the CDP water accounting methodology for submission 2020 the figure would be 22 973 MI. This would mean that the 2021 figure of 23 869 MI about the same (4% increase)) The overall consumption levels (i.e. water withdrawal volumes minus total water discharged volumes) are expected to remain about the same or decrease slightly in the future due to increasing water recycling initiatives and activities being implemented across the Group. The Group's current water recycling target of 40% is also set to be increased in the future.

## W1.2d

**(W1.2d) Indicate whether water is withdrawn from areas with water stress and provide the proportion.**

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Identification tool	Please explain
Row 1	Yes	76-99	Lower	WRI Aqueduct	Four out of five of Implats' operations are situated in water stressed areas, as determined using the WRI Aqueduct Tool. The WRI Aqueduct is a tool developed jointly by WRI members and partners bringing global data on key water-related indicators, allowing companies to understand their risks and plan water management strategies. The WRI Aqueduct Tool provides an interactive online map, with which one can identify the area of interest and select to view its baseline water stress percentage. The WRI Aqueduct Tool defines water-stressed areas as areas having a high baseline water stress of at least 40%-80%. Implats has three operations located in South Africa, one in Zimbabwe and a recently acquired operation in Canada. By using the WRI Aqueduct Tool, Implats identified that South Africa's baseline water stress is high (40%-80%) and the country, therefore, classifies as a water stressed area according to the tool. Consequently, the three South African operations are considered to withdraw water from water-stressed areas. Similarly, with respect to Zimbabwe, the WRI Aqueduct Tool has assisted Implats in identifying the baseline water stress as high (40%-80%) in the Zimplats region. Therefore, the Zimplats operation in Zimbabwe is considered to withdraw water from a water-stressed area. The WRI Aqueduct Tool has assisted Implats in identifying the baseline water stress at its recently acquired operation- Impala Canada. The WRI Aqueduct Tool classifies the baseline water stress as low (<10%) in the Impala Canada region. Therefore, the Impala Canada operation is not considered to withdraw water from a water-stressed area. As identified by the WRI Aqueduct Tool, four out of five of Implats' operations (80%) withdraw water from water stressed areas, as four of Implats' operations are situated in South Africa and Zimbabwe. In FY2020, the prevailing drought conditions in Zimbabwe and higher temperatures in South Africa resulted in water losses from high evaporation, further increasing the water stress in the South African and Zimbabwean regions in which Implats' operates. The WRI Aqueduct Tool is utilised as it provides easy access to and analysis of critical data. Implats' use of the WRI Aqueduct Tool has assisted the group in foreplanning to ensure that water management continues to receive particular focus in South Africa (particularly at our Impala Rustenburg operations, which accounts for 55% of the Group's total water withdrawals). Water withdrawal volumes are consistently monitored to ensure compliance with the water-use licences at each of Implats' operations. The water withdrawn from water stressed areas lowered in FY2020 (FY2019: 100%) from the previous reporting year. This results in a 20% change. The change is only due to the recently acquired Impala Canada operation, the same four facilities from the previous reporting year are still considered to be from water-stressed regions. Implats defines "about the same" to be between 0 – 10%. Changes of +/-10% are considered to be higher/ lower. Changes of +/-40% are considered much higher/lower.

**W1.2h**

**(W1.2h) Provide total water withdrawal data by source.**

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Relevant	8401	Higher	Three out of five of Implats' operations are highly reliant on fresh water sources. Fresh water is relevant as it forms a material component of Implats' total water withdrawn. For example, in FY20 fresh water made up 35% of total water withdrawals for Implats, making this source particularly relevant. Withdrawals from fresh water increased by 17% from FY19 to FY20, indicating a "Higher" value as per Implats' definition. Implats defines "about the same" to be between 0 – 10%. Changes of +/-10% are considered to be higher/ lower. Changes of +/-40% are considered much higher/lower. The increase can be attributed to the acquisition of Impala Canada during the reporting period. Water management continues to receive particular focus at all Implats operations. Withdrawal volumes from fresh surface water are expected to remain relatively the same in the next reporting year, as a result of the existing water efficiency measures across Implats' operations.
Brackish surface water/Seawater	Not relevant	<Not Applicable>	<Not Applicable>	This water parameter is not relevant because no brackish surface water/seawater volumes are withdrawn by any of Implats' operations. This trend is expected to continue in the future.
Groundwater – renewable	Relevant	2433	Higher	Four out of five Implats' operations withdraw from renewable groundwater sources. Withdrawals from groundwater is relevant to Implats' operations as this water is used in our processes. Groundwater makes up a material component of the total water withdrawn of around 10%. This is a significant fraction and deemed relevant to Implats. Withdrawals from groundwater increased by 13% in FY20, this was mainly attributed to the acquisition of Impala Canada during the reporting year. The increase represents a "Higher" value as per Implats' definition. Implats defines "about the same" to be between 0 – 10%. Changes of +/-10% are considered to be higher/ lower. Changes of +/-40% are considered much higher/lower. Withdrawal volumes from groundwater are expected to remain relatively stable in the next reporting year, as drought conditions are expected to ease, which could result in the operations stabilising water withdrawal volumes respectively and relying more on municipal water sources.
Groundwater – non-renewable	Not relevant	<Not Applicable>	<Not Applicable>	This water parameter is not relevant because no non-renewable groundwater volumes are withdrawn by any of Implats' operations. This trend is expected to continue in the future.
Produced/Entrained water	Not relevant	<Not Applicable>	<Not Applicable>	This water parameter is not relevant because none of Implats' operations produce processed water. This trend is expected to continue in the future.
Third party sources	Relevant	13195	About the same	Three out of five of Implats' operations are supplied with third-party water. Water withdrawals from third party sources are relevant to Implats' operations as this water is used throughout our processes. Third party water sources are relevant to the group as they made up around 55% of total water withdrawn in FY20, making third-party water sources extremely important for Implats' operations. Withdrawals from third party sources remained about the same, decreasing slightly by around 4.5% in FY20. The decrease can be attributed to a reduction in the use of potable water at Rustenburg, Refineries and Marula, as well as higher recycling rates during the reporting period. Implats defines "about the same" to be between 0 – 10%. Changes of +/-10% are considered to be higher/ lower. Changes of +/-40% are considered much higher/lower. Withdrawal volumes from third party sources are expected to increase in the near future, as the Group production volumes are expected to gradually increase.

**W1.2i**

**(W1.2i) Provide total water discharge data by destination.**

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water	Relevant	160	About the same	The only facility that discharges water is the Zimplats operations, based in Zimbabwe. In FY20, Zimplats' water discharges remained about the same, decreasing marginally by 7.5%. Implants defines "about the same" to be between 0 – 10%. Changes of +/-10% are considered to be higher/ lower. Changes of +/-40% are considered much higher/lower. Fresh water discharge sources are relevant as 100% of discharges are to fresh water sources at Zimplats. The decrease could be attributed to increased temperatures and drought conditions experienced in Zimbabwe. The temperature increase resulted in an increase in the withdrawal from fresh water sources from the previous year. However, process water was more rapidly evaporated from tailings dams and other such processes, leading to decreased discharges to fresh water sources. It is anticipated that discharge levels to fresh water sources will decrease in the future, as a result of increased recycling activities and opportunities at Zimplats' operation.
Brackish surface water/seawater	Not relevant	<Not Applicable>	<Not Applicable>	None of Implants' operations discharge water to brackish surface water or seawater. Thus, brackish surface water/seawater destinations are not relevant to Implants. This trend is expected to continue in the future.
Groundwater	Not relevant	<Not Applicable>	<Not Applicable>	None of Implants' operations discharge water to groundwater, making groundwater discharges not relevant to the Group. This trend is expected to continue in the future.
Third-party destinations	Not relevant	<Not Applicable>	<Not Applicable>	None of Implants' operations discharge water to third-party destinations, making groundwater discharges not relevant to the Group. This trend is expected to continue in the future.

**W1.2j**

**(W1.2j) Within your direct operations, indicate the highest level(s) to which you treat your discharge.**

	Relevance of treatment level to discharge	Volume (megaliters/year)	Comparison of treated volume with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
Tertiary treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	No tertiary treatment was conducted at any of Implants' sites.
Secondary treatment	Relevant	160	About the same	11-20	Only the Zimplats site has water discharges. Zimplats have various discharge points according to the site's permits. All water is treated (Primary and secondary) before being discharged.
Primary treatment only	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	No primary treatment was conducted at any of Implants' sites.
Discharge to the natural environment without treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	No water was discharged to the natural environment without treatment.
Discharge to a third party without treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	No water was discharged to a third party without treatment.
Other	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	Not Applicable.

**W-MM1.3**

**(W-MM1.3) Do you calculate water intensity information for your metals and mining activities?**

Yes

**W-MM1.3a**

**(W-MM1.3a) For your top 5 products by revenue, provide the following intensity information associated with your metals and mining activities.**

Product	Numerator: Water aspect	Denominator	Comparison with previous reporting year	Please explain
Platinum Group Metals	Total water consumption	Other, please specify (Tonne of ore milled)	About the same	Unit consumption rate of water (water intensity) marginally increased to 2.20 kL/tonne of ore milled, from 2.05 kL/tonne in 2019, the change from the previous reporting period is mostly as a result of evaporative losses associated with drought and elevated temperatures at Implants' southern Africa operations. This represents a 7% increase, which is categorized as 'about the same' in accordance with Implants' definition ("about the same" to be between 0 – 10%, changes of +/-10% as "higher"/ "lower" and changes of +/-40% as "much higher/lower"). Implants uses the water intensity metric internally to understand the relationship between how much Platinum Group Metals operations are milling and how much water the milling requires. Any change in the metric gives an indication of an increase in milling production or decrease in water withdrawals. This information is used to make informed management decisions. The metric forms part of the key sustainability indicators reported in Implants' annual reports. Multiple products are derived from the ore including platinum, palladium, rhodium and gold. Water used for processing of ore cannot be allocated to individual metals. Future anticipated water intensity trends are to remain about the same as a result of water efficiency initiatives across the group. Strategies to reduce Implants' water intensity includes increasing water efficiency operating techniques and associated technologies. This is carried out through implementing operation-specific water conservation strategy frameworks that align with Implants' strategic commitment to reduce our use of potable water and increase water recycling and reuse. This is evident through the groupwide target of 40% reduction of water consumption being bypassed at 44% in FY20. Implants makes use of water and waste management plans as a strategic tool in our water consumption reduction initiatives.

**W1.4**

**(W1.4) Do you engage with your value chain on water-related issues?**

Yes, our customers or other value chain partners

## W1.4c

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### (W1.4c) What is your organization's rationale and strategy for prioritizing engagements with customers or other partners in its value chain?

Implats engages with several partners regarding water-related matters. Partners include customers, employees, investors, local communities, relevant NGOs, regulators, statutory special interest groups and water utilities at a local level. The rationale for prioritizing Implats' partners is informed by a structured internal risk management process. The risk management process identifies the prominent business objectives and material sustainability focus areas to ensure effective strategic developments. The risk process culminates in the identification of a prioritized set of strategic risks. The risks, along with the outcomes of Implats' internal and external stakeholder engagement activities and the Group's assessment of market fundamentals, are used to identify material sustainability-related issues. This is essential to maintain and strengthen Implats' social licence to operate.

Various methods are used to engage with its partners on water-related issues. An example is the allocation of a responsible executive to each Zone 1 stakeholder in order to effectively manage the relationship. Implats categorizes customers as Zone 1 stakeholders (high priority). Zone 1 stakeholders require Implats' critical focus, high-level ongoing care and responsiveness to build on and improve relationships. The information obtained from stakeholders from these champion meetings, particularly with regards to our exposure to water risks, is then used to inform internal decision making. Internal knowledge is used to factor these issues into relevant risk assessments.

How success is measured:

An example is evident following Implats' attendance at monthly meetings with Rustenburg Municipality on water. Implats recognized the need to assist the municipality when there are water issues in the area. Implats has also embarked in negotiating with the municipality regarding a bulk water service level agreement. Implats aims to ensure all stakeholders are left satisfied with the arrangement.

## W2. Business impacts

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### W2.1

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#### (W2.1) Has your organization experienced any detrimental water-related impacts?

Yes

#### W2.1a

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**(W2.1a) Describe the water-related detrimental impacts experienced by your organization, your response, and the total financial impact.**

**Country/Area & River basin**

South Africa	Limpopo
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**Type of impact driver & Primary impact driver**

Physical	Pollution incident
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**Primary impact**

Increased operating costs

**Description of impact**

During FY2020, 16 Level 3 ("limited-impact") environmental incidents were recorded across the group (10 at Impala Rustenburg and six at Marula), representing a 30% reduction on the 23 incidents recorded in 2019. Of the 16 Level 3 incidents, 14 were water-related. The 14 incidents were related to water discharge (effluent and dirty water), none of the incidents in FY20 were related to tailings release (FY2019:1). The decrease in tailings release is an indication of Impala's commitment to improving water efficiencies across operations. None of the reported incidents (Level 3) in FY2020 were classified as substantive (i.e. they did not result in any lasting harm to the environment), however, the incidents did increase operating costs related to rehabilitation and remediation of the incidents. Any unplanned discharges or regulatory breaches are investigated and reported as environmental incidents, while root causes are addressed promptly. Each incident was investigated, and remedial action put in place, which impacts Implats' operating costs. Additionally, where necessary, additional training was provided to operations personnel. Environmental incidents are defined as any unplanned/unwanted event that affects the environment. The principal impact of Implats' operations relates to the pollution of soil, surface water, ground water and air quality. Implats has not recorded any Level 5 ('major') or Level 4 ('significant') environmental incidents at any of its operations since 2013.

**Primary response**

Improve pollution abatement and control measures

**Total financial impact**

**Description of response**

Implats strives for zero Level 3 environmental incidents across all operations. This is reflected in the 30% decrease in incidents from FY2019. Implats responds to water-related incidents by promoting responsible water stewardship, ensuring full compliance with regulatory requirements, and minimising water use and pollution thereof. Implats' response strategy to potential impacts is to follow its well-established risk management process. Implats identifies material environmental, social and governance focus areas through a structured risk management process, internal materiality process and with consideration of the views and interests of stakeholders. The risk management process is based on the principles of the international risk management standard, ISO 31000. Implats' risk management process sets out to achieve an appropriate balance between minimising risks and maximising the potential reward. Both the opportunity and consequences of all uncertainties that could affect Implats' objectives are considered. Effective risk management enables management to deal with uncertainty and associated threats and opportunities. Implats continues to drive environmental improvements through certified environmental management systems (EMS). The EMS are certified against ISO 14001:2015 at all operations (except Impala Canada) which stipulates measures to identify and manage risks. All operations have environmental authorisations with the associated environmental management plans in place.

**Country/Area & River basin**

South Africa	Olifants
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**Type of impact driver & Primary impact driver**

Physical	Pollution incident
----------	--------------------

**Primary impact**

Increased operating costs

**Description of impact**

During FY2020, 16 Level 3 ("limited-impact") environmental incidents were recorded across the group (10 at Impala Rustenburg and six at Marula), representing a 30% reduction on the 23 incidents recorded in 2019. Of the 16 Level 3 incidents, 14 were water-related. The 14 incidents were related to water discharge (effluent and dirty water). All of the water-related incidents at Marula were related to the release of effluent and dirty water. None of the reported incidents (Level 3) in FY2020 were classified as substantive (i.e. they did not result in any lasting harm to the environment), however, the incidents did increase operating costs related to rehabilitation and remediation of the incidents. Any unplanned discharges or regulatory breaches are investigated and reported as environmental incidents, while root causes are addressed promptly. Each incident was investigated, and remedial action put in place, which impacts Implats' operating costs. Additionally, where necessary, additional training was provided to operations personnel. Environmental incidents are defined as any unplanned/unwanted event that affects the environment. The principal impact of Implats' operations relates to the pollution of soil, surface water, ground water and air quality. Implats has not recorded any Level 5 ('major') or Level 4 ('significant') environmental incidents at any of its operations since 2013.

**Primary response**

Improve pollution abatement and control measures

**Total financial impact**

**Description of response**

Implats strives for zero Level 3 environmental incidents across all operations. This is reflected in the 30% decrease in incidents from FY2019. Implats responds to water-related incidents by promoting responsible water stewardship, ensuring full compliance with regulatory requirements, and minimising water use and pollution thereof. Implats' response strategy to potential impacts is to follow its well-established risk management process. Implats identifies material environmental, social and governance focus areas through a structured risk management process, internal materiality process and with consideration of the views and interests of stakeholders. The risk management process is based on the principles of the international risk management standard, ISO 31000. Implats' risk management process sets out to achieve an appropriate balance between minimising risks and maximising the potential reward. Both the opportunity and consequences of all uncertainties that could affect Implats' objectives are considered. Effective risk management enables management to deal with uncertainty and associated threats and opportunities. Implats continues to drive environmental improvements through certified environmental management systems (EMS). The EMS are certified against ISO 14001:2015 at all operations (except Impala Canada) which stipulates measures to identify and manage risks. All operations have environmental authorisations with the associated environmental management plans in place.



W2.2

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(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

No

W3. Procedures

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W-MM3.2

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(W-MM3.2) By river basin, what number of active and inactive tailings dams are within your control?

Country/Area & River basin

South Africa	Olifants
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Number of tailings dams in operation

1

Number of inactive tailings dams

0

Comment

The Marula operation currently has 1 active Tailing Storage Facility (TSF). (Tailings Dam 1 - TD1)

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Country/Area & River basin

South Africa	Limpopo
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Number of tailings dams in operation

1

Number of inactive tailings dams

1

Comment

Impala Rustenburg currently has 2 Tailings Storage Facilities. Tailings Dam 3,4 combined complex- Active. Tailings Dam 1,2 combined complex- Reprocessing .

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Country/Area & River basin

Zimbabwe	Zambezi
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Number of tailings dams in operation

2

Number of inactive tailings dams

0

Comment

Zimplats currently has 2 active Tailings Storage Facilities - Sellous Metallurgical Complex (SMC)

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Country/Area & River basin

Canada	St. Lawrence
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Number of tailings dams in operation

1

Number of inactive tailings dams

1

Comment

Impala Canada currently has 1 active TSFs - Impala Canada Lac des Iles and 1 decommissioned facility.

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W-MM3.2a

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**(W-MM3.2a) Do you evaluate and classify the tailings dams under your control according to the consequences of their failure to human health and ecosystems?**

**Row 1**

**Evaluation of the consequences of tailings dam failure**

Yes, we evaluate the consequences of tailings dam failure

**Evaluation/Classification guideline(s)**

South Africa (SANS) 10286

**Tailings dams have been classified as 'hazardous' or 'highly hazardous'**

Yes, tailings dams have been classified as 'hazardous' or 'highly hazardous' (or equivalent)

**Please explain**

The rationale for the selection of SANS 10286 is that it defines standards for the efficient management of tailings and associated risks. It contains fundamental objectives, principles and minimum requirements aimed at ensuring that unavoidable risks are managed. This ensures Implats' manages TSFs within their control as efficiently as possible. Implats' Code of Practice requires a professional engineer to oversee risk monitoring and audit tailings dams annually. Activities are monitored as follows: Daily inspections by the tailings dam operator. Weekly combined inspections by the Mine and tailings dam operator. Monthly combined inspections by the Mine, consultant, tailings dam operator and private consultant. Annual aerial inspections. A dam is classified as medium/high hazardous as per the SANS 10286 and is based on how many people and the value of the property that falls within the zone of influence of that facility. A dam is classified as medium/high hazard if it has the potential to affect 11-100 or more people and property to the value of R2m- R20m or more. TSFs classified high/medium hazardous are subject to Zone of Influence assessments at design phase to identify the potential risks associated with the TSF. All Implats' operations submit a mine closure and decommissioning report, annual rehabilitation plans (which identify potential areas for current and future rehabilitation) and a post-mining impact assessment to the Department of Mineral Resources and Energy.

**W-MM3.2b**

**(W-MM3.2b) Provide details for all dams classified as 'hazardous' or 'highly hazardous'.**

**Tailings dam name/identifier**

Tailings Dam 3 & 4 (Combined)

**Country/Area & River basin**

South Africa	Limpopo
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**Latitude**

-25.31906

**Longitude**

27.141653

**Hazard classification**

High hazard

**Guideline(s) used**

South Africa SANS 10286

**Tailings dam's activity**

Active

**Current tailings storage impoundment volume (Mm3)**

328

**Planned tailings storage impoundment volume in 5 years (Mm3)**

361

**Please explain**

Dam 3 and 4 refer to a combined TSF at Implats' Impala Rustenburg facility in South Africa. Tailings dam 3 and 4 (combined) are 100% owned and controlled by Impala Platinum Limited. Construction of dam 3 began in 1978, while construction of dam 4 commenced in 1981. An upstream raising method was utilised for the construction of the dam. The dam is operated as per the approved design criteria. A formal analysis of downstream impact on communities, ecosystems and critical infrastructure in the event of a catastrophic failure has been undertaken to reflect final conditions. The formal analysis employed was a Zone of Influence for worst case scenario. The Zone of Influence was assessed at design phase and reviewed during 2016. A Breach study has been incorporated in the End-of-Life study that was completed in FY2020. Current Height 85.5 m. Current Maximum design height 144.6 m.

**Tailings dam name/identifier**

Tailings Dam 1 & 2 (combined)

**Country/Area & River basin**

South Africa	Limpopo
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**Latitude**

-25.311232

**Longitude**

27.115673

**Hazard classification**

Medium hazard

**Guideline(s) used**

South Africa SANS 10286

**Tailings dam's activity**

Inactive

**Current tailings storage impoundment volume (Mm3)**

29

**Planned tailings storage impoundment volume in 5 years (Mm3)**

29

**Please explain**

Dam 1 and 2 refer to a combined TSF at Implats' Impala Rustenburg facility in South Africa. Tailings dam 1 and 2 (combined) are 100% owned and controlled by Impala Platinum Limited. This TSF is currently inactive but during the 2020 reporting year, Impala Rustenburg launched a project to remine tailings in its dormant facility. The dam is operated as per current reprocessing operations plan and monitoring requirements. No raising is currently occurring, but the original construction was by upstream method. A formal analysis of downstream impact on communities, ecosystems, and critical infrastructure in the event of a catastrophic failure has been undertaken to reflect final conditions. The formal analysis employed was a Zone of Influence for worst case scenario. The Zone of Influence was assessed at design phase and reviewed during 2016. A Breach study has been incorporated in the End-of-life study that was completed in FY2020. Current Height 26m, Current Maximum design height 26m.

**Tailings dam name/identifier**

TD 1

**Country/Area & River basin**

South Africa	Olifants
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**Latitude**

-24.303994

**Longitude**

30.63005

**Hazard classification**

High hazard

**Guideline(s) used**

South Africa SANS 10286

**Tailings dam's activity**

Active

**Current tailings storage impoundment volume (Mm3)**

13.7

**Planned tailings storage impoundment volume in 5 years (Mm3)**

14.2

**Please explain**

TD 1 is the tailings facility dam at Implats' Marula facility in South Africa. TD 1 is 73% owned and controlled by Impala Platinum Limited. The dam is operated as per the approved design criteria. An upstream raising method was utilised for the construction of the dam. A formal analysis of downstream impact on communities, ecosystems and critical infrastructure in the event of a catastrophic failure has been undertaken to reflect final conditions. The formal analysis employed was a Zone of Influence for worst case scenario. The latest update to the zone of influence assessment in accordance with SANS 10286 was undertaken in 2018 for the final height of the facility at closure. The current facility is nearing the end of life. Current Height 40.1m, Current Maximum design height 42m.

**Tailings dam name/identifier**

Selous Metallurgical Complex (SMC) Tailings Storage Facility

**Country/Area & River basin**

Zimbabwe	Zambezi
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**Latitude**

-18.036

**Longitude**

30.434

**Hazard classification**

Medium hazard

**Guideline(s) used**

South Africa SANS 10286

**Tailings dam's activity**

Active

**Current tailings storage impoundment volume (Mm3)**

24.4

**Planned tailings storage impoundment volume in 5 years (Mm3)**

37.5

**Please explain**

SMC is the tailings facility dam at Implats' Zimplats facility in Zimbabwe. SMC is 87% owned and controlled by Impala Platinum Limited. The dam is operated as per the approved design criteria. An upstream raising method was utilised for the construction of the dam. A formal analysis of downstream impact on communities, ecosystems and critical infrastructure in the event of a catastrophic failure has been undertaken to reflect final conditions. The formal analysis employed was a Zone of Influence for worst case scenario. The Breach study inundation was scheduled for FY2020. Current Height 35m, Current Maximum design height 43m.

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**Tailings dam name/identifier**

Impala Canada – South Tailings Management Facility (STMF)

**Country/Area & River basin**

Canada	St. Lawrence
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**Latitude**

49.090768

**Longitude**

-89.390106

**Hazard classification**

High hazard

**Guideline(s) used**

Other, please specify (Technical Bulletin – Classification and Inflow Design Flood Criteria" of the Lakes and River Improvement Act (LRIA) (Ontario Ministry of Natural Resources, 2011a)))

**Tailings dam's activity**

Active

**Current tailings storage impoundment volume (Mm3)**

14

**Planned tailings storage impoundment volume in 5 years (Mm3)**

20

**Please explain**

Impala Canada- South Tailings Management Facility (STMF) is the active TSF at Implats' Impala Canada facility in Canada. Impala Canada- STMF is 100% owned and controlled by Impala Platinum Limited. Construction of Impala Canada- STMF began in 2010. A hybrid upstream and downstream raising method was utilised for the construction of the dam. The dam is operated as per the approved design criteria. The risk rating for the STMF is "High" for incremental environmental losses. A formal analysis of downstream impact on communities, ecosystems and critical infrastructure in the event of a catastrophic failure has been undertaken to reflect final conditions. Current Height: 22.5 m. Current Maximum design height: 26 m.

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**Tailings dam name/identifier**

Impala Canada- West Tailings Management Facility (WTMF)

**Country/Area & River basin**

Canada	St. Lawrence
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**Latitude**

49.092139

**Longitude**

-89.380092

**Hazard classification**

Medium hazard

**Guideline(s) used**

Other, please specify ((Technical Bulletin – Classification and Inflow Design Flood Criteria" of the Lakes and River Improvement Act (LRIA) (Ontario Ministry of Natural Resources, 2011a)))

**Tailings dam's activity**

Inactive

**Current tailings storage impoundment volume (Mm3)**

20

**Planned tailings storage impoundment volume in 5 years (Mm3)**

20

**Please explain**

Impala Canada- West Tailings Management Facility (WTMF) is the inactive TSF at Implats' Impala Canada facility in Canada. Impala Canada- WTMF is 100% owned and controlled by Impala Platinum Limited. Construction of Impala Canada- WTMF began in 2001. A downstream raising method was utilised for the construction of the dam. The dam is operated as per the approved design criteria. The risk rating for the WTMF is "Medium" for incremental environmental losses. A formal analysis of downstream impact on communities, ecosystems and critical infrastructure in the event of a catastrophic failure has been undertaken to reflect final conditions. Current Height 30 m. Current Maximum design height 30 m.

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W-MM3.2c

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**(W-MM3.2c) To manage the potential impacts to human health or water ecosystems associated with the tailings dams in your control, what procedures are in place for all of your dams?**

Procedure	Detail of the procedure	Please explain
Operating plan	<p>An operating plan that is aligned with your established acceptable risk levels and critical controls framework</p> <p>An operating plan that includes the operating constraints of the dam and its construction method</p> <p>An operating plan that considers the consequences of breaching the operating constraints of the dam</p> <p>An operating plan that includes periodic review of the foundations and slope materials</p>	<p>Implats has taken decisive steps to review the design, management and monitoring of all our active Tailings Storage Facilities (TSFs), and to enhance our practices. Our managed TSFs are subject to the highest global safety and stewardship standards and our audit findings attest to their integrity and the high level of compliance to standard operating procedures. The TSF procedures apply to all Implats' operations, in South Africa, Zimbabwe and Canada. As part of its operating plan, Implats remains committed to striving for zero Level 3 incidents. The operating plan for each facility includes procedures for monitoring aquatic and terrestrial biodiversity, as well as surface and ground water sources. This includes procedures for site rehabilitation and land and waste management. The operating plans are reviewed by the operations and updated every 3 to 5 years and as necessary when there are changes. Implats' operating procedures at the TSFs cater for regular inspections (daily, weekly and monthly) of pipelines, deposition areas and dams, as well as the recording of readings that indicate the retained water level in the dam walls. All of Implats' dams are operated within the required safety stability factor. In addition, all TSFs are operated and monitored using standardised operating procedures. The greatest integrity risk is an abnormal accumulation of water that could cause the dam to overflow, eroding one of the walls and resulting in an uncontrolled release of the saturated tailings. To mitigate this risk, Implats' dams are designed with reinforcements to cater for excessive downpours and draining requirements. This forms part of each mine's operating plan. This year Implats conducted a peer review process of all tailings facilities and commissioned a tailings management expert to conduct an independent assessment against the International Council on Mining and Metals (ICMM) governance framework for preventing catastrophic failure, the Minerals Residue Facility and Water Management Standard (Anglo American) and the Mine Residue Deposits Standard (Canadian Standard). The integrity of the Group's active TSFs was confirmed via the independent assessment, which found that we adhered to best practice standards. Each operation has actioned respective recommendations to ensure improvements in tailings management and has tracked implementation and compliance</p>
Other management procedure	<p>Other, please specify (• Establishment of site-level guidance and standards for acceptable risk levels across all life stages, including post-closure • A life of facility plan that considers post-closure land and water use)</p>	<p>Implats' environmental licences require that each mining operation must have a mine closure plan as part of its environmental management strategy. Planning for mine closure can start before mining commences and, at Implats' operations, continues throughout the life of the mines, until final closure. This approach enables better environmental outcomes aims to avoid the need for costly remedial earthworks late in the operation lifecycle. All Implats' mine closure plans have identified safe and sustainable locations and storage procedures related to the respective operation's tailings storage facility. Impala Rustenburg has an updated Water Balance for the Tailings at Closure as well as Closure Liability costing completed on an annual basis. Rehabilitation and remediation plans are included in the Closure liability reports. The closure liability plans are reviewed annually. Applicable financial provisions are updated accordingly.</p>

**W3.3**

**(W3.3) Does your organization undertake a water-related risk assessment?**

Yes, water-related risks are assessed

**W3.3a**

**(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.**

## Direct operations

### Coverage

Full

### Risk assessment procedure

Water risks are assessed as part of other company-wide risk assessment system

### Frequency of assessment

More than once a year

### How far into the future are risks considered?

More than 6 years

### Type of tools and methods used

Enterprise Risk Management

Other

### Tools and methods used

ISO 31000 Risk Management Standard

Other, please specify (Other: Internal Company Methods)

### Comment

Implats' enterprise risk management (ERM) process is aligned with ISO 31000, the international risk management standard. Implats risk management process sets out to achieve an appropriate balance between minimizing the risks associated with any business activity and maximizing potential reward. Risks are governed under the supervision of the health, safety, environment and risk committee (HSER), through an enterprise risk management process. Surface and groundwater monitoring programmes are in place. Additionally, risks are reviewed monthly by Exco and quarterly by the board, using internal company methods. Implats reviews water risk assessments annually. Each one of Implats' operations (excluding Impala Canada) are certified against an ISO 14001:2015-aligned Environmental Management System that ensures all identified risks have the necessary control measures and mitigation strategies in place. Impala Canada will be undertaking a gap analysis during the next year to determine additional requirements needed to comply with the ISO14001:2015 standard. All operations have environmental authorizations with the associated environmental management plans in place.

## Supply chain

### Coverage

Partial

### Risk assessment procedure

Water risks are assessed as part of other company-wide risk assessment system

### Frequency of assessment

More than once a year

### How far into the future are risks considered?

More than 6 years

### Type of tools and methods used

Enterprise Risk Management

Other

### Tools and methods used

ISO 31000 Risk Management Standard

Other, please specify (Other: Internal Company methods)

### Comment

Implats' enterprise risk management (ERM) process is aligned with ISO 31000, the international risk management standard. Implats risk management process sets out to achieve an appropriate balance between minimizing the risks associated with any business activity and maximizing potential reward. Risks are governed under the supervision of the health, safety, environment and risk committee (HSER), through an enterprise risk management process. Surface and groundwater monitoring programmes are in place. Additionally, risks are reviewed monthly by Exco and quarterly by the board, using internal company methods. Implats reviews water risk assessments annually. Each one of Implats' operations (excluding Impala Canada) are certified against an ISO 14001:2015-aligned Environmental Management System that ensures all identified risks have the necessary control measures and mitigation strategies in place. Impala Canada will be undertaking a gap analysis during the next year to determine additional requirements needed to comply with the ISO14001:2015 standard. All operations have environmental authorizations with the associated environmental management plans in place.

## Other stages of the value chain

### Coverage

None

### Risk assessment procedure

<Not Applicable>

### Frequency of assessment

<Not Applicable>

### How far into the future are risks considered?

<Not Applicable>

### Type of tools and methods used

<Not Applicable>

### Tools and methods used

<Not Applicable>

### Comment

Not applicable

(W3.3b) Which of the following contextual issues are considered in your organization’s water-related risk assessments?

	Relevance & inclusion	Please explain
Water availability at a basin/catchment level	Relevant, always included	All of Implats’ operations are required to report on any risks related to water availability, from all sources. Water availability at a basin/catchment level is relevant to Implats as all operations are heavily reliant on water to maintain production. Water is a vital component of Implats’ operational processes and without a stable supply of water, operations can be severely disrupted or cease completely. This is particularly important as most of Implats’ operations are in water stressed areas. In addition to maintaining operations, water is a necessity for personal hygiene on site. The COVID-19 pandemic has highlighted how important personal hygiene is to maintaining human health and curbing the spread of infectious disease. Tools used: Implats identifies its strategic business objectives and material sustainability focus areas, including water-related risks, through its structured internal risk management process and with consideration to the views and interests of its stakeholders. The Implats’ risk management process is based on the principles of ISO 31000 (2018), the international risk management standard. Implats’ makes use of two main tools to ensure water-related risks are included in the groups’ risk assessment. The ISO 31000 acts as a group-level tool to identify water availability risks at sources, and Implats’ operations (excluding Impala Canada) make use of the operational-level ISO 14001-aligned environmental management systems as an additional tool in managing water-related risks across the Group. Risk is governed through an enterprise risk management approach under the supervision of the health, safety, environment and risk committee (HSER). Risks are reviewed monthly by the executive committee (Exco) and quarterly by the board, using internal company methods. Internal company knowledge is used alongside international standards, as a tool to assess water-related risks, particularly when incorporating Implats’ sustainability objectives. This forms part of the key performance indicators against which management and executives are remunerated. Company knowledge is also used to incorporate the results of water monitoring programmes into Implats’ annual water risk reviews. The monitored data is populated in water balance software at local operations. This assists the facilities to manage their water supplies and anticipate future issues, ensuring that water availability issues are considered in the inputs to the company risk register.
Water quality at a basin/catchment level	Relevant, always included	Explanation of why water quality is relevant: Water use licences (WUL), in terms of the National Water Act, require water quality to be monitored across Implats’ operations. Water quality is relevant to Implats as all operations are heavily reliant on water to maintain production, operate efficiently and run safely. Poor quality water entering Implats’ systems can cause associated damage that is considered a liability to Implats’ business. Water is a vital component of Implats’ operational processes without which, Implats’ operations can be severely disrupted or cease completely. Tools used in the risk assessment: Implats identifies its strategic business objectives and material sustainability focus areas, including water-related risks, through its structured internal risk management process and with consideration to the views and interests of its stakeholders. The Implats’ risk management process is based on the principles of ISO 31000 (2018), the international risk management standard. ISO 31000 defines risk as the “effect of uncertainty on objectives”. Implats’ makes use of two main tools to ensure water-related risks are included in the groups’ risk assessment. The ISO 31000 acts as a group-level tool to identify water availability risks at all sources, and all Implats’ operations (excluding Impala Canada) make use of the operational-level ISO 14001-aligned environmental management systems as an additional tool in managing water-related risks across the Group. Explanation of the risk assessment: Risk is governed through an enterprise risk management approach under the supervision of the health, safety, environment and risk committee (HSER). Risks are reviewed monthly by the executive committee (Exco) and quarterly by the board, using internal company methods. Internal company knowledge is used alongside international standards, as a tool to assess water-related risks, particularly when incorporating Implats’ sustainability objectives. This forms part of the key performance indicators against which management and executives are remunerated. Company knowledge is also used to incorporate the results of water monitoring programmes into Implats’ annual water risk reviews. The monitored data is populated in water balance software at local operations. This assists the facilities to manage their water supplies and anticipate future issues, ensuring that water quality issues are considered in the inputs to the company risk register.
Stakeholder conflicts concerning water resources at a basin/catchment level	Relevant, always included	Implats recognises the need to remain committed to effective stakeholder engagement, aimed at building and sustaining value-enhancing relations with all key stakeholders, such to maintain and strengthen Implats’ social licence to operate. The greater aim of these engagements is to create shared value. Stakeholders are defined as those people or groups who are interested and affected by Implats’ business, as well as those who have a material influence on Implats’ ability to create value. Host communities remain vital stakeholders for Implats’ social licence to operate, and in water stressed areas it becomes crucially important for host communities to be considered in terms of water-related risk assessments, as Implats shares water resources with these host communities. Implats utilises the ISO 31000-aligned risk management standard as the group-level tool to identify water risks related to stakeholder conflicts. At an operational-level, Implats makes use of both internal company knowledge and the ISO14001 standard at operations (excluding Impala Canada) as tools in identifying local stakeholder conflicts that may occur in the future. Explanation of the risk assessment: Company knowledge is also used to incorporate the results of water monitoring programmes into Implats’ annual water risk reviews. The monitored data is recorded within the water balance software at local operations. This assists the facilities to manage their water supplies ensuring that water quality issues are noted and recorded in the company risk register. Implats embarks on quarterly stakeholder engagement meetings, where operational executives and Group champions meet relevant communities to discuss and identify material issues (including those related to water-risks). Inclusive stakeholder engagement underpins Implats’ approach to respecting human rights and to responding to legitimate stakeholder aspirations and concerns. In 2019, Implats assessed stakeholder engagement practices and identified strengths and areas for improvement. This informed the development of an overarching stakeholder-centric system in 2020 to assist operations with monitoring and managing their stakeholder engagement activities. The uniform, integrated approach has facilitated a more effective multi-stakeholder engagement and outcome-driven process, and has been critical in underpinning collective efforts to fight the Covid-19 pandemic in our mining communities.
Implications of water on your key commodities/raw materials	Relevant, always included	Explanation of why this issue is relevant: Implats uses key commodities/raw materials including electricity, anthracite, diesel/gas oil and distillate fuel oil in their operations. These commodities can be affected by water-risks, which could ultimately impact on Implats’ production capacity. As a result, Implats recognises the implications associated with water-risks on their upstream commodities as relevant to their risk assessment. Tools used in the risk assessment: The implications of water on key commodities/raw materials are assessed as part of Implats’ enterprise risk management approach which is ISO 31000-aligned. At group-level, Implats utilises the ISO 31000 risk management standard as a tool to identify water risks related to commodities. Internal company knowledge is also used to assess the implications of water issues on key commodities/ raw materials, as company knowledge assists in identifying risks related to different regions and operations. Explanation of the risk assessment: The assessment of water risks associated with key commodities is conducted if there are indications that water supply/quantity might be an issue. Water risks also consider water scarce areas and areas that have been previously exposed to water impacts. Both flooding and drought issues experienced by upstream suppliers could impact the supply of the relevant commodities to Implats’ operations, which would in turn impact Implats’ ability to operate. Implats remains committed to reducing the withdrawal and consumption of potable water and increasing recycled water usage across all their operations. The Group’s current recycled water target is 40%. The target is under review, and we have commissioned several studies to determine where in our operations we can employ novel technologies to save water. Impala has already implemented various projects to reduce potable water consumption, optimize industrial use and increase water recycling. Continued interventions to grow and localise the supply chain have proved successful in not only de-risking the supply of critical commodities, but also in supporting local economies during periods of intense economic disruption.
Water-related regulatory frameworks	Relevant, always included	Explanation of why regulatory frameworks are relevant: Management of the environmental impact of Implats’ operations and processes involve ensuring full compliance with regulatory requirements and promoting responsible water stewardship by minimising water use and water pollution. Implats seeks to minimise adverse effects of mining activities on surrounding surface and groundwater by adhering to water-related regulatory frameworks. Poor-quality water can be harmful to the environment and human health, can affect mining and processing equipment, and presents closure liabilities. As such, the volume and quality of water allowed to be discharged by our operations is regulated as per regulatory frameworks. Any unplanned discharges or regulatory breaches are investigated and reported as environmental incidents, while root causes are addressed promptly. Tools used: Regulatory changes are managed at group-level through the ISO 31000 risk management standard. The ISO 31000 standard is used as a tool to identify water-related risks. At operational level, the ISO 14001 standard is applied to ensure risk aversion. At our South Africa and Zimbabwe operations, we use the IsoMetrix software to track legal compliance to licence conditions and to monitor progress on remedial actions to increase levels of compliance. This software, in conjunction with internal company knowledge and the ISO standards in place, form the basis of regulatory risk aversion. At Impala Canada, a duty to consult with local indigenous communities is a required and important component of environmental compliance efforts. Implats also engages regularly with the respective regulatory authorities. Explanation of the risk assessment: Risk is governed through an enterprise risk management approach under supervision of the health, safety, environment and risk committee (HSER). Risks are reviewed monthly by Exco and quarterly by the board, using internal company methods. Surface and groundwater monitoring programmes are in place. Implats reviews water risk assessments annually. Water quality issues form part of the input to the company risk register. Internal company knowledge is used to identify operation specific water-related regulatory risks. In addition, integrated water and waste management plans, rehabilitation strategy and implementation plans are reviewed and submitted to the South African Department of Water and Sanitation annually. Any licence breaches are reported as environmental incidents.
Status of ecosystems and habitats	Relevant, always included	Explanation of why the status of ecosystems and habitats is relevant: Given the potential of mining activities to impact habitats and ecosystems through land disturbances and pollution incidents (as is with Implats’ operations), biodiversity monitoring and the management of ecosystems and habitats are key components of Implats’ risk assessment process and are linked to responsible water use and management. All Implats’ operations are required to comply with environmental regulations. Implats’ environmental policy, thus, aims to minimise the company’s impact on natural resources, including water. A principal focus of Implats’ land stewardship is effective rehabilitation, while ensuring the protection of water and biodiversity through responsible management of mineral waste and hazardous substances. Water is key to land rehabilitation as it represents an important regulatory, financial and reputational risk for the Group (linked to mine closure liabilities). In addition to water issues, climate change also has a crucial impact on the status of ecosystems and habitats in the regions within which Implats’ operates. Thus, Implats also has emission reduction targets in place to reduce their carbon emissions and their impact on the status of ecosystems and habitats. Tools used in the risk assessment: Implats uses the ISO 31000 risk management standard as a group-level tool to manage the ecosystem and habitat water-related risks faced. At operational level, internal knowledge is combined with the ISO14001 environmental risk management standard, as tools to ensure ecosystem and habitat-friendly operations. Explanation of the risk assessment: Risk is governed through an enterprise risk management approach under supervision of the health, safety, environment and risk committee (HSER). Risks are reviewed monthly by Exco and quarterly by the board, using internal company methods. Implats reviews water risk assessments annually. Water related issues pertaining to the status of ecosystems and habitats form part of the input to the company risk register.

	Relevance & inclusion	Please explain
Access to fully-functioning, safely managed WASH services for all employees	Relevant, always included	Explanation of why access to WASH services is relevant: Access to clean water and sanitation are basic necessities and are imperative in curbing the spread of Covid-19. Accessing adequate water supply is a challenge in many of the communities around our South African and Zimbabwean operations. Hence, the importance of Implats ensuring access to fully-functioning, safely managed WASH services for all employees on site. Water is also considered as a vector for the potential spread of pollution and vector-borne disease at Implats' operations, making water a critical compliance issue, as well as being a risk to the environment and human health if not responsibly managed. Employee health is vital to Implats' operations, consequently all Implats' operations ensure that the entire workforce has access to clean potable and wash water for sanitation services. As the current COVID-19 pandemic has highlighted, personal hygiene is critically important to maintaining human health and curbing the spread of infectious disease. Tools used in the risk assessment: Potable water supply standards are closely monitored. Consequently, Implats complies to suitable potable water levels by using internal company knowledge alongside the ISO14001-aligned risk management system standard, as a risk-assessment tool at each operation. These tools are also used to ensure access to fully functioning, safely managed WASH services for all employees. Explanation of the risk assessment: As part of the risk-assessment procedure, Implats has a Group-specific occupational health strategy that ensures all occupational health risks are identified, mitigation controls are in place and that any ill health is detected and treated early and efficiently. The Group's health strategy has underpinned its leading response to managing Covid-19 across operations. The occupational health centre identifies health threats. In 2015, Implats' Refining Services won the Responsible Care award based on improved health, safety and environmental performance, demonstrating that this issue is well incorporated into the facility's risk assessments.
Other contextual issues, please specify	Not considered	Not considered

### W3.3c

#### (W3.3c) Which of the following stakeholders are considered in your organization's water-related risk assessments?

	Relevance & inclusion	Please explain
Customers	Relevant, always included	Water is an essential raw material for Implats' mining processes and operations. Water stress or scarcity can cause production delays and, thus, cause delays in product delivery to customers. Consequently, customers are always included in Implats' water-related risk assessments. Since Implats uses a structured internal risk management process to identify their strategic business objectives and material sustainability focus areas, Implats has identified customers as key stakeholders in terms of water-related risk assessments and management thereof. Implats' risk management process culminates in the identification of a prioritised set of Group strategic risks. These risks, along with the outcomes of Implats' internal and external stakeholder engagement activities, and assessment of market fundamentals, are used to identify material sustainability-related issues, including water-related issues. These issues are prioritised in terms of their impact both on the organization as well as key stakeholders. Customers are key stakeholders because they inform the nature of the Group strategic objectives, as well as the performance issues for monitoring and reporting material sustainability focus areas. Implats currently has six priority stakeholder groups (Zone 1), requiring critical focus, high-level ongoing care and responsiveness to sustain mutually beneficial relations. The priority level (zoning) of the stakeholder groups is based on the level of influence these stakeholders have on the business, the assessed effectiveness of existing engagement processes, and the level of alignment/change required in the relationship to meet Implats' value-creation goals. Implats categorises customers as Zone 1 stakeholders. Implats engages with its customers through tender and contract processes, supplier forums, one-on-one meetings, industry forums, customer feedback and reputation surveys. The material issues raised typically relate to effective delivery against terms and sustainability of supply, both of which are affected by water risks. Each stakeholder is allocated a responsible executive or champion to manage the relationship. Information on stakeholders inform internal decision making. Internal company knowledge is used to factor this contextual issue into risk assessments. The identified material matters and the associated responsibility, risks, as well as consequent actions and responses, are captured in the risk management system to ensure continuous management.
Employees	Relevant, always included	Why this stakeholder is included: Employees are an integral part of the community within which Implats' operates. Considering employee views, interests and concerns is key to maintaining Implats' social license to operate and operating efficiency. As a result, employees are considered relevant and key stakeholder in Implats' water-related risk assessment. With respect to employees, water-related risks are most prevalent in terms of WASH services provided. If these services are disrupted or of a poor standard, there is potential for disruptions to productivity or facility closure due to non-compliance regarding operational and environmental licences. The provision of clean and safe potable water for all employees was particularly relevant in the face of Covid-19 during FY2020. Amongst other health and safety protocols implemented during FY2020, Implats had to ensure that clean water was provided for all employees in order to reduce the risk of mine closure associated with the spread of Covid-19. Covid-19 risk prevention measures successfully flattened the curve in cases recorded at our South African operations. Method of engagement Implats categorises employees as Zone 1 stakeholders, which are high priority stakeholders. Zone 1 stakeholders require Implats' critical focus, due care and responsiveness to build better relationships. Each stakeholder is allocated a responsible executive or champion to manage the relationship. Information on stakeholders, particularly with regards to their exposure to water risks, inform internal decision making. Internal company knowledge is used to factor this contextual issue into the risk assessments. Implats prioritises water stewardship because its operations are based in water-scarce areas and therefore water risk assessments are critically important in the functioning of the Group's operations. All new employees receive environmental awareness training and, where applicable, environmental competency training is integrated into training manuals and within unit standards training. Considering employee views, interests and concerns is also key to maintaining Implats' social license to operate. Implats engages with its employees and unions on material matters through direct and internal communication, workplace forums and regular engagement with union representatives. There are also water conservation campaigns educating employees to conserve water through media such as posters which are distributed across the operations.
Investors	Relevant, always included	Why this stakeholder is included: Investors hold great influence in Implats' operations and growth strategy, consequently investors are included as critical stakeholders regarding water-related risk assessments. The views and interests of investors is key to all Implats' risk assessments as it impacts on the Group's share price, which affects Implats' strategy and growth prospects. Stakeholder value creation refers to the creation of value over the short, medium and long term for all stakeholders, including investors. Efforts relating to stakeholders on a targeted or individual basis result from stakeholder management strategies, however, delivering on Group strategy, importantly, increases the overall value of all the available outcomes measured on a value-per-stakeholder basis by growing the total wealth in which stakeholders share. Method of engagement: Implats categorises investors as Zone 1 stakeholders, which are high priority stakeholders. Zone 1 stakeholders require Implats' critical focus, due care and responsiveness to build better relationships. Each stakeholder is allocated a responsible executive or champion to manage the relationship. Investors are informed about Implats' water management and conservation efforts through formal reporting structures such as annual integrated reports and annual sustainability reports. Implats engages with investors via roadshows, results presentations, investor conferences, annual general meetings, and one-on-one appointments. Implats is also in the process of developing a Group sustainability strategy for the benefit of investors. The sustainability strategy will include commitments to demonstrate leadership in the renewable energy transition and in collaborating with our communities to promote sustainable communities post mine closure.
Local communities	Relevant, always included	Why this stakeholder is included: Local communities are considered relevant stakeholders and particularly instrumental in maintaining Implats' social licence to operate. Implats invests in developing and maintaining constructive relationships with communities surrounding our operations. This is essential to maintain and strengthen our social licence to operate. Inclusive stakeholder and community engagement underpins our approach to respecting and responding to legitimate stakeholder and community aspirations and concerns. The reason being, Implats faces certain operational/reputational risks should they be perceived to not be taking adequate measures to address security of resource supply for the local communities. In addition, Implats faces risks should they not assist in the provision of basic services (including the provision of water) to the communities around their operations. Taking such measures has direct benefits in terms of reduced costs and liabilities, enhanced resource tenure and improved security of the Group's license to operate. Implats recognizes the importance of demonstrating responsible stewardship of the resources it shares with the communities within which it operates, particularly in water-stressed areas. Responsible water stewardship becomes increasingly important as Implats' underground operations become deeper and consume greater amounts of energy and water for their operations. During FY2020, Implats' Covid-10 community response measures strengthened community relationships. Method of engagement: Implats categorises local communities as Zone 1 stakeholders, which are high priority stakeholders. Zone 1 stakeholders require Implats' critical focus, due care and responsiveness to build better relationships. Each stakeholder is allocated a responsible executive or champion to manage the relationship. Implats engages with local communities through community leadership engagement meetings, community trust meetings, future forum meetings and one-on-one meetings. These local stakeholder engagements follow on from quarterly stakeholder engagement meetings that are held between operational executives and group champions who meet to discuss and identify material issues (including those experienced by local communities).
NGOs	Relevant, always included	Why this stakeholder is included: NGOs are relevant stakeholders and included in water-related risk assessments as required. Implats' objective is to sustain its relationship with NGOs. Method of engagement: Implats categorises NGOs as Zone 3 stakeholders, in other words they have less influence and/or impact on the Group's business compared to Zone 1 or 2 stakeholders, but which have existing and mature engagement structures. Implats engages with NGOs and advocacy groups regarding matters that ensure greater community benefit, improved labour relations, environmental impacts and efforts to enhance transparency. Implats' engagements with NGOs typically take the form of stakeholder liaison meetings, one-on-one meetings, surveys, hotlines and publications.



	Relevance & inclusion	Please explain
Other water users at a basin/catchment level	Relevant, sometimes included	Why this stakeholder is included: Implats' initiatives aimed at achieving ESG excellence are aligned with the United Nations Sustainable Development Goals (SDGs). Through this alignment, Implats' intent is to ensure sustainable value creation for all stakeholders. One of the identified SDGs is SDG number 6: Ensure availability and sustainable management of water and sanitation for all. As part of the alignment to this goal, Implats strives to manage water through a catchment approach, as such other water users at catchment level are important and included in water-related risk assessments. Furthermore, other water users at a basin/catchment level are relevant stakeholders because the inclusion of stakeholders that share the same river basin improves overall water conservation in the region, as well as Implats' planning capacity in terms of future stresses that may occur due to other users. These stakeholders are included in water-related risk assessments as and when required. Method of engagement: Implats engages through various formal and informal meetings with community-based organisations, traditional authorities and local businesses. For example, Implats is a member of the Eland/Hex river Catchment Management areas and contribute towards community in the area. In addition, Zimplats participates in Zimbabwe National Water Authority (ZINWA) catchment and sub-catchment council meetings, which provide a platform to work with stakeholders in stewarding water as a shared resource. Our participation in catchment councils informs our water-risk reviews and water use target setting.
Regulators	Relevant, always included	Why this stakeholder is included: Implats engages regularly with the South African and Zimbabwean regulatory authorities in an effort to ensure that all appropriate water-use licenses are in place, and that due consideration is given to proposals for water-use amendments. At Impala Canada, regulators annually audit conformance to the Environmental Certificate of Approval. Regulators are, therefore, relevant stakeholders and always included in risk assessments. Method of engagement: Implats categorises government stakeholders (regulators) as Zone 1 stakeholders, which are high priority stakeholders. Zone 1 stakeholders require Impala's critical focus, due care and responsiveness to build better relationships. Each Zone 1 stakeholder is allocated a responsible executive or champion to manage the relationship. Implats' methods of engagement with regulators include formal meetings with officials from local, provincial and national government, notably on water use licence amendment applications, audits and community engagement. Implats' South African operations also engage with the authorities (such as the Department of Water and Sanitation) on the submission of annual plans for integrated water and waste management and rehabilitation strategy and implementation. Other methods of engagement include engagement through the following committees: compliance audits, Minerals Council South Africa Parliamentary Portfolio committee, Mining Phakisa and Mining Industry Growth and Development and Employment Task Team. During the year Implats also improved water supplies to host communities as part of Covid-19 response measures in support of the national response to Covid-19 in South Africa. Zimplats and Impala Canada have also implemented various initiatives to capacitate local communities to address the impacts of the pandemic.
River basin management authorities	Relevant, not included	Explanation of why this stakeholder is relevant but not included: River basin management authorities are relevant stakeholders because the inclusion of stakeholders that share the same river basin improves overall water conservation in the region, as well as Implats' planning capacity in terms of future stresses that may occur due to other users. Future plan of action: Implats is considering including these stakeholders in the near future and has in the interim taken further interest in other water users at a basin level since authorities are less structured in this instance. Implats plans to engage with these stakeholders through formal and informal meetings with community-based organizations, traditional authorities and local businesses.
Statutory special interest groups at a local level	Relevant, always included	Why this stakeholder is included: Statutory special interest groups at a local level are relevant to Implats as Implats consistently aims to instil a culture of conservation and education among their surrounding local communities. As such, the inclusion of such stakeholders improves overall water conservation in the region. Method of engagement: Implats consults with stakeholders on a quarterly basis. These engagements include statutory special interest groups at a local level. One such example, is Implats' involvement with the Blesbokspruit forum. Implats' refining operation is near the Cowles dam that feeds into the Blesbokspruit, a designated Ramsar Convention wetland of international importance that is deemed under threat. Even though the refinery does not have any direct impact on Blesbokspruit ecosystem, the Group is represented on the Blesbokspruit forum where the Group participates through workshops and meetings. Implats engages with these stakeholders through community workshops, small-scale meetings, community leadership engagement meetings and community trust meetings.
Suppliers	Relevant, sometimes included	Why this stakeholder is included: Important components of Implats' supply chain is water availability and water quality. Suppliers are, therefore, considered relevant and included in water-related risks assessments, as and when required. An example of a potential water risk is that the supply of goods and materials (such as diesel, which is a key component of Implats' operations) or the provision of supplier services could be negatively affected by issues related to water scarcity in the regions in which the suppliers operate, this is particularly relevant in areas classified as water stressed. During FY2020, Implats spearheaded local procurement and supplier development programmes to help host-community suppliers access opportunities and build a more robust and competitive supply chain for Implats. Method of engagement: Suppliers fall within the Zone 2 category since Implats' operations will be affected by supplier hinderances caused by water-related issues. Through its supplier strategy, Implats engages with suppliers through training and recruitment resources to ensure that all contracting employees are vetted and assessed according to Implats' own internal standards. Implats strives as far as possible to source goods and services from local businesses defined as tier 1, 2 and 3 based on their proximity to our operations. All procurement teams place a significant focus on supporting local-to-site (tier 1) suppliers; these are enterprises that are owned by host community members. This year, Implats local procurement spend was 32% of the total discretionary procurement spend. All of Implats' suppliers are apprised of our policies and business practices and are expected, as a minimum, to abide by these principles in their business conduct and practices at all our operations. These include requirements regarding health and safety and environmental protection, including the protection of water in water scarce regions.
Water utilities at a local level	Relevant, always included	Why this stakeholder is included: Engagement with water utilities at a local level is a key component of Implats' business strategy, which focuses on water consumption and quality management. Water utilities at a local level are therefore considered relevant and always included in water-related risks assessments. Method of engagement: Implats continuously engages with water utilities through regular meetings and workshops. Implats' strategic commitment is to reduce the withdrawal and consumption of potable water across operations and increase recycled water consumption. The Group's recycled water target is 40% and Implats has implemented various projects to reduce potable water consumption, optimize industrial use and increase water recycling. The target is under review, and we have commissioned several studies to determine where in our operations Implats can employ novel technologies to save water. In 2021, Implats will aim for at least 44% of water consumed to be recycled water and will invest capital to ensure 50% water is recycled by 2025. As part of this initiative, Implats have continued the phased development and implementation of operation-specific water conservation and water demand management plans at all Impala Rustenburg operations (Rustenburg accounts for 53% of the Group's total water consumption), in line with continued efforts to increase the percentage of water recycled and reduce the volume of water withdrawn. Implats prioritises the use of grey water for operations. Recycled water includes tailings return water and internal purified sewage effluent.
Other stakeholder, please specify	Not considered	Not considered

W3.3d

**(W3.3d) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.**

Application of the tools:

Implats makes use of the ISO 31000 risk management standard as a tool to identify water risks at group-level, which is carried out across their operations. Additionally, at operational level, the ISO 14 001 standard is used as a tool to ensure all environmental compliance (including water related risk compliance) is met. Internal company knowledge is also applied as a tool used to assess water risks across the operations. For example, internal knowledge can incorporate sustainability objectives, which forms part of key performance indicators against which management and executives are remunerated.

Company knowledge is used to maintain water balance software at all operations which assists Implats to monitor water use, as well as identify, manage and anticipate future water risks. Implats uses this information in annual water risk reviews, ensuring that water issues are considered in the inputs to the company risk register. At operational level, all operations (except Impala Canada) are ISO14001 certified which, combined with internal company knowledge, enables the operations to identify, assess, manage, monitor, respond and report on water risks. Internal company knowledge is particularly important for identifying operation specific water issues and risks.

How the outcome of the risk assessment is used to inform the internal decision-making process:

Implats has both group-level and operation-specific processes for identifying, assessing, and responding to water-related risks within their direct operations, as well as within other stages of their value chain. At group-level, risks are assessed and governed through an enterprise risk management approach, under supervision of the Health, Safety, Environment and Risk (HSER) Committee. Risks, including water-related risks, are identified at a high level and relevant business strategy adjustments are made from the HSER Committee which then infiltrates down into the wider Group. An example of such is the infiltration of water conservation strategies following the identification of water as Implats' most significant environmental concern, given their water-scarce operating environments. In line with these strategies, a group-wide commitment was made to reduce Implats' levels of potable water used and increase operational reliance on recycled water consumption. Another example is the implementation of water efficiency initiatives at South African operations. The HSER committee established a group-wide campaign in water efficient practices which was carried out to mitigate water-related risks.

These tools have been used to assess Implats' water risks for over 10 years. They are also forward looking and consider risks between 6 to 10 years into the future. The risk-response decision making process uses a top-down, bottom-up approach. Risks are reported monthly to the executive committee (Exco) and quarterly to the HSER Committee of the Board. This process culminates in the identification of a prioritised set of Group strategic risks. Collectively, these risks, along with the outcomes of internal and external stakeholder engagement activities, and assessment of market fundamentals, are used to inform business decisions towards adequate water-risk management actions.

Implats recognises the relevance of water-related risks on business operations and group-wide sustainability as a consequence of our heavy reliance on sufficient amounts of water to ensure that operations run smoothly and efficiently. Without water, Implats operations will be severely disrupted or forced to cease completely, resulting in significant loss to their business. As a result, Implats has processes in place whereby it identifies and assesses possible water-related risks and can respond to these risks appropriately via the Group's strategic management procedures.

## W4. Risks and opportunities

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### W4.1

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**(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes, both in direct operations and the rest of our value chain

#### W4.1a

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**(W4.1a) How does your organization define substantive financial or strategic impact on your business?**

Implats defines substantive financial impacts (referred to as a material financial risk in our reporting) as a risk that poses a threat to the sustainability of Implats' operations. A substantive risk may result in any change, either within our direct operations or further along the value chain, resulting in one or more day's loss of production and associated monetary implications. These risks range from operational-related hinderances, including water stress leading to operational stoppages, to social unrest leading to strikes and other related impacts. Substantive risks include the revocation of Implats' environmental and other compliance-related licences, such as water-use licences. Without the relevant licences to operate Implats' operations will be hindered posing a substantive financial and strategic impact to the group.

Implats makes use of a risk appetite and tolerance framework to identify and manage all risks that could affect operations, which forms part of our enterprise risk management process. Implats risk management process sets out to achieve an appropriate balance between minimising the risks associated with any business activity and maximising the potential reward. Using this risk management process, Implats is able to identify the risks which may pose substantive financial impacts to the company and establishes the most appropriate response to mitigate the impacts of each identified risk. Implats identifies its strategic business objectives and material sustainability focus areas through its structured internal risk management process, and with consideration to the views and interests of its stakeholders. Implats' group-level enterprise risk management (ERM) process is aligned with ISO 31000, the international risk management standard.

The Group reviews and updates the risk profile on a quarterly basis. Annually, ten key risks are identified and ranked to ensure optimum awareness and focus on minimising these risks. These identified and ranked risks include both direct operational risks, as well as value chain related risks. Implats considers the impacts on both its direct operations, as well as its value chain, that could pose significant impact to its overall business model.

Through the risk management process, each identified risk, as well as its associated controls, has a clearly defined line management owner. This process ensures that all risk assessments are reviewed twice annually for relevance, and for example, to identify substantive change in the business, operations, revenue or expenditure from water risks. The review includes interrogation of both the internal and external environment for identification and ratification of risks and/ or opportunities that affect the achievement of objectives. The process to define and quantify risks within Implats is as follows: 1) Establishment of the external operating context and the views/interests of stakeholders; 2) Identification of risk sources and causes, and evaluation of all possible consequences; 3) Analysis of the risk in terms of what it means for the achievement of Impala's objectives; 4) Evaluation of the risk rating (by severity, exposure and frequency), identification of the controls (existing or new) and risk prioritisation; 5) Consideration of all options to establish the most appropriate response for each identified risk.

Indicators used to identify substantive impacts are: 1) if the risk poses the threat of work stoppages for a day, and 2) the associated revenue lost for that period. Implats' threshold for substantive change is defined as the average financial loss of revenue or the loss of production associated with 1 day's stoppages. In FY20, the financial threshold for defining substantive loss/liability was R 191.37 million, which is the average revenue lost for one day of lost production. This definition of substantive impact applies to both Implats' direct operations, as well as to the relevant partners along the supply chain.

An example of a substantive risk would be if prolonged drought causes a hindrance to Implats' water supply, particularly in South Africa. Security of water supply has been listed as one of Implats' top 10 risks in FY2020. South Africa is considered a water scarce region and since Implats' largest operations are based in South Africa, Implats is at risk of possible water supply challenges due to drought. If a drought occurs, Implats will be allowed access to a limited supply of water, such to maintain the availability of water from freshwater bodies (like rivers, lakes and dams) to local communities and the sustenance of ecosystems and habitats. With these restrictions, Implats may not be able to operate, thus forcing the operations to cease production. Depending on the duration of the drought, the operations could be ceased for days or weeks, resulting in substantive financial losses. This stoppage of operations would lead to revenue losses that are considered substantive.

**W4.1b**

**(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?**

	Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment
Row 1	5	100	Five out of five of Implats' operations are exposed to water risks with the potential to have a substantive impact on the company. The five facilities include Impala Rustenburg, Marula, Refineries and Zimplats in Southern Africa, and Implats' Canada operation. Four of Implats' operations are located in Southern Africa, with mining operations in both South Africa and Zimbabwe. South Africa and Zimbabwe are considered water-stressed areas according to the WRI Aqueduct Tool, Zimbabwe is also considered water-stressed due to the ongoing drought experienced in the country. Climate projections indicate that Southern African is expected to get considerably hotter and drier than global averages in this regard. Increased temperatures will have a detrimental impact on water supply in Southern African countries and further increase Implats' facilities' exposure to water risks and water stress. Climate change impacts will also affect the communities around Implats' operations on account of the low economic development level of the region. On the other hand, Impala Canada is exposed to flooding events that can result in a substantive financial or strategic impact on operations.

**W4.1c**

**(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?**

Country/Area & River basin

South Africa	Limpopo
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**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

1-25

**Production value for the metals & mining activities associated with these facilities**

3022000000

**% company's annual electricity generation that could be affected by these facilities**

<Not Applicable>

**% company's global oil & gas production volume that could be affected by these facilities**

<Not Applicable>

**% company's total global revenue that could be affected**

31-40

**Comment**

Four of Implats' operations are located in Southern Africa, with mining operations in both South Africa and Zimbabwe. South Africa is considered a water-stressed area according to the WRI Aqueduct Tool. The severity of the risk in the Limpopo River basin is high with the potential to have a significant impact on Implats as a group, since Impala Rustenburg is one of Implats' biggest water consuming operations. Impala Rustenburg's revenue in FY2020 accumulated to R30.2 billion, the second biggest revenue per operation in FY2020. Implats' response to risk is to follow its well-established and structured internal risk management process. This process enables the Group's operations to identify and respond quickly and effectively to potential risks/incidents. The Implats risk management process is aligned with ISO 31000, the international risk management standard. The risk management process comprises the following steps: 1) Identification of operational objectives, 2) Establishing the context, 3) Identify the risk, 4) Analysing and evaluating the risk, 5) Treating the risk, 6) Monitoring and reviewing the risk, 7) Reporting the risk. All identified risks are captured into the Group risk repository system that informs Implats' risk profile. This process results in the identification of a prioritised list of Group strategic risks. The profile is presented monthly to Exco and quarterly to the board risk committee.

**Country/Area & River basin**

South Africa	Olifants
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**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

1-25

**Production value for the metals & mining activities associated with these facilities**

5272000000

**% company's annual electricity generation that could be affected by these facilities**

<Not Applicable>

**% company's global oil & gas production volume that could be affected by these facilities**

<Not Applicable>

**% company's total global revenue that could be affected**

1-10

**Comment**

Four of Implats' operations are located in Southern Africa, with mining operations in both South Africa and Zimbabwe. South Africa is considered a water-stressed area according to the WRI Aqueduct Tool. The severity of the risk in the Olifants river basin is high with the potential to have a significant impact on Implats as a group. Marula's revenue in FY2020 accumulated to R5.27 billion. Implats' response to risk is to follow its well-established and structured internal risk management process. This process enables the Group's operations to identify and respond quickly and effectively to potential risks/ incidents. The Implats risk management process is aligned with ISO 31000, the international risk management standard. The risk management process comprises the following steps: 1) Identification of operational objectives, 2) Establishing the context, 3) Identify the risk, 4) Analysing and evaluating the risk, 5) Treating the risk, 6) Monitoring and reviewing the risk, 7) Reporting the risk. All identified risks are captured into the Group risk repository system that informs Implats' risk profile. This process results in the identification of a prioritised list of Group strategic risks. The profile is presented monthly to Exco and quarterly to the board risk committee.

**Country/Area & River basin**

South Africa	Vaal
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**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

1-25

**Production value for the metals & mining activities associated with these facilities**

36304000000

**% company's annual electricity generation that could be affected by these facilities**

<Not Applicable>

**% company's global oil & gas production volume that could be affected by these facilities**

<Not Applicable>

**% company's total global revenue that could be affected**

**Comment**

Four of Implats' operations are located in Southern Africa, with mining operations in both South Africa and Zimbabwe. South Africa is considered a water-stressed area according to the WRI Aqueduct Tool. The severity of the risk in the Vaal river basin is high with the potential to have a significant impact on Implats as a group. Impala Refineries' revenue in FY2020 accumulated to R36.3 billion, the highest revenue per operation in FY2020. Implats' response to risk is to follow its well-established and structured internal risk management process. This process enables the Group's operations to identify and respond quickly and effectively to potential risks/ incidents. The Implats risk management process is aligned with ISO 31000, the international risk management standard. The risk management process comprises the following steps: 1) Identification of operational objectives, 2) Establishing the context, 3) Identify the risk, 4) Analysing and evaluating the risk, 5) Treating the risk, 6) Monitoring and reviewing the risk, 7) Reporting the risk. All identified risks are captured into the Group risk repository system that informs Implats' risk profile. This process results in the identification of a prioritised list of Group strategic risks. The profile is presented monthly to Exco and quarterly to the board risk committee.

**Country/Area & River basin**

Zimbabwe	Zambezi
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**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

1-25

**Production value for the metals & mining activities associated with these facilities**

14426000000

**% company's annual electricity generation that could be affected by these facilities**

&lt;Not Applicable&gt;

**% company's global oil & gas production volume that could be affected by these facilities**

&lt;Not Applicable&gt;

**% company's total global revenue that could be affected**

11-20

**Comment**

Four of Implats' operations are located in Southern Africa, with mining operations in both South Africa and Zimbabwe. Zimbabwe is considered a water-stressed area according to the WRI Aqueduct Tool, as well as water-stressed due to the ongoing drought experienced in the country. The severity of the risk in the Zambezi river basin is high with the potential to have a significant impact on Implats as a group. Implats' revenue in FY2020 accumulated to R14.4 billion. Implats' response to risk is to follow its well-established and structured internal risk management process. This process enables the Group's operations to identify and respond quickly and effectively to potential risks/ incidents. The Implats risk management process is aligned with ISO 31000, the international risk management standard. The risk management process comprises the following steps: 1) Identification of operational objectives, 2) Establishing the context, 3) Identify the risk, 4) Analysing and evaluating the risk, 5) Treating the risk, 6) Monitoring and reviewing the risk, 7) Reporting the risk. All identified risks are captured into the Group risk repository system that informs Implats' risk profile. This process results in the identification of a prioritised list of Group strategic risks. The profile is presented monthly to Exco and quarterly to the board risk committee.

**Country/Area & River basin**

Canada	St. Lawrence
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**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

1-25

**Production value for the metals & mining activities associated with these facilities**

3254000000

**% company's annual electricity generation that could be affected by these facilities**

&lt;Not Applicable&gt;

**% company's global oil & gas production volume that could be affected by these facilities**

&lt;Not Applicable&gt;

**% company's total global revenue that could be affected**

1-10

**Comment**

One of Implats' operations is located in Canada. Canada is considered to have a high flood risk. The severity of flooding in the St Lawrence River basin is high with the potential to have a significant impact on Implats as a group. Impala Canada's revenue in FY2020 accumulated to R3.3 billion. Implats' response to risk is to follow its well-established and structured internal risk management process. This process enables the Group's operations to identify and respond quickly and effectively to potential risks/incidents. The Implats risk management process is aligned with ISO 31000, the international risk management standard. The risk management process comprises the following steps: 1) Identification of operational objectives, 2) Establishing the context, 3) Identify the risk, 4) Analysing and evaluating the risk, 5) Treating the risk, 6) Monitoring and reviewing the risk, 7) Reporting the risk. All identified risks are captured into the Group risk repository system that informs Implats' risk profile. This process results in the identification of a prioritised list of Group strategic risks. The profile is presented monthly to Exco and quarterly to the board risk committee.

**W4.2**

**(W4.2) Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.**

## Country/Area & River basin

South Africa	Limpopo
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## Type of risk & Primary risk driver

Physical	Increased water stress
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### Primary potential impact

Reduction or disruption in production capacity

### Company-specific description

Assured security of water supply within Impala Rustenburg's Bojanala district is a top 10 business risk for Implats in FY2020. Climate change and an increase in demand from other users of water has negatively impacted the availability of this scarce resource in the Limpopo River basin area. This, in return, has reduced the availability and supply of water for Implats' operations. Increased water stress refers to the ability, or lack thereof, to meet both human and ecological demand for water. According to the WRI Aqueduct Tool, Impala Rustenburg is located in a region that is considered to be exposed to high-levels (40-80%) of water stress. This indicates that there is increased competition amongst water users in this area. Increased water stress in the Bojanala district is owed to the increasing pressure on local water resources in the area from the growth in neighbouring communities, together with seasonal supply variability caused by low rainfall and a lack of new water capacity in the North-West region. How the impact identified will affect Implats' direct operations: Water is a critical input for mining, processing and refining operations. Implats is reliant on water to ensure uninterrupted production, thus, a lack of water caused by increased water stress would negatively impact production capacity at our mining operations, causing either a reduction or disruption to capacity. Water supply security also poses a risk to the communities in which Implats' operates, a lack of water could increase the vulnerability of communities. Decreased production capacity or disruptions to production at Implats' Rustenburg operation could impact on revenue associated with this facility. Since Impala Rustenburg contributes the second highest revenue to the group, a decrease in production at this operation will have a substantive financial impact on the Group as a whole.

### Timeframe

1-3 years

### Magnitude of potential impact

Medium-high

### Likelihood

Likely

### Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

### Potential financial impact figure (currency)

82800000

### Potential financial impact figure - minimum (currency)

<Not Applicable>

### Potential financial impact figure - maximum (currency)

<Not Applicable>

### Explanation of financial impact

Explanation of approach used to calculate the figure: If Implats' water supply was limited due to water stress in the region, Implats could be at risk of losing at least a day's worth of revenue due to production stoppages (considering that Implats is highly dependent on water for our operations). The estimated financial impact was calculated according to the average revenue losses that Implats would incur if they lost a day's worth of production. Implats could be at risk of losing an estimated R82.8 million per day, assuming production runs year round (365 days). This figure is the equivalent of an average day's lost revenue in FY2020 for the South African Impala Rustenburg operation.

### Primary response to risk

Adopt water efficiency, water reuse, recycling and conservation practices

### Description of response

Water is a critical input for our mining operations. For Implats, water shortage is a principal risk as our southern Africa sites are in water scarce areas. In response to water supply risks, our operations implement initiatives to ensure effective monitoring of use, conservation, and optimal use of this scarce resource. Impala Rustenburg currently uses only 40.6% of its potable water allocation. In mitigating security supply risks caused by increased water stress, ongoing controls include using specialised software to forecast water supply and demand dynamics given operational requirements and local weather patterns, daily dashboard reporting of water usage, robust water recycling processes at our three onsite water cares works and use of tailings return water and grey water from external sources. In addition, Implats has also responded to water supply security risks through the implementation of a water conservation and demand management programme which enables operational demand simulation and the ongoing implementation of water recycling and detailed monitoring of use. Impala Rustenburg also has scavenging boreholes around its active tailings dam that collectively supply an average of 1.15Ml/day of water. Reduced production at the operation during the national lockdown mitigated water demands during FY2020. Furthermore, Impala Rustenburg continues to research alternative water sources for usage and alternative storage capacity with the potential to minimise losses. Implats' strategy focuses on water consumption and quality management and proposes a framework for operation-specific water conservation strategies, in line with our strategic commitment to reduce levels of potable water usage and to increase recycled water usage. Progress in implementing our strategy is driven through the water management programme which includes a focus on driving operational excellence and engaging and partnering with relevant stakeholders. Implats places a particular focus on managing water at Impala Rustenburg, which accounts for 53% of the Group's total water consumption. Implats have continued the phased development and implementation of operation-specific water conservation and water demand management plans at Impala Rustenburg operations, in line with continued efforts to increase the percentage of water recycled and reduce the volume of water withdrawn. Our recycled water includes tailings return water and internal purified sewage effluent.

### Cost of response

40000000

### Explanation of cost of response

Explanation of approach used to calculate the figure: Implats invested about R40 million into infrastructure development projects in South Africa in FY2020 in response to this risk. Infrastructure development projects included the construction of boreholes and water supply infrastructure on site to mitigate the risks associated with water supply security in the Limpopo River basin region. Boreholes and water supply infrastructure assisted Implats in our water efficiency, water reuse, recycling and conservation practices at Impala Rustenburg.

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## Country/Area & River basin

South Africa	Limpopo
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## Type of risk & Primary risk driver

Physical	Increased water scarcity
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### Primary potential impact

Constraint to growth

### Company-specific description

Water scarcity refers to the volumetric abundance, or lack thereof, of water supply. Southern Africa is already experiencing increased conditions of dryness. The regions in which Implats operate in are projected to become generally drier under enhanced anthropogenic forcing, with an associated increase in dry spells and droughts. During the period 2035-2064, a high likelihood of increased conditions of drought are projected to occur within the presence of a drastic increase in maximum temperature and very hot days. These conditions will exacerbate water scarcity in the Limpopo River basin region. Impala Rustenburg is in an area where there are rapidly growing demands for water to support agricultural, mining, industrial and domestic consumption to support on-going economic development and growth. A lack of water will hinder our ability to grow our operations further. How the impact identified will affect Implats' direct operations: Implats' Rustenburg operation is already located in a water-stressed area, with climate change predictions indicating that water scarcity is likely to worsen in this region in the near future. Water supply to the Rustenburg region has been a concern for several years because of a continued increase in the demand for potable water in the area by other users such as local communities. The bulk water infrastructure is also inadequate to meet all the water user's needs. Drought conditions across southern Africa has further exacerbated this risk. Implats' operations are highly reliant on sufficient amounts of water for continued production. Without the necessary water supply, Implats' operations could experience a reduction or disruption in production capacity, which may constrain operational growth in the future. Increased water scarcity will also have an impact on the communities surrounding Implats' Rustenburg operation. Implats has an obligation to the surrounding communities in terms of shared resources, particularly in vulnerable communities that are affected by inadequate service provision and the risks associated with water security supply in water-stressed areas. Since Impala Rustenburg is a large user of water amongst the surrounding communities, increased water scarcity may require Implats to reduce our daily water consumption allowance, which will impact production capacity and hinder our ability to grow. Reduction or disruption to operations will have an impact on Implats' revenue.

### Timeframe

More than 6 years

### Magnitude of potential impact

High

### Likelihood

About as likely as not

### Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

### Potential financial impact figure (currency)

82800000

### Potential financial impact figure - minimum (currency)

<Not Applicable>

### Potential financial impact figure - maximum (currency)

<Not Applicable>

### Explanation of financial impact

Explanation of approach used to calculate the figure: If Implats' water supply or withdrawal capacity was limited as a consequence of increased water scarcity in the region, Implats could be at risk of losing at least a day's worth of revenue due to production stoppages (considering that Implats is highly dependent on water for our operations), which could constrain Implats' future operational growth. The estimated financial impact was calculated according to the average revenue losses that Implats would incur if they lost a day's worth of production. Implats could be at risk of losing an estimated R82.8 million per day, assuming production runs year round (365 days). This figure is the equivalent of an average day's lost revenue in FY2020 for the South African Impala Rustenburg operation.

### Primary response to risk

Secure alternative water supply

### Description of response

Implats' primary response to water scarcity risks is securing alternative water supplies at our Rustenburg operation. Impala Rustenburg secures alternative water supplies through the development and implementation of boreholes, robust water recycling initiatives at our three onsite water care works and the use of tailings return water and grey water from external sources. In addition, through the use of Implats' water management and water monitoring systems, Implats establishes site-specific water efficiency targets, such to ensure that our operations are minimally impacted by increased water scarcity. Implats has also responded to water scarcity through the implementation of water conservation and demand management programmes which enables operational demand simulation and the ongoing implementation of water recycling and detailed monitoring of use. An example of Implats' response to water scarcity in the region includes Impala Rustenburg's use of scavenging boreholes that collectively supply an average of 1.15Ml/day to operations. Thereby, securing an alternative water supply on site. In addition, Implats reached and exceeded its Group-wide water recycling target of 40% in FY2020, another example of Implats' response to water scarcity risks. Impala Rustenburg also continues to research alternative water sources for usage and alternative water storage capacity with the potential to minimise associated losses. Implats' strategy focuses on water consumption and quality management and proposes a framework for operation-specific water conservation strategies, in line with our strategic commitment to reduce levels of potable water usage and to increase use of alternative water supplies. Progress in implementing our strategy is driven through the water management programme which includes a focus on driving operational excellence and engaging and partnering with relevant stakeholders. Implats places a particular focus on managing water at Impala Rustenburg, which accounts for 53% of the Group's total water consumption. Implats have continued the phased development and implementation of operation-specific water conservation and water demand management plans at Impala Rustenburg operations, in line with continued efforts to increase the percentage of water recycled and reduce the volume of water withdrawn. Implats prioritises using grey water for our operations. Our recycled water includes tailings return water and internal purified sewage effluent.

### Cost of response

40000000

### Explanation of cost of response

Explanation of approach used to calculate the figure: Implats invested an amount of about R40 million into infrastructure development projects in South Africa in FY2020 in response to increased water scarcity risks. Infrastructure development projects, developed to secure alternative water supply, included the construction of boreholes and water supply infrastructure to mitigate the risks associated with water scarcity in areas considered water stressed.

## Country/Area & River basin



South Africa	Olifants
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#### Type of risk & Primary risk driver

Physical	Pollution incident
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#### Primary potential impact

Closure of operations

#### Company-specific description

Water is Implats' most significant environmental concern. The principal risks we face are increased water stress leading to potential operational disruptions, uncontrolled dirty water discharges into the environment and increasing costs associated with water supply and management. Implats strives for zero level 4 or 5 environmental and water-related incidents. The principal potential impacts of our activities on communities relate to the pollution of soil, surface water, ground water and air quality. Consequently, Implats seeks to minimise the adverse effects of our mining activities on surrounding surface and groundwater. How the impact identified will affect Implats' direct operations: Poor-quality water can be harmful to the environment and human health, can affect mining and processing equipment, and presents closure liabilities. Uncontrolled release of process water from surface dams into nearby streams can result in a delay or disruption in production capacity or, depending on severity, cause operational closure while the pollution incident is addressed. The volume and quality of water allowed to be discharged by our operations is regulated. Any unplanned discharges or regulatory breaches are investigated immediately and reported as environmental incidents, while root causes are addressed promptly. When a pollution incident does occur, each incident is investigated, and remedial action is put in place. Where necessary, additional training is provided to operations personnel.

#### Timeframe

1-3 years

#### Magnitude of potential impact

Medium

#### Likelihood

Likely

#### Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

#### Potential financial impact figure (currency)

14400000

#### Potential financial impact figure - minimum (currency)

<Not Applicable>

#### Potential financial impact figure - maximum (currency)

<Not Applicable>

#### Explanation of financial impact

Explanation of approach used to calculate the figure: If Implats' operations were closed for a day due to water supply constraints or compliance issues caused by the water-related pollution incident, Implats could be at risk of losing at least a day's worth of revenue due to production stoppages (considering that Implats is highly dependent on water for our operations). The estimated financial impact was calculated according to the average revenue losses that Implats would incur if losing a day's worth of production at Implats' Marula operation in South Africa. Implats could be at risk of losing an estimated R14.4 million per day.

#### Primary response to risk

Improve pollution abatement and control measures

#### Description of response

In response to risks associated with uncontrolled dirty water discharges into the environment, Implats has and will continue to improve pollution abatement and control measures across operations. At executive management level, the Group Executive: Safety, Health and Environment is responsible for Implats' water strategy and water management initiatives. At board level, the Health, Safety, Environment and Risk board sub-committee is responsible for monitoring our water strategy and risk. Implats' environmental mitigation activities focus on promoting responsible water stewardship by minimising water use and water pollution. The South African operations maintain a focus on improving levels of compliance to water use licences (WULs) in terms of the National Water Act with an emphasis on the separation of clean and dirty water systems. In improving compliance with WULs, Impala Rustenburg and Marula operations continue to focus on storm water management and clean and dirty water separation systems. Marula is also seeking to optimise its metering system in order to improve the accuracy of its water balance. In South Africa, we review and submit our integrated water and waste management plans, and our rehabilitation strategy and implementation plans to the Department of Water and Sanitation annually. This ensures that we continue to uphold WUL requirements and improve on pollution abatement and control measures. In response to this risk, Marula plans to amend the WUL to include additional surface storage dams.

#### Cost of response

12500000

#### Explanation of cost of response

In response to uncontrolled dirty water discharges and other water-related risks, Marula has invested in several water-related infrastructure projects. The response cost relates to the following initiatives planned for Marula to assist with pollution abatement and control measures: 1) Tailings storage facility contamination plume treatment: R7 million 2) Lining and formalising surface dams: R3 million 3) Water recycling improvement infrastructure: R2.5 million

#### Country/Area & River basin

South Africa	Limpopo
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#### Type of risk & Primary risk driver

Regulatory	Increased difficulty in obtaining withdrawals/operations permit
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#### Primary potential impact

Reduction or disruption in production capacity



#### Company-specific description

Implats' Rustenburg operation is located in South Africa, a country considered a water-stressed area according to the WRI Aqueduct Tool. Climate change predictions indicate South Africa is expected to experience increased water stress in the future. As water stress increases in South Africa, the South African Department of Water Affairs may place stricter requirements on mining operations to reduce the amount of water they are allowed to withdraw, particularly as mining operations are often the largest consumers of water in the communities within which they operate. Furthermore, the South African Department of Water Affairs may encourage tighter control mechanisms and expect increased water efficiencies within mining operations. These measures may impact Implats' ability to comply with water use licences (WUL) in terms of the National Water Act and increase Implats' difficulty in obtaining water withdrawals permits. How the impact identified will affect Implats' direct operations: Impala Rustenburg's WUL received in 2019 did not incorporate certain requested amendments and in FY2020, Rustenburg had to undertake a further amendment application to safeguard its compliance status. Impala Rustenburg may be required to halt certain aspects of operations while awaiting the approved of their WUL, this could lead to a reduction or disruption in production capacity. Decreased production could negatively impact Impala Rustenburg's revenues.

#### Timeframe

Current up to one year

#### Magnitude of potential impact

Medium

#### Likelihood

About as likely as not

#### Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

#### Potential financial impact figure (currency)

82800000

#### Potential financial impact figure - minimum (currency)

<Not Applicable>

#### Potential financial impact figure - maximum (currency)

<Not Applicable>

#### Explanation of financial impact

Explanation of approach used to calculate the figure: If Implats' water supply or water withdrawal capacity was limited due to failure to address certain requested water use licence amendments, Implats could be at risk of losing revenue due to production stoppages (considering that Implats is highly dependent on water for our operations). The estimated financial impact was calculated according to the average revenue losses that Implats would incur if they lost a day's worth of production. Implats could be at risk of losing an estimated R82.8 million per day, assuming production runs year round (365 days). This figure is the equivalent of an average day's lost revenue in FY2020 for the South African Impala Rustenburg operation.

#### Primary response to risk

Engage with regulators/policymakers

#### Description of response

In response to this risk, Impala Rustenburg continues to engage with authorities to secure further amendments to its amended WUL application. Furthermore, Impala Rustenburg regularly engages with authorities in order to meet the necessary regulatory requirements. Our South African operations maintain a focus on improving levels of compliance to WULs in terms of the National Water Act with an emphasis on the separation of clean and dirty water systems. In improving compliance with WULs, Impala Rustenburg operations continue to focus on storm water management and clean and dirty water separation systems. To ensure regulatory and legal compliance, Implats makes use of our IsoMetrix software. This software is used at the South African operations to track legal compliance with licence conditions and monitor remedial action progress. In South Africa, we review and submit our integrated water and waste management plans, and our rehabilitation strategy and implementation plans to the Department of Water and Sanitation annually.

#### Cost of response

250000

#### Explanation of cost of response

Explanation of approach used to calculate the figure: The cost of engaging with regulators and policy makers amounts to R250 000 per annum. This cost involves managing the WUL renewal process through engagements with regulators in this regard. In addition to this cost, are the costs related to the amendment process, time spent on engagement with regulators, travelling costs involved with engagement and consultants' costs.

## W4.2a

**(W4.2a) Provide details of risks identified within your value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.**

#### Country/Area & River basin

Zimbabwe	Zambezi
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#### Stage of value chain

Supply chain

#### Type of risk & Primary risk driver

Physical	Drought
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#### Primary potential impact

Reduction or disruption in production capacity

#### Company-specific description

Southern Africa is experiencing increased drought. The region is projected to become generally drier under enhanced anthropogenic forcing, with an associated increase in droughts. During the period 2035-2064, a high likelihood of increased droughts is projected to occur. Implats' Southern Africa operations are in water-stressed areas.

Increasing water scarcity because of rising demand, deterioration of bulk infrastructure and intermittent drought, will continue to pose a challenge to our operations and production capacity. Zimbabwe is a water scarce country, which has become increasingly water scarce because of a persistent drought. Zimplats obtains many of its water-reliant raw materials/consumables from Zimbabwe, thus, drought in Zimbabwe is a risk to Implats' supply chain and, ultimately, Implats' operations. Water supply risks due to the persistent drought in Zimbabwe is also a major concern for Zimplats' operations. The drought led to lower dam levels and increased competition from other users (power generation, rural and urban councils and agricultural uses) for the limited water resources. Examples of constrained commodities in Zimbabwe include electricity. Electricity is a critical input for Implats' operations, without which the mines cannot operate. During FY20, energy supply security was listed as one of Zimplats' top risks. Zimbabwe is producing just half of its 1,700 MW peak demand, the result of a prolonged drought that has reduced output at its largest hydro plant and aging coal-fired generators. Consequently, the country's drought, increased water scarcity and aging infrastructure have made electricity supply vulnerable to interruptions. Zimplats also continues to utilise renewable energy (50%) from hydro-electricity sources obtained from Kariba dam. However, the prolonged drought, places increased pressure on hydro-electricity sources in the country, increasing the risks associated with reliable and secure energy supplies for our operations. To mitigate this risk, the Zimplats' operation needs to consider new or alternative energy supplies to maintain stable production levels at the operation. Reduced production levels at the Zimplats' operation could negatively impact revenue. Furthermore, as water scarcity increases in Zimbabwe, there may not be enough water capacity in the area to supply large water consumers such as mines. In periods of drought, suppliers will most likely prioritise water supply to residential areas over industry.

**Timeframe**

1-3 years

**Magnitude of potential impact**

High

**Likelihood**

Likely

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

39500000

**Potential financial impact figure - minimum (currency)**

<Not Applicable>

**Potential financial impact figure - maximum (currency)**

<Not Applicable>

**Explanation of financial impact**

Explanation of the approach used to calculate this figure: Should commodities such as electricity not be available for use by Zimplats' operations, the Group faces the possibility of production losses associated with the cease of production. The financial impact figure was, therefore, calculated by quantifying one day's lost revenue at the Zimplats' operation. The potential financial impact is estimated to be R39.5 million/day. This figure is the equivalent of an average day's lost revenue in FY2020 for the Zimbabwean operation, i.e. Zimplats.

**Primary response to risk**

Direct operations	Increase investment in new technology
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**Description of response**

To mitigate water-related disruptions caused to the value chain, Implats continues to increase investment in new technologies. New technologies aim to reduce the risks related to the exposure of Zimbabwe's hydroelectric utilities, and the water-dependent value chain, to prolonged drought conditions and associated water scarcity. Implats' projects in response to energy security risks include energy efficiency programmes that drive energy consumption reduction throughout Implats' operations (including Zimplats). Implats has invested in targeted fuel cell development in collaboration with government and academic institutions to help promote local technology development as well as develop local skills and fuel cell manufacturing and deployment. Fuel cell development aids in fuel switching and the use of fuel cells to convert hydrogen to electricity as an alternative source of energy. Increased investments in new technology includes investigating alternative energy supply for our Zimplats' operations. During FY20, Zimplats completed a feasibility study to evaluate the construction of a largescale (110MW) solar PV plant. The initiative would supply the 80MW of power required at Zimplats Mine, reducing the demand on the national power grid and could potentially channel excess power generated to surrounding communities. Zimplats complies with new regulations requiring solar water heating systems to be incorporated in all new premises designs and extensions or alterations or retrofitting to existing premises. During FY20, Zimplats installed solar powered boreholes and storage tanks at local schools to assist communities during the drought. In addition, Implats' has looked into alternate plans such as increased supplier engagement. The group has an existing supplier onboarding programme which aims to assist the group to enlist the services of businesses that demonstrate accountability in ensuring responsible business conduct. Implats is a member of the Energy Intensive Users Group and this helps Implats identify efficiency methods that are appropriate for such sectors. All of Implats' suppliers are informed of policies and business practices and are expected to abide by their principles in their business conduct and practices. Implats has implemented a SAP Ariba system that will assist in screening suppliers on various legal compliance criteria, including health, safety and labour practices. Implats also conducts ad hoc supplier audits against its standards.

**Cost of response**

125000000

**Explanation of cost of response**

Explanation of approach used to calculate response: Energy conservation and energy efficiency initiatives implemented in Implats for FY2020 costed the company over R125 million. This comprises an investment of R100m spent on energy conservation initiatives over the last four years (once-off cost); an investment of R25 million in targeted fuel cell development (once-off cost) and the annual fee of R165 000 for membership to the Energy Intensive Users Group (reoccurring cost).

**W4.3**

**(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes, we have identified opportunities, and some/all are being realized

**W4.3a**

**(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.**

#### Type of opportunity

Efficiency

#### Primary water-related opportunity

Improved water efficiency in operations

#### Company-specific description & strategy to realize opportunity

Explanation of why this opportunity is strategic: Implats' Southern African operations are located in water stressed areas, which results in high water costs. Water is a critical input for mining, processing and refining operations, and a large quantity of water is required to continue mining operations. In addition, Implats is cognisant of the impact our water usage has on the communities with which we share natural resources. Particularly, as these communities are in water stressed areas and are mostly considered as vulnerable communities. As such, water efficiency initiatives can not only pose a financial benefit through potential water cost savings, but also aid Implats in reducing our water footprint to ensure water supply security for neighbouring communities. By increasing water use efficiency in our operations, Implats could access two main opportunities: 1) reduced operational expenditures related to water (cost savings), and 2) an opportunity to provide water to local communities who struggle with water supply security. Explanation of the action to realize the opportunity: Implats has a group-wide strategy in place to realize this opportunity. The strategy to achieve water efficiencies and costs savings at all Implats' operations includes initiatives which assist in 1) reducing Implats' potable water consumption; 2) the optimisation of industrial water-use; and 3) increasing water recycling. The action to realize the opportunity of cost savings includes Implats' water recycling strategy and its associated targets. An example of the strategy in action: The water recycling target is a group-wide opportunity that covers the South African, Zimbabwean and Canadian operations. The strategy in action aims for Implats to achieve a target of 40% recycled water used across all operations. For example, in FY2020 44% of water consumed at operations was recycled water against a target of 40%. All operations have exceeded the group target to date. Surface and groundwater monitoring programmes support the recycling/reuse initiatives at Implats. Another example of the strategy in action is Implats investigations into improving water efficiency at the group's tailings storage facilities.

#### Estimated timeframe for realization

1 to 3 years

#### Magnitude of potential financial impact

Medium

#### Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

#### Potential financial impact figure (currency)

103700000

#### Potential financial impact figure – minimum (currency)

<Not Applicable>

#### Potential financial impact figure – maximum (currency)

<Not Applicable>

#### Explanation of financial impact

The financial impact figure was calculated by quantifying the cost savings achieved through Implats' recycling target at the Impala Rustenburg operation. The financial benefit of the opportunity represents the amount of money saved by recycling water instead of purchasing water from the local municipality. The calculated cost of municipal water is R10 660 per megalitre (ML), while the volume of water recycled at Impala Rustenburg in FY2020 was 9 732ML. Thus, the financial benefit of the opportunity would be the volume of water recycled multiplied by the cost of municipal water. The benefit of recycling water at Impala Rustenburg in FY2020 amounted to R103.7 million. This quantifies the cost savings achieved through water recycling initiatives, as the R103.7 million no longer needed to be spent on purchasing municipal water for use at the Rustenburg operation.

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#### Type of opportunity

Resilience

#### Primary water-related opportunity

Increased supply chain resilience

#### Company-specific description & strategy to realize opportunity

Implats has the opportunity to increase supply chain resilience by continuing to implement measures that assist the operations to reach or exceed the group water recycling target of 40%. By decreasing their reliance on upstream water supplies by making use of water efficient practices and focusing on water conservation methods, Implats will both save money from their operations and benefit from upstream/downstream users' satisfaction due to increased water availability. Upstream and downstream water users may benefit from increased water supplies due to Implats' conservation efforts. The respective operations will benefit as increased water efficiency and conservation practices will serve as buffers in times of water stress or scarcity, and which may result in work stoppages or reduced productivity. Implats' strategy to realise this opportunity is based on the continued implementation of projects to reduce potable water consumption through the optimisation of industrial water-use and water recycling. An example of how this strategy is being implemented is the group's recycled water target of 40%. In FY2020, all operations exceeded the group target of 40%. Recycling/reuse is supported through surface and groundwater monitoring programmes. An example is Implats' investment in the development of a water balance simulation model to plan for wet and dry seasons. The investigations include options for sourcing and storage of potable water as well as storing of grey water.

#### Estimated timeframe for realization

1 to 3 years

#### Magnitude of potential financial impact

High

#### Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

#### Potential financial impact figure (currency)

103700000

#### Potential financial impact figure – minimum (currency)

<Not Applicable>

#### Potential financial impact figure – maximum (currency)

<Not Applicable>

#### Explanation of financial impact

The financial impact figure was calculated by quantifying the cost savings achieved through Implats' recycling target at the Impala Rustenburg operation. The financial benefit of the opportunity represents the amount of money saved by recycling water instead of purchasing water from the local municipality. The calculated cost of municipal water is R10 660 per megalitre (ML), while the volume of water recycled at Impala Rustenburg in FY2020 was 9 732ML. Thus, the financial benefit of the opportunity would be the volume of water recycled multiplied by the cost of municipal water. The benefit of recycling water at Impala Rustenburg in FY2020 amounted to R103.7 million. This

quantifies the cost savings achieved through water recycling initiatives, as the R103.7 million no longer needed to be spent on purchasing municipal water for use at the Rustenburg operation.

#### Type of opportunity

Markets

#### Primary water-related opportunity

Improved community relations

#### Company-specific description & strategy to realize opportunity

Implats has a responsibility to the communities within which it operates, particularly in vulnerable communities exposed to several resource-related risks. Being a large user of water in water-stressed areas means that Implats must actively participate in aiding communities in mitigating water supply risks and upholding water stewardship practices. Engaging and supporting local communities is crucial for improving community relations, and ultimately securing the Group's social licence to operate. One strategy to realize the opportunity is through our water-related community projects. Access to clean water and sanitation are necessities and are imperative in curbing the spread of Covid-19. Accessing adequate water supply is a challenge in many of the communities around our Southern African operations. By enhancing community access to safe water, Implats can improve community relations in these areas. Implats' operations have addressed supply constraints in vulnerable host communities through major infrastructure projects and continue to focus on alleviating water shortages. Implats assists with strategic regional planning, local service provision, and work with local stakeholders to address immediate needs. We participate in water boards in the areas where we operate, and we assist with ensuring that bulk infrastructure is maintained, and long-term planning is in place. At a direct local level, we are working with stakeholders, specifically municipalities, school principals and governing bodies on water conservation. Implats' community development projects are largely focused on municipal infrastructure development. The projects are expected to have a positive impact on the surrounding communities, strengthening social relationships and cementing Implats' presence in the community. During FY2020, water infrastructure was installed and repaired to ensure a constant flow of fresh water into reservoirs and to supply water to local schools in the Rustenburg region. The quality of the school learning environment in several communities and rural schools near Zimplats' operations is significantly compromised by a lack of access to potable water. Zimplats installed solar powered boreholes and storage tanks at two schools and in a village. This will ensure improved access to clean water for up to 650 pupils, providing a safer learning environment. With most surface water points dry due to the drought, the borehole sites also serve as watering points for livestock.

#### Estimated timeframe for realization

Current - up to 1 year

#### Magnitude of potential financial impact

Low-medium

#### Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

#### Potential financial impact figure (currency)

9900000

#### Potential financial impact figure – minimum (currency)

<Not Applicable>

#### Potential financial impact figure – maximum (currency)

<Not Applicable>

#### Explanation of financial impact

Approach used to calculate the figure: The financial impact figure was the amount spent by Implats on community development projects in FY2020 at Impala Rustenburg and Zimplats. Although this is regarded as a financial expense for Implats, the benefit of these projects is expected to be realized in the next financial period and the years to follow. The water supply infrastructure installed at Rustenburg and Zimplats benefits the community members in the surrounding areas. These projects assist Implats in improving community relations, which ultimately secures our social licence to operate in the surrounding communities.

## W5. Facility-level water accounting

### W5.1

(W5.1) For each facility referenced in W4.1c, provide coordinates, water accounting data, and a comparison with the previous reporting year.

#### Facility reference number

Facility 1

#### Facility name (optional)

Impala Rustenburg

#### Country/Area & River basin

South Africa	Limpopo
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#### Latitude

-25.657804

#### Longitude

27.226435

#### Located in area with water stress

Yes

#### Primary power generation source for your electricity generation at this facility

<Not Applicable>

#### Oil & gas sector business division

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

13126

**Comparison of total withdrawals with previous reporting year**

About the same

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

1484

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

497

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

11145

**Total water discharges at this facility (megaliters/year)**

0

**Comparison of total discharges with previous reporting year**

About the same

**Discharges to fresh surface water**

0

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

0

**Total water consumption at this facility (megaliters/year)**

13126

**Comparison of total consumption with previous reporting year**

Much lower

**Please explain**

Water withdrawals decreased by 0.55% from the previous year. There is no water discharge at Rustenburg. The Rustenburg operation has scavenging boreholes that collectively supply an average of 1.15Ml/day, although water withdrawals from groundwater decreased by 31% from the previous reporting year. Impala Rustenburg currently uses only 41% of its potable water allocation. Reduced production at the operation during the national lockdown mitigated water demands. The levels of water recycling vary across seasons and operations plan to set quarterly targets accordingly. Impala Rustenburg also continues to research alternative water sources for usage and alternative storage capacity with the potential to minimise water losses in the future. The total water recycled was 44% of total water consumed in the reporting year. Unit consumption rate of water marginally increased to 2.20 kl/tonne of ore milled, from 2.05 kl/tonne in FY2019 at Implats' operations. The total water consumption was calculated by subtracting the metered water discharged volumes from the metered withdrawal volumes. Total water consumption was much lower with a decrease of around 44% from the previous reporting period. This is attributed to the adoption of the CDP methodology for calculating total water consumption (C= W-D) in this reporting period. Implats defines "about the same" to be between 0 – 10%. Changes of +/-10% are considered to be higher/ lower. Changes of +/-40% are considered much higher/lower.

**Facility reference number**

Facility 2

**Facility name (optional)**

Marula

**Country/Area & River basin**

South Africa	Olifants
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**Latitude**

-24.503009

**Longitude**

30.082798

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

&lt;Not Applicable&gt;

**Oil & gas sector business division**

&lt;Not Applicable&gt;

**Total water withdrawals at this facility (megaliters/year)**

1788

**Comparison of total withdrawals with previous reporting year**

About the same

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

460

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

1328

**Total water discharges at this facility (megaliters/year)**

0

**Comparison of total discharges with previous reporting year**

About the same

**Discharges to fresh surface water**

0

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

0

**Total water consumption at this facility (megaliters/year)**

1788

**Comparison of total consumption with previous reporting year**

Much lower

**Please explain**

Water withdrawals at Marula remained about the same, decreasing by a marginal 8% compared to the previous reporting year, a 8% increase is defined as about the same by Implats. There is no water discharge at the Marula operation. The slight decrease in the water withdrawn at Marula is attributed to a marginal increase in recycled water at the Marula operation, FY2020: 44% vs FY2019: 39%. The operation is constructing a best-practice tailings facility that is expected to enable a significant increase in water recycled in the future. The total water consumption was calculated by subtracting the metered water discharged volumes from the metered withdrawal volumes. Total water consumption was much lower with a decrease of around 44% from the previous reporting period. This is attributed to the adoption of the CDP methodology for calculating total water consumption (C= W-D) in this reporting period. Implats defines "about the same" to be between 0 – 10%. Changes of +/-10% are considered to be higher/ lower. Changes of +/-40% are considered much higher/lower.

**Facility reference number**

Facility 3

**Facility name (optional)**

Refineries

**Country/Area & River basin**

South Africa	Vaal
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**Latitude**

-26.224931

**Longitude**

28.439836

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

722

**Comparison of total withdrawals with previous reporting year**

About the same

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

722

**Total water discharges at this facility (megaliters/year)**

0

**Comparison of total discharges with previous reporting year**

About the same

**Discharges to fresh surface water**

0

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

0

**Total water consumption at this facility (megaliters/year)**

722

**Comparison of total consumption with previous reporting year**

Much lower

**Please explain**

Total water withdrawn decreased by a marginal 7.6% compared to the previous reporting period, this is due to a decrease in the amount of municipal water bought. There is no water discharged at the Refineries operation. The total water consumption was calculated by subtracting the metered water discharged volumes from the metered withdrawal volumes. Total water consumption was much lower with a decrease of around 40% from the previous reporting period. This is attributed to the adoption of the CDP methodology for calculating total water consumption (C= W-D) in this reporting period. Implats defines "about the same" to be between 0 – 10%. Changes of +/-10% are considered to be higher/ lower. Changes of +/-40% are considered much higher/lower.

**Facility reference number**

Facility 4

**Facility name (optional)**

Zimplats

**Country/Area & River basin**

Zimbabwe	Zambezi
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**Latitude**

-18.664262

**Longitude**

30.352324

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

7473

**Comparison of total withdrawals with previous reporting year**

About the same

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

6286

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

1187

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

0

**Total water discharges at this facility (megaliters/year)**

160

**Comparison of total discharges with previous reporting year**

About the same

**Discharges to fresh surface water**

160

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

0

**Total water consumption at this facility (megaliters/year)**

7313

**Comparison of total consumption with previous reporting year**

Much lower

**Please explain**

Water withdrawals at the Zimplats' operation remained about the same, with a slight increase of 3.5%. Water discharged at Zimplats remained about the same, decreasing slightly by 7.5% compared to the previous reporting period. Zimplats discharges water to fresh-water destinations. The decrease in water discharges could be attributed to increased temperatures and drought conditions experienced in Zimbabwe. The temperature increase results in process water being more rapidly evaporated from tailings dams and other such processes, leading to decreased discharges to fresh water sources. The low rainfall over the last two years has resulted in low dam capacities and increased pressure on water supply in the catchments where Zimplats operates. The operation continues to invest in new technology to reduce the risks related to the exposure of Zimbabwe's hydroelectric utility to increased water stress. The total water consumption was calculated by subtracting the metered water discharged volumes from the metered withdrawal volumes. Total water consumption was much lower with a decrease of around 39% from the previous reporting period. This is attributed to the adoption of the CDP methodology for calculating total water consumption (C= W-D) in this reporting period. Implants defines "about the same" to be between 0 – 10%. Changes of +/-10% are considered to be higher/ lower. Changes of +/-40% are considered much higher/lower.

**Facility reference number**

Facility 5

**Facility name (optional)**

Impala Canada

**Country/Area & River basin**

Canada	St. Lawrence
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**Latitude**

49.090768

**Longitude**

-89.390105

**Located in area with water stress**

No

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

920

**Comparison of total withdrawals with previous reporting year**

This is our first year of measurement

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

631

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

289

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

0

**Total water discharges at this facility (megaliters/year)**



0

**Comparison of total discharges with previous reporting year**

This is our first year of measurement

**Discharges to fresh surface water**

0

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

0

**Total water consumption at this facility (megaliters/year)**

920

**Comparison of total consumption with previous reporting year**

This is our first year of measurement

**Please explain**

Implats acquired Impala Canada during the 2020 reporting year. Impala Canada had been measuring water volumes previous to this reporting year, however, this did not form part of Implats' water monitoring process until FY2020. As a result, FY2020 was considered to be the first year of measurement at Impala Canada as part of Implats. Impala Canada withdraws water from both freshwater and renewable groundwater sources. Impala Canada does not discharge any water. The operation is water positive and maintains a recycling rate above 75% through recycling process water in the overflow from the tailings thickener and return water from the water management facility. Implats defines "about the same" to be between 0 – 10%. Changes of +/-10% are considered to be higher/ lower. Changes of +/-40% are considered much higher/lower.

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**W5.1a**

**(W5.1a) For the facilities referenced in W5.1, what proportion of water accounting data has been externally verified?**

**Water withdrawals – total volumes**

**% verified**

76-100

**What standard and methodology was used?**

Standards used: Implats conducted assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (Revised) and Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000 (Revised)) issued by the International Auditing and Assurance Standards Board. Methodology: Nexia SAB&T's assurance methodology is undertaken in accordance with ISAE 3000 (Revised) and involves planning and performing engagement to obtain the appropriate level of assurance about whether the selected sustainability information is free from material misstatement. The methodology involves assessing the suitability of the Company's use of its reporting criteria as the basis of preparation for the selected sustainability performance information. The scope of the methodology: involves performing procedures to obtain evidence about the measurement of the selected sustainability information and related disclosures in the report, the scope included inquiries, observation of processes followed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies and agreeing or reconciling with underlying records.

**Water withdrawals – volume by source**

**% verified**

76-100

**What standard and methodology was used?**

Standards used: Implats conducted assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (Revised) and Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000 (Revised)) issued by the International Auditing and Assurance Standards Board. Methodology: Nexia SAB&T's assurance methodology is undertaken in accordance with ISAE 3000 (Revised), and involves planning and performing engagement to obtain the appropriate level of assurance about whether the selected sustainability information is free from material misstatement. The methodology involves assessing the suitability of the Company's use of its reporting criteria as the basis of preparation for the selected sustainability performance information. The scope of the methodology: involves performing procedures to obtain evidence about the measurement of the selected sustainability information and related disclosures in the report, the scope included inquiries, observation of processes followed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies and agreeing or reconciling with underlying records.

**Water withdrawals – quality**

**% verified**

Not verified

**What standard and methodology was used?**

<Not Applicable>

**Water discharges – total volumes**

**% verified**

Not verified

**What standard and methodology was used?**

<Not Applicable>

#### Water discharges – volume by destination

**% verified**

Not verified

**What standard and methodology was used?**

<Not Applicable>

#### Water discharges – volume by treatment method

**% verified**

Not verified

**What standard and methodology was used?**

<Not Applicable>

#### Water discharge quality – quality by standard effluent parameters

**% verified**

Not verified

**What standard and methodology was used?**

<Not Applicable>

#### Water discharge quality – temperature

**% verified**

Not verified

**What standard and methodology was used?**

<Not Applicable>

#### Water consumption – total volume

**% verified**

76-100

**What standard and methodology was used?**

Standards used: Implats conducted assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (Revised) and Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000 (Revised)) issued by the International Auditing and Assurance Standards Board. Methodology: Nexia SAB&T's assurance methodology is undertaken in accordance with ISAE 3000 (Revised), and involves planning and performing engagement to obtain the appropriate level of assurance about whether the selected sustainability information is free from material misstatement. The methodology involves assessing the suitability of the Company's use of its reporting criteria as the basis of preparation for the selected sustainability performance information. The scope of the methodology: involves performing procedures to obtain evidence about the measurement of the selected sustainability information and related disclosures in the report, the scope included inquiries, observation of processes followed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies and agreeing or reconciling with underlying records.

#### Water recycled/reused

**% verified**

76-100

**What standard and methodology was used?**

Standards used: Implats conducted assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (Revised) and Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000 (Revised)) issued by the International Auditing and Assurance Standards Board. Methodology: Nexia SAB&T's limited assurance methodology is undertaken in accordance with ISAE 3000 (Revised), and involves planning and performing engagement to obtain the appropriate level of assurance about whether the selected sustainability information is free from material misstatement. The methodology involves assessing the suitability of the Company's use of its reporting criteria as the basis of preparation for the selected sustainability performance information. The scope of the methodology: involves performing procedures to obtain evidence about the measurement of the selected sustainability information and related disclosures in the report, the scope included inquiries, observation of processes followed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies and agreeing or reconciling with underlying records.

## W6. Governance

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### W6.1

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**(W6.1) Does your organization have a water policy?**

Yes, we have a documented water policy, but it is not publicly available

### W6.1a

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**(W6.1a) Select the options that best describe the scope and content of your water policy.**

	Scope	Content	Please explain
Row 1	Company-wide	<p>Description of business dependency on water</p> <p>Description of business impact on water</p> <p>Company water targets and goals</p> <p>Commitment to stakeholder awareness and education</p> <p>Commitment to water stewardship and/or collective action</p> <p>Acknowledgement of the human right to water and sanitation</p>	<p>Rationale for the scope selected: Implats' commitment to responsible water stewardship is reflected by the integration of water-related issues into our company-wide Water Policy. Implats' Water Policy is company-wide in scope and includes all managed and joint venture operations, employees and contractors working at our operations. Incorporating water-related responsibilities and commitments in the Water Policy communicates our commitment to 'maximise the positive impacts PGMs have on the environment and minimise or eliminate any negative impacts'. Implats' Water Policy assists the Group in managing risks and opportunities associated with water and related environmental issues. Implats is aware that equitable and secure access to water is a significant environmental and socio-economic concern. Overview of policy content: Water is Implats most significant environmental concern, consequently Implats' policy commits to water stewardship across operations. The Water Policy provides direction for company-wide water targets and goals to uphold our commitment to water stewardship. In addition, Implats commits to promoting stakeholder awareness and water-related education, such as encouraging participation in water management programmes and related awareness initiatives. Furthermore, Implats' strives to integrate water concerns into everyday practices across operations. Implats complies with all applicable water-related regulations and executes strategic and operational decisions informed by water constraints and targets. As a big water user, Implats' acknowledges that water is a shared resource which is essential to business sustainability and the wellbeing of surrounding communities. Our strategy focuses on water consumption and quality management, and it proposes a framework for operation-specific water conservation strategies, in line with our commitment to reduce our levels of potable water usage and to increase recycled water usage.</p>

**W6.2**

**(W6.2) Is there board level oversight of water-related issues within your organization?**

Yes

**W6.2a**

**(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.**

Position of individual	Please explain
Board-level committee	<p>Implats addresses sustainability (including water) issues quarterly at board-level through two sub-committees: the social, transformation and remuneration (STR) committee and the health, safety, environment and risk (HSER) committee. The HSER is responsible for monitoring water strategy and risk, and the governance and monitoring of the environment. The HSER oversees strategy implementation, assesses the adequacy and appropriateness of HSER policies, standards and procedures and reviews Group-wide performance and risk management practices. The HSER investigates and reviews all major incidents, including water-related incidents. Example: the decision to progress Implats' water conservation strategies, in line with the Group's commitment to reduce levels of potable water and increase operational reliance on recycled water, as well as approving Group-wide water recycling targets. Furthermore, a decision was made to include water security as a top 10 group risk in FY2020.</p>

**W6.2b**

**(W6.2b) Provide further details on the board's oversight of water-related issues.**

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - all meetings	<p>Monitoring implementation and performance</p> <p>Overseeing major capital expenditures</p> <p>Reviewing and guiding annual budgets</p> <p>Reviewing and guiding business plans</p> <p>Reviewing and guiding major plans of action</p> <p>Reviewing and guiding risk management policies</p> <p>Reviewing and guiding strategy</p> <p>Setting performance objectives</p>	<p>Implats addresses sustainability issues (including water-related issues) at board level, through the health, safety, environment and risk (HSER) committee. The HSER committee is responsible for the group's health and environment concerns, which includes water-related issues. At Board level, the HSER committee oversees strategy implementation, assesses the adequacy and appropriateness of HSER policies, standards and procedures and reviews Group-wide performance and risk management practices quarterly. The HSER board sub-committee is responsible for monitoring the Group's water strategy and water-related risks. The committee also has oversight of investigations into all major environmental incidents, including water-related incidents. The board is responsible for overseeing the Group's risk management and internal control systems. At Board-level, the HSER committee consists of independent non-executive directors, supporting a strong risk governance framework. The HSER committee monitors and reviews the Group's risk profile and effectiveness of all risk management activities. The HSER committee also monitors the Group's adherence to agreed risk limit. The HSER ensures that the board, as a collective, works towards managing the foreseen risks (including the risks associated with water) effectively and maintains responsibility for the risks assigned to the committee. Group-wide performance monitoring and reporting of identified risks and risk mitigation action plans are derived quarterly. Board-level committee meetings are held quarterly to ensure that all proposed strategies are adequately reviewed, approved, and continually monitored and reported on. The HSER committee is responsible for the review of Group-wide performance and risk management practices on a quarterly basis. These governance mechanisms contribute to the board's oversight of water issues by ensuring oversight of Implats' socio-economic, environmental, health and safety programs, including water responsibilities. Through the monitoring of implementation and capital expenditure regarding water risks, Implats' board remains consistently aware of pending water-related issues. This is similarly maintained through reviewing and guiding strategies; major plans of actions; risk management policies; water policies; annual budgets and business plans. Assisted by the HSER, the Board is able to monitor the implementation and performance of objectives; goals and targets for addressing water-related issues. Implats' performance is monitored through key performance indicators. This ensures that any material changes to Implats' risk profiles are evaluated in the context of risk appetite and risk tolerance limits; and that necessary actions are taken in a timely manner. In South Africa the directors of a company may be held directly and legally responsible for water related impacts. Therefore, Implats' Board of Directors hold the highest level of direct responsibility for water within the company</p>

W6.3

**(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).**

**Name of the position(s) and/or committee(s)**

Other C-Suite Officer, please specify (The Exco made up of Chief Executives)

**Responsibility**

Both assessing and managing water-related risks and opportunities

**Frequency of reporting to the board on water-related issues**

Quarterly

**Please explain**

Sustainability falls under the responsibility of the executive committee (Exco). The Exco consists of the chief executives of Implats, forming a part of the top level of the corporate structure. The Group has appointed a Group Executive: Sustainability who is responsible for developing the environmental strategy and reviewing performance in terms of the Group's non-financial indicators, such as water. The Exco lends support to the board's HSER, STR, SET and audit committees. The HSER is responsible for oversight of the Environmental, Social and Governance (ESG) Report. The ESG Report provides Implats' stakeholders – including employees, local communities, non-governmental organisations, investors and customers – with a transparent account of how Implats addressed material sustainability issues faced during 2020. Water-related responsibilities of the Exco include assessing and managing water-related risks and opportunities and water management and infrastructure budget decisions.

**Name of the position(s) and/or committee(s)**

Facilities manager

**Responsibility**

Both assessing and managing water-related risks and opportunities

**Frequency of reporting to the board on water-related issues**

More frequently than quarterly

**Please explain**

The UTS Engineer and Manager deal with all the Potable water Contracts as well as Effluent (at Rustenburg Water and Sewage Treatment plant) from town and the internal sewerage treatment plants. They also manage all flow meters and monitoring of water quality.

W6.4

**(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?**

	Provide incentives for management of water-related issues	Comment
Row 1	Yes	

W6.4a

**(W6.4a) What incentives are provided to C-suite employees or board members for the management of water-related issues (do not include the names of individuals)?**

	Role(s) entitled to incentive	Performance indicator	Please explain
Monetary reward	Other C-suite Officer (Group Executive: Safety, Health and Environmental) Other, please specify (Group Environmental Consultant)	Reduction of water withdrawals Reduction in consumption volumes Increased access to workplace WASH Implementation of water-related community project Other, please specify (Promoting environmental stewardship)	Implats' CEO is responsible for signing off the Group strategy, with operations executive responsible for developing and implementing management plans such as efficiency projects and other activities related to achieving the water recycling target of 40% in direct operations. The chosen indicator is, thus, achieving the water recycling target of 40%. The rationale for selecting this indicator is due to recycling water allowing Implats' operations to withdraw less water, which results in more efficient water usage. As water is a shared resource, Implats' reduced freshwater demands will increase water security for host communities and will meet the social licence to operate. Reduced withdrawal demands from third party sources will also improve the operational costs associated with water withdrawn. The threshold of success for this indicator is the 40% water recycling target. The timescale in which this indicator must be met is annually. For example, in FY20, 44% of total water consumed was recycled. Total remuneration is determined by the key performance indicators agreed between the Social Transformation and Remuneration (STR) committee and the employee. The CEO and the corporate executive team obtain incentives of 2.5% and 1.35% respectively of key performance indicators weighted towards safety, health, environment and community as part of the company's short-term incentives.
Non-monetary reward	Corporate executive team	Other, please specify (Reduction in environmental incidences)	Performance indicator chosen: the executive committee is responsible for the formulation and implementation of water management plans. This includes plans to implement water efficiency projects and other activities related to achieving the group's reduction in water-related environmental incidences. The rationale for selecting this indicator is to improve Implats' social licence to operate within communities as a result of reduced water-related incidences. This is another indicator that the executive committee receives recognition for. Since water is a shared resource, by reducing Implats' water-related environmental incidences, it is possible to increase the security of water supplies for host communities and local environments that are both upstream and downstream of Implats' operations. The threshold of success for these indicators varies. Thresholds include improved relationships with communities and other stakeholders (both upstream and downstream of Implats' operations). Improved stakeholder relationships can improve Implats' reputation and social licence to operate. 1.35% of the senior executives' key performance indicators are weighted towards safety, health, environment and community.

W6.5

**(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?**

Yes, direct engagement with policy makers

W6.5a

**(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?**

Implats' environmental policy outlines the Group's commitment to effective management of resources, reduced impact on the environment and host communities, and legislative compliance. The policy commits the Group to practice environmental stewardship of natural resources and aims to mitigate unavoidable environmental impacts of mining activities, including impacts on water resources at Implats' operations. The policy is used as a basis for stakeholder engagements that influence policy. The policy commits Implats' operations to running processes in an environmentally responsible manner, safeguarding the well-being of all stakeholders. Water-related areas within the policy include: promoting water stewardship by minimizing water use and pollution.

The process to ensure consistency with the policy is entrenched in Implats' stakeholder engagement procedures. This allows Implats to manage multiple water-related engagement activities across different business divisions, ensuring a common approach that is consistent with the group's strategy on water security, stewardship and management. Responsibilities for engagements with stakeholders are sub-delegated to specialist personnel and operational executives, depending on the nature of the issue. Where any inconsistencies arise in terms of alignment with Implats' water strategies, these are dealt with on a case-by-case basis, by making constant reference to the environmental policy and responsible resource stewardship.

W6.6

**(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?**

Yes (you may attach the report - this is optional)

Implats Annual Integrated Report\_2020.pdf

W7. Business strategy

W7.1

**(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?**

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	21-30	Implats integrates water issues that evaluate long-term water usage, discharge and efficiency, as well as relevant water-related issues experienced post-mine life into the Group's mine closure and rehabilitation plans. The Group integrates mine-closure planning into life-of-mine planning with a focus on rehabilitating land in parallel with mining activities, while ensuring the protection of water. Implats' closure plans are reviewed annually. Closure liabilities are updated as necessary. Plans for post-mine operations have budget allocations. Examples of how water-issues are integrated -Water efficiencies are being addressed through Implats' group-wide recycling target and commitment to reduce levels of potable water usage; -Monitoring of quantity/quality of water discharges to minimize environmental impacts by using technology, eg) long-term water balances, to evaluate use and minimize environmental impacts; -Prioritising the use of grey water at all operations; -Flood planning, all tailings storage facilities have concurrent rehabilitation plans that include revegetation, dust management and water management - Water management provisions for post-closure. The long-term time horizon of 21-30 years is aligned with Implats' internal planning horizons which consider the life of mines as well as the post mine life periods (which are typically over 20 years). Implats' board is responsible for overseeing corporate strategy and major plans of action, including water-related issues.
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	21-30	Water issues integrated into Implats' strategy for achieving water objectives include the assessment of long-term water use profiles; water management provisions for post-mine closure; monitoring of quantity and quality of water discharges to minimize environmental impacts and flood planning. For example, regarding the latter, Implats' tailings storage facilities have concurrent rehabilitation plans that include revegetation, dust management and water management. Examples: - Improving levels of statutory compliance with amended water-use licences; - Implementing a framework for operation-specific water conservation strategies; - Effective water management strategies including water consumption and quality management; - Promoting responsible water stewardship by minimizing water use and pollution; - Responding to climate change risks/opportunities; - Managing waste streams and promoting responsible land management/biodiversity practices. Responsible stewardship of natural resources, mitigating environmental impacts of our activities and going beyond compliance of regulatory standards are key Group policies. Measures that support the achievement of Implats' strategic water objectives include ISO 14001 certification for environmental management systems. The long-term time horizon of 21-30 years is aligned with Impala Platinum's internal planning horizons which consider the life of mines as well as the post mine life periods (which are typically over 20 years).
Financial planning	Yes, water-related issues are integrated	21-30	The following water-related issues are incorporated into Implats' long-term financial planning (varying per operation): long-term water use profiles and tariffs; water management provisions for post-mine closure; monitoring of quantity and quality of water discharges to minimize environmental impacts and flood planning. Responsible stewardship of natural resources, mitigating environmental impacts of our activities and going beyond compliance of regulatory standards are key Group policies incorporated into long-term financial planning. For example, all Impala Platinum's tailings storage facilities have concurrent rehabilitation plans that include revegetation, dust management and water management. These water-related issues are integrated into financial plans through the development of site-specific operational plans and post-mine closure plans. Approved operational and post-mine closure plans have dedicated budget allocations. The long-term time horizon of 21-30 years is aligned with Impala Platinum's internal planning horizons which consider the life of mines as well as the post mine life periods (which are typically over 10 years). The rationale for addressing water issues in long-term financial planning is that it assists the operations in identifying financial requirements related to water management. This assists Impala Platinum to allocate appropriate resources and helps to mitigate or avoid risks of non-compliance with regulations and best practice standards.

## W7.2

(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

Water-related CAPEX (+/- % change)

838

Anticipated forward trend for CAPEX (+/- % change)

1013

Water-related OPEX (+/- % change)

11

Anticipated forward trend for OPEX (+/- % change)

3.3

Please explain

Why CAPEX has increased: During FY20, Implats invested in the development of a water treatment plant at Zimplats which contributed to the increased CAPEX in FY20. In addition, the development and implementation of alternative water source projects at Impala Rustenburg also contributed to increased CAPEX during FY20. Impala Rustenburg installed and repaired local water infrastructure to ensure a constant flow of fresh water into reservoirs and to supply local schools. CAPEX is anticipated to increase in the next financial year due to the development and implementation of stormwater management systems (over 5 year period) for the separation of clean and dirty water, as well as for the building of 2 potable water reservoirs at Impala Rustenburg. Why OPEX has increased: Operational expenditure has increased slightly in FY20 due to an increase in output and an increase in municipal water prices. OPEX is anticipated to increase with 3.3% in line with the Consumer Price Index (CPI).

## W7.3

(W7.3) Does your organization use climate-related scenario analysis to inform its business strategy?

	Use of climate-related scenario analysis	Comment
Row 1	No, but we anticipate doing so within the next two years	Implats does not currently use climate-related scenario analysis to inform its business strategy, however, Implats anticipates to start doing so within the next two years. In this reporting year, Implats' HSER Committee has made the decision to increase actions towards alignment with the international best practice proposed by the Task Force on Climate-related Financial Disclosure (TCFD) recommendations. Implats has begun the process to implement the recommended actions and public awareness measures for climate-related risk disclosure (see pages 116 – 117 of SD Report 2020). In FY2020, Implats appointed a consultant to assist in identifying our TCFD gaps and a strategy for increased TCFD alignment of our company reporting. It is anticipated that TCFD scenario analyses and increased financial disclosures will be included in Implats' reporting within the next two years.

## W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

No, but we are currently exploring water valuation practices

Please explain

Impala Platinum does not currently use an internal price on water aside from consideration of the water tariffs used in financial planning, however, Implats has begun exploring potential water valuation practices and plans to make use of the internal price on water in future financial periods.

## W8. Targets

### W8.1

**(W8.1) Describe your approach to setting and monitoring water-related targets and/or goals.**

	Levels for targets and/or goals	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
Row 1	Company-wide targets and goals Business level specific targets and/or goals Site/facility specific targets and/or goals	Targets are monitored at the corporate level Goals are monitored at the corporate level	To set water-related targets/goals, Implats identifies strategic business objectives, and material sustainability focus areas through our structured internal risk management process, internal materiality process and with consideration of the views and interests of our stakeholders. The Implats' enterprise risk management is aligned with ISO 31000, the international risk management standard. The risk management process is used to identify targets and goals related to water risks, impacts and opportunities. Furthermore, Zimplats regularly participates in the Zimbabwe National Water Authority catchment and sub-catchment council meetings which provides a platform to work with stakeholders in stewarding water as a shared resource. Implats' participation in catchment councils informs their water-risk reviews and water use target setting. The Board is responsible for overseeing the Group's risk management and internal control systems, which management is responsible for implementing. Risk management is governed through an enterprise risk management approach under supervision of the health, safety, environment and risk committee (HSER). The HSER consists of independent non-executive directors, supporting a strong risk governance framework. The HSER monitors and reviews the risk profile and the effectiveness of all risk management activities and monitors adherence to agreed risk limits. Risks are reviewed monthly by Exco and quarterly by the board. High-level meetings facilitate a consolidated approach to the prioritization of water risks at group and operational level. Once identified through the assessment process at Exco level, Implats' water risk targets and goals are developed to ensure that they reflect geographic, regulatory and other contextual factors. Individual operations have formal motivations that drive target and goal setting, for example, the requirements to abide by the respective licensing and water-use conditions in accordance with Implats' annual Climate Change Risk Assessment. The progress of monitored targets and goals is stipulated in performance assessments and monetary rewards of top Executives. Implats recognizes water as a shared resource. Decreasing Implats' freshwater withdrawals, allows host communities and local environments both upstream and downstream of Implats' operations access to greater volumes of water. Implats aims to reduce withdrawal volumes by setting water targets and goals to deliver meaningful outcomes for both the group and for other water users. Implats' operations require large quantities of water, but operations are predominantly based in water stressed regions of Southern Africa. This causes limitations to Implats' tailings dams and general water supplies. Implats recognizes the need for responsible water stewardship considering that areas in which the group operates are prone to water stresses, which negatively impact the operations' water resources, such as tailings dam return water and water supplies.

**W8.1a**

**(W8.1a) Provide details of your water targets that are monitored at the corporate level, and the progress made.**

**Target reference number**

Target 1

**Category of target**

Water recycling/reuse

**Level**

Company-wide

**Primary motivation**

Water stewardship

**Description of target**

Water is a critical input for mining operations. For Implats, water shortage is a principal risk as its Southern Africa sites are in water-scarce areas. Furthermore, Zimbabwe has faced extreme drought throughout the reporting period, exacerbating water supply risk in the region. Adding to the water-stress in these regions is Implats' water intensive activities. To uphold and strengthen the Group's water stewardship commitment, Implats' has set a company-wide, year-on-year rolling target of 40% water consumed to be recycled water between 2001-2020. In FY20, the group achieved a water consumption recycling/reuse rate of 44%, which exceeds the 40% target. Recycled water includes tailings return water and internal purified sewage effluent. Recycling water reduces Implats' water withdrawal quantities and total water consumption. Implats continuously aims to reduce freshwater demands. This will increase water security in host communities and local environments where Implats operates.

**Quantitative metric**

% increase in water use met through recycling/reuse

**Baseline year**

2001

**Start year**

2001

**Target year**

2020

**% of target achieved**

100

**Please explain**

In the FY2020 reporting period, the group achieved a water recycling/reuse rate of 44%, meaning that we have met and exceeded the year-on-year rolling water recycling/reuse target of 40% in the reporting year.

**W8.1b**

**(W8.1b) Provide details of your water goal(s) that are monitored at the corporate level and the progress made.**

**Goal**

Other, please specify (Strive for no Level 4 or 5 incidents)

**Level**

Company-wide

**Motivation**

Other, please specify (Maintain Licenses to Operate)

**Description of goal**

Responsible corporate stewardship is one of the key strategic pillars of Implats, and as such we are committed to develop, protect and strengthen our licence to operate through industry-leading Environmental, Social and Governance performance. Implats strives for no 'major' (Level 5) or 'significant' (Level 4) environmental incidents. A zero-harm environment safeguards Implats' human capital, enables them to achieve target KPIs, strengthens social licence to operate within communities and contributes to the attainment of identified United Nations Sustainable Development Goals. Implats commits to improve environmental performance, in accordance with the Environmental Policy, through monitoring, assessing, preventing and controlling possible environmental risks. Water is vital to Implats' direct operations without which Implats' production would be severely disrupted. Implats has adopted this company-wide goal because operations that do not strive for zero Level 3 incidents are at risk of losing their regulatory and social licences to operate. These licences are critical for Implats' long-term sustainability and profitability. This goal is being implemented across the Group by investing in measures that improve water management, including pollution prevention and conservation practices. The implementation of measures to achieve this goal are enhanced by Implats' commitment to maintaining ISO 14001 certification for all environmental management systems across the company.

**Baseline year**

2013

**Start year**

2013

**End year**

2032

**Progress**

The indicator used to assess progress of this goal is the number of Level 4 or 5 environmental incidents per year. The threshold for success is met if no Level 4 or 5 environmental incidents occur in a particular reporting year. Thus, the goal is considered successful if Implats is responsible for zero Level 4 or 5 environmental incidents. During the 2020 reporting period, no "major" (Level 5) or "significant" (Level 4) environmental incidents were reported at any of Implats' operations. Consequently, Implats succeeded in meeting this goal during FY2020. Additionally, Implats has not recorded a 'major' (Level 5) or 'significant' (Level 4) environmental incident at any of its operations since 2013. Although 16 "limited impact" (Level 3) environmental incidents were recorded in FY20, this represents a 30% reduction from the 23 environmental incidents recorded in FY2019. Furthermore, no non-compliance notices, fines or penalties were issued to any of Implats' operations during the 2020 reporting period.

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**W9. Verification**

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**W9.1**

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**(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?**

No, we do not currently verify any other water information reported in our CDP disclosure

**W10. Sign off**

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**W-FI**

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**(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.**

Implats acquired Impala Canada during the 2020 reporting period. Consequently, this is the first year in which Impala Canada will be reported on. Impala Canada was not included in Implats' previous CDP Water Security submission, as a result changes in volumes of water withdrawn and consumed are largely attributed to the acquisition of Impala Canada.

Implats transitioned to reporting total consumption as per the CDP water accounting methodology for calculating total water consumption (Total consumption = Total water withdrawn minus (-) Total water discharged). In previous reporting periods Implats used an in-house methodology for calculating total water consumption. Implats calculated Total water consumption as per the following: Total water withdrawn plus (+) Water internally recycled (2020 ESGR pg130).

Due to the transition, water consumption across the Implats Group is much lower, decreasing by 40%. That is from 43 123 MI that was reported in 2020 submission. Implats defines "about the same" to be between 0 – 10%. Changes of +/-10% are considered to be higher/ lower. Changes of +/-40% are considered much higher/lower. The decrease in total consumption is linked to the change in water consumption methodologies.

However, if one was to use the CDP water accounting methodology for submission 2020 the figure would be 22 973 MI. This would mean that the 2021 figure of 23 869 MI about the same (4% increase)

### W10.1

**(W10.1) Provide details for the person that has signed off (approved) your CDP water response.**

	Job title	Corresponding job category
Row 1	Chief Executive Officer	Chief Executive Officer (CEO)

### W10.2

**(W10.2) Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate's Water Action Hub [applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)].**

Yes

### SW. Supply chain module

#### SW0.1

**(SW0.1) What is your organization's annual revenue for the reporting period?**

	Annual revenue
Row 1	69900000000

#### SW0.2

**(SW0.2) Do you have an ISIN for your organization that you are willing to share with CDP?**

Yes

#### SW0.2a

**(SW0.2a) Please share your ISIN in the table below.**

	ISIN country code	ISIN numeric identifier (including single check digit)
Row 1	ZA	0000083648

#### SW1.1

**(SW1.1) Could any of your facilities reported in W5.1 have an impact on a requesting CDP supply chain member?**

Yes, CDP supply chain members buy goods or services from facilities listed in W5.1

**SW1.1a**

**(SW1.1a) Indicate which of the facilities referenced in W5.1 could impact a requesting CDP supply chain member.**

**Facility reference number**

Facility 3

**Facility name**

Refineries

**Requesting member**

General Motors Company

**Description of potential impact on member**

Implats requires clean water for all mining operations and processes, particularly for the refining of metals at the Impala Refineries facility. A disruption to the supply of clean water to the Refineries facility may result in a delay or cease in production. Water supply security is considered an expanding risk in water stressed areas such as South Africa. Therefore, making this potential impact particularly relevant as the Refineries facility is located in a water-stressed area. General Motors Company is a consumer of Implats' products and purchases the 6E PGM ounces for their catalytic converter production processes. A delay or cease in production due to a disruption to the water supply at Refineries may impact on the operation's output value, which may impact on Impala Platinum ability to provide General Motors Company with PGMs or reduce the quantity of product available for purchase, thereby impacting General Motors Company's ability to uphold stipulated production levels.

**Comment**

Impala Refineries is a single location facility.

**SW1.2**

**(SW1.2) Are you able to provide geolocation data for your facilities?**

	Are you able to provide geolocation data for your facilities?	Comment
Row 1	Yes, for all facilities	See below for the coordinates of the Implats operations

**SW1.2a**

**(SW1.2a) Please provide all available geolocation data for your facilities.**

Identifier	Latitude	Longitude	Comment
Rustenburg Operations	-25.657804	27.226435	Single location facility.
Refineries	-26.224931	28.439836	Single location facility.
Marula	-24.503009	30.082798	Single location facility.
Zimplats	-18.664262	30.352324	Single location facility.
Impala Canada	49.170396	-89.592892	Single location facility.

**SW2.1**

**(SW2.1) Please propose any mutually beneficial water-related projects you could collaborate on with specific CDP supply chain members.**

**Requesting member**

Please select

**Category of project**

Please select

**Type of project**

Please select

**Motivation**

**Estimated timeframe for achieving project**

Please select

**Details of project**

**Projected outcome**

**SW2.2**

**(SW2.2) Have any water projects been implemented due to CDP supply chain member engagement?**

No

**SW3.1**

**(SW3.1) Provide any available water intensity values for your organization's products or services.**

**Product name**

Kiloliters of Water Withdrawn per tons milled.

**Water intensity value**

1.23

**Numerator: Water aspect**

Water withdrawn

**Denominator**

Tons milled

**Comment**

For the reporting period (FY2020), the total water withdrawn increased by 3.8% year on year compared to the previous reporting period. The increase is due to the acquisition of Impala Canada during FY2020. The recycled water was 44% of total water consumed against a group target of 40%.

**Submit your response**

**In which language are you submitting your response?**

English

**Please confirm how your response should be handled by CDP**

	<b>I am submitting to</b>	<b>Public or Non-Public Submission</b>	<b>Are you ready to submit the additional Supply Chain questions?</b>
I am submitting my response	Investors Customers	Public	Yes, I will submit the Supply Chain questions now

**Please confirm below**

I have read and accept the applicable Terms