RBPlat's TCFD disclosures

Governance

TCFD Recommended disclosures	RBPlat's status quo
Describe the board's oversight of climaterelated risks and opportunities.	Addressing the causes and adapting to the impacts of climate change is core to our Board-approved climate change strategy, which has a three-year action plan progress on which is reported to the Social and Ethics Committee by the Head: Corporate Risk and Sustainability. Progress is tracked through the governance structures of the Board – the Executives, Social and Ethics Committee and, ultimately, the Board. This strategy is currently being reviewed and updated. RBPlat's Board of Directors and the Company's Chief Executive Officer, assisted by the Board's Social and Ethics Committee, are accountable for RBPlat's environmental management and the Group's climate change mitigation, adaptation and transparency. Our climate change key performance indicators (KPIs) are measured and monitored through the sustainability and risk and tolerance performance dashboards. These dashboards are reported on monthly basis at the Monthly Performance Reviews (MPR) meetings and the Social and Ethics Committee every quarter. These KPIs are assured at Group level as part of the sustainability assurance process and disclosed in RBPlat's integrated report.
Describe management's role in assessing and managing climate-related risks and opportunities	RBPlat manages climate-related risks and opportunities at an executive management level. The climate change risks and opportunities are identified through the ERM process led by the Head: Corporate Risk and Sustainability. Climate change risk assessment workshops are held with various management representatives. The risks and opportunities identified are presented to the Exco and the Audit and Risk Committee for approval. The implementation of risk control measures is monitored by the Risk and Compliance Department. Climate change strategy implementation is one of the focus areas of the Social and Ethics Committee.

RBPlat's TCFD disclosures continued

Strategy

TCFD Recommended disclosures	RBPlat's status quo
Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	RBPlat has adopted an enterprise risk management (ERM) approach to risk because it provides an integrated multi-disciplinary company-wide risk identification, assessment, and management approach to our business risks within a complex and ever-changing environment. Specific climate change risk assessments, using the external support of climate change specialist, are done annually at a site level as part of the overall ERM. These climate change risks are considered more than six years into the future. The overarching risk assessment process at company level also considers climate change, noting this as one of the Group's strategic business risks. The climate change TCFD scenario analysis was conducted in 2020 with experts from external climate change consultants. This study took into consideration the RBPlat climate change risk register as well as the climate change vulnerability assessment that was conducted in 2017-2018. Four key scenarios were prepared by the IPCC which can be used when considering the physical impacts that climate change may have on a business. These scenarios are called the Representative Concentration Pathways (RCPs) and reflect different levels of energy trapped in the atmosphere by GHGs. For purposes of assessing the physical impacts the following scenarios were applied: 1. *Unmitigated (RCP 8.5 scenario)*, representing immense climate change impacts which will lead to a very high probability of the global average temperature increase being more than 4°C in the long term. This is likely if there are no further mitigation actions. 2. *NDC Scenario (RCP 4.5 scenario)*, representing a middle of the road scenario which will lead to a very high probability of the global average of temperature increase being more than 2.5-3°C in the long term. 3. *Increased Ambition Scenario (RCP 2.6 scenario)*, representing a best-case scenario which will effectively result in global average temperatures increasing below 2°C in accordance with the Paris goal. Based on the climate change projections, the findings of the Climate Risk and Vulnerability Assessment conducted for RBPlat, the material chronic climate risks impacting RBPlat's operations are temperature increases, droughts and changes in rainfall patterns, while the acute climate risks relates to floods. For purposes of assessing the impact of the various transitional risks, two scenarios were applied. These scenarios were taken from the World Energy Model of the International Energy Agency: 1. The *Current policies scenario*, which represents a scenario in terms of which countries will not increase their climate change ambition, but rather continue to implement existing climate change policies. 2. *Below 2°C Paris Agreement Scenario*, which outlines a scenario in which policies are developed in order to limit climate change to 1.5°C above preindustrial levels in accordance with article 2(1)(a) of the Paris Agreement. This scenario is characterised by a shift in technologies used by transport from internal combustion engines (ICE) to electric vehicles. The main drivers of these scenarios are regulatory (Carbon tax impacts) and market risk as changes in automotive demand and technological changes. Climate change has been identified as one of the top 10 RBPlat 2020 risks (see RBPlat's 2020 integrated report), in line with RBPlat's enterprise risk management approach.

RBPlat's TCFD disclosures continued

Strategy continued

TCFD Recommended disclosures	RBPlat's status quo
Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	Physical risks The potentially hotter and drier climate and change in rainfall patterns will have significant impacts on water availability. RBPlat requires large quantities of potable water for its operations (for drinking, change house facilities for the workforce and mining processes). However, higher temperatures and prolonged dry periods increase the stress on limited water resources in the area/region. Not only will the quantity of water be affected, but the quality as well. It is therefore highly likely that RBPlat is impacted by water scarcity. RBPlat's value chain is also likely to be severely impacted by water scarcity as a result of rising temperatures and changing rainfall patterns. This could result in interruptions of supplies of good and services (when suppliers experience water-related impacts), which can directly affect the ability of the organisation to operate and generate revenue. Rising temperatures will also affect the amount of electricity for, for example, cooling. The higher the ambient temperature is, the higher the cooling needs and in turn electricity costs. The national electricity generation and supply could be at increasing risk. Power shortages can have serious impacts on RBPlat's expenditures. In an Unmitigated Scenario, average temperatures are projected to increase by 3°C, in an NDC Scenario by 2.4°C and in an Increased Ambition Scenario by a maximum of 2°C. RBPlat's expenditure, assets and liabilities as well as revenues may be affected as a result of water scarcity and electricity impacts caused by rising temperatures and changes in rainfall patterns. These could also be impacted by the increased maintenance and repair costs resulting from the wear and tear of equipment and infrastructure, arising from the impacts of flash floods. Expenditures from water price perspectives are also likely to increase. Transitional risks The Carbon Tax will have an impact on RBPlat's expenditure on an indirect level as RBPlat only has negligible combustion emissions which will not result in any direct carbon tax liability. Although the tax financial implications are currently negligible due to the low emissions from our generators, as the tax moves from Phase I to Phase II in 2023 we foresee, as a large energy user, that there will be a more substantial financial impact on our business if there are electricity and direct mobile fuel implications. The carbon tax rate is R120/tCO_2e as of 2019 and increases at a rate of inflation + 2% per annum until the end of phase one after which it will only increase by inflation. However, allowances reduce the tax rate to an effective maximum rate of R48/tCO_2e and a minimum of R6/tCO_2e (allowances are available). Assuming our Scope 1 emissions remain constant from 2019 and that the tax rate increases annually using a 4.5% annual inflation, we estimated our tax exposure for the maximum and minimum tax rates from 2023. The taxable Scope 1 emissions would be 419 600 tCO_2e (electricity and fugitive emissions) and the minimum and maximum tax rates at 2023 would be R7.7/tCO_2e and R61.8/tCO_2e, resulting in an estimated liability ranging from R3 230 000 to R25 900 000 for 2023. According to the National Greenhouse Gas Emissions Reporting Regulations RBPlat is required to report emissions from the consumption of fossil fuels in generators and machinery under the IPCC activity code: 1A2i Mining. Market-related risks, such as changes in automotive demand will impact our operations. There is increasing pressure to move away from Internal Combustion Engines (ICE) to support air quality, climate change mitigation, and noise reduction.

RBPlat's TCFD disclosures continued

Strategy continued

TCFD Recommended disclosures	RBPlat's status quo
Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	RBPlat has identified the water risk and has already constructed and commissioned a water treatment plant in late 2015. The water treatment plant enables RBPlat to re-use treated contaminated mine water in its concentrator plant and hence reduces our reliance on potable water from the third-party supplier Magalies Water. In 2020 the water treatment plant resulted in a cost saving of R6.3 million (See the section on Water and effluent management in RBPlat's 2020 integrated report). In addition, our operations have implemented a closed loop system where water is reused on site as much as possible, reducing the dependence on potable water. Our operations are energy intensive and therefore rely heavily on the use of electricity, which contributes to the generation of GHG emissions. More than 90% of our emissions are Scope 2 emissions (See the Climate change section in RBPlat's 2020 integrated report). As a result, RBPlat has engaged in a bankability study to investigate the possibility of adopting solar renewable energy and reducing its reliance on the use of electricity. (See the Resource management section of RBPlat's 2020 integrated report). RBPlat has also engaged energy experts to assist in updating its energy management strategy and identifying energy saving opportunities. This process will be completed by the end of the first quarter of 2021. Although the first phase of carbon tax does not impact us, pass-through costs from the value chain are being monitored as part of operational cost management. RBPlat is a registered GHG emission data provider and annually reports stationary activity data to the Department of Environment, Forestry and Fisheries (DEFF) as part of our compliance to the National GHG Reporting Regulations. Recommendations identified in the climate change scenario analysis studies in order to ensure both adaptation to and mitigation of climate change impacts are still being reviewed and analysed by the organisation with the aim of selecting the best strategies. Investments into more climate-resilient infrastructure and technology will be investigated as part of our strategies to combat the impacts of climate change. RBPlat considers technology both as an opportunity and a risk. To achieve our strategic objectives and create value, the integration of technology at our operations is seen as one of the many critical inputs.

RBPlat's TCFD disclosures continued

Risk management

TCFD Recommended disclosures	RBPlat's status quo
Describe the organisation's processes for identifying and assessing climate-related risks	RBPlats adopted an enterprise risk management (ERM) approach. As such, it provides an integrated multi-disciplinary company-wide risk identification, assessment, and management approach to business risks within a complex and ever-changing environment. The ERM strategy, framework and policy are closely aligned with the company's business strategies Climate change has been identified as one of the Group's top ten strategic business risks, and as such a climate change specific risk assessment is also performed at the site level on an annual basis. Participants in this workshop include management representatives from the environmental, engineering, risk and sustainability departments from all operations; our environmental manager and an external climate change consultancy to further inform an effective assessment process. Climate change risks are considered in the short, medium and long (greater than 6 years) term and the output from the process is our climate change risk register. Over and above the annual climate change risk assessment workshop, climate change risks and opportunities are also identified and monitored through quarterly business-specific risk assessments.
Describe the organisation's processes for managing climate-related risks	A climate change risk register has been developed which aligns with the company's ERM approach and allows mitigation and adaptation actions to be identified and integrated into the company. Our climate change risk register allows for mitigation and adaptation actions to be integrated into company processes and systems. It specifically identifies the root cause, likelihood, consequence, affected stakeholders and controls. Key risks and vulnerabilities faced by the business under a changing climate are prioritised so that major risks are clearly identified, and minor risks are also noted. Prioritisation is based on the ranking according to the likelihood of occurring, impact on operations and anticipated timeframes of occurrence. Responsible persons and accountability risk owners are identified for each risk with due dates stipulated for the risk responses. RBPlat completed a climate change vulnerability assessment to better understand our climate change risks and opportunities. To minimise the adverse effects of climate change on operational excellence RBPlat: • implements Board-approved sustainability and stakeholder engagement framework, climate change, water and energy management strategies, which are currently under review to enhance our compliance • contributes towards the SDGs including SDG 12 and SDG 13 while indirectly contributing towards SDG 6 • endorsed the Caring for Climate initiative by being a signatory to the Carbon Disclosure Standard Board's (CDSB) fiduciary duty and climate change disclosure and joined the We Mean Business Campaign as members of the National Business Initiative (NBI). We committed ourselves to ensuring responsible corporate engagement on climate policy.

RBPlat's TCFD disclosures continued

Metrics and targets

TCFD Recommended disclosures	RBPlat's status quo
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	RBPlat has efficiency targets set for the Group which are monitored through the sustainability and risk tolerance dashboards. These dashboards are monitored and reported on monthly at the Monthly performance review meetings attended by HODs and Exco as well as quarterly at Board and its Social and Ethics and Audit and Risk committees. RBPlats currently relies on the following metrics to track their climate change actions: • Water efficiency – (kl/tonne treated) • Energy usage – (GJ/tonne milled) • Energy usage – mining (kWh/tonne hoisted) • GHG emission carbon intensity (tCO_2/000 tonnes) Scope 1 and 2 • Water consumption • Energy consumption • Waste generated and disposed • GHG emissions (See the section: A responsible approach to the natural environment in RBPlat's 2020 integrated report)
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks	RBPlat uses internal GHG emissions calculators to monitor GHG emissions monthly. Scope 1 and 2 emissions are audited as part of the Company's annual sustainability assurance process. (See the section: A responsible approach to the natural environment in RBPlat's 2020 integrated report) Calculation of the carbon footprint complies with the criteria of the ISO-14064-part 1 Standard and GHG Protocol – Corporate Value Chain (Scope 3) Accounting and Reporting Standard.
Describe the targets used by the organisation to manage climate related risks and opportunities and performance against targets	The Company has intensity targets focusing on Group performance. The efficiency targets were set for five years (2020-2024), based on the 2018 baseline with the aim of achieving 10% reduction by 2024. These targets are for: • Water efficiency – (kl/tonne treated) • Energy usage – (GJ/tonne milled) • GHG emission carbon intensity (tCO_2/000 tonnes) The above metrics and targets are part of the sustainability key performance areas included in the top 55% of the overall company performance indicators.