

Climate Change Assessment for the Kinetic Development Group Ferrochrome Smelter in the MMSEZ, Limpopo

Project done on behalf of Gudani Consulting

Project Compiled by:

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Rev 0	June 2025	For internal review
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EXECUTIVE SUMMARY

Airshed Planning Professionals (Pty) Ltd was appointed by Gudani Consulting to undertake a Climate Change Assessment (CCA) for the Kinetic Development Group (KDG) ferrochrome smelter (hereafter referred to as the project) in the Musina-Mukhado Special Economic Zone (MMSEZ), located in the Vhembe District Municipality in Limpopo Province.

Project specific information together with local and internationally published emission factors were used to calculate Scope 1 (direct) and Scope 2 (indirect) GHG emissions for the proposed project. Locally published literature was referred to, to understand the projected changes to climate for the area.

The physical risks of climate change on the study area (based on the Green Book which references the Intergovernmental Panel on Climate Change (IPCC's) fifth assessment report (AR5) data) can be summarised as follows:

Climate:

- o Temperature:
 - Baseline: 58.36 hot days (90th percentile)
 - High mitigation RCP4.5¹ climate situation: 58.88 hot days with an increase in temperature of 2.53°C (90th percentile)
 - Low mitigation RCP8.5 climate situation: 58.06 hot days with an increase in temperature of 2.67°C (90th percentile)
- Rainfall:
 - Baseline: 2.28 extreme rainfall days (90th percentile)
 - High mitigation RCP4.5 climate situation: 0.16 extreme rainfall days with a decrease in rainfall of 7.65 mm (90th percentile)
 - Low mitigation RCP8.5 climate situation: 1.42 extreme rainfall days with an increase in rainfall of 113 mm (90th percentile)
- Hazards assuming the low mitigation RCP8.5 climate situation:
 - Wildfires: 85 increased fire danger days;
 - o Drought: increased potential in drought tendencies over the study area;
 - Exposure to heat extremes: no risk to settlements in the study area; and,
 - Urban flooding: no significant increase in risk over the project area.

Based on information provided, the project is likely to result in an estimated total of 3 258 725 tonne (t) carbon dioxide equivalent (CO₂e) (162 936 t CO₂e per annum) direct emissions and 8 155 560 t CO₂e (407 778 t CO₂e per annum) indirect emissions (Scope 2 only) due to operational activities over a 20-year period. This was calculated to represent 0.16% of the remaining South African annual GHG budget.

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¹ Representative Concentration Pathways (RCP) are climate change scenarios to project future greenhouse gas concentrations.

The impact of the project on climate change was assessed to have a **high** negative risk rating.

The project will be required to report CO₂e emissions annually via the National Atmospheric Emission Inventory System (NAEIS) and provide a greenhouse gas mitigation plan.

Conclusion

From the perspective of climate change, it is the opinion of the specialist that the project be considered for authorisation, on condition that GHG emissions are reported annual according to legal requirements and that a GHG mitigation plan be established.

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LIST OF ACRONYMS AND SYMBOLS

AFF Agriculture, Forestry and Fishing
AR5 IPCC's fifth assessment report
AR6 IPCC's sixth assessment report

BAU Business-As-Usual °C Degrees Celsius

CCA Climate Change Assessment
CCRA Climate Change Reference Atlas

CCS Carbon Capture and Sequestration (or Carbon Capture and Storage)

CH₄ | Methane

CMIP Coupled Model Intercomparison Project

CO₂ Carbon dioxide

CO₂e Carbon dioxide equivalent

DEFRA UK Department for Environment Food & Rural Affairs

DFFE Department of Forestry, Fisheries and Environment (previously DEA)

DWS Department of Water and Sanitation
EAPs Environmental Assessment Practitioners

EBRD European Bank for Reconstruction and Development
ECMWF European Centre for Medium-Range Weather Forecasts

EIA Environmental Impact Assessment

ERA5 Fifth generation ECMWF (European Centre for Medium-Range Weather Forecasts)

GCMs Global Climate Change Models

GDP Gross domestic product
GG Government gazette
GHG Greenhouse gases

GHGIP National Greenhouse Gas Improvement Programme

GN Government notice
GVA Gross Value Added
GWP Global warming potential

ha Hectar

 H_2O Water vapour HFCs Hydrofluorocarbons

IPCC Intergovernmental Panel on Climate Change

IPPU Industrial Processes and Product Use

KDG Kinetic Development Group

kg Kilogram
km Kilometre
kWh Kilowatt hour

l/p/d Litres per person per day

LUCF LULUCF Land Use Change and Forestry LUCF Land Use, Land Use Change and Forestry

mm Millimetres

mm/yr Millimetres per year

MMSEZ Musina-Mukhado Special Economic Zone

MW Megawatt N2O Nitrous oxide

NAAQS National Ambient Air Quality Standards

NACA National Association for Clean Air

NAEIS National Atmospheric Emission Inventory System
NCEP National Centres for Environmental Prediction
NEM:AQA National Environmental Management: Air Quality Act

NDCs Nationally determined contributions

NOAA National Oceanic and Atmospheric Administration

O₃ Ozone

PFCs Perfluorocarbons ppm Parts per million

PPP Pollution Prevention Plan
PUFA Polyunsaturated fatty acids

PV Photovoltaic

RCA4 Rossby Centre regional model

RCPs Representative Concentration Pathways

REDD+ Reducing Emissions from Deforestation and forest Degradation

SA South Africa

SAAELIP South African Atmospheric Emission Licensing and Inventory Portal

SAAQIS South African Air Quality Information System

SACNASP South African Council for Natural Scientific Professions
SAGERS South African Greenhouse Gas Emission Reporting System

SAWS South African Weather Services

SF₆ Sulfur hexafluoride

SPI Standardized Precipitation Index
SSP Shared Socioeconomic Pathway
SST Sea surface temperatures

t Tonne
TJ Terajoule

ton/ha Tonne per hectare

TCFD Taskforce for Climate-related Financial Disclosures

UNFCCC United Nations Framework Convention on Climate Change

Note:

The spelling of "sulfur" has been standardised to the American spelling throughout the report. "The International Union of Pure and Applied Chemistry, the international professional organisation of chemists that operates under the umbrella of UNESCO, published, in 1990, a list of standard names for all chemical elements. It was decided that element 16 should be spelled "sulfur". This compromise was to ensure that in future searchable data bases would not be complicated by spelling variants. (IUPAC. Compendium of Chemical Terminology, 2nd ed. (the "Gold Book"). Compiled by A. D. McNaught and A. Wilkinson. Blackwell Scientific Publications, Oxford (1997). XML on-line corrected version: http://goldbook.iupac.org (2006) created by M. Nic, J. Jirat, B. Kosata; updates compiled by A. Jenkins. ISBN 0-9678550-9-8.doi: 10.1351/goldbook)"

1 INTRODUCTION

Airshed Planning Professionals (Pty) Ltd was appointed by Gudani Consulting to undertake a Climate Change Assessment (CCA) for the Kinetic Development Group (KDG) ferrochrome smelter (hereafter referred to as the project) in the Musina-Mukhado Special Economic Zone (MMSEZ), located in the Vhembe District Municipality in Limpopo Province.

The project is located in the northern part of the MMSEZ, just south of R525 road, approximately 4 km to the west of the N1, 35 km southwest of Musina and 2 km east-southeast of the railway siding and small village at Mopane (Figure 1-1).

The ferrochrome smelter at the project will produce approximately 125 000 tonnes per annum (t/a) of high-carbon ferrochromium by smelting together chromite ore (2 tonnes ore per tonne of ferrochromium alloy produced), reducing agents (0.5 tonne coke or semi-coke per tonne of ferrochromium alloy produced) and silica stone or dolomite (0.175 tonne per tonne of ferrochromium alloy produced). The plant will be operated 24 hours per day for 330 days per year, with expected downtime of electric furnaces of 35 days per year.

1.1 Scope of Work

The scope of work included a desktop Climate Change Assessment in line with the Consultation on Intention to Publish the National Guideline for Consideration of Climate Change Implications in Applications for Environmental Authorisations, Atmospheric Emission Licenses, and Waste Management Licenses, by:

- 1. Quantifying the greenhouse gas (GHG) emissions during the construction, operation, and closure and decommissioning phases of the project compared to the global and national emission inventories; and compared to international benchmarks for the project.
- 2. Discussing the robustness of the project in terms of forecasted climate change impacts to the area over the lifetime of the project.
- 3. Discussing the vulnerability of communities in the immediate vicinity of the project to climate change.
- 4. Proposing management and mitigation strategies.
- 5. Preparation of a climate change statement report.

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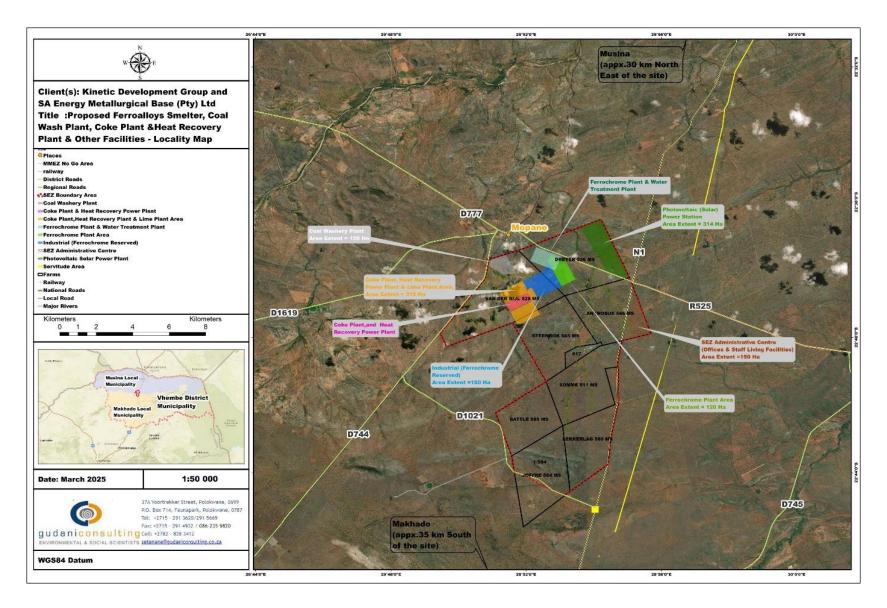


Figure 1-1: Location of project within the MMSEZ (provided by Gudani Consulting)

1.2 Specialist Details

1.2.1 Statement of Independence

Airshed is an independent consulting firm with no interest in the project other than to fulfil the contract between the client and the consultant for delivery of specialised services as stipulated in the terms of reference.

1.2.2 Competency Profile – RG von Gruenewaldt (MSc (Meteorology), BSc, Pr. Sci Nat.)

Reneé von Gruenewaldt is a Registered Professional Natural Scientist (Registration Number 400304/07) with the South African Council for Natural Scientific Professions (SACNASP) and a member of the National Association for Clean Air (NACA).

Following the completion of her bachelor's degree in atmospheric sciences in 2000 and honours degree (with distinction) with specialisation in Environmental Analysis and Management in 2001 at the University of Pretoria, her experience in air pollution started when she joined Environmental Management Services (now Airshed Planning Professionals) in 2002. Reneé von Gruenewaldt later completed her master's degree (with distinction) in Meteorology at the University of Pretoria in 2009.

Reneé von Gruenewaldt became partner of Airshed Planning Professionals in September 2006. Airshed Planning Professionals is a technical and scientific consultancy providing scientific, engineering and strategic air pollution impact assessment and management services and policy support to assist clients in addressing a wide variety of air pollution related risks and air quality management challenges.

She has experience on the various components of greenhouse gas emission foot-printing and climate change assessment statements where she has been the principal specialist and manager on these projects.

A comprehensive curriculum vitae of Reneé von Gruenewaldt is provided in Appendix A. The declaration of independence for Reneé von Gruenewaldt is provided in Appendix B.

2 REGULATORY CONTEXT AND IMPACT ASSESSMENT CRITERIA

GHGs are those gaseous constituents of the atmosphere, both natural and anthropogenic, that absorb and emit radiation at specific wavelengths within the spectrum of thermal infrared radiation emitted by the Earth's surface, the atmosphere itself, and by clouds. This property is known as the greenhouse effect. Water vapour (H_2O), carbon dioxide (CO_2), nitrous oxide (N_2O), methane (CH_4) and ozone (O_3) are the primary greenhouse gases in the earth's atmosphere. Moreover, there are a number of entirely human-made greenhouse gases in the atmosphere, such as the halocarbons and other chlorine and bromine containing substances, dealt with under the Montreal Protocol. Beside CO_2 , N_2O and CH_4 , the Kyoto Protocol deals with the greenhouse gases sulfur hexafluoride (SF_6), hydrofluorocarbons (HFCs) and perfluorocarbons (PFCs) (IPCC, 2007). Human activities since the beginning of the Industrial Revolution (taken as the year 1750) have produced a 40% increase in the atmospheric concentration of carbon dioxide, from 280 ppm in 1750 to 415 ppm in early September 2021 (NOAA, 2021). This increase of CO_2 in the Earth's atmosphere has occurred despite the uptake of a large portion of the emissions by various natural "sinks" involved in the carbon cycle (NOAA, 2021). Anthropogenic CO_2 emissions (i.e., emissions produced by human activities) come from combustion of fossil fuels, principally coal, oil, and natural gas, along with waste processing and decomposition, deforestation, soil erosion and animal agriculture (IPCC, 2007).

The following sections describe the alignment of South African national policies regarding GHG emissions and reporting with international agreements and targets.

2.1 International Agreements

In 1992, countries joined an international treaty, the United Nations Framework Convention on Climate Change, (UNFCCC) as a framework for international cooperation to combat climate change by limiting average global temperature increases and the resulting climate change, and coping with impacts that were, by then, inevitable.

By 1995, countries launched negotiations to strengthen the global response to climate change, and, two years later, adopted the Kyoto Protocol. The Kyoto Protocol legally binds developed country parties to emission reduction targets. The Protocol's first commitment period started in 2008 and ended in 2012. As agreed in Doha in 2012, the second commitment period began on 1 January 2013 and will end in 2020 (UNFCCC, 2017) but due to lack of ratification has not come into force.

The Paris Agreement (2016) builds upon the Convention and – for the first time – brings all nations into a common cause to undertake ambitious efforts to combat climate change and adapt to its effects, with enhanced support to assist developing countries to do so. As such, it charts a new course in the global climate effort.

The central aim of the Paris Agreement is to strengthen the global response to the threat of climate change by keeping a global temperature rise this century well below 2.0°C above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5°C. Additionally, the agreement aims to strengthen the ability of countries to deal with the impacts of climate change. To reach these ambitious goals, appropriate financial flows, a new technology framework and an enhanced capacity building framework will be put in place, thus

supporting action by developing countries and the most vulnerable countries, in line with their own national objectives.

The Paris Agreement requires all Parties to put forward their best efforts through "nationally determined contributions" (NDCs) and to strengthen these efforts in the years ahead. This includes requirements that all Parties report regularly on their emissions and on their implementation efforts.

In 2018, Parties took stock of the collective efforts in relation to progress towards the goals set in the Paris Agreement to inform the preparation of NDCs. There will also be a global stocktake every five years to assess the collective progress towards achieving the purpose of the Agreement and to inform further individual actions by Parties.

As of September 2024, 195 Parties of the 197 Parties to the UNFCCC Convention, including South Africa, had ratified the Paris Agreement. South Africa submitted its NDC to the UNFCCC on 25 September 2016 and an updated NDC in September 2021.

On January 20, 2025, an executive order was signed by the United States President to withdraw the United States from the Paris Agreement.

2.2 South African National Climate Change Response Policy

South Africa ratified the UNFCCC in August 1997 and acceded to the Kyoto protocol in 2002, with effect from 2005. However, since South Africa is an Annex 1 country it implies no binding commitment to cap or reduce GHG emissions. South Africa later also ratified the Paris Agreement (as signed on 22 April 2016) which although not bound to commit to a cap or reduce GHG emissions, pledged to reduce emissions by 34% below Business-As-Usual (BAU) emissions by 2020 and 42% below BAU by 2025. The proposed 2030 target range represents a 28% reduction in GHG emissions commitment from the original 2015 NDC targets. However, these original goals were ambitious, and South Africa subsequently shifted from BAU-based targets for 2020 and 2025 in terms of the Cancun Agreement under the UNFCCC, to absolute GHG emissions targets under the Paris Agreement. This update demonstrates reducing the upper range of South Africa's targets by a more realistic 17% for 2025 and 28% for 2030, respectively.

The National Climate Change Response White Paper, passed by Cabinet in October 2011, stated that in responding to climate change, South Africa has two objectives: to manage the inevitable climate change impacts and to contribute to the global effort in stabilising GHG emissions at a level that avoids dangerous anthropogenic interference with the climate system. The White Paper proposes mitigation actions, especially a departure from coal-intensive electricity generation, be implemented in the short- and medium-term to match the GHG trajectory range. Peak GHG emissions are expected between 2020 and 2025 before a decade long plateau period and subsequent reductions in GHG emissions.

The White Paper also highlighted the co-benefit of reducing GHG emissions by improving air quality and reducing respiratory diseases by reducing ambient particulate matter, ozone, and sulfur dioxide concentrations to levels in compliance with the National Ambient Air Quality Standards (NAAQS) by 2020. To achieve these objectives, the

Department of Forestry, Fisheries and Environment (DFFE) established a national GHG emissions inventory that reports through the South African Atmospheric Quality Information System (SAAQIS).

The Climate Change Act (Act 22 of 2024) was assented to by the President of the Republic of South Africa on 23 July 2024 in Government Notice (GN) 5050 in Government Gazette (GG) 50966 of 23 July 2024. Although the Climate Change Act has been promulgated, it is not yet in force as the President must still proclaim its commencement. The Act is aligned with international policies guidelines and South Africa's NDC and aim to reduce GHG emissions as primary driver to anthropogenic climate change. The aim of the Act is to achieve an effective climate change response through a long-term just transition to a low carbon economy that is climate resilient and allows for sustainable development of South Africa. When in force, the Act will:

- establish provincial and municipal forums on climate change which will be responsible for co-ordinating climate change response actions in each province.
- strengthen the establishment of the Presidential Climate Change Coordinating Commission. Although, the commission has already been established, its establishment only carries legal force after the Bill becomes an Act.
- establish a National Adaptation Strategy to guide South Africa's adaptation to the impacts of climate change and develop adaptation scenarios which anticipate the likely impacts over the short, medium, and long term.
- determine a national GHG emissions trajectory, which must be reviewed every five years, and which indicates an emissions reduction objective.
- put in place a 5-yearly sectoral emission targets for identified sectors and sub-sectors that must be aligned with the national GHG emissions trajectory and include quantitative and qualitative GHG emission reduction goals.
- bring into force the carbon budget allocation mechanism, which will be linked to the Carbon Tax Act, which will replace the current National Pollution Prevention Plan mechanism which is enforced under the National Environmental Management: Air Quality Act (NEM:AQA).

It is likely that the Act will commence during the operational lifetime of the proposed project activities, if not before.

2.3 Nationally Determined Contribution

The first South African NDC submission was completed in 2016. This was undertaken to comply with decision 1/CP.19 and 1/CP.20 of the Conference of the Parties to the UNFCC. An update of the first NDC was published submitted to the UNFCCC on 27 September 2021¹ in preparation for the 26th Conference of the Parties (held in Glasgow, Scotland in November 2021). This document describes South Africa's NDC on adaptation, mitigation

 $[\]frac{https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/South\%20Africa\%20First/South\%20Africa\%20updated\%20first\%20NDC\%2\\0September\%202021.pdf}$

and finance and investment necessities to undertake the resolutions with updated revisions to the adaptation goals and mitigation targets.

As part of the updated adaption portion the following goals have been assembled:

- 1. Goal 1: Enhance climate change adaptation governance and legal framework.
- 2. Goal 2: Develop an understanding of the impacts on South Africa of 1.5 and 2°C global warming and the underlying global emission pathways through geo-spatial mapping of the physical climate hazards, and adaptation needs in the context of strengthening the key sectors of the economy. This will provide the scientific basis for strengthening the national and provincial governments' readiness to respond to climate risk.
- 3. Goal 3: Implementation of National Climate Change Adaptation Strategy adaptation interventions for the period 2021 to 2030, where priority sectors have been identified as biodiversity and ecosystems; water; health; energy; settlements (coastal, urban, rural); disaster risk reduction, transport infrastructure, mining, fisheries, forestry, and agriculture.
- 4. Goal 4: Mobilise funding for adaptation implementation through multilateral funding mechanisms.
- 5. Goal 5: Quantification and acknowledgement of the national adaptation and resilience efforts.

As part of the mitigation portion the following have been, or can be, implemented at National level:

- The approval of 79 (5 243 MW) renewable energy Independent Power Producer projects as part of a Renewable Energy Independent Power Producer Procurement Programme. An additional 6 300 MW is being deliberated.
- A "Green Climate Fund" has been created to back green economy initiatives. This fund will be increased in the future to sustain and improve successful initiatives.
- It is intended that by 2050 electricity will be decarbonised.
- Carbon Capture and Sequestration (or Carbon Capture and Storage) (CCS).
- To support the use of electric and hybrid electric vehicles.
- Reduction of emissions can be achieved through the use of energy efficient lighting; variable speed drives and efficient motors; energy efficient appliances; solar water heaters; electric and hybrid electric vehicles; solar photovoltaic (PV); wind power; CCS; and advanced bioenergy.
- Updated targets based on revised 100-year global warming potential (GWP) factors (published in the Annex to decision 18/CMA.1 of the Intergovernmental Panel on Climate Change's (IPCC) 5th assessment report) (AR5) and based on exclusion of land sector emissions arising from natural disturbance. The updated NDC mitigation targets, consistent with South Africa's fair share, are presented in Table 2-1.

Table 2-1: South Africa's NDC mitigation targets

Year	Target	Corresponding period
2025	South Africa's annual GHG emissions will be in a range between 398 - 510 Mt CO ₂ e.	2021-2025
2030	South Africa's annual GHG emissions will be in a range between 398 - 440 Mt CO₂e.	2026-2030

2.4 Greenhouse Gas Emissions Reporting

Regulations pertaining to GHG reporting using the National Atmospheric Emission Inventory System (NAEIS) were published on 3 April 2017 (GN 257 in GG 40762 and amendment – GNR 994 in Government Gazette 43712). The South African mandatory reporting guidelines focus on the reporting of Scope 1 emissions only. The three broad scopes for estimating GHG are:

- Scope 1: All direct GHG emissions.
- Scope 2: Indirect GHG emissions from consumption of purchased electricity, heat or steam.
- Scope 3: Other indirect emissions, such as the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by the reporting entity, electricity-related activities not covered in Scope 2, outsourced activities, waste disposal, etc.

The South African Greenhouse Gas Emission Reporting System (SAGERS) web-based monitoring and reporting system is used to collect GHG information in a standard format for comparison and analyses. The system forms part of the national atmospheric emission inventory component of South African Atmospheric Emission Licensing and Inventory Portal (SAAELIP).

The DFFE is working together with local sectors to develop country specific emissions factors in certain areas; however, in the interim the IPCC's default emission figures may be used to populate the SAAQIS GHG emission factor database. These country specific emission factors will replace some of the default IPCC emission factors. Methodological guidelines for GHG emission estimation, which include country specific emission factors for fuels used in stationary and mobile combustion, have been issued (DFFE, 2022b).

Also, the Carbon Tax Act (Act 15 of 2019) includes details on the imposition of a tax on the carbon dioxide equivalent (CO₂e) of GHG emissions. Certain production processes indicated in Annexure A of the Declaration of Greenhouse Gases as Priority Pollutants (GN 710 in GG 40966, 21 July 2017) with GHG more than 0.1 Mt/year, measured as CO₂e, are required to submit a greenhouse gas mitigation plan to the Minister for approval. The proposed project will be required to report CO₂e emissions and to prepare a greenhouse gas mitigation plan.

2.5 GHG Inventories

2.5.1 National GHG Emissions Inventory

South Africa is a GHG contributor and is undertaking steps to mitigate and adapt to the changing climate. DFFE is categorised as the lead climate change institution and is required to coordinate and manage climate related information such as development of mitigation, monitoring, adaption and evaluation strategies (DFFE, 2022a). This includes the establishment and updating of the National GHG Inventory. The National Greenhouse Gas Improvement Programme (GHGIP) has been initiated; it includes sector specific targets to improve methodology and emission factors used for the different sectors as well as the availability of data.

The 2020 National GHG Inventory was prepared using the 2006 IPCC Guidelines (IPCC, 2006). According to the draft 9th National GHG Inventory Report (DFFE, 2024), the total GHG emissions in 2022 were estimated at

approximately 478.888 Mt CO₂e (excluding Land Use, Land Use Change and Forestry (LULUCF)). This was a 2.2% decrease from the 2000 total GHG emissions (excluding LULUCF). LULUCF is estimated to be a net carbon sink which reduces the 2022 GHG emissions to 435.828 Mt CO₂e. The assessment (excluding LULUCF) showed the main sector contributing to GHG emissions in 2022 to be the energy sector, contributing 78% to the total GHG emissions. Industrial Processes and Product Use (IPPU) emissions for 2022, accounted 6.4% of South Africa's emissions (excluding LULUCF). The largest source category for IPPU was the Metal Industry category, which contributed 51.2% to the total IPPU sector emissions.

2.5.2 GHG Emission Inventory for the Sector

The proposed project would be categorised in the industry category for both the global GHG inventory and for the national GHG inventory. According to the World Resources Institute – CAIT Climate Data Explorer² (as accessed in June 2025) the 2022 global GHG emissions from the industry category were approximately 3 208.24 Mt CO₂e; 6.4% of the total GHG emissions (including Land-Use Change and Forestry (LUCF)). The South African industry sector contributed 28.32 Mt CO₂e, ~0.88% of the global emissions from the industry sector in 2022.

2.5.3 Draft National Guideline for Consideration of Climate Change in Development Applications, June 2021

The DFFE published (on 25 June 2021) a notice under the NEMA requesting public comment on the *Draft National Guideline for the consideration of climate change implications in applications for environmental authorisation, atmospheric emission licences and waste management licences.*

The Draft National Guideline has been developed to support the inclusion of climate change considerations into the Environmental Impact Assessment (EIA) process, and to create a consistent approach for such incorporation, which will help proponents to assess:

- how a proposed development will likely exacerbate climate change;
- the impact of a development on features (natural and built) that are crucial for climate change adaptation and resilience; and,
- the sustainability of a development in the context of climate change projection.

The Guideline puts forward "a consistent approach in providing interested and affected parties (for example, proponents, Environmental Assessment Practitioners (EAPs) and specialists) with the minimum requirements to consider when undertaking a climate change assessment, which forms part of an application for environmental authorisation, an atmospheric emissions licence, and/or waste management licence".

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² http://cait.wri.org/

One of the impact requirements for a climate change assessment is an estimation of the GHG emissions, direct and indirect (including upstream GHG emissions) that will be released into the atmosphere annually throughout the impact related to the activity.

The comment period for amendments to the draft guideline has now closed but the final guideline has not yet been published. As far as possible the guideline has been followed in the preparation of this climate change impact assessment in support of environmental authorisation.

3 PHYSICAL RISKS OF CLIMATE CHANGE ON THE REGION

The discussions of physical risks of climate change discussed in this section are likely to be relevant to the project as well as to the communities surrounding the project even if the project is not authorised.

3.1 Vulnerability

The Green Book (CSIR, 2019); was developed to be an online platform providing quantitative scientific evidence on the likely impacts that climate change and urbanisation will have on South Africa's cities and towns. A profile for each local municipality, including individual settlements and neighbourhoods, was built in terms the rates of socio-economic, economic, physical and environmental risks associated with urbanisation, population growth and climate change (Le Roux, et al., 2019). The risk profile was accessed for the Musina Local Municipality³. The Musina Local Municipality socio-economic vulnerability score⁴ (out of 10) is 5.1 for 1996, reducing to 4.7 for 2011. The lower score in 2011 compared to 1996 indicates improvement of socio-economic factors. A high vulnerability score (closer to 10) indicates a scenario where an undesirable state is present e.g. low access to services, high socio-economic vulnerabilities, poor regional connectivity, environmental pressure or high economic pressures. The Musina Local Municipality for socio-economic vulnerability ranks 8th out of 22 in the province and 98th out of 213 in the country. The Musina Local Municipality ranks 14th out of 22 in the province and 173rd out of 213 in the country. The physical vulnerabilities⁶ ranks 13th out of 22 in the province and 136th out of 213 in the country. The environmental vulnerability7 ranks 20th out of 22 in the province and 136th out of 213 in the country.

3.2 Climate

3.2.1 Baseline Climate

Climate change metrics focus on temperature; the number of very hot days (where the maximum temperatures exceed 35°C); rainfall and extreme rainfall events (more than 20 mm of rain occurring within 24 hours). The

³ https://riskprofiles.greenbook.co.za/

⁴ Defined as the vulnerability of households based on household composition; education and health; access to basic services; safety and security.

⁵ Defined as the susceptibility of the municipality to external shocks based on economic diversity; size of economy; labour force; gross domestic product (GDP) growth rate; and inequality.

⁶ Defined by the physical fabric of connectedness of the settlements within the municipalities and structural robustness.

⁷ This indicator represents the balance between preserving the natural environmental and the pressures of population growth, urbanisation, and economic development. The indicator is based on air quality, environmental governance and competition between ecology and the urban environment.

baseline (1961 to 1990) annual averages for these metrics were accessed for the area near the project site from the South Africa 'Green Book'⁸ (CSIR, 2019). The metrics include three percentiles⁹ (10th, 50th, and 90th) as an indication of the variability within the measured data set.

Baseline annual average temperature was in the range 22.1°C (10th percentile) and 22.4°C (90th percentile) (Figure 3-1) with the number of very hot days varying between 48 (10th percentile) and 58 (90th percentile) days per year (Figure 3-2). The annual average rainfall range between the 10th and 90th percentiles is 292 mm and 344 mm (Figure 3-3). Extreme rainfall days varied between 1.3 (10th percentile) and 2.3 (90th percentile) days per year (Figure 3-4).

Recent change in climatic conditions near the project site were accessed from MeteoBlue¹⁰ a weather forecasting platform developed at the University of Basel, Switzerland and based on models of National Oceanic and Atmospheric Administration (NOAA) or National Centres for Environmental Prediction (NCEP). The data sets also include historical climate data tracking changes in climate by referencing ERA5, the fifth generation ECMWF (European Centre for Medium-Range Weather Forecasts) atmospheric reanalysis of the global climate, for the period between 1979 to 2024, with a spatial resolution of 30 km. Based on a point selected over the project site, an increasing trend in the annual average temperatures have been observed from 20.5°C in 1979 to 22.5°C in 2024 (Figure 3-5 – top panel). The lower part the graph shows the so-called warming stripes. Each coloured stripe represents the average temperature for a year - blue for colder and red for warmer years. The change in rainfall over the same period (1979 – 2024) displays a slight decreasing trend from 398.5 mm in 1979 to 231.2 mm in 2024 (Figure 3-6), where the difference from long-term average for each year in the data set is visualised by the stripes in the lower panel of Figure 3-6 (brown stripes indicate lower than average rainfall and green stripes above average rainfall).

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⁸ https://greenbook.co.za/

⁹ A percentile is a statistical measure to indicate the value below which a given percentage of observations in a group of observations falls. For example, the 90th percentile is the value below which 90% of the observations fall. The 10th percentile is the value below which 10% of the observations fall.

¹⁰ https://www.meteoblue.com

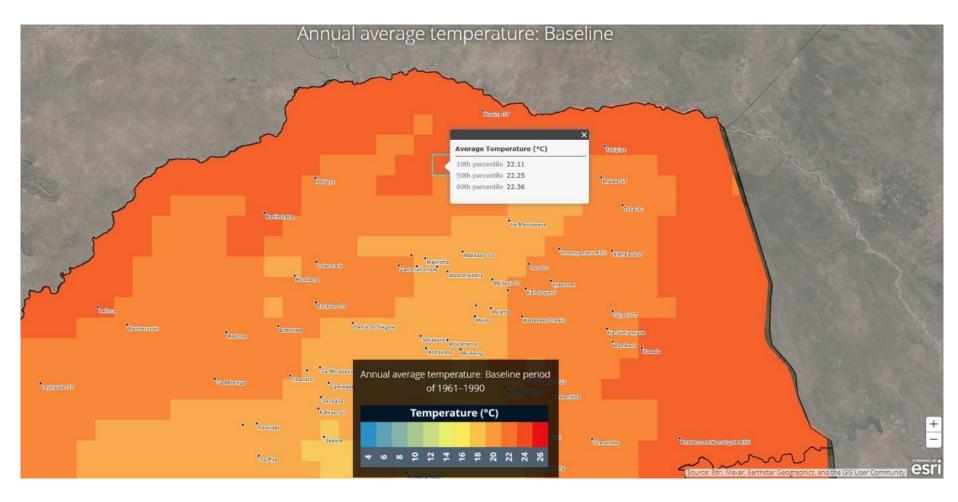


Figure 3-1: Baseline (1961 to 1990) annual average temperature for the project area (CSIR, 2019)

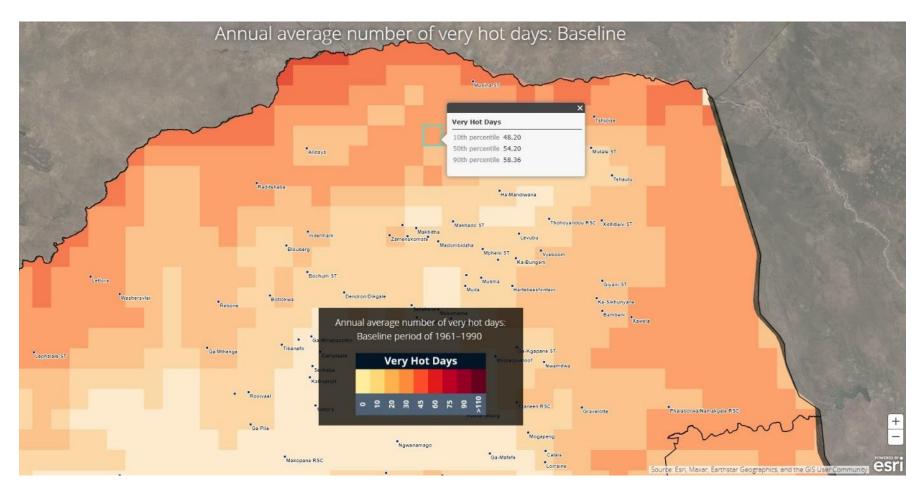


Figure 3-2: Baseline (1961 to 1990) number of very hot days (>35°C) annually for the project area (CSIR, 2019)

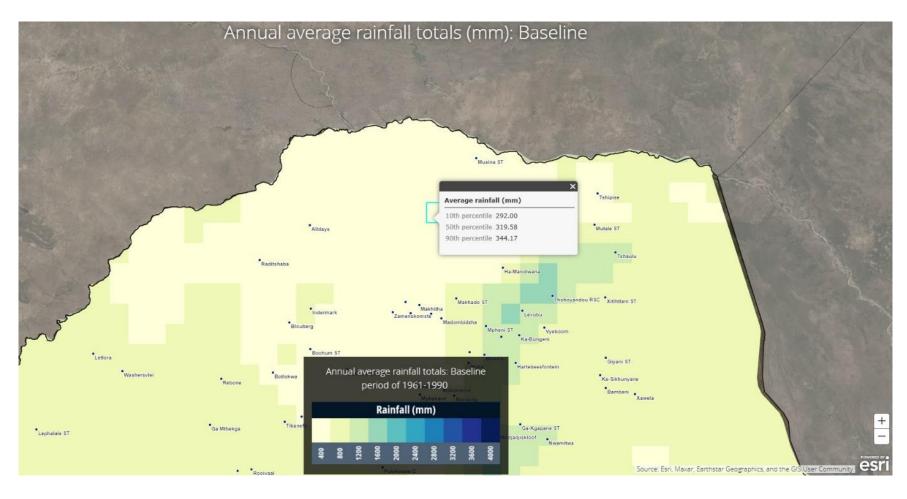


Figure 3-3: Baseline (1961 to 1990) annual average rainfall for the project area (CSIR, 2019)

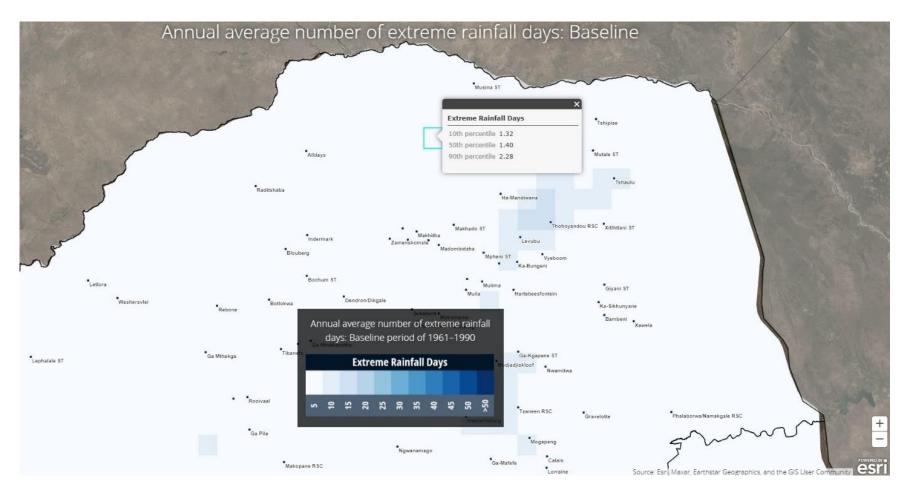


Figure 3-4: Baseline (1961 to 1990) annual average number of extreme rainfall days (>20 mm in <24 hours) for the project area (CSIR, 2019)

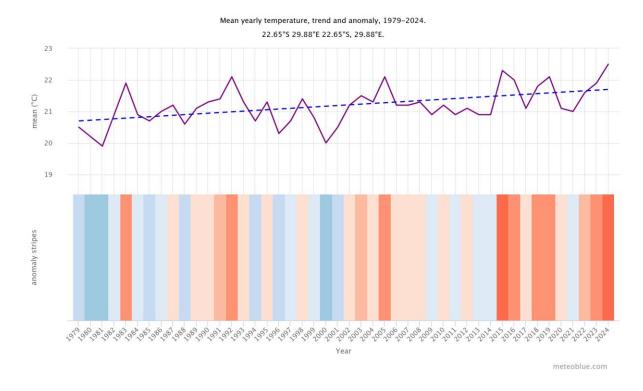


Figure 3-5: Annual average temperature (top panel) and temperature anomaly (lower panel) between 1979 and 2024 (Meteoblue, 2025)

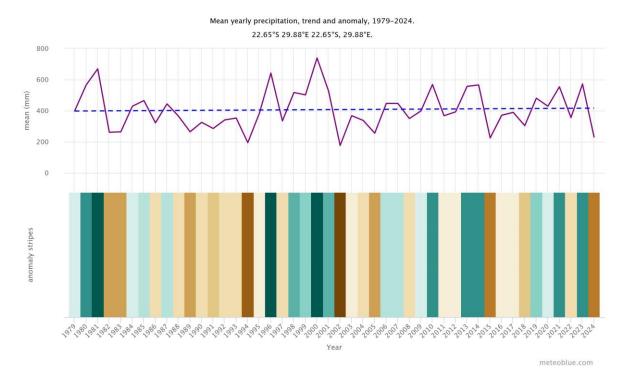


Figure 3-6: Annual average rainfall (top panel) and rainfall anomaly (lower panel) between 1979 and 2024 (Meteoblue, 2025)

3.2.2 Projected Future Climate

In 2017 the South African Weather Services (SAWS) published an updated Climate Change Reference Atlas (CCRA) based on Global Climate Change Models (GCMs) projections (SAWS, 2017). It must be noted that as with all atmospheric models there is the possibility of inaccuracies in the results because of the model's physics and accuracy of input data. The Rossby Centre regional model (RCA4) was used in the predictions for the CCRA which included the input of nine GCMs results. The RCA4 model was used to improve the spatial resolution to 0.44° x 0.44°- the finest resolution GCMs in the ensemble were run at resolutions of 1.4° x 1.4° and 1.8° x 1.2°. Findings from downscaled climatic simulations using six GCMs, at an 8 km x 8 km resolution over South Africa, for the time slab 2021 to 2050 were included in the Green Book (Engelbrecht, 2019).

In both the CCRA and the Green Book, two trajectories are included based on the four Representative Concentration Pathways (RCPs) discussed in the IPCC's fifth assessment report (AR5) (IPCC, 2013). RCPs are defined by their influence on atmospheric radiative forcing in the year 2100. RCP4.5 represents an addition to the radiation budget of 4.5 W/m² as a result of an increase in GHGs. The two RCPs selected were RCP4.5 representing the medium-to-low pathway and RCP8.5 representing the high pathway. RCP4.5 is based on a CO2 concentration of 560 ppm and RCP8.5 on 950 ppm by 2100. RCP4.5 is based on if current interventions to reduce GHG emissions being sustained (after 2100 the concentration is expected to stabilise or even decrease). RCP8.5 is based on if no interventions to reduce GHG emissions being implemented (after 2100 the concentration is expected to continue to increase).

3.2.2.1 RCP4.5 Trajectory

The Green Book projected temperature changes in the near future (2021 to 2050) indicate a 50th percentile increase of 2.2°C and a 90th percentile increase of 2.5°C (Figure 3-7). The number of very hot days are expected to increase by 47 days per year (50th percentile) to 59 days per year (90th percentile) (Figure 3-8). Between 2021 and 2050 the annual rainfall near the project site is projected to decrease by 22 mm (50th percentile) (Figure 3-9), with extreme rainfall days potentially showing no increase (50th percentile) in the near future (Figure 3-10).

3.2.2.2 RCP8.5 Trajectory

The Green Book projected temperature changes in the near future (2021 to 2050) indicate a 50th percentile increase of 2.6°C and a 90th percentile increase of 2.7°C (Figure 3-7). The number of very hot days are expected to increase by 58 days per year (90th percentile) (Figure 3-8). Between 2021 and 2050 the annual rainfall near the project site is projected to increase by 14 mm (50th percentile) (Figure 3-9), with extreme rainfall days potentially showing an increase of 1.4 days (90th percentile) in the near future (Figure 3-10).

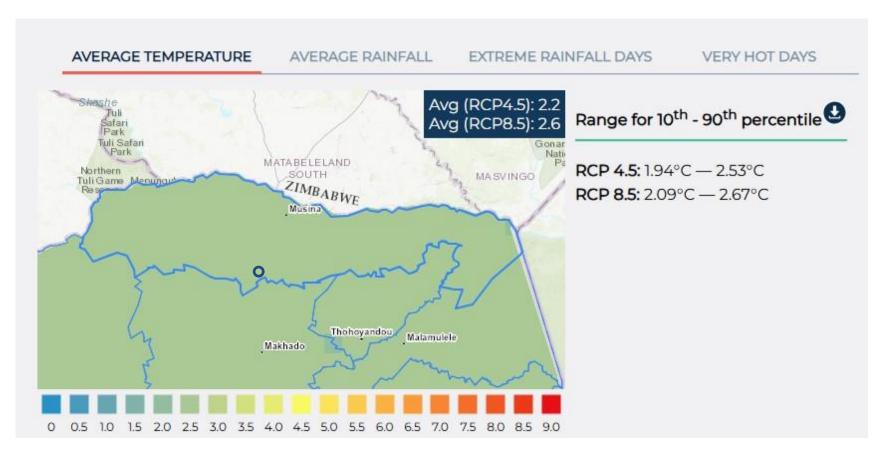


Figure 3-7: Projected change in annual average temperature for the near future (2021 – 2050)

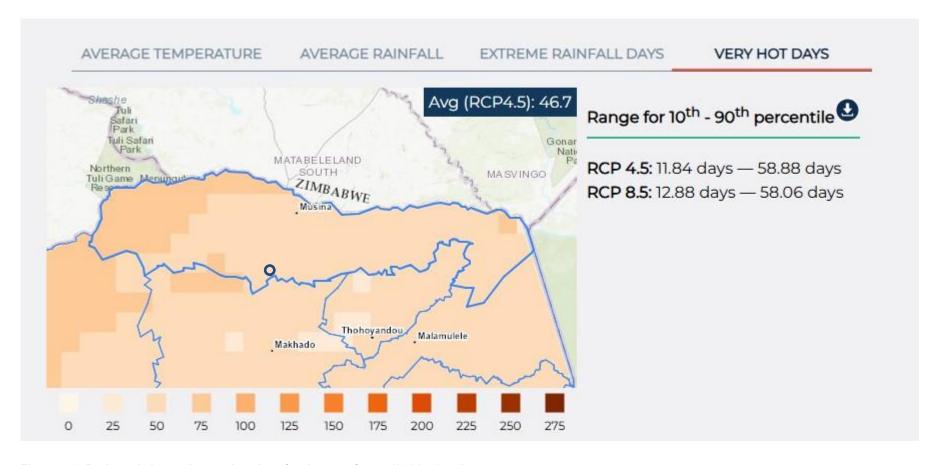


Figure 3-8: Projected change in very hot days for the near future (2021 – 2050)

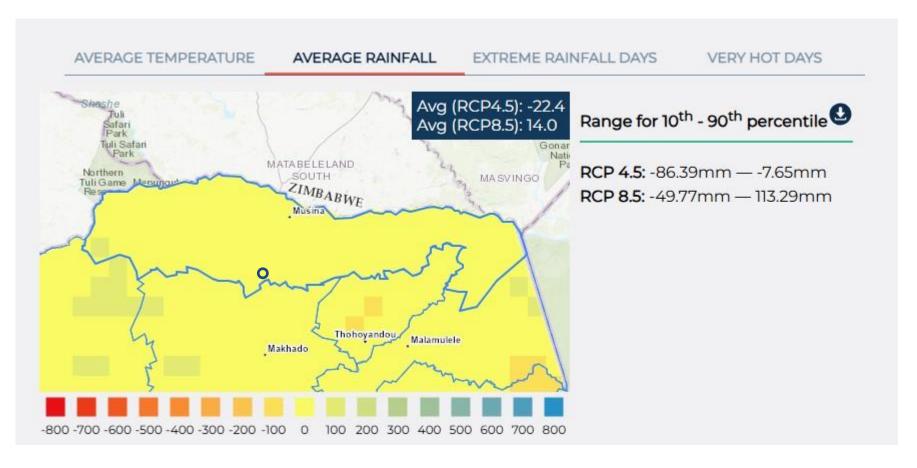


Figure 3-9: Projected change in annual average rainfall for the near future (2021 – 2050)

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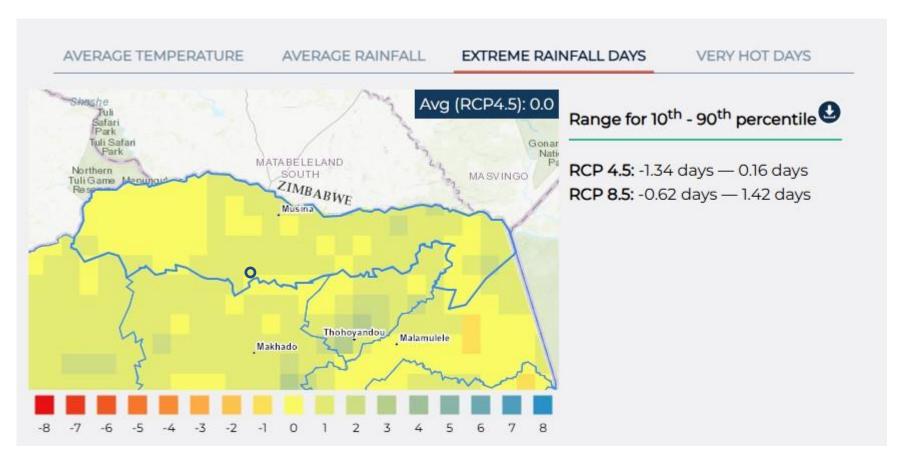


Figure 3-10: Projected change in annual average number of extreme rainfall days (>20 mm in <24 hours)

3.2.2.3 IPCC's Sixth Assessment Report: Temperature and Rainfall Projections

The most recent IPCC data are from the Coupled Model Intercomparison Project (CMIP) which were derived from the sixth phase of the CMIPs (CMIP6) and supports the IPCC's Sixth Assessment Report (AR6) which was released on 9 August 2021 (Working Group I), 28 February 2022 (Working Group II and 4 April 2022 (Working Group III). Projection data is presented at a 1.0° x 1.0° (100 km x 100 km) resolution. The scenarios are the result of complex calculations that depend on how quickly humans curb greenhouse gas emissions, whilst also capturing socioeconomic changes in areas such as population, urban density, education, land use and wealth. For example, a rise in population is assumed to lead to higher demand for fossil fuels and water. Education can affect the rate of technology developments. Emissions increase when land is converted from forest to agricultural land. Each scenario is labelled to identify both the emissions level and the so-called Shared Socioeconomic Pathway, or SSP, used in those calculations. This first scenario is the only one that meets the Paris Agreement's goal of keeping global warming to around 1.5°C above preindustrial temperatures, with warming hitting 1.5°C but then dipping back down and stabilizing around 1.4°C by the end of the century. Projected changes are defined relative to a historical 20-year period (1995 to 2014).

The AR6 projections for the study area for the scenario RCP4.5 indicate an increase in annual average temperatures of 1.6°C for the period 2041 to 2060 and 2.6°C for the period 2081 to 2100. The projections for the RCP8.5 indicate an increase in annual average temperatures of 2.1°C for the period 2041 to 2060, to 5°C for the period 2081 to 2100 (IPPC, 2022). The AR6 temperature projections for the period 2041 to 2060 are slightly lower than the AR5 projections (increase in annual average temperatures of 2.2°C for RCP4.5 and 2.6°C for RCP8.5) for the period 2021 to 2050. It should be noted, however, that these projections are based on different projected time frames.

The AR6 projections for rainfall in the study area for RCP4.5 indicate a decrease in annual rainfall of 2.6% for the period 2041 to 2060. The AR6 projections for RCP8.5 indicate decrease of rainfall of 1.5% for the period 2041 to 2060 (IPPC, 2022). The AR5 projections indicate a decrease in annual rainfall of 7% for the RCP4.5 scenario and an increase in annual rainfall of 4% for the RCP8.5.

3.3 Hazards

The Green Book risk profile includes an assessment of projected risk to the Musina Local Municipality in 2050, mostly based on the low mitigation RCP8.5 climate simulations, and highlights the following:

- For 2050 there is 85 increased fire danger days over the project area (Figure 3-11);
- There is an increase in drought tendencies (i.e. the number of cases exceeding near-normal per decade) for the period 2035–2064 relative to the 1986–2005 baseline period. The Standardized Precipitation Index (SPI)¹² is -0.65 (Figure 3-12). A negative value is indicative of an increase in drought tendencies per 10 years (more frequent than baseline);

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¹² The Standardized Precipitation Index (SPI) is a widely used index to characterize meteorological drought on a range of timescales. SPI index.

- There are no settlements at risk of encountering increasing heat stresses over the project area (Figure 3-13); and,
- There is no significant increase in extreme daily rainfall for the project area (1.005)¹³ (Figure 3-14).

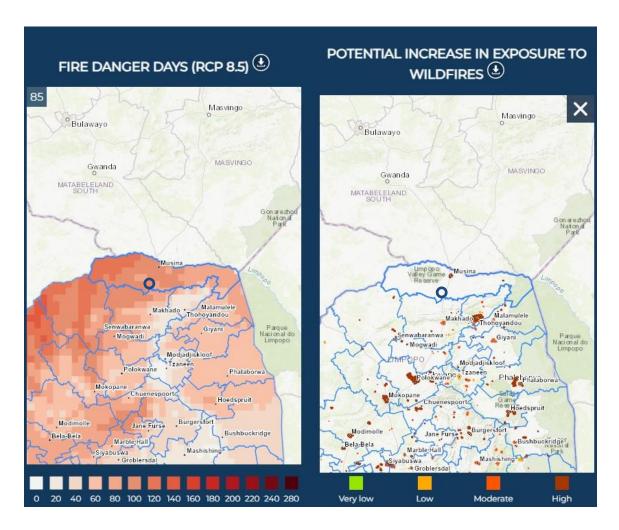


Figure 3-11: Risk of increased wildfires for Musina Local Municipality in 2050 based on RCP8.5 trajectory (dark blue marker indicates approximate location of the project)

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¹³ A value of more than 1 indicates an increase in extreme daily rainfalls.

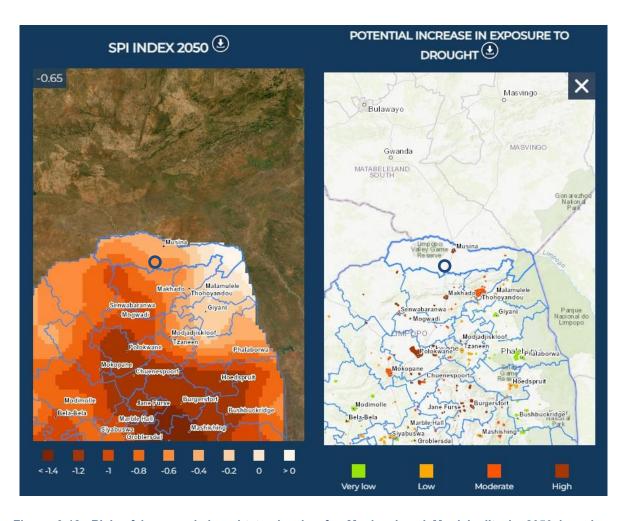


Figure 3-12: Risk of increased drought tendencies for Musina Local Municipality in 2050 based on RCP8.5 trajectory (dark blue marker indicates approximate location of the project)

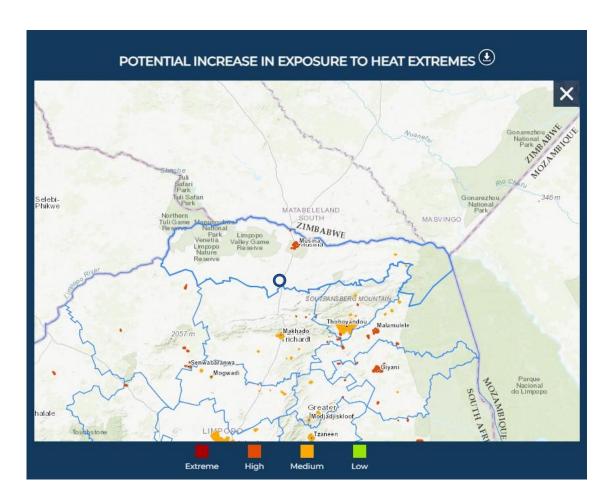


Figure 3-13: Risk of increased heat extremes for Musina Local Municipality in 2050 based on RCP8.5 trajectory (dark blue marker indicates approximate location of the project)

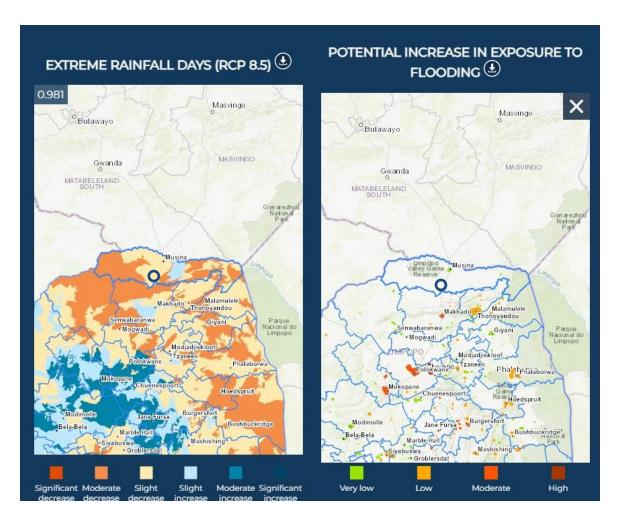


Figure 3-14: Risk of increased flooding for Musina Local Municipality in 2050 based on RCP8.5 trajectory (dark blue marker indicates approximate location of the project)

In addition to the hazards identified in the Green Book, Hofste, *et al.*, (2019) currently rate the project area as arid with extremely high-water stress (Figure 3-15) with a projection of near normal risk of water stress for the future (2050 based on a conservative low mitigation trajectory) (Figure 3-16).

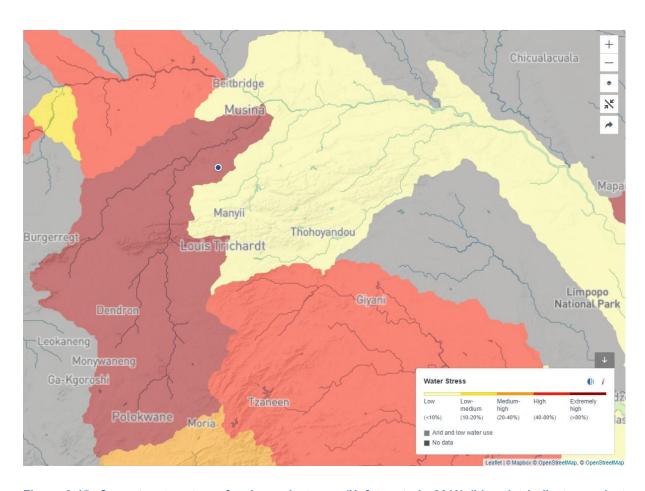


Figure 3-15: Current water stress for the project area (Hofste, et al., 2019) (blue dot indicates project location)

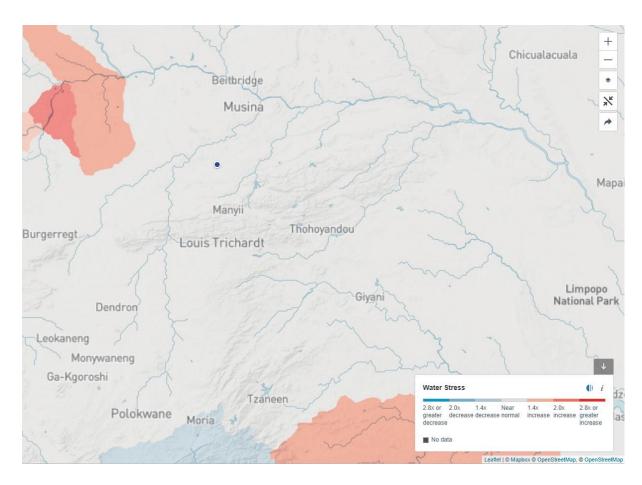


Figure 3-16: Projected (2050) water stress for the project area (Hofste, et al., 2019) (blue dot indicates project location)

3.4 Impact of Climate Change

To understand the impact that climate change might have on the major resources of the Musina Local Municipality it is first necessary to provide an overview of the current situation, which has been provided for water, economy, and agriculture.

3.4.1 Water Supply

3.4.1.1 Current Resources

Figure 3-17 provides the current water supply vulnerability (i.e., demand versus supply) for the Musina Local Municipality based on the data compiled for the Department of Water and Sanitation (DWS) All Town's Study (Cole, Bailey, Cullis, & New, 2017). The current water demand for the municipality is 149 l/p/d (litres per person per day), and is within the supply of 283 l/p/d, with 50% of water sourced from surface water, and 50% sourced from groundwater.

WATER AVAILABILITY

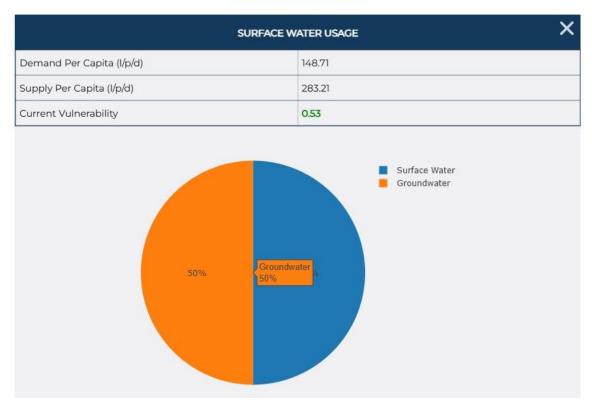
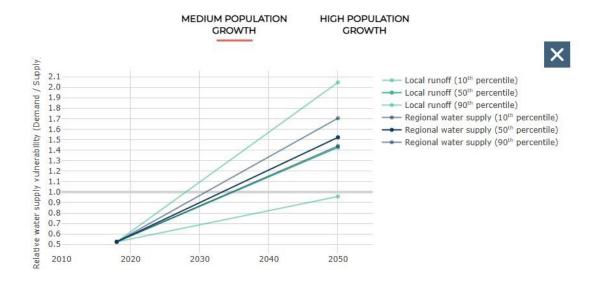


Figure 3-17: Current water availability for the Musina Local Municipality

3.4.1.2 Impact on Resources

Figure 3-18 shows the estimated current and future water supply vulnerability (i.e., the ratio of demand to supply) based on: 1) a local water supply perspective incorporating changes to population growth coupled with exposure to climate risk (based on impacts on local runoff), and 2) a regional water supply perspective (based on impacts of regional water supply assuming supply is part of the integrated regional and national bulk water supply network). The mean annual precipitation for the municipality is predicted to decrease by 2.8% for 2050 with a regional urban water supply increase of 29%.

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	VULNERABILITY CONTRIBUTION FACTORS		PERCENTAGE CHANGE
<i>```</i>	Mean annual precipitation	~	-2.78%
1	Mean annual evaporation	^	8.74%
Z L	Mean annual runoff	^	43.63%
Ø	Regional urban water supply	^	28.53%
r Š	Population growth	^	200.84%

Figure 3-18: Estimated current and future (2050) water supply vulnerability based on medium population growth for the Musina Local Municipality

3.4.2 **Surface Water**

3.4.2.1 **Current Situation**

The Musina Local Municipality is within the Limpopo Primary Catchment (Figure 3-19). Figure 3-20 depicts the current annual and monthly surface water runoff, precipitation and evaporation for the Limpopo Primary Catchment associated with the Musina Local Municipality. Precipitation and evaporation for the municipality is currently 426 mm/yr and 1 832 mm/yr respectively.

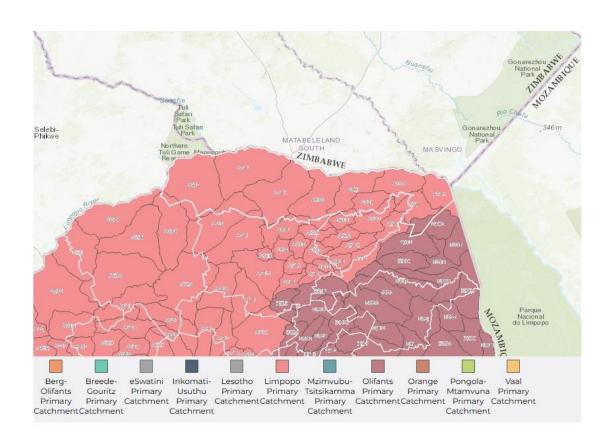


Figure 3-19: Quaternary catchment areas for the Musina Local Municipality

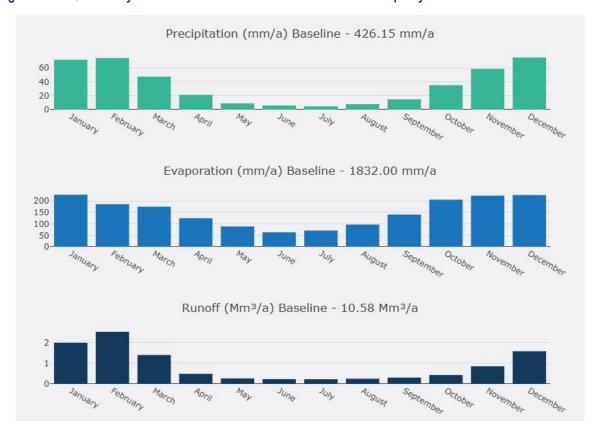


Figure 3-20: Current annual and monthly surface water runoff, precipitation and evaporation for the Musina Local Municipality which falls under the Limpopo Primary Catchment

3.4.2.2 **Projected Impact**

Figure 3-21 provides the projected monthly change for future (2050) evaporation, precipitation, and estimated runoff values.

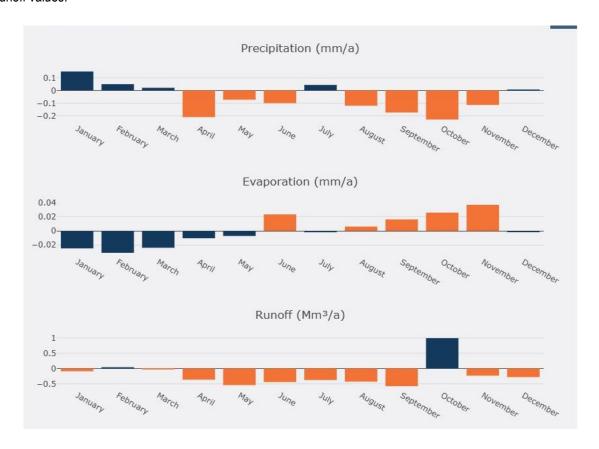


Figure 3-21: Projected monthly change to future (2050) evaporation, precipitation, and estimated runoff values

3.4.3 **Ground Water**

3.4.3.1 **Current Situation**

The groundwater recharge potential map indicates the occurrence and distribution of groundwater resources across the municipality, showing distinctive recharge potential zones. The groundwater dependency map indicates where settlements get their main water supply from, be it groundwater, surface water or a combination of both sources. Settlements that rely on groundwater, either entirely or partially, are deemed groundwater dependent. The project area has no defined water dependency (Figure 3-22).

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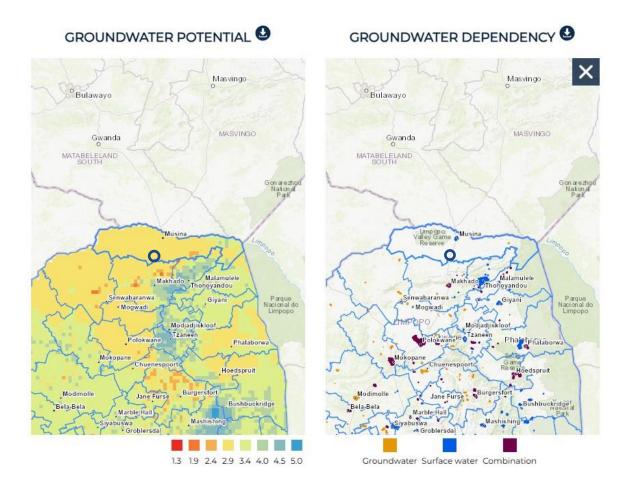


Figure 3-22: Groundwater potential and dependency for the Musina Local Municipality (dark blue marker indicates approximate location of the project)

3.4.3.2 Projected Impact

A groundwater depletion risk map was created to determine which of South Africa's groundwater dependent settlements may be most at risk to groundwater depletion based on decreasing groundwater aquifer recharge potential and significant increases in population growth pressure by 2050. The groundwater depletion risk map (Figure 3-23) is based on the settlement aquifer recharge potential of the 50th percentile RCP8.5 scenario, and the medium population growth scenario. There is a slight change to groundwater potential in the area.

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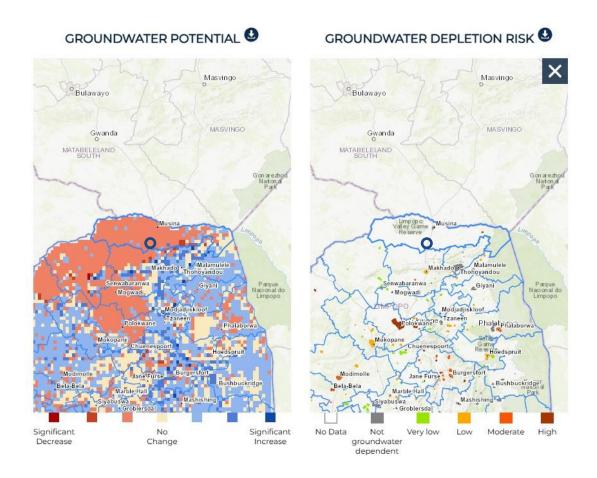


Figure 3-23: Groundwater potential and depletion for 2050 for the Musina Local Municipality (dark blue marker indicates approximate location of the project)

3.4.4 Economy

Figure 3-24 shows the contribution that the different economic sectors make to the total Gross Value Added (GVA)¹⁴ of the Musina Local Municipality as well as its national GVA rank (total GVA contribution to the national GVA). The Musina Local Municipality ranks 85th in the national GVA rank.

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¹⁴ Gross value added (GVA) is an economic productivity metric that measures the contribution of a corporate subsidiary, company, or municipality to an economy, producer, sector, or region.

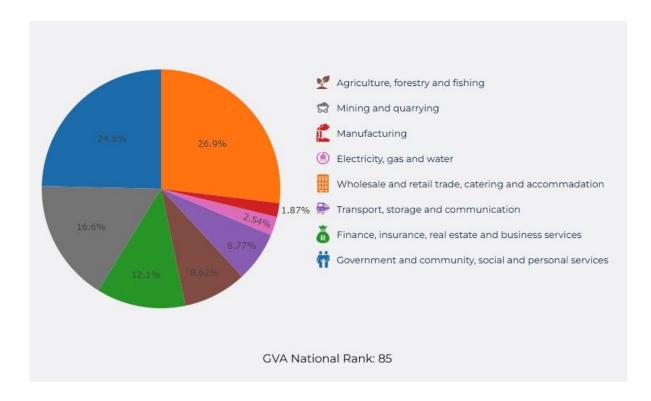


Figure 3-24: The contribution that the different economic sectors make to the total GVA of the Musina Local Municipality

Table 3-1 summarises the forecasted economic gains or losses for the Musina Local Municipality, under both the RCP4.5 and RCP8.5 scenarios, for each of the contributing economic sectors.

Table 3-1: Forecasted economic gains or losses for the RCP4.5 and RCP8.5 scenarios

RCP 4.5 Imp	pacts		RCP 8.5 Impacts		
Average	14.02%	^	Average	10.02%	^
Agriculture Sector	45.83%	^ 💆	Agriculture Sector	34.42%	^
Forestry Sector	43.55%	<u> </u>	Forestry Sector	32.72%	^
Fishing Sector	0%	- •	Fishing Sector	0%	
Mining Sector	1.58%	^ 🕏	Mining Sector	-0.07%	~
Manufacturing Sector	1.96%	<u>^</u> <u>£</u>	Manufacturing Sector	0.48%	^
Electricity & Gas Sector	24.21%	<u>^</u> (6)	Electricity & Gas Sector	13.98%	^
Water Sector	-13.17%	<u> </u>	Water Sector	-7.61%	~
Service Sector	8.22%	× iii	Service Sector	6.25%	^

3.4.5 Agriculture, Forestry and Fisheries

The main agricultural commodities for the Musina Local Municipality are citrus, subtropical fruit and cotton (Table 3-2). Agriculture, Forestry and Fishing (AFF) sector contributes 8.6% to Musina Local Municipality GVA production and 36.1% to Musina Local total employment. The total AFF GVA production of Musina Local Municipality contributes 0.52% of the national AFF GVA ranking them as the 61st biggest contributor (Table 3-2).

Table 3-2: Economic contribution of main commodities for Musina Local Municipality

MAIN COMMODITIES CITRUS SUBTROPICAL AFF contributes 8.62% to Musina AFF contributes 36.14% to Musina The total AFF GVA production of Musina Municipality contributes 0.52% to the national AFF GVA, **GVA** production total employment ranking them as the 61st biggest contributor

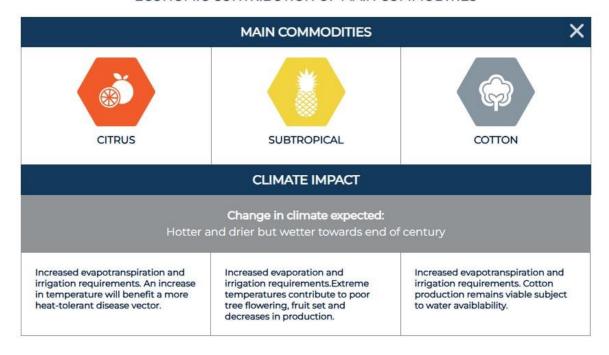
ECONOMIC CONTRIBUTION OF MAIN COMMODITIES

The main agricultural commodities for 2050 for the Musina Local municipality are still citrus, subtropical and cotton (under an RCP8.5 low-mitigation scenario) (Table 3-3). For citrus, there will be increased irrigation requirements and an increase in temperature will benefit a more heat-tolerant disease vector towards the end of 2050. For subtropical, besides the increased irrigation requirements, the extreme temperatures will contribute to poor tree flowering, fruit set and decreases in production. Cotton production remains viable subject to water availability.

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Table 3-3: Projected economic contribution of main commodities for Musina Local Municipality

ECONOMIC CONTRIBUTION OF MAIN COMMODITIES



3.4.6 Other Resources

The impacts of climate change on other resources are summarised in Table 3-4.

Table 3-4: the impacts of climate change on other resources

Barrantas	Results of Climate Change					
Parameter	Increase in temperature and heat stress	Drought and decrease in rainfall	Increase in rainfall and inland flooding	Increased wind speed	Reference	
Transport and Mobility	 Increased rate of infrastructure deterioration leading to pavement failure including cracking, rutting, potholes, flushing, and stripping. Increased stress on bridges, particularly expansion joints, through thermal expansion and increased movement. Corrosion of steel reinforcing in concrete structures due to increase in surface salt levels in some locations. Increased infrastructure maintenance cost for road repair and reconstruction work, causing traffic delays and emergency service response delays. Increased frequency and intensity of wildfires leading to more road closures. Increased vehicle accidents, due to low pavement adhesion, leading to higher rates of transport-related fatalities. 	Reduced water resources available for construction and maintenance. Reduced production of some agricultural produce leading to changes in freight flows in the network.	 Increased rate of infrastructure deterioration, especially in areas with poor infrastructure maintenance history. Temporary and permanent flooding of road, rail, port and airport infrastructure. Structural integrity of roads, bridges and tunnels could be compromised by higher soil moisture levels. Potential destruction of bridges and culverts. Erosion of embankments and road bases leading to undermining of roads or railways. Increased risk of landslides, slope failures, road washouts and closures. Undermining of bridge structures (scouring). Closure of roadways and tunnels leading to traffic delays. Transportation system disruptions, impacts to traffic signalling and low water crossings. Increased weather-related accidents. 	Increased drag on vehicles resulting in increased fuel consumption. Increased safety risk for pedestrians and cyclists due to flying objects or being uncontrollably dragged by winds, additionally leading to reduced trip making by pedestrians and cyclists.	(Mokonyama & Van Wyk, 2018)	
Solid Waste	 Increased risk of combustion at open waste disposal sites and illegal dumps and increase in explosion risk associated with methane gas. Increased rate of decay of putrescible waste resulting in increased odour, breeding of flies, and attracting of vermin. Increased health and safety concern regarding heat stroke to staff collecting waste. Increased risk of landfill site instability and failure due to changes in consumption patterns with increased waste creation (i.e., glass, plastic and paper cups). 		Increased risk of flooding due to pressure on stormwater and leachate management systems at landfills. Increased demand for capacity to cope with large volumes of waste generated by flood events. Increase in soil saturation causing decreased stability of slopes and landfills linings (if clay or soil based) at waste management facilities. Inundation of waste releasing contaminants to waterways, pathways and low elevation zones. Potential loss of value and degradation of paper and cardboard for recycling due to increased moisture content. Increased flooding causing the risk of localised disruption of waste collection rounds. Flooding in areas with untreated, dumped waste causing the risk of groundwater contamination. Increased flooding causing the risk of litter entering the storm water systems.	Possible increase in nuisance due to waste dispersed by high winds leading to increased health effects associated with particulate matter (air pollution).	(Oelofse, 2018)	

D ecourates	Results of Climate Change					
Parameter	Increase in temperature and heat stress	Drought and decrease in rainfall	Increase in rainfall and inland flooding	Increased wind speed	Reference	
Stormwater	 Potential risk of undermining the temperature regime of temperature-sensitive stormwater ponds and receiving waters, resulting in a decrease in water quality. Increased corrosion in stormwater drains due to a combination of higher temperatures, increased strengths, longer retention times, and stranding of solids. 	Increased shrinking soils increasing the potential for cracking, increased infiltration and exfiltration of water mains and sewers, which in turn exacerbates treatment and groundwater or storm water contamination.	 Increased risk of flooding due to pressure on stormwater systems. Increased risk of litter entering the stormwater systems. Increased risk of damage and failure of stormwater systems due to overloading during floods and intense rainfall events. Failure of stormwater treatment devices during high flow events leading to by-pass and / or flushing of contaminated water. High wet-weather hydraulic loads and bottlenecks in stormwater and networks due to inflow and sewer infiltration, leading to local inundation and overflows of untreated wastewater. Increased rainfall causes soil erosion thus damaging underground stormwater systems. Increased surface and stream erosion causing deposition of sediments in receiving environments. Stream morphology for undeveloped, developing and fully developed urban areas, may change, hence affecting existing outfall structures and potential stormwater pond locations. 	Increased wind speed and intensity causing changes in rainfall over complex topography including increasing upwind of hills and ranges.	(Dunker & Van Wyk, 2018)	
Sanitation	Increased heat waves, accompanied by dry weather, can exacerbate already stressed water supply systems leading to competition between sectors for water services, affecting sanitation.	Decrease in water supply for sanitation through decrease in available water to flush sewage systems adequately. Declining annual rainfall threatening the viability of water-borne sanitation systems, and the capacity of surface water to dilute, attenuate and remove pollution. Sewers are structurally vulnerable to drying, hence shrinking soils increase the potential for cracking, increased infiltration, and exfiltration, which in turn exacerbates treatment and groundwater or storm water contamination. Increased corrosion in sewers due to a combination of higher temperatures, increased strengths, longer retention times, and stranding of solids.	Increased wet-weather hydraulic loads and bottleneck in stormwater and sanitary sewer networks due to inflow and sewer infiltration, causing local inundation and overflows of untreated wastewater. Increased rainfall and heavy rainfall events increasing the washing of faecal matter into water sources due to flooding of wastewater treatment works. Increased risk of flooding resulting in both infrastructure damage and contamination of surface and groundwater supplies. Increased groundwater levels due to flooding, putting risk on sewage treatment plants (which are often positioned on low-lying ground as sewerage systems rely on gravity). Increased vulnerability of sewerage pipe systems due to their size and complexity, and their exposure to multiple flood damage threats from source, through treatment, to delivery. Increased vulnerability of pit toilets (widely used in rural areas) due to flooding, causing serious environmental contamination. Increase in groundwater recharge and groundwater levels causing flooding of subsurface infrastructure such as pit toilets or septic tanks.		(Duncker, 2018)	

Parameter	Results of Climate Change					
Faiailletei	Increase in temperature and heat stress	Drought and decrease in rainfall	Increase in rainfall and inland flooding	Increased wind speed	Reference	
Information and Communication Technology	 Increased weathering and deterioration of infrastructure resulting in increased maintenance and repair costs. Heat stress causing structural damage to infrastructure. Increased energy demands during heatwaves resulting in power outages which can impact on delivery of telecommunications services. Increases in temperature and higher frequency, duration, and intensity of heat waves increasing the risk of overheating in data centres, exchanges, and base stations, which can result in increased failure rates of equipment. Increased mean temperature increasing operating temperature of network equipment which may cause malfunctions if it surpasses design limits. 	Decreased precipitation leading to land subsidence and heave, reducing the stability of telecommunications infrastructure above and below ground (foundations and tower structures).	 Increased risk of flooding of low-lying infrastructure, access holes and underground facilities. Increases in storm frequency or intensity increasing the risk of damage to aboveground transmission infrastructure and impacting on telecommunications service delivery. Increases in storm frequency leading to more lightning strikes, consequently damaging transmitters, and overhead cables, causing power outages. Increased cost of insurance for infrastructure in areas with repeated incidents of flooding, as well as withdrawal of risk coverage in vulnerable areas by private insurers. Road closures due to flooding thus inhibiting service and/or restoration efforts. Rising sea levels and corresponding increases in storm surges, increasing the risk of saline corrosion of coastal telecommunications infrastructure, and leading to erosion or inundation of coastal and underground infrastructure. 	Increased risk of storm surges impacting on coastal infrastructure. Increased storm intensity and frequency impacting on electricity and telecommunications infrastructure.	(Naidoo, 2018)	
Health	 More exposure to high temperatures causing increased health risks including heat strokes. Heat waves increase threat of cardiovascular, kidney, and respiratory disorders. Increase in fire danger days causing increased loss of life and damage to health infrastructure. Wildfire smoke significantly reducing air quality, both locally and in areas downwind of fires. Smoke exposure increases respiratory and cardiovascular hospitalizations; emergency department visits; medication dispensations for asthma, bronchitis, chest pain, chronic obstructive pulmonary disease, and respiratory infections; and medical visits for lung illnesses. Increased emissions in biogenic volatile organic compounds from vegetation causing increases in air pollution. Increase in evaporative emissions from cars contributing to exposure to, and health impacts from, air pollution. Increase in distribution of vector-borne diseases in warmer areas. Increased water temperatures leading to an increase in algal blooms which can likely lead to increases in food- and waterborne exposures. Increased temperatures combined with fewer clouds (e.g., from increased subsidence that is projected for parts of South Africa) causing increased exposure to Information and Communication Technology which will have negative impacts on health. Increased temperatures increasing the reaction between certain pollutants and sunlight and heat, 	Decreased soil moisture potentially creating more wind-blown dust which has negative impacts on air quality. Increase in water-borne diseases and diarrhoeal diseases due to inadequate water availability. Decreased precipitation causing changes in salinity of water, resulting in an increase in algal blooms which can likely lead to increases in food- and waterborne exposures. Increase in stagnant air, decreasing air quality.	Wetter climate combined with increased temperatures may have negative health impacts as many diarrhoeal diseases vary seasonally, typically peaking during the rainy season. Extreme rainfall and higher temperatures increasing the prevalence of fungi and mould indoors, with increased associated health concerns. Increased flooding increasing the risk of drinking and wastewater treatment facilities being flooded, meaning that diarrhoeal diseases can be transmitted as wastewater systems overflow or drinking water treatment systems are breached. Increase in natural disasters (e.g., floods) creating a conducive environment for the occurrence of mental health problems.	Increase in wind-blown dust combined with low humidity causing increased cases of meningitis (Davis, 2014).	(Garland, 2018)	

D	Results of Climate Change						
Parameter	Increase in temperature and heat stress	Drought and decrease in rainfall	Increase in rainfall and inland flooding	Increased wind speed	Reference		
Energy	Increased heat causing expansion of overhead cables, and cable sag. Sagging below a certain level result in a reduction in the amount of electricity transmitted. Increased heat stress on electricity transmission networks (overhead cables). Increase in heat island effect increasing energy demand for cooling, leading to grid stress. Increased threat of wildfires causing widespread damage to infrastructure and causing disruptions to service provision.		Increase in flooding causing damage to electricity transmission and distribution infrastructure, poles, lines and sub-stations. Increase in frequency and cost of maintenance of concrete structures due to frequent and intense rainfall, flooding, or sea level rise. Increased repair events increasing stress put on service crews and resulting in delays to power restoration.	Winds causing damage to energy supply infrastructure as winds cause overhead lines to sag, reducing electricity transmission. Extreme winds causing poles and trees to fall, causing further damage to energy supply infrastructure such as overhead lines.	(Thambiran & van Wyk, 2018)		
Ecosystem Services	 Increased risks of water shortages increasing demand for irrigation of gardens and agriculture. Increased evapotranspiration rates with rising temperatures, reducing the water available in reservoirs and water available for reliant ecosystems. Increase in temperature leading to water loss via evapotranspiration resulting in decreased water quality and loss of wetlands. Loss or degradation of indigenous species, including threatened species or ecosystems. Increased threat from invasive species as competition for water increases. Dieback or death of susceptible plants (e.g., street trees) and animals (e.g., fish). Reduced availability of water and increased evapotranspiration resulting in reductions in harvested area (cropping area), yield (ton/ha) and quality. Warmer winters resulting in reduced period of dormancy (rest period) in deciduous fruit crops, decreasing the production and quality of associated food products. Warmer climate resulting in shifts in the growing season and life cycles of various plants, including crops, resulting in pests and diseases having a greater destructive impact as well as a shift in climatically suitable areas for specific crops. Increased humidity levels resulting in higher rates of microbial growth in fresh produce, reducing their expiry time. Increased heat stress on crops changes the micronutrients of crops products, decreasing the nutrient density and quality of food. Increased water temperature leading to increased growth of aquatic weeds which increases breeding of disease vectors and reduces water oxygen levels. Milder winters and reduced frost increase the duration of the growing season, increasing the survival rate of insects and diseases. Increased SST and ocean acidification decreases marine phytoplankton growth and synthesis of omega-3 polyunsaturated fatty acids (PUFA's), affecting the oceanic food chain and consequent ecosystems. Inc	Decreased amounts of rainfall reaching ecosystems as settlements use rainwater harvesting techniques for increased household use. Increased reliance on irrigation and greater demand for water to maintain public open space and gardens. Reduced planting and pollination leading to greater risk of erosion and soil loss. Increasing temperatures together with increased intensity of drought will potentially increase the occurrence of algal blooms in reservoirs and dams which are damaging to ecosystem functioning and water services. Drought and decreased rainfall causing wetland habitat loss. Locally specific changes in humidity levels will have impacts on local vegetation. Increased threat to watershed and aquifer recharge areas, affecting vegetation. Reduced soil moisture availability increasing moisture stress leading to dieback and death of plants and the loss or degradation of indigenous communities, including threatened species or ecosystems. Increased moisture stress leading to decline in crop yield and quality, and reduced fodder quantity and quality for livestock. Drying up of aquatic systems, perennial systems will become seasonal and seasonal systems will die off and be replaced by terrestrial plants. Increased spread of drought-adapted alien invasive plant species.	Rainfall in shorter and more violent spells making recharging groundwater difficult. Increase in intensity of rainfall and flooding leading to increased surface runoff, resulting in increased soil erosion, soil loss and degradation. Increased rainfall and floods resulting in waterlogged soils which increase the likelihood of crop failure. Increasingly saturated soils leading to more standing water (ponding) which can result in more insect (pest) activity and their potential to carry diseases. Increased wave energy and run-up (sea level rise and more storms) causing degradation of natural coastal defence structures.	Evapotranspiration rates increase with wind speed, reducing the water available in reservoirs and water available for reliant ecosystems. Increased rate of fire spread and spotting (the ignition of fires ahead of the main fire front) of fires. Potential damage to or uprooting of vegetation including trees, which can also damage infrastructure. Potential wind damage to crops, reducing yield and quality (e.g., sandblasting and fruit fall). Increased windblown materials (e.g., dust, litter) increasing the need for maintenance and city cleaning. Degradation of natural coastal defence structures and increased damage to hard coastal infrastructure.	(Pieterse & Crankshaw, 2018)		

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Dovomotov	Results of Climate Change				
Parameter	Increase in temperature and heat stress	Drought and decrease in rainfall	Increase in rainfall and inland flooding	Increased wind speed	Reference
	potentially resulting in the exceedance of the temperature humidity index in livestock, causing reduced immunity, fertility, productivity and even mortality of livestock.				
Culture and Heritage	 Increased temperature having significant impacts on the comfort levels of built heritage resources, resulting in the building no longer being fit-for-purpose. Increased demand for additional heating and cooling resulting in the installation of heating, ventilation, and air-conditioning systems with potential negative consequences on the heritage value. Increased heat stress potentially impacting on the materials and structural integrity of heritage resources. Migration of several plant species due to changing climate patterns, posing a threat to the conservation of biodiversity hotspots, and potentially altering heritage places. Increase in veld and forest fires raising the threat of fire to all heritage resources, natural and built, as well as posing health risks to heritage resource dwellers from exposure to smoke and ash pollution. 	Decreased rainfall impacting negatively on ground moisture levels and thus the geological conditions of sensitive heritage resources. Drying out clays, for example, will shrink and potentially undermine founding conditions.	Increased rainfall in areas with clay soils resulting in swelling which poses a threat to the structural integrity of heritage resources. Increased floods and changes in precipitation resulting in increasing vulnerability of archaeological evidence buried underground due to changing stratigraphic integrity of the soils. Increased threat to materials and structural integrity of heritage resources exposed to higher humidity/precipitation levels.		(van Wyk, 2018)

GHG INVENTORY

4.1 **Approach and Methodology**

This assessment has been undertaken in accordance with the principles of:

- ISO 14064-1:2006 Greenhouse gases Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals.
- Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (GHG Protocol) (World Business Council for Sustainable Development and World Resources Institute, 2015).
- IPCC Fifth Assessment Report (2014).

These guidelines are considered representative of good practice GHG accounting internationally and are applicable to the project.

The Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (WRI & WBCSD, 2004), provides two approaches. This includes the assessment of GHGs based on: (1) the organisational boundaries and (2) operational boundaries. For the calculation of GHG footprint for the project, the operational boundary approach was selected.

4.1.1 **Organisational Boundaries**

For corporate reporting, two distinct approaches can be used to consolidate GHG emissions: the equity share and the control approaches. Companies shall account for, and report, their consolidated GHG data according to either the equity share or control approach as presented below.

In setting organizational boundaries, a company selects an approach for consolidating GHG emissions and then consistently applies the selected approach to define those businesses and operations that constitute the company for the purpose of accounting and reporting GHG emissions. If the reporting company wholly owns all its operations, its organizational boundary will be the same whichever approach is used. For companies with joint operations, the organizational boundary and the resulting emissions may differ depending on the approach used. In both wholly owned and joint operations, the choice of approach may change how emissions are categorized when operational boundaries are set.

4.1.2 **Operational Boundaries**

To help delineate direct and indirect emission sources, improve transparency, and provide utility for different types of organizations and different types of climate policies and business goals, three "scopes" (scope 1, scope 2, and scope 3) are defined for GHG accounting and reporting purposes (Figure 4-1).

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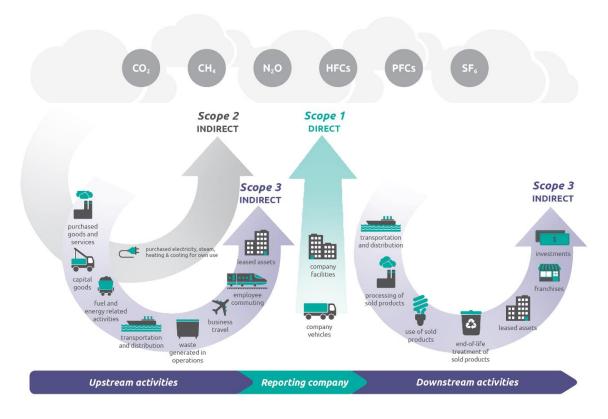


Figure 4-1: Overview of scopes and emissions

4.1.2.1 Scope 1: Direct GHG Emissions

Direct GHG emissions occur from sources that are owned or controlled by the company, for example, emissions from combustion in owned or controlled vehicles, etc.; and/or emissions from chemical production in owned or controlled process equipment.

4.1.2.2 Scope 2: Electricity - Indirect GHG Emissions

Scope 2 accounts for GHG emissions from the generation of purchased electricity consumed by the company. Purchased electricity is defined as electricity that is purchased or otherwise brought into the organizational boundary of the company. Scope 2 emissions physically occur at the facility where electricity is generated.

4.1.2.3 **Scope 3: Other Indirect GHG Emissions**

Scope 3 is an optional reporting category that allows for the treatment of all other indirect emissions. Scope 3 emissions are a consequence of the activities of the company but occur from sources not owned or controlled by the company. Some examples of scope 3 activities are extraction and production of purchased materials; transportation of purchased materials and product; and use of sold products.

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4.2 **Greenhouse Gases and Global Warming Potential**

The GHGs considered in this assessment and the corresponding global warming potential (GWP) for each GHG are listed in Table 4-1. GWP is a metric used to quantify and communicate the relative contributions of different substances to climate change over a given time horizon. GWP accounts for the radiative efficiencies of various gases and their lifetimes in the atmosphere, allowing for the impacts of individual gases on global climate change to be compared relative to those for the reference gas carbon dioxide. The GWPs from the IPCC Third Assessment report were used in this assessment. These are reflective of radiative forcing over a 100-year time horizon. There are more recent GWP values available (i.e. the IPCC Sixth Assessment report). However, the recent Methodological Guidelines for Quantification of Greenhouse Gas Emissions (DFFE, 2022) published by the Department of Forestry, Fisheries and Environment stipulate the older GWP values (from the Third Assessment report) to be used.

Table 4-1: Greenhouse gasses and 100-year global warming potentials

Greenhouse Gas	Global Warming Potential
Carbon dioxide (CO ₂)	1
Methane (CH ₄)	23
Nitrous oxide (N ₂ O)	296

4.3 **Assessment Boundary**

The following GHG emissions have been considered:

- Process emissions during project operational activities (scope 1);
- Fuel consumption during project operational activities (scope 1); and,
- Electricity consumption during project operational activities (scope 2)

Exclusions 4.4

The following were excluded from the inventory:

- Emissions due to project construction activities as insufficient detailed information was available for the assessment.
- Scope 3 emissions due to project operational activities as insufficient detailed information was available for the assessment.

4.5 **Source Data and Assumptions**

The input data and assumptions used in estimating GHG emissions for the operational phase of the project is provided in Table 4-3. The diesel used for on-site mobile equipment was calculated based on the distance the trucks would travel (Table 4-3) assuming a capacity of 30 tonnes and a fuel consumption of 40 litres per 100 km.

Table 4-2: Greenhouse gas assessment source data and assumptions for the operational phase of the project

Operation	Value	Unit
Operation Period	20	years
Scope 1		
High-carbon ferrochromium	125 329	t/year
Chromite ore	250 658	t/year
Reducing agent (coke and semi-coke)	63 416	t/year
Silica stone	21 807	t/year
Diesel used (mobile combustion - vehicles)	3 165	litres/year
Scope 2		
Electricity consumed by operations	438 000 000	kWh

Table 4-3: Calculated distances travelled for onsite vehicles

Material	Description	Quantity Moved (tpa)	Truck capacity (t)	Trips	Route distance (m)	Total distance (m/yr)
Electrode paste	Electrode paste and refractory materials are transported from the comprehensive warehouse to the main workshop	5 100	30	170	1 000	340 000
High-carbon ferrochromium	High-carbon ferrochromium is transported from the main workshop to the finished product warehouse.	125 000	30	4 167	200	1 666 667
Steel bars	Steel bars, etc., are transported from the comprehensive warehouse to the electrode shell processing and machine repair workshop.	680	30	23	300	13 600
Electrode shells	Electrode shells are transported from the electrode shell processing and machine repair workshop to the main workshop.	310	30	10	300	6 200
Slag to waste site	Slag transported from the furnace workshop to the slag disposal site.	147 136	30	4 905	600	5 885 450

4.6 Emission Factors

The emission factors used for the assessment is provided in Table 4-4 and were mainly sourced from the:

• South African Methodological Guidelines for Quantification of Greenhouse Gas Emissions *gazetted by the* Department of Forestry, Fisheries and Environment, No. 47257(2598) (DFFE, 2022b).

• South Africa's 2022 Grid Emission Factors Report *gazetted by the* Department of Forestry, Fisheries and Environment, No. 51495(5498) (DEFRA, 2024).

Table 4-4: Emission factors used in the assessment

Emission factors	Value	Unit	Source	Reference			
Scope 1 - Direct Emissions							
Process related activities							
Ferrochromium	1.3	t CO ₂ e per tonne product	(DFFE, 2022)	Table C.1			
Fuel related activities							
Diesel – mobile combustion	74 638	kg CO ₂ per TJ	(DFFE, 2022)	Table A.3 (country specific)			
Diesel – mobile combustion	3.9	kg CH₄ per TJ	(DFFE, 2022)	Table A.2 (IPCC, 2006)			
Diesel – mobile combustion	3.9	kg N₂O per TJ	(DFFE, 2022)	Table A.2 (IPCC, 2006)			
Scope 2 - Indirect Emissions	Scope 2 - Indirect Emissions						
Electricity	Electricity						
Electricity (national)	0.93	t CO2e per MWh	(DFFE, 2024)				

4.7 Emissions

The estimated GHG emissions due to project operations is provided in Table 4-5. Scope 3 emissions were not quantified as insufficient upstream and downstream information was available for this assessment.

Table 4-5: Estimated GHG emissions for the operational phase of the project

Source	Input					
Source	Value	Units	Scope 1	Scope 2	Total	
Operation						
Fuel and Energy related activities						
Ferrochromium production	125 329	t/year	162 928		162 928	
Diesel (mobile combustion)	3 165	litres/year	9		9	
Electricity usage						
Electricity from national grid	438 000 000	kWh		407 778	407 778	
Total t CO₂e per year			162 936	407 778	570 714	
Total t CO ₂ e for operating period			3 258 725	8 155 560	11 414 285	

The GHG emissions provided as a percentage per scope for project operations is provided in Figure 4-2. As the project Scope 3 emissions have not been quantified, it has not been included in the figure provided.

Scope 1 and Scope 2 emissions for the project operations is $11\,414\,285\,tCO_2e$ over the 20-year life of the project (~570 714 tCO_2e per annum) and making up 71% and 29% of the total GHG emissions for the project respectively.

For comparison, international reporting considers a small facility as producing 10 000 tCO₂e per annum, medium at 25 000 tCO₂e per annum and large at 100 000 tCO₂e per annum (for Scope 1 and 2 emissions). This project would thus be considered a large facility.

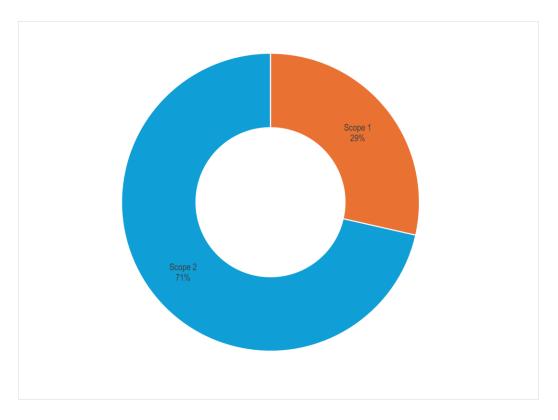


Figure 4-2: Percentage GHG emissions per scope for project operation activities

4.8 The Project's GHG Impact

4.8.1 Impact on the National Remaining Carbon Budget, the National Inventory and the Sasol Group Inventory

According to the updated first NDC (Section 2.3), the South African remaining carbon budget is in the range of 398 - 510 Mt CO_2 e for 2025 and 350 - 420 Mt CO_2 e by 2030. Using the lower end of the range for 2030, the project activities would contribute approximately 0.16% of the remaining carbon budget per year and represent a contribution of 0.13% (operation) to the 2022 National GHG inventory total.

4.8.2 Alignment with National Policy

Most of the South African GHG policy is in early phases of implementation where GHG emissions have been reported to DFFE since 31 March 2018 and the Carbon Tax Act came into effect on the 23 May 2019. The project will be required to align GHG reporting with national policy. An annual Carbon Tax environmental levy account will need to be submitted in July of each year after operations commence.

4.9 Physical Risks of Climate Change to the Project's Operations

With the increase in temperature, there is the likelihood of an increase in discomfort and possibility of heat related illness (such as heat exhaustion, heat cramps, and heat stroke). Both these have the potential to negatively affect employee performance and productivity along with process efficiency.

From a process point of view, elevated ambient temperatures (up to 45°C) may slightly increase evaporative fuel losses from vehicles and increase temperature related wear on equipment. Similarly, there will be increased water use for drinking water and dust emission abatement on roads.

4.10 Transitional Risks and Opportunities of Climate Change on the Project's Operations

The Taskforce for Climate-related Financial Disclosures (TCFD) advocates the disclosure of the financial risks associated with climate change impacts on organisations (TCFD, 2020). These include physical risks resulting in large-scale financial losses caused by storms, droughts, wildfires, and other extreme events (as identified in Section 3). The Taskforce also advocates the quantification of transitional risks associated with the adjustment to low carbon economies, such as the rapid loss in the value of assets due to policy changes or consumer preference; and financial risks to the economy through elevated credit spreads, greater precautionary saving and rapid pricing readjustment (TCFD, 2020). Along with risks, the Taskforce encourages organisations to identify possible opportunities that could build resilience in economies shifting due to climate change.

Although the full financial risk is out of the scope of the of work, potential transitional risks and opportunities applicable to the project are tabulated below (Table 4-6 as summarised from TCFD, 2017).

Table 4-6: Examples of climate-related risks and opportunities and the potential financial impacts (TCFD, 2017)

Туре	Climate Related Risk / Opportunity	Potential financial impact	Comments		
	Policy and Legal				
	- Increased pricing of GHG emissions	- Increased operating costs (for example higher compliance cost, increased insurance premiums)	Carbon tax act proposed 2% increase in baseline carbon tax rate until 2022 and thereafter annual inflation-based increases		
	- Enhanced emissions reporting obligations	- Write-offs, asset impairment, and early retirement of existing assets due to policy changes	SAGERS online GHG emissions reporting platform in early release stages 2020		
	- Mandates on and regulation of existing products and services	- Increased costs and / or reduced demand for products and services resulting from fines and judgements.	Country commitment to decarbonise energy supplies by 2050 could influence energy demand. Exceedances of emission standards could result in fines and litigation.		
	- Exposure to litigation				
	Technology				
s	- Substitution of existing products and services with lower emission options	- Write-offs and early retirement of existing assets	Country commitment to decarbonise energy supplies by 2050 could influence product demand.		
Risks		- Reduced demand for products and services			
~	- Costs to transition to lower emissions technology	- Capital investments in technology development			
		- Costs to adopt / deploy new practises and processes			
	Market				
	- Changing customer behaviour	- Reduced demand for goods and services due to shift in consumer preferences			
	- Increased cost of raw materials	- Increased production costs due to changing input prices (for example, energy).	Increased energy cost through demand and availability drivers.		
		- Abrupt and unexpected shifts in energy costs			
	Reputation				
	- Shifts in consumer preferences	- Reduced revenue from decreased demand for goods and services	Country commitment to decarbonise energy supplies by 2050 could influence product demand.		

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Туре	Climate Related Risk / Opportunity	Potential financial impact	Comments
		- Reduced revenue from decreased production capacity (delayed planning approvals, supply chain interruptions)	
	- Increased stakeholder concern or negative stakeholder feedback	- Reduction in capital availability	
	Resource efficiency		
	- Use of more efficient modes of transport	- Reduced operating costs (through efficient gains and cost reductions)	
	- Use of more efficient production and distribution processes	- Increased production capacity, resulting in increased revenue	
	- Use of recycling	- Capital costs of alternative water supplies	Investigation of alternative water supplies could open opportunities to recycle or reuse water since water supplies may become constrained by quality.
	Energy source		
Opportunities	- Use of lower-emission sources of energy	Reduced operational costs Reduced exposure to GHG emissions and therefore less sensitive to changes in cost of carbon Increased capital availability (e.g. as more investors favour lower-emission producers) Reputational benefits resulting in increased demand for goods/services	
	- Shift towards decentralized energy generation	- Reduce exposure to fossil fuel price increases	
	- Participation in carbon market		Carbon tax incentives (through sequestration allowances)
	Products and services		
	- Shifts in consumer preferences	- Better Competitive position to reflect shifting consumer preferences, resulting in increased revenues	
	Markets		
	- Access to new markets	- Increased revenue through access to new and emerging markets (for example partnerships	
	- Use of public-sector incentives	with governments, development banks)	

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4.11 Project Adaptation and Mitigation Measures

Climate change management includes both mitigation and adaptation. The main aim of mitigation is to stabilise or reduce GHG concentrations as a result of anthropogenic activities. This is achievable by lessening sources (emissions) and/or enhancing sinks through human intervention. Mitigation measures are typically the focus of the energy, transport and industry sectors (Thambiran & Naidoo, 2017). Adaptation measures focus on the minimising the impact of climate change, especially on vulnerable communities and sectors. Inclusion of the climate change adaptation in business strategic implementation plans is one of the outcomes defined in the Draft National Climate Change Adaptation Strategy (Government Gazette No.42466:644, May 2019).

4.11.1 General Adaptation

Additional support infrastructure can reduce the climate change impact on the staff and project, for example the improving thermal and electrical efficiency of buildings to reduce electricity consumption, ensuring adequate water supply for staff, amending summer operating hours to avoid the hottest part of the day and potential health and safety impacts for employees. A community development program could be initiated to assist communities near the plant that are vulnerable to climate change impacts, such as thermal and electrically efficient buildings (to minimise electricity needs for heating and cooling) and energy efficient stoves (to minimise the use of woody biomass harvested from natural forests).

4.11.2 (Technology/Sector-Specific) Mitigation

The industry should explore and adopt best available technologies to improve energy efficiency and reduce CO₂ emissions from production processes. In addition, the wheeling of electricity could be investigated using renewable energy to offset a portion of the grid feed requirements for the project.

Carbon offset options could also include investment in REDD+ (Reducing Emissions from Deforestation and forest Degradation) initiatives (Thambiran & Naidoo, 2017). REDD+ initiatives in developing countries incentivise communities to undertake forestry and related activities that can contribute to reducing land based GHG emissions associated with deforestation and degradation and through sequestration of CO₂ in forests and agroforestry (Thambiran & Naidoo, 2017). REDD+ programmes are also mechanisms for socio-economic development. However, the expansion of the forestry industry in South Africa, will require quantification of the impact of expanded activities on water resources (as highlighted in the Draft National Climate Change Adaptation Strategy (Government Gazette No.42466:644, May 2019).

5 IMPACT SIGNIFICANCE RATING

5.1 Potential Impact Description

Gaseous pollutants released from the combustion of fuel is the main source of GHGs from the project. The release of GHG includes mainly CO₂, CH₄ and N₂O. GHGs are those gaseous constituents of the atmosphere, both natural and anthropogenic, that absorb and emit radiation at specific wavelengths within the spectrum of thermal infrared radiation emitted by the Earth's surface, the atmosphere itself, and by clouds. This property causes the greenhouse effect. Water vapour H₂O, CO₂, N₂O, CH₄ and O₃ are the primary GHG in the Earth's atmosphere. The effect of climate change is related to changing atmospheric GHG concentrations, increased temperatures, changing weather patterns and sea level rise (indirect negative impact).

5.2 Impact Significance

The calculated CO₂e emissions from the project operations for Scope 1 and Scope 2 is summarised in Section 4.7, estimating 11 414 285 t over a 20-year period (570 714 tpa).

The project Scope 1 and Scope 2 emissions due to the project would contribute approximately 0.16% of the remaining carbon budget per year and represent a contribution of 0.13% to the 2022 National GHG inventory total.

Local reporting requirements have yet to be developed to describe and assess environmental impacts for GHGs. Guidance is thus taken from international guidelines such as that developed for the Sacramento Metropolitan Air Quality Management District (SMAQMD, 2014). As part of the process to determine if a full GHG analysis and mitigate programme is required, an Initial Study is implemented to determine if a project may have a significant effect on the environment. As such a threshold of 1 100 tCO2e (project construction phase) and 10 000 tCO2e (operational phase) for stationary source projects per year is applied to new projects (SMAQMD, 2014). These thresholds were based on capturing 90% of the development projects across the state, ensuring that small projects, which generally have low emission levels, and would generally not be considered significant. As an alternative method of measure, a GHG threshold may be based on the classification of projects by the European Bank for Reconstruction and Development (EBRD), in which projects contributing more than 25 000 tCO2e per year to have significant GHG emissions (EBRD 2019). This is in line with the International Finance Corporation (IFC 2012). Section 8 of the IFC Performance Standards on Environmental and Social Sustainability: "For projects that are expected to or currently produce more than 25 000 t CO2e annually the client will quantify direct emissions from the facilities owned or controlled within the physical project boundary, as well as indirect emissions associated with the off-site production of energy used by the project. Quantification of GHG emissions will be conducted by the client annually in accordance with internationally recognised methodologies and good practice". In terms of the Equator Principles, a developer that is seeking funding from a financial institution that subscribes to the Equator Principles is required to publicly report on its combined Scope 1 and Scope 2 GHG emissions if it exceeds 100 000 tCO₂e annually, for the operational phase of the project, during the life of the loan (Equator Principles, 2013). The Equator Principles also encourage clients to report publicly on projects emitting over 25 000 tCO₂e, in line with the IFC Performance Standards (Equator Principles, 2013). As a further

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example, the South African Declaration of Greenhouse Gases as Priority Pollutants (Government Gazette 40966 of 21 July 2017) define production processes in Annexure A of the Declaration with the requirement to submit a Pollution Prevention Plan (PPP) (referred to as greenhouse gas mitigation plans in the Climate Change Act gazetted on 23 July 2024) to the Minister for approval with GHG in excess of 100 000 tCO₂e.

When evaluating significance, all new GHG emissions contribute to a negative environmental impact; however, some projects could replace existing development or baseline activity that has a higher GHG profile. Therefore, the significance of a project's emissions should be based on its net impact over its lifetime, which may be positive, negative or negligible. To meet the South African (SA) NDC targets and interim budgets, action is required to reduce GHG emissions from all sectors, including projects in the built and natural environment. The proposed project must therefore consider whether and how the project will contribute to or jeopardise the achievement of these targets. Such an assessment would however require a much broader evaluation of the project against all current energy mix and their resources practiced in South Africa. In the absence of such a comprehensive assessment, the current assessment will rely on using thresholds to define the significance of the GHG impact.

The proposed intensity rating for annual emissions is as follows:

25 000 tCO₂e : **Very Low** (i.e., threshold used by EBRD, IFC and Equator Principals)

25 000 – 100 000 tCO₂e : **Low** (i.e., DFFE PPP requirement threshold is 100 000 tCO₂e)

100 000 − 500 000 tCO₂e : **Medium** (i.e., DFFE PPP to 0.1% of the total gross SA GHG emissions)

500 000 – 5 000 000 tCO₂e : **High** (i.e., 0.1% to 1.0% of the total gross SA GHG emissions)

>5 000 000 tCO₂e : **Very High** (i.e., more than 1.0% of the total gross SA GHG emissions)

The GHG emissions for project operations (570 714 tCO_2e) per annum for Scope 1 and Scope 2 are 0.13% of the total gross SA GHG emissions. The impact significance is therefore considered to be **high**.

6 FINDINGS AND RECOMMENDATIONS

Project specific information together with local and internationally published emission factors were used to calculate Scope 1 (direct) and Scope 2 (indirect) GHG emissions for the proposed project. Locally published literature was referred to, to understand the projected changes to climate for the area.

Based on information provided, the project is likely to result in an estimated total of 3 258 725 t CO₂e (162 936 t CO₂e per annum) direct emissions and 8 155 560 t CO₂e (407 778 t CO₂e per annum) indirect emissions (Scope 2 only) due to operational activities over a 20-year period. This was calculated to represent 0.16% of the remaining South African annual GHG budget.

The impact of the project on climate change was assessed to have a high negative risk rating.

The project will be required to report CO₂e emissions annually via the NAEIS and provide a greenhouse gas mitigation plan.

6.1 Conclusion

From the perspective of climate change, it is the opinion of the specialist that the project be considered for authorisation, on condition that GHG emissions are reported annual according to legal requirements and that a GHG mitigation plan be established.

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APPENDIX A – CURRICULUM VITAE OF ASSESSMENT AUTHOR

CURRICULUM VITAE

RENEÉ VON GRUENEWALDT

FULL CURRICULUM VITAE

Name of Firm Airshed Planning Professionals (Pty) Ltd	
Name of Staff	Reneé von Gruenewaldt (nee Thomas)
Profession	Air Quality and Environmental Noise Scientist
Position	Principal consultant
Date of Birth	13 May 1978
Years with Firm	Since January 2002
Nationalities	South African

MEMBERSHIP OF PROFESSIONAL SOCIETIES

- Registered Professional Natural Scientist (Registration Number 400304/07) with the South African Council for Natural Scientific Professions (SACNASP)
- Member of the National Association for Clean Air (NACA)

KEY QUALIFICATIONS

Reneé von Gruenewaldt (Air Quality Scientist): Reneé joined Airshed Planning Professionals (Pty) Ltd (previously known as Environmental Management Services cc) in 2002. She has, as a Specialist, attained over twenty (20) years of experience in the Earth and Natural Sciences sector in the field of Air Quality and nine (9) years of experience in the field of environmental noise assessments. As an environmental practitioner, she has provided solutions to both large-scale and smaller projects within the mining, minerals, and process industries.

She has developed technical and specialist skills in various air quality modelling packages including the AMS/EPA Regulatory Models (AERMOD and AERMET), UK Gaussian plume model (ADMS), EPA Regulatory puff-based model (CALPUFF and CALMET), puff-based HAWK model and line-based models, Lagrangian GRAL model. Her experience with air emission models includes Tanks 4.0 (for the quantification of tank emissions), WATER9 (for the quantification of wastewater treatment works) and GasSim (for the quantification of landfill emissions). Noise propagation modelling proficiency includes CONCAWE, South African National Standards (SANS 10210) for calculating and predicting road traffic noise and CadnaA for propagation of industrial, road and rail noise sources.

Having worked on projects throughout Africa (i.e., South Africa, Mozambique, Malawi, Kenya, Angola, Democratic Republic of Congo, Namibia, Madagascar and Egypt for Air Quality Impact Assessments and Mozambique, Namibia, Botswana, Kenya, Ghana, Suriname and Afghanistan for Environmental Noise Impact Assessments) Reneé has developed a broad experience base. She has a good understanding of the laws and regulations associated with ambient air quality and emission limits in South Africa and various other African countries, as well as the World Bank Guidelines, European Community Limits and World Health Organisation.

1

RELEVANT EXPERIENCE (AIR QUALITY)

Mining and Ore Handling

Reneé has undertaken numerous air quality impact assessments and management plans for coal, platinum, uranium, copper, cobalt, chromium, fluorspar, bauxite, manganese and mineral sands mines. These include: compilation of emissions databases for Landau and New Vaal coal collieries (SA), impact assessments and management plans for numerous mines over Mpumalanga (viz. Schoonoord, Belfast, Goedgevonden, Mbila, Evander South, Driefontein, Hartogshoop, Belfast, New Largo, Geluk, etc.), Mmamabula Coal Colliery (Botswana), Moatize Coal Colliery (Mozambique), Revuboe Coal Colliery (Mozambique), Toliera Sands Heavy Minerals Mine and Processing (Madagascar), Corridor Sands Heavy Minerals Mine monitoring assessment, El Burullus Heavy Minerals Mine and processing (Egypt), Namakwa Sands Heavy Minerals Mine (SA), Tenke Copper Mine and Processing Plant (DRC), Rössing Uranium (Namibia), Lonmin platinum mines including operations at Marikana, Baobab, Dwaalkop and Doornvlei (SA), Impala Platinum (SA), Pilannesburg Platinum (SA), Aquarius Platinum, Hoogland Platinum Mine (SA), Tamboti PGM Mine (SA), Sari Gunay Gold Mine (Iran), chrome mines in the Steelpoort Valley (SA), Mecklenburg Chrome Mine (SA), Naboom Chrome Mine (SA), Kinsenda Copper Mine (DRC), Kassinga Mine (Angola) and Nokeng Flourspar Mine (SA), etc.

Mining monitoring reviews have also been undertaken for Optimum Colliery's operations near Hendrina Power Station and Impunzi Coal Colliery with a detailed management plan undertaken for Morupule (Botswana) and Glencor (previously known as Xstrata Coal South Africa).

Air quality assessments have also been undertaken for mechanical appliances including the Durban Coal Terminal and Nacala Port (Mozambique) as well as rail transport assessments including BHP-Billiton Bauxite transport (Suriname), Nacala Rail Corridor (Mozambique and Malawi), Kusile Rail (SA) and WCL Rail (Liberia).

Metal Recovery

Air quality impact assessments have been carried out for Highveld Steel, Scaw Metals, Lonmin's Marikana Smelter operations, Saldanha Steel, Tata Steel, Afro Asia Steel and Exxaro's Manganese Pilot Plant Smelter (Pretoria).

Chemical Industry

Comprehensive air quality impact assessments have been completed for NCP (including Chloorkop Expansion Project, Contaminated soils recovery, C3 Project and the 200T Receiver Project), Revertex Chemicals (Durban), Stoppani Chromium Chemicals, Foskor (Richards Bay), Straits Chemicals (Coega), Tenke Acid Plant (DRC), and Omnia (Sasolburg).

Petrochemical Industry

Numerous air quality impact assessments have been completed for Sasol (including the postponement/exemption application for Synfuels, Infrachem, Natref, MIBK2 Project, Wax Project, GTL Project, re-commissioning of boilers at Sasol Sasolburg and Ekandustria), Engen Emission Inventory Functional Specification (Durban), Sapref refinery (Durban), Sasol (at Elrode) and Island View (in Durban) tanks quantification, Petro SA and Chevron (including the postponement/exemption application).

2

Pulp and Paper Industry

Air quality studies have been undertaken or the expansion of Mondi Richards Bay, Multi-Boiler Project for Mondi Merebank (Durban), impact assessments for Sappi Stanger, Sappi Enstra (Springs), Sappi Ngodwana (Nelspruit) and Pulp United (Richards Bay).

Power Generation

Air quality impact assessments have been completed for numerous Eskom coal fired power station studies including the ash expansion projects at Kusile, Kendal, Hendrina, Kriel and Arnot; Fabric Filter Plants at Komati, Grootvlei, Tutuka, Lethabo and Kriel Power Stations; the proposed Kusile, Medupi (including the impact assessment for the Flue Gas Desulphurization) and Vaal South Power Stations. Reneé was also involved and the cumulative assessment of the existing and return to service Eskom power stations assessment and the optimization of Eskom's ambient air quality monitoring network over the Highveld.

In addition to Eskom's coal fired power stations, various Eskom nuclear power supply projects have been completed including the air quality assessment of Pebble Bed Modular Reactor and nuclear plants at Duynefontein, Bantamsklip and Thyspunt.

Apart from Eskom projects, power station assessments have also been completed in Kenya (Rabai Power Station) and Namibia (Paratus Power Plant).

Waste Disposal

Air quality impact assessments, including odour and carcinogenic and non-carcinogenic pollutants were undertaken for the Waste Water Treatment Works in Magaliesburg, proposed Waterval Landfill (near Rustenburg), Tutuka Landfill, Mogale General Waste Landfill (adjacent to the Leipardsvlei Landfill), Cape Winelands District Municipality Landfill, the Tsoeneng Landfill (Lesotho) and the FG Landfill (near the Midstream Estate). Air quality impact assessments have also been completed for the BCL incinerator (Cape Town), the Ergo Rubber Incinerator and the Ecorevert Pyrolysis Plant.

Cement Manufacturing

Impact assessments for ambient air quality have been completed for the Holcim Alternative Fuels Project (which included the assessment of the cement manufacturing plants at Ulco and Dudfield as well as a proposed blending platform in Roodepoort).

Management Plans

Reneé undertook the quantification of the baseline air quality for the first declared Vaal Triangle Airshed Priority Area. This included the establishment of a comprehensive air pollution emissions inventory, atmospheric dispersion modelling, focusing on impact area "hotspots" and quantifying emission reduction strategies. The management plan was published in 2009 (Government Gazette 32263).

Reneé has also been involved in the Provincial Air Quality Management Plan for the Limpopo Province.

3

RELEVANT EXPERIENCE (GREENHOUSE GAS EMISSION FOOT-PRINTING AND CLIMATE CHANGE IMPACT STATEMENTS)

Mining and Tailings Storage Facilities

Reneé has quantified the direct and indirect (Scope 2 and Scope 3) emissions for numerous mines over the highveld of South Africa and the Democratic Republic of Congo. She has also assessed the climate risks and vulnerabilities of the project and surrounding communities due to increasing ambient temperatures, water scarcity, risk of intense storms.

Gas to Power Plants

Reneé has quantified the direct and indirect (Scope 2 and Scope 3) emissions for gas to power plants proposed for South Africa. She has also assessed the climate risks and vulnerabilities of the project and surrounding communities due to increasing ambient temperatures, water scarcity, risk of intense storms.

RELEVANT EXPERIENCE (NOISE)

Mining

Reneé has undertaken numerous environmental noise assessments for mining operations. These include environmental noise impact assessments including baseline noise surveys for numerous coal, platinum, manganese, tin and zinc mines. Projects include, but are not limited to, Balama (Mozambique), Masama Coal (Botswana), Lodestone (Namibia), Osino (Namibia), Kurmuk (Ethiopia), Gamsberg (SA), Prieska (SA), Kolomela (SA), Heuningkranz (SA), Syferfontein (SA), South 32 (SA), Mamatwan (SA), Alexander (SA) and Marula Platinum Mine (SA), etc.

Power Generation

Environmental noise assessments have been completed for numerous Eskom coal fired power station studies in SA including the Kriel Fabric Filter Plant, Kendal ash facility, Medupi ash facility. Apart from Eskom projects, power plant assessments have also been completed in Botswana (Morupule), Kenya (Or Power geothermal power plants), Suriname (EBS power plant) and SA (Richards Bay combined cycle power plant).

Process Operations

Environmental noise assessments have been undertaken for various process operations including waste disposal facilities (Bon Accord in Gauteng), bottling and drink facilities (Imali and Isanti Project in Gauteng) and Smelter (Gamsberg in Northern Cape).

Transport

An environmental noise assessment was completed for the Obetsebi road expansion and flyover project in Ghana, the Scorpion Zinc Mine transport route in Namibia and the Sisian-Kajaran (North-South Corridor) Road Project in Armenia.

4

Gas Pipelines

An environmental noise assessment was completed for the Sheberghan gas pipeline in Afghanistan.

Baseline Noise Surveys

Baseline noise surveys have been undertaken for numerous mining and process operation activities (including Raumix quarries, Kolomela and Sibanye Stillwater Platinum Mines (SA)) in support of onsite Environmental Management Programmes.

OTHER EXPERIENCE (2001)

Research for B.Sc Honours degree was part of the "Highveld Boundary Layer Wind" research group and was based on the identification of faulty data from the Majuba Sodar. The project was THRIP funded and was a joint venture with the University of Pretoria, Eskom and Sasol (2001).

EDUCATION

M.Sc Earth Sciences University of Pretoria, RSA, Cum Laude (2009)

Title: An Air Quality Baseline Assessment for the Vaal Airshed in South Africa

B.Sc Hons. Earth Sciences University of Pretoria, RSA, Cum Laude (2001)

Environmental Management and Impact Assessments

B.Sc Earth Sciences University of Pretoria, RSA, (2000)

Atmospheric Sciences: Meteorology

ADDITIONAL COURSES

CALMET/CALPUFF Presented by the University of Johannesburg, RSA (March 2008)

Air Quality Management Presented by the University of Johannesburg, RSA (March 2006)

COUNTRIES OF WORK EXPERIENCE

South Africa, Mozambique, Botswana, Ghana, Suriname, Afghanistan, Malawi, Liberia, Kenya, Angola, Democratic Republic of Congo, Ethiopia, Afghanistan, Lesotho, Namibia, Madagascar, Egypt, Suriname and Iran.

5

EMPLOYMENT RECORD

January 2002 - Present

Airshed Planning Professionals (Pty) Ltd, (previously known as Environmental Management Services cc until March 2003), Principal Air Quality and Environmental Noise Scientist, Midrand, South Africa.

2001

University of Pretoria, Demi for the Geography and Geoinformatics department and a research assistant for the Atmospheric Science department, Pretoria, South Africa.

Department of Environmental Affairs and Tourism, assisted in the editing of the Agenda 21 document for the world summit (July 2001), Pretoria, South Africa.

1999 - 2000

The South African Weather Services, vacation work in the research department, Pretoria, South Africa.

CONFERENCE AND WORKSHOP PRESENTATIONS AND PAPERS

- Understanding the Synoptic Systems that lead to Strong Easterly Wind Conditions and High Particulate
 Matter Concentrations on The West Coast of Namibia, H Liebenberg-Enslin, R von Gruenewaldt, H
 Rauntenbach and L Burger. National Association for Clean Air (NACA) conference, October 2017.
- Topographical Effects on Predicted Ground Level Concentrations using AERMOD, R.G. von Gruenewaldt.
 National Association for Clean Air (NACA) conference, October 2011.
- Emission Factor Performance Assessment for Blasting Operations, R.G. von Gruenewaldt. National Association for Clean Air (NACA) conference, October 2009.
- Vaal Triangle Priority Area Air Quality Management Plan Baseline Characterisation, R.G. Thomas, H Liebenberg-Enslin, N Walton and M van Nierop. National Association for Clean Air (NACA) conference, October 2007.
- A High-Resolution Diagnostic Wind Field Model for Mesoscale Air Pollution Forecasting, R.G. Thomas, L.W. Burger, and H Rautenbach. National Association for Clean Air (NACA) conference, September 2005.
- Emissions Based Management Tool for Mining Operations, R.G. Thomas and L.W. Burger. National Association for Clean Air (NACA) conference, October 2004.
- An Investigation into the Accuracy of the Majuba Sodar Mixing Layer Heights, R.G. Thomas. Highveld Boundary Layer Wind Conference, November 2002.

6

LANGUAGES

	Speak	Read	Write
English	Excellent	Excellent	Excellent
Afrikaans	Fair	Fair	Fair

CERTIFICATION

I, the undersigned, certify that to the best of my knowledge and belief, these data correctly describe me, my qualifications, and my experience.

Gran Granewatt		
U U	29/07/2024	
Signature of staff member	Date (Day / Month / Year)	

Full name of staff member: Reneé Georgeinna von Gruenewaldt

Curriculum Vitae: Reneé von Gruenewaldt

/

APPENDIX B - DECLARATION OF INDEPENDENCE

DECLARATION OF INDEPENDENCE - PRACTITIONER

Name of Practitioner: Reneé von Gruenewaldt

Name of Registration Body: South African Council for Natural Scientific Professions

Professional Registration No.: 400304/07

Declaration of independence and accuracy of information provided:

Climate Change Assessment for the Kinetic Project

I, René von Gruenewaldt, declare that I am independent of the applicant. I have the necessary expertise to conduct the assessments required for the report and will perform the work relating the application in an objective manner, even if this results in views and findings that are not favourable to the applicant. I will disclose to the applicant and the air quality officer all material information in my possession that reasonably has or may have the potential of influencing any decision to be taken with respect to the application by the air quality officer. The additional information provided in this atmospheric impact report is, to the best of my knowledge, in all respects factually true and correct. I am aware that the supply of false or misleading information to an air quality officer is a criminal offence in terms of section 51(1)(g) of this Act.

Signed at Pretoria on this 5th of June 2025

SIGNATURE

Principal Noise Scientist
CAPACITY OF SIGNATORY

Climate Change Assessment for the Kinetic Development Group Ferrochrome Smelter in the MMSEZ, Limpopo Report No.: 24GUD01 CCA