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BY EMAIL: tdavies@cer.org.za

17 August 2015

Att: Ms Tracey Davies
Programme Head: Corporate Accountability & Transparency

Centre for Environmental Rights
2nd Floor, Springtime Studios
1 Scott Road
Observatory
7325

Dear Ms Davies

CENTRE FOR ENVIRONMENTAL RIGHTS' BASELINE ASSESSMENT OF CORPORATE ENVIRONMENTAL COMPLIANCE

Thank you for your correspondence received and for affording us the opportunity to respond to the issues identified per your research paper. Our reading of the CER Baseline Assessment revealed an apparent error pertaining to the entity under scrutiny, which we would like to clarify first. Thereafter, the few matters identified by CER will be dealt with comprehensively under the headings below.

The CER assessment is largely based on the document quoted by CER to be the "September 2013 Technical memorandum attached to Implats' 2013 EIA for Impala Platinum Springs" and interpreted by CER to mean "(Impala Refining Services)". This is incorrect, as is portions of the quoted "Overview of the company". Unfortunately the image sought to be included by CER under the heading "Overview of the company" was not included in the document sent to us for comment. Our concern extends to the potential readers of the CER research, who will likewise be in a difficult position to understand the context of the report.

In the interest of clarification, Impala Platinum Limited is the main operating entity within Implats (Impala Platinum Holdings Limited). Impala Platinum Limited (Impala) consists of the Impala Rustenburg Mine with its processing facility, located outside the town of Rustenburg in the North West Province - and also the Impala Refineries located outside the town of Springs in the Gauteng Province. The "September 2013 Technical memorandum attached to Implats' 2013 EIA for Impala Platinum Springs" relied on by CER applies to Impala Platinum Limited and specifically the Impala Refineries as part thereof.

1. Implats Classification System

Implats historically did not have a standardised classification system to report environmental incidents across its various operations. This changed in 2014 with the approval of a five-tier incident classification matrix which is still in the process of being rolled out across the various and diverse operations within the Implats Group. In order to ensure consistent and reliable reporting

Impala Platinum Limited

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going forward, environmental incidences will be reported as per the then fully tested and functional five-tier matrix in the relevant public reports for FY 2016 (spanning the period 1 July 2015 to 30 June 2016), onwards.

2. 2009 to 2014: Sustainable Development Reports and Integrated Annual Reports

The CER extracts quoted from the various Implats Reports and pertaining to environmental matters are correct. All the Implats Reports mentioned were independently audited by third parties.

3. The September 2013 Golder Technical Memorandum and other reports quoted:

Waste Management License

The Impala Refineries commenced with the process of obtaining a waste management license shortly after the commencement of the license requirements in July 2009. No transitional or phase-in period was provided for by the legislation, which means that ALL companies were illegal on the date of commencement of the regulations on 9 July 2009.

The prescribed license application process is time consuming, as it entails an environmental impact assessment involving stakeholders, including government. The licensing process was also complicated by the changes to the list of activities that require licences *after* the submission of our application. A revised application had to be prepared and submitted.

The Impala Refineries obtained their waste management license on 21.01.2015 (License Number 12/9/11/L1050/3). We would also like to alert you to the fact that all but two of the activities listed in your letter no longer require licences in terms of the revised list of activities that require waste management licenses (GN 921, National Environmental Management: Waste Act, 2008).

We can currently confirm compliance with the license requirements of the National Environmental Management: Waste Act, 2008.

PM₁₀ Concentrations & Stack emissions

In response to the information on elevated PM₁₀ concentrations included in the EIA report, Impala commissioned an in-depth independent *Atmospheric Impact Assessment & Source Apportionment* (conducted by C & M Consulting Engineers.) We are glad to report that the Refineries' estimated contribution to the measured PM₁₀ is 2.3% and 2.5 % at the two monitoring stations. Impala established the monitoring stations and has conducted several data verification surveys in order to ensure the credibility of the data.

Regarding the marginal sporadic exceedances on some of the Refineries' stack emissions; we can confirm that the independent ambient air quality survey concluded that none of the Impala Refineries' impacts during 2013 had a detrimental effect on the receiving environment or human health. Although some of the stacks were not fully compliance for 100% of the time, the situation has not caused harm to health or the environment. The exceedances have also been reported to the Ekurhuleni Metro, as required. Stack emission abatement projects are on-going at the Refineries. Key achievements in this regard include a recently installed cloud chamber in the Precious Metals Refinery and a soon to be commissioned Boiler scrubber in the Base Metal Refinery. Two other abatement projects are under investigation.

The boiler optimisation programme is expected to be finalised by November 2015 after which boiler emissions will comply with the limits imposed by the Impala Refineries' atmospheric emission license. The Ekurhuleni Metro is kept informed of the situation, and exceedances of the permissible levels are reported as environmental incidents in terms of section 30 of the National Environmental Management Act, 1998.

Groundwater Contamination

Several specialist groundwater studies have been commissioned and concluded by the Refineries. Based on the specialist surveys, the main source of the pollution is deemed to be the

historical impacts of the Union Mining Corporation's activities (which included a gold mine's tailings dam).

The groundwater model developed by independent specialist, *Golder & Associates*, revealed that limited impact is expected on the Cowles dam and the Klein Blesbokspruit. The Grootvlei underground mine workings is highlighted as **the main receptor** of the contaminated groundwater. The acid mine drainage situation is complex and Impala will not be solely responsible for the costs of the eventual (but probably inevitable) pumping and treatment of the contaminated water from the mine workings.

Impala decided not to embark on a groundwater remediation strategy at this point in time, pending the apportionment of their contribution to the situation, and guidance from the Department of Water & Sanitation as to the long term strategy for pumping and treatment of water from the Grootvlei mine workings. In this regard it is also important to note that the groundwater quality standards have not yet been finalised for purposes of the Refineries water use license.

In the interim, the Impala Refineries are focussing on the elimination of the sources of contamination that are directly linked to their operations. A Phytoremediation project is also underway at the EESS area. The EESS was decommissioned in 2008. Action plans (including implementation timeframes) are included in the *Integrated Water & Waste Management Plan*, required in terms of the site's water use license.

Spillage from the BMR Pond

No spillage incidents occurred since the installation of the pond in the early 1990's. An additional storage facility is nevertheless under construction to facilitate the inspection of, and repair of the existing pond's liner (if necessary). The specialist groundwater surveys did not highlight the BMR Pond as a significant contributor to the detected groundwater contamination.

Water Quality Monitoring in the PMR Pond

The Impala Refineries' amended water use license does not require water quality monitoring in the PMR Pond. The pond has a double liner, as required by the water use license. The information quoted in your survey precedes the issuance of the water use license.

Landowners' concerns

The concerns regarding both odour and water raised in your survey have been investigated and addressed:

- The source was identified as a "boil-out" situation at the crystalliser plant. Boil-outs take place one day per month. No external complaints were received relating to smells from the crystalliser.
- The overflowing stream referred to in your survey was investigated and found to be the municipal storm water drains in East Geduld road. Impala is downstream from the community and water cannot overflow to their houses due to topography.

We trust that the above information will provide a more accurate reflection of the environmental management practices at the Impala Platinum Refineries. The management team herewith extended an invitation to yourself and CER and will gladly receive you at the Impala Platinum Refineries in order to equip you with a first-hand experience of our operations. Your contact person is: Ms Carina Burger, Environmental Manager, c/o East Geduld Road and Cowles Street, East Geduld, Springs, Tel: 011 360 3164, carina.burger@implats.co.za

Yours faithfully

P.D.

Paul Finney

Group Executive: Refining and Marketing