



ENVIRONMENT, SOCIAL AND GOVERNANCE
REPORT

Embedding Our Strategy

30 June 2022

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2022 AT A GLANCE

Environmental performance

GHG data (excluding Scope 3) (tCO₂e)	94,582.38
Scope 1: GHG emissions (tCO ₂ e)	265.53
Scope 2: GHG emissions (tCO ₂ e)	94,316.85
Estimated annual water consumed	<ul style="list-style-type: none"> • 12,975,525 m³ total annual water consumed • 89,011m³ consumed in product
Incidents (not necessarily reportable)	One Tailings Storage Facility (TSF) incident
Programmes implemented	Laboratory test phase for greener technology to be used in rehabilitation completed

Social performance

Lost time injury frequency rate (LTIFR)	0.20 (per 200,000 hrs)
Fatalities	Fatality-free since inception
Women empowered in mining	20.9%
Contribution to hosting communities	ZAR 77 million
Employee assistance	<ul style="list-style-type: none"> • Private Medical Aid • Pension Funds • Employee Assistance Programme implemented
Community assistance	<ul style="list-style-type: none"> • Learnerships and Bursaries • Preferential employment opportunities offered to local community members

Governance

Total economic contribution¹	ZAR 2 billion
Direct taxes paid ²	ZAR 440 million
Indirect taxes paid ³	ZAR 492 million
Regulatory notices and/or instructions issued	No DMRE MHSA Section 54 or 55 instructions issued ⁴
Programmes implemented	ESG Reporting Toolkit and Framework Policies drafted

¹ Includes total payments to SARS, total salaries and total supplier spend

² Direct taxes include PAYE and income tax

³ Indirect taxes include VAT, dividend withholding tax and mineral royalties tax

⁴ One DWS directive issued for FY2022

OUR ESG APPROACH

This report outlines the operational and non-financial performance of Sylvania Platinum Limited (Sylvania or the Company) for the 12 months ended 30 June 2022 and shows how we are addressing our environmental, social and governance responsibilities.

Alongside our annual financial report, it seeks to give our stakeholders a wider understanding of Sylvania Platinum’s influence and our impact on the environment, the communities in which we operate and the economy of South Africa.

It highlights the material issues which could affect the prospects of our Company and our ability to create value and explains how we are managing these issues for the benefit of our shareholders, clients, communities and employees.

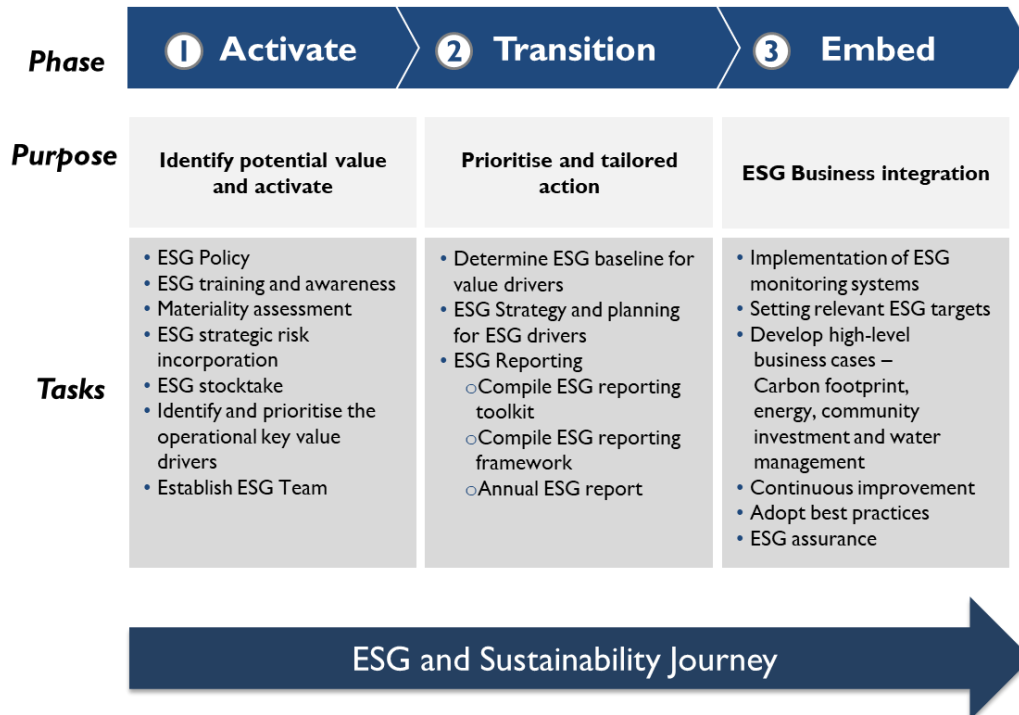
Our approach to ESG reporting is guided by global frameworks and best practice guidelines including:

- The Global Reporting Initiative (GRI) — setting the standards for best practice in sustainability reporting
- The United Nations Sustainable Development Goals (UNSDGs) — 17 goals to address the global challenges facing the international community
- The United Nations Task Force on Climate-Related Financial Disclosures (TCFD) — a framework for improving and increasing reporting on climate-related financial information.
- The Sustainability Accounting Standards Board (SASB) — SASB standards identify the ESG issues most applicable to performance in different industries.

Our ESG journey: activate, transition, embed

Sylvania’s ESG journey follows a pathway that began with identifying and **activating** the drivers of ESG impact, and gathering baseline information on potential material risks to ensure that future targets are based on verifiable information and assumptions. The **transition** phase included designing an ESG strategy and reporting framework. Finally, we have **embedded** ESG throughout Sylvania’s business strategy, identifying and including ESG in the Sylvania strategic risk register. This ensures that mitigation strategies for risks or opportunities linked to ESG elements are prioritised.

Sylvania’s ESG and sustainability journey



Data collection and assurance

This document is our first ESG report and reflects data collected at defined frequencies from various internal processes during 2022. It builds on the initial disclosure contained in our annual report for 2021. Improved data availability has enabled us to expand our ESG reporting since then.

The ESG components of this report are internally assured and, where required by regulatory requirements, independently assured through defined processes.

Approval

As mandated by the Board, Sylvania's Executive Committee acknowledges its responsibility for ensuring the integrity of the ESG report, and has applied diligence in the collection of data, defining assumptions, as well as the preparation and presentation of this report. The Executive Committee has provided the opinion below:

In our opinion, the Sylvania 2022 ESG Report is aligned with global trends for sustainability reporting and addresses all material matters linked to the Company's core business. It offers a balanced view of how the Company addresses impacts on society, the environment and the economy in the short, medium and long term.

A MESSAGE FROM OUR CEO

I am excited to present to you Sylvania Platinum's first ESG Report, *Embedding our strategy*.

A full investigation of our ESG activities has been on our radar for some time. Although we've previously reported on sustainability, this report goes into a lot more depth regarding the progress we have made towards embedding ESG throughout our operations.

While there has been a significant increase in ESG reporting during recent years, the principles are not new. Awareness of our responsibilities relating to sustainability, safety and other areas of ESG, alongside compliance with national and global standards have always been reflected in our values and how we operate.

Sylvania has many great stories, initiatives and champions driving the culture of sustainability, fairness and transparency within the business. Now we are looking to formalise our approach to ESG, and this report is a part of that effort. We have drafted an ESG Reporting Toolkit and a range of policies that are currently being implemented within the organisation. The Board takes the responsibility of sustainability very seriously and fully endorses our ESG programme and reporting efforts.

During the past year, we focused on developing systems and templates to enable us to improve ESG reporting in line with global trends. We targeted our work in the areas where we believe we can add the most value from an ESG perspective. Our primary focus areas included carbon emissions, energy consumption and water conservation from an environmental perspective. Within the social category, we have made progress on female empowerment, employee wellbeing and community upliftment. All undertaken while maintaining robust governance credentials.

When reflecting on the past year, I am particularly proud of the significant safety milestone achieved by our Doornbosch operation — ten years without a single lost time injury. The operation also received an industry award from the Mine Metallurgical Managers Association of South Africa for the best achievement in the Small Plant category. I am pleased to also highlight the successful rollout of the employee assistance programme, our very good female representation in the workforce and the significant progress we made in improving our ESG monitoring and reporting and embedding ESG firmly in the organisation.

We are committed to running our business with integrity and responsibility to the environment, community and all our stakeholders.

Our employees, the environment we work in and the communities surrounding our operations are the heart and soul of our business. By reporting transparently against our ESG progress we will hold ourselves accountable for our commitment towards sustainable business.



Jaco Prinsloo
Chief Executive Officer

7 September 2022

WHO WE ARE

Sylvania is a mid-tier, lower unit cost Platinum Group Metal (PGM) minerals reprocessing and development company. Our operational arm, Sylvania Dump Operations (SDO), has six chrome beneficiation and PGM processing plants in both the Eastern and Western limb of the Bushveld Igneous Complex (BIC).

A pioneer in chrome tailings reprocessing, Sylvania treats a combination of current and historical chrome tailings at our host mine sites. Globally we are the largest producer of PGMs from chrome tailings retreatment, with an annual production capacity of around 67,000 – 70,000 4E ounces, depending on capacity and supply from the host mine.

Sylvania was not the first to treat mineral tailings dams in the mining industry; we were, however, the first company to build a commercial chrome tailings retreatment plant to beneficiate both PGMs and chrome from historical tailings. Our first operation, Millsell, was commissioned in 2007. Based on the relatively low risk of operations from a technological standpoint and using chemicals much less hazardous than those used in the reprocessing of gold (which uses cyanide, for example), we were able to replicate our process and success to grow our operations to our current six operating plants.

Besides beneficiating both chrome and PGM minerals, which were historically uneconomical to recover, our operations have the further benefit of cleaning up smaller older tailings facilities (which were often built to less stringent environmental standards) and re-depositing our new tailings in a more efficient and responsible way. The new tailings facilities we have built in the last decade comply with higher regulatory standards and have a significantly lower risk of pollution than the older historic dams. In addition, they consolidate many smaller facilities, often with a much larger footprint, into bigger, more modern facilities that reduce the environmental footprint.

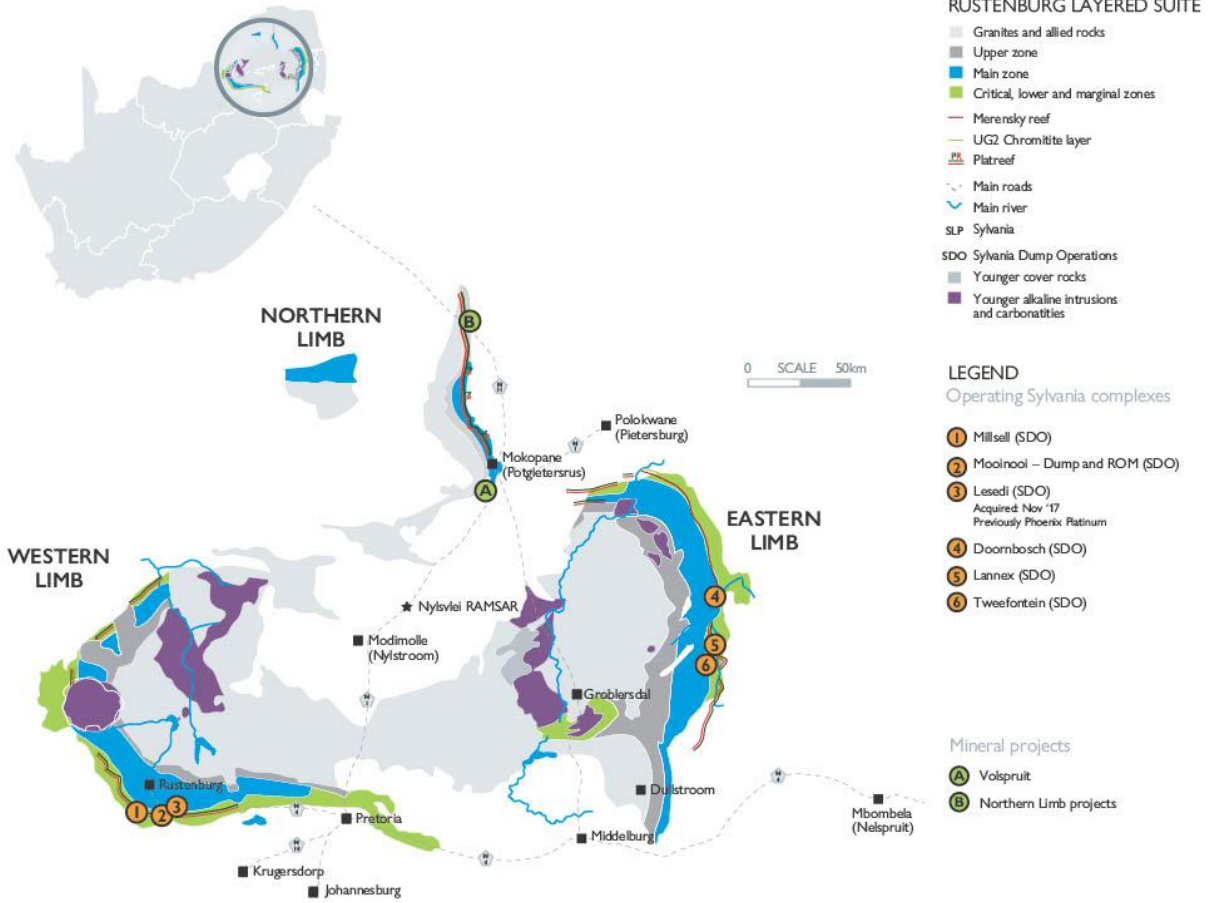
The PGM metals we produce have a twice-over positive impact on the environment and are crucial for the future: they are key in terms of the reduction of emissions in terms of standards of the alternative renewable energy sector, and serve as a primary component of autocatalytic converters which reduce contaminants in automotive gases.

How we work

The chromite concentrate produced in the retreatment processes is returned to the host mine at nominal cost, while PGMs are recovered and sold to smelters. This operating model generates cash and ensures lower-cost operations.

Our primary milling and flotation operations are performing steadily, following several years of investment and growth. Project ECHO, our secondary milling and flotation (MF2) modules, have improved recovery efficiencies across all our operations. Sylvania has exclusive rights to reprocess mine current arisings and tailings dumps at the host mine, and we anticipate a profitable operational life of at least ten years, depending on the operation. This can be extended as mining resources are converted to reserves.






Where we are



Our values

Sylvania Platinum prioritises safe, healthy working operations and minimising environmental harm. We are guided by our values to strengthen and support the communities we operate in, and work to build a socially inclusive economy for all stakeholders.

Our values run through every aspect of our business. Our ESG principles are fully integrated and embedded at every level of the Company.

Value	Our intention
<p>We value the safety and health of all</p> 	<p>Employees are at the heart of our Company. We place their safety and health above all else in everything that we do</p>
<p>We value the fundamental rights of people</p> 	<p>We treat all people with dignity and respect</p>
<p>We value honesty and integrity</p> 	<p>We act honestly and show integrity by continually striving towards “doing what we say we are going to do” and showing commitment to delivering high performance outcomes, thus projecting an image of professionalism and meeting the expectations of our colleagues, investors, business partners and social partners</p>
<p>We respect the environment</p> 	<p>We act in a manner that is sustainable and environmentally responsible, applying professional and innovative methods</p>
<p>We value the culture, traditional rights and society in which we operate</p> 	<p>Our actions will support the communities in which we work while honouring their heritage and traditions</p>

OUR COMMITMENT TO ESG

The mining and processing sector is increasingly in the spotlight in terms of its potential operational hazards and its impact on the environment, employees and communities.

As a minerals re-processor we take our responsibilities to the planet and its people as seriously as we do our duties and obligations to our customers and shareholders. We believe a sustainable business in our industry is one with a diverse and inclusive workforce where employees can thrive; and one which acts in a responsible manner, reducing its impact on the environment and benefiting the communities in which it operates.

Our approach aligns with the ten principles for sustainable development outlined by the International Council on Mining and Metals (ICMM), which integrate with the 17 United Nations Sustainable Development Goals (UNSDGs).



ENVIRONMENT

E1: CLIMATE ACTION

Sylvania Value <i>The way we do business</i>	ICMM Reference <i>Guiding principles</i>	UN SDG Reference <i>The ESG Goals</i>
		

Energy management

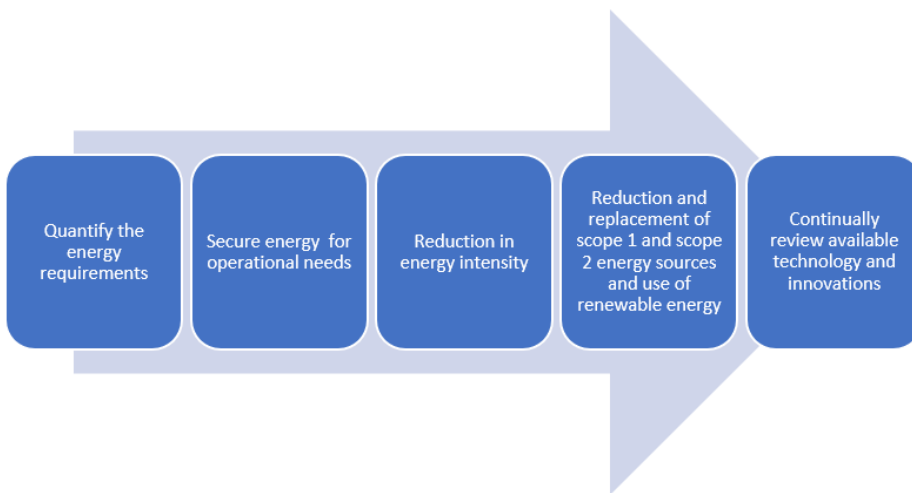
Energy management is key to reducing carbon emissions and Sylvania is continuously assessing and quantifying our energy needs, risks and impacts.

South Africa is currently experiencing an energy crisis caused *inter alia* by ageing infrastructure and a lack of alternative energy producers, and our energy management activities this year must be viewed in this context.

Our carbon transition journey starts with establishing our current and future energy requirements, securing the energy to drive our operations, improving energy efficiency and reducing energy intensity, and ultimately reducing and replacing our Scope 1 and Scope 2 energy sources with renewables where possible.

We are in the process of preparing a TCFD-baseline report that includes a strategic climate risk assessment.

The Sylvania carbon transition journey



Our progress to date

Energy requirements

Sylvania is undertaking a feasibility study for the installation of generators at the Millsell plant. The new 11kv supply installed by Eskom, the South African national power utility, has been identified as a risk as it is subject to vandalism, and outages result in material production losses which can take time to restore.

Working towards a planned transition to renewables, five generators are presently installed between the Tweefontein and Lannex plants, primarily to provide backup power during outages. This is currently necessary to ensure production continues due to the national loadshedding implemented in South Africa from time-to-time, as well as infrastructure vandalism of property of the national power utility and cable theft. These generators are synchronised with the Eskom supply, obviating the requirement for any shutdowns. When a substation capacity overload constrained the Eskom supply at Tweefontein, we had to co-generate power for around eight hours each weekday. Following a substation upgrade, co-generation was no longer required from April 2021. A second generator at Lannex is being commissioned which will enable the plant to run off generators as a backup.

While we are fully committed to reducing our carbon footprint in line with ESG objectives, standalone emergency backup plants operating fully on renewable technologies are not currently viable. These will be introduced in future where possible to lower diesel consumption and bolster supply capacity during peak day time running hours.

Operational energy security

Our key focus this year was to stabilise the internal electrical reticulation systems, with upgrades to key components when needed.

Nationwide loadshedding and a significant increase in copper cable theft has created ongoing problems in South Africa, but our production capabilities and electrical infrastructure has been largely unaffected, thanks to the site generators at Tweefontein.

Eskom outages, although short in duration, cause disruptions in the process, and operational hours are lost to regain plant stability. We are undertaking a feasibility assessment on the installation of suitable UPS systems at Tweefontein to reduce the number of power dips and short outages, as well as generation units at two other plants.

Reducing energy intensity

In five of our six operating sites, power factor correction (PFC) has been installed at plant level to ensure maximum power availability for the host mine by reducing the volt amps feeding the Sylvania plants. The sixth unit will be installed by the end of the 2022 calendar year. The power factor to reduce energy consumption and improve efficiency at the plants is up from 0.65 to between 0.95 and 1.

Low-energy LED lighting is used on all newer installations and is systematically replacing less efficient lighting in older cases. Motors account for close to 99% of all our consumption, so IE3 Premium Efficiency motors are specified to maximise power efficiency.

Operational teams are continually assessing opportunities to improve efficiencies of equipment, process and performance.

Reducing Scope 1 and 2 energy sources

We have short-term goals for both Scope 1 and Scope 2 energy sources, to be implemented by 2025.

Scope 1:

- Investigating synthetic fuel/biodiesel for generators and hydrogen electrolyzers for trucking, and continuously reviewing the energy efficiency of current equipment and infrastructure.
- Non-mineral waste is a minor contributor to greenhouse gas. Nevertheless, when dealing with it, we follow the waste management hierarchy of reduce; reuse; recycle; energy recovery; landfill.
- As a rule, land clearance is being minimised to operational demands and, where it is unavoidable, rehabilitation will be prioritised via future financial provisioning.

Scope 2:

- Reviewing the use of solar PV plants to supplement the daily power usage at Doornbosch and Tweefontein during daylight hours, relying on Eskom supply only at night or on very cloudy days. Solar PV is more competitive than the annually increasing Eskom supply.
- In the process of obtaining proposals and costing for green energy (solar and gas initiatives) for the administrative office and change houses at all sites.




Our carbon footprint

Our greenhouse gas emissions total around **94,754.07 tCO₂e⁵** for the 2022 financial year (FY2022). This encompasses GHG Protocol Scope 1 and 2 emission sources from Eskom, diesel generation and diesel used in the fleet.

Indicator	FY2021	FY2022	Comments
Diesel consumption in litres by fleet	94,503.60	105,689.63	Slight increase in diesel consumption for FY2022 due to relaxation of travel restrictions linked to the pandemic
Diesel consumption in litres by operation of buildings (generators)	320,000.00	13,515.86	Significant reduction due to Tweefontein and Lannex generators only being required for power failures and not for co-generation
Electricity purchased from host mine (buildings owned or controlled) in kWh	85,877,892.00	87,330,418.96	Slight increase due to electrical upgrades at Tweefontein and Lannex.
Scope 1 GHG emissions (tCO ₂ e)	237.42	265.53	Direct greenhouse emissions that occur from sources that are controlled or owned by the Company
Scope 2 GHG emissions (tCO ₂ e)	92,748.12	94,316.85	Indirect greenhouse gas emissions from the generation of purchased energy, from a utility provider
CO ₂ /ton of re-processed tailings	0.055 ⁶	0,088 ⁷	Fewer tons treated due to operational challenges linked to the Lesedi operations.

GHG Scope 3-related information will be gathered and reported from 2026 onwards. Integrating ESG into Corporate Social Investment (CSI) projects for communities and employees (especially renewable projects) are part of the future planning process.

E2: WATER SECURITY AND STEWARDSHIP

Sylvania Value <i>The way we do business</i>	ICMM Reference <i>Guiding principles</i>	UN SDG Reference <i>The ESG Goals</i>
		

Water is a precious resource, and effective management of water supply and usage is vital for Sylvania's operations.

⁵ Abstracted from Sylvania Platinum's Annual Carbon Footprint Report for the period 01 July 2021 – 30 June 2022 as prepared by Bahori Consulting.

⁶ Assuming 1,682,911.00 tons of tailings processed in FY2021.

⁷ Assuming 1,079,571.00 tons of tailings processed in FY2022

Water shortages have led to production and financial losses at some of our sites, so we are testing different approaches to securing, managing, monitoring and controlling water consumption, many of which are looking promising.

Our plants are integrated with the water reticulation circuits of their host mines. Water enters the Sylvania circuit through the current arisings it receives from the host mine and leaves the circuit either through the production of Cr₂O₃ concentrate or PGM concentrate, through the tailings stream, or is consumed and lost to the process.

The tailings are deposited onto a tailings dam. Some losses occur from evaporation, but most water is recovered into the return water dam and recirculated to the host mine. Make-up water is derived from the dewatering of the host mine’s underground mining areas.

The total volume of water consumed in production as well as raw water⁸ used at Sylvania operations is calculated using production data and is given below. These figures do not take into account any water consumption figures of the host mine.

Description	FY2021	FY2022
Water consumed in products (m ³)	71,113	89,011
Total annual water consumed (m ³)	Not previously determined	12,975,525

Due to monitoring limitations in previous years, some of the above values were not previously calculated. Measures have now been put in place for more accurate data monitoring.

Water management and conservation — a top priority

South Africa is a water stressed country: the average rainfall measures 450mm against a global average of 870mm per year. So, for Sylvania, the management of our water resource is as high a priority as the management of our production and cashflows.

We have taken a targeted approach to conserving this precious resource by measuring, monitoring, managing and controlling water consumption via a water conservation and water demand management strategy.

Our aim is to implement any measure or initiative that will result in:

- a reduction in the expected water usage or water demand;
- an increase in the capacity of a water resource or water supply;
- an increase in the efficiency of the management, maintenance and operation of any system of structures, pipes, valves, pumps, meters or associated equipment; and
- minimisation of loss or waste, care and protection of the water resources and the efficient and effective use of water.

The strategy is aligned with the South African mining sector and the Department of Water and Sanitation (DWS) guidelines and covers three phases, the first of which was implemented this year.

Phase one (2022)

We addressed the adequacy of the existing water monitoring system at all six Sylvania plants and analysed the gaps to pinpoint the shortcomings in terms of monitoring information, monitoring devices, water monitoring information, water losses, and operational practices.

⁸ Based on calculated shortfalls

Phase two (FY2023)


Aligned with the findings from the gap analysis, additional water flow meters will be installed as part of the project to improve water-related data and possible automation of the system. This additional monitoring will give us an update on the sites’ water balance.

Phase three (FY2024)

Phase three will see us optimising the existing water management systems to prevent controllable water losses, for example, unlined trenches and stormwater dam losses, uncontrolled spills and the like.

We will look into modifying plants to reduce water demand and conduct future trade-off studies (climate impact and demands) to support water conservation plans linked to the water balance. In addition, we will identify upstream risks that may affect the water availability and quality and review available sources of water as part of our risk management practices.

E3: TAILINGS MANAGEMENT AND REHABILITATION

Sylvania Value <i>The way we do business</i>	ICMM Reference <i>Guiding principles</i>	UN SDG Reference <i>The ESG Goals</i>
		

Continuous reworking of mineral waste dumps and redepositing (or recycling) tailings on the same or enhanced tailings storage facility (TSF) is inherently good for the environment. The volume of mineral waste is reduced through the extraction of chrome and PGMs, and there is less potential of pollution from seepage or tailings spillages.

SDO is responsible for the rehabilitation of the area impacted by our business under the host mine’s mining rights. The current TSFs are designed to operate at an acceptable level of risk, compliant with the DMRE Mandatory Code of Practice for Mine Residue Deposits (DME 16/3/2/5-A1).

The TSF design allows for:

- subsurface drainage
- installation of standpipe piezometers to determine, monitor and record the interstitial water table
- structural stability as provided by heel walls and the cycle underflow wedge.

August 2021 saw a controlled discharge of tailings into a void due to the risk of instability linked to the Lesedi TSF. This was recorded as a high potential incident (HPI). We consulted with the host mine and regulatory bodies, providing risk assessments and related information. The site was visited by the Department of Water and Sanitation (DWS), which has issued a directive to the host mine.

ESG in action: environmental restoration

The composition and physical properties of tailings storage facilities pose several challenges to successful rehabilitation: the dry dusty conditions present difficulties when planting and encouraging new vegetation to grow; and dust control measures to reduce the impact on local communities and the environment rely on costly chemicals and other methods.

Working with environmental consultants and industry specialists, we looked to develop an alternative method of rehabilitation and/or capping — one which is sustainable, efficient, and cost-effective for all stakeholders.

The research encompassed repurposing the existing tailings material to remove the need for topsoil, along with looking into alternatives for water quality remediation. The topsoil replacement trials were carried out on our tailings material at the OMI Solutions research centre in Pretoria, and the water treatment remediation solutions were successfully demonstrated in an innovative proof-of-concept trial to reduce contaminants of concern at the iWater laboratory in Bloemfontein.

The aim of the research is to create a fertile growing material with soil-like characteristics and functions, giving Sylvania the option of creating new 'topsoil' from tailings and organic waste material. The technology is being rolled out on site in a pilot mobile water treatment unit before scaling up to fulfil our vision of greener technologies for mine water treatment.

Eveline de Meyer, Sylvania New Business Development Manager, was involved in the research and said:




“What really excites me about this project is that we can provide both a more sustainable and cost-effective method of capping TSFs during closure and rehabilitation and leave behind fertile soil and land for future generations.”

Environmental restoration	FY2020	FY2021	FY2022
Total area: vegetation cleared (ha)	156.13	156.93	185.13 ⁹
Rehabilitation provisioning — USD	3,646,044	4,539,937	5,936,804

⁹ Operational demands for tailing storage required an additional 28.2 ha to be cleared at the Lesedi TSF in August 2021

SOCIAL

S1: FEMALE EMPOWERMENT

Sylvania Value <i>The way we do business</i>	ICMM Reference <i>Guiding principles</i>	UN SDG Reference <i>The ESG Goals</i>
		

Sylvania Platinum is committed to increasing the representation of women within the business. In the 2022 financial year, we welcomed 92 new employees of whom 38 are women (41% of the total).

Sylvania Platinum workforce profile as of June 2022

Levels	Male		Female		Total
	Historically disadvantaged persons (HDPs)	White	Historically disadvantaged persons (HDPs)	White	
Executive management	0	4	0	1	5
Senior management	4	15	0	2	21
Middle management	13	14	2	4	33
Junior management	111	30	33	17	191
Core and critical skills	299	1	71	0	371
Total:	427	64	106	24	621

Female representation is notably increasing at the junior management and core and critical skills levels, which is likely to show up at higher levels in future years. Female representation in junior management has increased from 7.96% in 2021 to 8.53% in 2022. At the core and critical skills levels, 11.43% of the workforce is female this year, compared with 10.99% in 2021.

Women in mining and community upskilling

Sylvania runs several programmes designed to advance women and boost their career prospects in the mining industry, and to improve the skills of women in the communities in which we operate.

We started a bursary scheme in the 2022 financial year and have already awarded bursaries in Engineering, IT and Science qualifications. We are increasing the number of women in the current internship and learnership intakes in various fields including fitting, electrical engineering, instrumentation and other engineering trades. The 2022 intakes include 80% and 15% female representation in the internships and learnerships respectively.

The Company is committed to supporting the advancement of women in mining through our employment, community and procurement activities. This year we began supplying grease and oil to the Lannex and Tweefontein operations in conjunction with a female-owned business from Steelpoort. We also work with female-owned laundry and cleaning businesses near the Western Operations.

ESG in action: supporting women

Lerato Maphoto — bursary recipient




“I completed my Bachelor of Sciences (Chemistry and Biochemistry) degree in 2018 at the Sefako Makgatho Health Sciences University and am currently enrolled there studying physiotherapy. I’m passionate about the rehabilitation of patients from accidents, patients landing in ICU and wheelchairs, and helping them to walk again without the use of prescribed drugs.

“In 2019, I was actively involved in helping to tutor first year students and helping them with practicals and reports.

“I was funded by NSFAS for my first degree, but unfortunately it only funds for one undergraduate degree with the extra provision of the N+1 year rule. I am currently doing my final 4th year thanks to funding from a Sylvania bursary.

“Sylvania has opened its heart to support my dream through this bursary, and for that I will be forever grateful. I would encourage others to also apply for the bursary so they can achieve their dreams.”

S2: WORKFORCE DIVERSITY AND LABOUR PRACTICES

Sylvania Value <i>The way we do business</i>	ICMM Reference <i>Guiding principles</i>	UN SDG Reference <i>The ESG Goals</i>
		

Workforce diversity and inclusion

Sylvania has created structures and procedures to remove gender and ethnicity barriers to progress. Women currently represent 20.9% of the workforce, with 81.5% of them also historically disadvantaged persons (HDPs). We are continually striving to appoint more women and HDPs at senior levels.

A well-supported employee equity forum, with representatives from all levels of the organisation, meets quarterly to discuss concerns around equity, skills development and other matters, and to propose improvements on an ongoing basis.

Employee participation and representation


422 of our total workforce are members of recognised unions for collective bargaining and labour matters. No instances of child, forced or slave labour exist, neither were there any cases of misconduct, inappropriate behaviour or concerns about corruption raised.

During FY2022, Sylvania maintained “unavailable labour percentage levels” below industry norms, specifically in terms of absenteeism, which was recorded at levels less than 0.01%. No industrial action occurred at any of the Sylvania operations during the period.

In 2020, employees, key stakeholders in the business, received the first distributions of the Employee Dividend Entitlement Programme (EDEP). With the declaration of subsequent dividends in the intervening period, employees have received further distributions. The programme provides lower-level employees participation in and benefit from a percentage of the Company’s equity returns, without the complexity of holding UK-listed shares. The plan was implemented via share buybacks and there was no dilution to shareholdings.

Sylvania has implemented a Whistleblower Policy which protects the interests of employees in instances where they genuinely disclose information in accordance with the policy and national legislation.

S3: EMPLOYEE SAFETY AND HEALTH

Sylvania Value <i>The way we do business</i>	ICMM Reference <i>Guiding principles</i>	UN SDG Reference <i>The ESG Goals</i>
	  	  

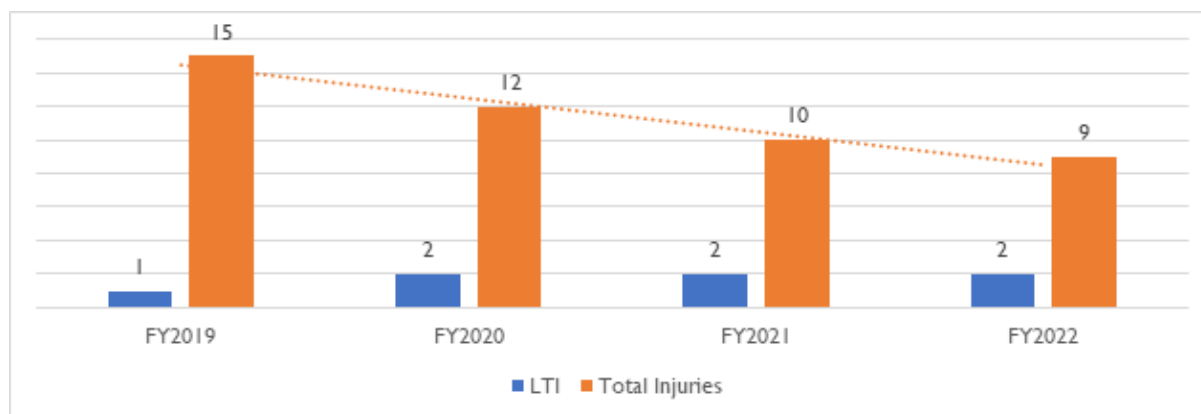
The safety, health and wellbeing of our employees is at the very top of the list of Sylvania values. The business has been fatality-free since its inception.

We integrate our health and safety strategies with our host mines to effectively identify, mitigate and respond to workplace-related health and safety risks and ensure leaders have the right information to take risk-based decisions.

Lost-Time Injuries (LTIs)

Our Doornbosch operation celebrated ten years LTI-free on 26 June 2022 and was awarded the ‘Best-in-class Safety Performance’ commendation by the Mine Metallurgical Managers Association of South Africa. Two LTIs occurred in FY2022, both relating to finger fractures during routine maintenance at the Mooinooi and Millsell plants. There were no LTIs recorded at our Lesedi, Tweefontein, Doornbosch and Lannex operations.

The reduction in incidents in priority safety risk areas is illustrated by the improved Lost-Time Injury frequency rate (LTIFR) of 0.20 per 200,000 manhours in comparison compared to 0.25 in FY2021.



Other incidents

No section 54 or 55 instructions were issued by the regulatory authority at any of the Sylvania operations in this financial year. Section 54 of the Mine Health and Safety Act (MHSA) provides the Department of Mineral Resources and Energy (DMRE) with the legal authority to stop the workings in a mine or a section thereof. In terms of Section 55, the DMRE may order compliance within a specific time period. 11 high potential incidents occurred and were recorded and addressed through the safety, health and environment (SHE) management system to prevent recurrence.

At site level, this prevention programme is supported by SHE induction training, awareness initiatives as well as observations¹⁰ that confirm compliance with site procedures and rules.

Occupational illness

No occupational illnesses were recorded in this reporting period. More than 99% of employees were declared medically fit for duty. If an employee is declared medically unfit, we have a defined family-replacement policy which ensures that families do not lose out

¹⁰ Observations include Planned Task Observation, Critical Task Observations and Safe Behavioural Observations. These are recorded and reflected as part of integrated management system compliance per site

if a Sylvania employee is no longer able to work. If another family member with the required skills is available, they can step into the role previously held by the former employee.

Mental health

We are careful to prioritise understanding and respond to psychological safety issues that affect the mental health of our employees. An employee assistance programme was launched this year giving access to a number of support services including financial, legal and family support.

Feedback from the service provider highlights that the non-work-related issues affecting employees are linked mainly to finance and family concerns. Individual employee discussions and assistance are confidential, but feedback regarding the broader areas of concern is monitored closely by management to identify trends and establish focus workshops and lines of communication for assistance.

Healthcare




Sylvania provides the option of a medical aid or medical scheme allowance to all employees. Following a promotional drive in 2022, 95% of all employees are now members of a recognised medical aid scheme, up from 85.67% in 2021. We will continue to encourage participation in medical aid schemes.

COVID-19

Covid continues to cast its shadow over South Africa and the rest of the world.

Although the numbers of COVID-19 positive cases increased from 72 to 149 in FY2022, the impact and severity declined, with no COVID-19 related deaths being reported. This is attributed to vaccination of staff, natural immunisation and compliance with other COVID-19 related controls. No material operational disruptions occurred in FY2022 due to the COVID-19 pandemic.

S4: Training and development

Sylvania Value <i>The way we do business</i>	ICMM Reference <i>Guiding principles</i>	UN SDG Reference <i>The ESG Goals</i>
		

As well as regular training for employees, delivered by Sylvania, the host mine and external service providers, we offer training and development programmes to people living in the local community, too.

Our community programmes focus on artisan-related trade certification in subjects like fitting and turning and electrical competencies. We also introduced a Milling & Flootation training module in September 2019 with 63 participants. We measure the success of this training not only on the number of people taking part, but by how many of them find employment as a result. To date 31 participants have found jobs (49%), with Sylvania providing two of those appointments from September 2022.

The current year programme has 24 participants, 11 of whom are women.

ESG in action: training in the community

Minky Malola — Community Development Skills Programme participant

“I am 38 years old. I left school in 2003 in Kgahlanong, a village near Sylvania’s Lannex plant. It took me three years to find a job in the retail industry, and by 2012 I could afford to do a N3 Certificate in Electrical Engineering and had an electrical apprenticeship with Tubatse Ferrochrome.

“In 2020, I successfully applied to the Community Development Skills Programme at Sylvania which included milling and floatation. In July 2020 I was appointed as plant operator at the Lannex plant.

“I live with my two children in Tukakgomo. I have four siblings, one of whom is working, and I’m helping to support the others.

“My dream is to become an electrician one day, but for now I am very grateful for the opportunity given to me by Sylvania. I have a much better life than before!”

S5: COMMUNITIES, CUSTOMERS AND LOCAL STAKEHOLDER RELATIONSHIPS

Sylvania Value <i>The way we do business</i>	ICMM Reference <i>Guiding principles</i>	UN SDG Reference <i>The ESG Goals</i>

Engagement with employees and local communities is driven by the Employment Engagement Forums and Community Liaison Officers (CLOs). In the 2022 financial year, a further 64 members of the local community started working with Sylvania.

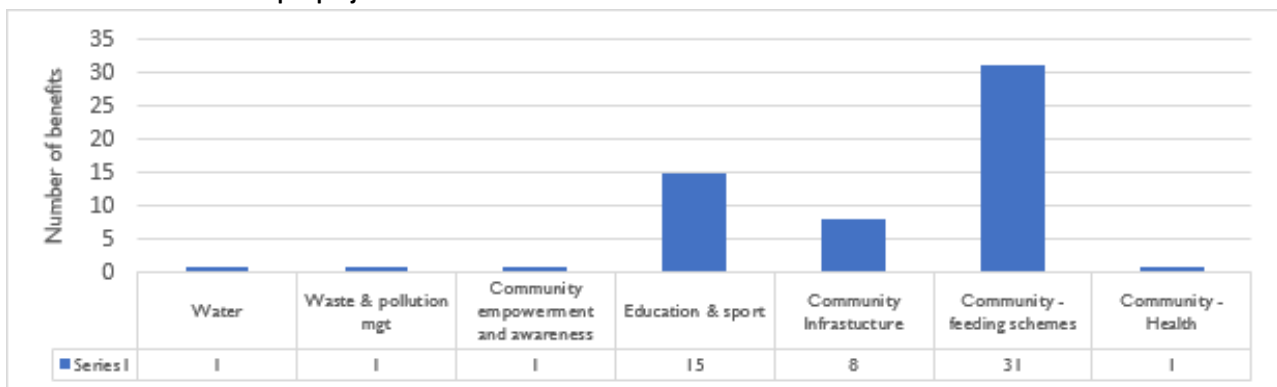
We are also actively involved in community outreach and upliftment programmes.

Current programmes

58 projects are at various stages of delivery, including:

- a monthly feeding scheme for home-based care and pre-primary schools
- investment in community education projects by providing schools with:
 - guidelines, online learning material and textbooks
 - winter clothes and sports kit
 - office furniture and laptops
- Buffels West Borehole Project — we reimburse the hosting community for the use of land to abstract affected mine water for operational use; and
- sponsoring a breast cancer awareness campaign

Distribution of ESG benefit per project






Programmes to commence in FY2023

Community outreach and upliftment will remain a focus area in FY2023, through implementing CSI initiatives along with social and labour plans. We will continue to support our feeding scheme as well as the supply of educational resources and sports equipment to local schools and communities. Sylvania frequently supports new projects as they are identified by the human resources department or as we are approached by potential recipients for assistance.

Complaints and incidents

A stakeholder engagement register has been formalised to make it easier to track and report complaints and commitments made. Two community complaints (neither of which were linked to Sylvania actions) received in 2022 were addressed via the Company’s Community Liaison Officers.

S6: GENDER-BASED VIOLENCE

Sylvania Value <i>The way we do business</i>	ICMM Reference <i>Guiding principles</i>	UN SDG Reference <i>The ESG Goals</i>
		

Sylvania regards the elimination of gender-based violence (GBV) as a priority across our operations and host communities. We take a zero-tolerance approach to GBV, while acknowledging that many incidents go unreported. We run initiatives to prevent these incidents from happening in the first place.

ESG in action: ‘We Can Do Something’

Gender-based violence (GBV), already a global crisis, has intensified in South Africa over the past few years. Many women and children are trapped by abusers, isolated from social contact and support networks. Increased economic pressure has further limited many women’s ability to leave such abusive situations.

Abuse affects every area of a woman’s life. Sylvania launched an awareness campaign called ‘We Can Do Something’, running over the past two years for 16 days over November and December, and encouraged employees to speak up and fight against GBV, by signing a red heart and then placing it as a leaf onto a tree.

The campaign was welcomed by all employees and generated a lot of discussion, and we plan to run similar campaigns every year.




“The campaign was voluntary, but everybody supported it, which was very powerful,” said Kevin Pabst, who ran the campaign at the plants.

“It affected me personally: someone I know was in an abusive relationship and had the courage to take action against it, ultimately starting a new life and sharing her story.

“I believe it created a sense of empowerment amongst the women working in Sylvania, and they also carried the message to their communities and homes.”

GOVERNANCE

G1: PROCESS AND CODE OF CONDUCT

Sylvania Value <i>The way we do business</i>	ICMM Reference <i>Guiding principles</i>	UN SDG Reference <i>The ESG Goals</i>
		

Sylvania’s senior leadership team, under the guidance of the CEO, is responsible for taking key strategic and tactical decisions that may impact ESG aspects at a project and operational level.

ESG is embedded into the business with relevant decisions taken at monthly operational meetings, quarterly technical reviews, monthly risk and safety executive committee meetings and monthly social and ethics executive committee meetings.




In 2022 we developed an ESG Reporting Toolkit to establish a set of criteria and baseline data to help map Sylvania’s ESG Journey. In addition, we drafted SHE and ESG Framework policies, aligned with the expectations of stakeholders and focused on legal compliance and the management of business risks.

We launched various ESG awareness training campaigns involving ten members of the executive committee and senior management, as well as campaigns driven by the department covering all senior and middle management employees. Including ESG-related aspects into the Sylvania operational induction programme has helped ensure a sustained roll-out.

We reviewed Sylvania’s strategic risk and business register in February 2022 and July 2022 and updated it to reflect key business and operational risks, including ESG-related themes, and ensured controls are in place to mitigate these. This is included as part of the Directors’ Report in the FY2022 Annual Report.

Sylvania’s SHE management and those of the subcontractors are reported and assessed monthly through the host mine’s SHE compliance process. No compliance concerns were noted in FY2021 and FY2022.

G2: SUSTAINED RESOURCES, GROWTH AND DIVERSIFICATION




Sylvania Value <i>The way we do business</i>	ICMM Reference <i>Guiding principles</i>	UN SDG Reference <i>The ESG Goals</i>
		

While the current dump, current arisings and ROM feed sources at our host mines are available to the group for the life of the mine, retreating dump material is not an infinite activity. To ensure a long-term sustainable future production profile, the Company is continuously exploring additional feed sources and engaging with third parties with the potential resources to form strategic partnerships that add life to our operations. To increase the recovery of more metal from our existing resources and improve efficiencies, we continue to research, develop and implement new technology and circuit modifications such as the additional MF2 modules (Project ECHO expansion) that we rolled out across the group in recent years.

In terms of our various mineral assets, we have made significant progress during the past 12 to 18 months to unlock potential value in our owned projects where we hold approved mining rights. By engaging with reputable specialist consultants in the field and using an innovative approach, we managed to increase confidence in the resources for both our Volspruit project and Northern Limb assets which enables the Company to advance to a pre-feasibility phase for Volspruit during the next financial year.

Some years ago, Sylvania partnered with a ‘binding technology’ player to co-develop a novel chemical bonding process. The aim was to create a chromite ore pellet suitable for ferrochrome (FeCr) smelters but with the added potential to markedly cut the smelters’ electrical energy consumption per ton of FeCr produced. In exchange for funding development costs in the venture, Sylvania holds the licence for any future chrome pellet production in South Africa. This research and development project is expected to yield positive results and may enable us to diversify into other areas and commodities.

G3: STAKEHOLDERS AND ENGAGEMENT

ESG Topic	Sylvania Value <i>The way we do business</i>	ICMM Reference <i>Guiding principles</i>	UN SDG Reference <i>The ESG Goals</i>
Community, Customer and Stakeholder Relationship			

Our relationships with stakeholders enable Sylvania to be accountable, and to provide a foundation for our business planning and strategy and inform on our key issues.

The material results of our stakeholder engagement programmes are presented in quarterly, interim and annual reports, and integrated into our day-to-day operations.

Principal stakeholders, their function and how we engage with them

Stakeholder group	Stakeholder profile	Engagement platforms
Host mines	Our host mines provide the company with critical feedstock and operational services for our retreatment operations	Formal meetings to discuss operational matters.
Financial community and shareholders	Shareholders provide the capital required to invest in growth projects. The business is an investment opportunity for them.	The company's AIM listing requires regulatory communications to shareholders. Investor briefings, roadshows, meetings and the company website are used to reach this target audience. During the COVID-19 pandemic, the bulk of these interactions took place on virtual platforms, with in-person roadshows and meetings recommencing in the second half of FY2022.
Employees, unions	Employees are represented by the majority union, the National Union of Mineworkers	This relationship is governed by a recognition agreement which provides for regular meetings.
Authorities – local, provincial and national government structures	DMRE, SARS, Treasury, DWS, Environmental Affairs, SAPS, etc.	Formal meetings, visits and correspondence Engagements as part of permitting processes
Communities	Host mine transformation departments, Sylvania community liaison structures	Meetings at operational level are the vehicle for discussing community concerns and expectations. Appropriate programmes are identified with the cooperation of the host mines. Public participation process is linked to site permits and licences.

Relevant authorities need to legally permit the Company to undertake various activities at every step of the process – from exploration to rehabilitation and closure. The permits incorporate binding commitments and obligations that must be monitored to ensure compliance. This is crucial, as delays in acquiring permits or failing to comply with their conditions and commitments can have significant financial, operational, legal and reputational consequences.

Our licence to operate relates directly to environmental permits and authorisations under relevant sections of:

- the Mineral and Petroleum Resources Development Act 2002 (MPRDA) – mining rights, environmental management programme reports as well as social and labour plans
- the National Environmental Management Act 1998 (NEMA) – sectorial national legislation and related regulations including environmental impact assessments (EIAs) linked with the listed activities being performed
- the National Water Act 1998 (NWA) – water use licences (WULs).

Apart from a DWS directive regarding the decommissioning of the Lesedi TSF in 2021 (see **ESG in action: early decommissioning** below), no other directive or instructions of a material nature were issued to Sylvania.

In terms of compliance with the Mine Health and Safety Act 1996, no Section 54 or 55 instructions were issued by the DMRE regarding non-compliance noted at operational levels.

ESG in action: early decommissioning

As part of our formal routine tailings dam inspections and monitoring, in August 2021 concerns were raised around slow water drainage rates and a high phreatic surface level at the Lesedi TSF.




The problem was investigated and revealed to relate to historical re-mining practices that damaged some perimeter drains of the dam before we began reprocessing in 2017. We decided to temporarily suspend operations at Lesedi to ensure the integrity of the tailings dam and enable remedial work.

The condition of the dam had deteriorated more quickly than anticipated so we took the decision to decommission the tailings dam earlier than planned: it had been scheduled for the end of 2022. The situation was disappointing, but necessary to ensure we safeguarded our operations and employees and protected the environment.

We notified all governmental authorities of the risks and mitigatory measures prior to the closing of the TSF. Regulators from the DMRE and DWS undertook several visits between August 2021 and February 2022. The DWS issued a directive in March 2022 for the depositing of tailings into a void that occurred as part of an emergency response measure linked to the stability of the Lesedi TSF.

The new Lesedi TSF was successfully commissioned during March 2022 while monitoring of the old Lesedi tailings dam, which is in a safe and stable condition, continues. The commissioning of the new TSF has allowed for the Lesedi plant to return to full operation and ramp up production during Q4 of FY2022.

G4: ECONOMIC CONTRIBUTION

Sylvania Value <i>The way we do business</i>	ICMM Reference <i>Guiding principles</i>	UN SDG Reference <i>The ESG Goals</i>
		

At its peak in 1980, mining was the largest industry in South Africa, was responsible for 21% of GDP and employed nearly 800,000 people. By 2016 it had fallen to sixth place, but still contributed 8% of GDP and employed almost 500,000 people — with PGM businesses accounting for over 40% of this workforce.

South Africa is a member country of the International Labour Organisation (ILO), and Sylvania’s employment policies, procedures and practices take into account and comply with the relevant labour legislation of South Africa which, particularly for an emerging economy, is evolving as a leader in the promotion of ethnic diversity.

However, unemployment in Africa is high, especially amongst younger age groups. In 2021, over 80% of unemployed people in South Africa were black. There are several causes for this, including the fact that large parts of the population live far from their workplace and the cost of travel is high, which exacerbates the problem for the HDP population.

Sylvania works to change this: we invest heavily in community training programmes (see sections S4 and S5) and our recruitment initiatives focus on the communities surrounding our operations. More than two-thirds of our new employees in FY2022 were from our hosting communities.

In addition to providing employment, internships and learnerships, Sylvania has contributed to the wider South African economy through the payment of taxes and local procurement.

Sylvania's contribution to the South African economy

Detail		FY2021 (ZAR)	FY2022 (ZAR)
Employee and related payments include: <ul style="list-style-type: none"> • Salaries and wages • Contributions and employees' tax paid • Employee dividend entitlement programme 	Salaries and wages	105,356,011	185,138,794
	Plant bonuses	19,255,814	16,397,042
	HO bonuses	5,233,721	8,296,575
	13 th cheques	15,169,590	16,615,978
	Contributions and employee tax paid	90,603,680	116,839,748
	Employee dividend participation scheme	7,640,524	10,379,248
The Group paid the following to the South African Revenue Services	Income tax	697,145,678	342,552,382
	Value added tax	330,277,516	365,968,856
	Dividend withholding tax	37,738,136	19,406,578
	Mineral royalty tax	132,873,170	106,397,006
Total procurement	Value of procurement from local/ host communities	Not previously calculated	77,451,677
	Other supplier spend	909,615,251 ¹¹	778,560,958

¹¹ FY2021 Other supplier spend includes local communities.

GLOSSARY OF TERMS AND DEFINITIONS

The following definitions apply throughout the report:

BIC	Bushveld Igneous Complex
CLO	Community liaison officers
tCO ₂ e (diesel)	Based on volume of diesel consumed and 2021 DEFRA Guidelines GHG Conversion Factors for Diesel.
tCO ₂ e (electricity)	Based on a conversion factor of 1.08 based on the Eskom Integrated Report, 2021
CSI PROJECTS	Corporate social investment projects
DWS	Department of Water and Sanitation
EDEP	Employee Dividend Entitlement Programme
EIA	Environmental impact assessment
ESG	Environment, Social and Governance
GBV	Gender-based violence
GHG	Greenhouse gas
GRI	Global Reporting Initiative
HDPs	Historically disadvantaged persons
HPI	High potential incident: an incident that has the potential to cause serious injury or harm to health, although no injury or harm in fact happened, i.e., high-energy release with no impact on employee health or safety
ICMM	International Council on Mining and Metals
IPCC	Intergovernmental Panel on Climate Change
ILO	International Labour Organisation
LTI	Lost-time injury
LTIFR	Lost-time injury frequency rate
MPRDA	Mineral and Petroleum Resources Development Act
NEMA	National Environmental Management Act
PGM	Platinum Group Metals
PROJECT ECHO	Secondary PGM Milling and Flotation (MF2) program announced in FY2017 to design and install additional new additional fine grinding mills and flotation circuits at Millsell, Doornbosch, Tweefontein and Mooinooi.
SASB	Sustainability Accounting Standards Board
SCOPE 1 EMISSIONS	Direct greenhouse emissions that occur from sources that are controlled or owned by the Company
SCOPE 2 EMISSIONS	Indirect greenhouse gas emissions from the generation of purchased energy, from a utility provider
SCOPE 3 EMISSIONS	Greenhouse gas emissions that are the result of activities from assets not owned or controlled by the Company, but that the Company indirectly impacts in its value chain
SDO	Sylvania Dump Operations
SHES	Safety, Health and Environment
tCO ₂ e/ton	Tons of carbon dioxide equivalent
TCFD	United Nations Task Force on Climate-Related Financial Disclosures
TSFs	Tailings storage facilities
UNSDGs	United Nations Sustainable Development Goals
UPS	Uninterrupted power supply
WUL	Water use licence

CORPORATE INFORMATION

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RA Williams – resigned effective 31 December 2021
E Carr
AJ Reynolds – appointed effective 1 August 2021
S Scott – appointed effective 1 January 2022
JJ Prinsloo
L Carminati

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