



# Policy for responsible sourcing of Platinum / Palladium

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## ACRONYMS

- o AML-CFT - Anti-money laundering – combating the financing of terrorism
- o ASM - Artisanal and small-scale mining
- o C-Suite – Corporate executive leadership team
- o EITI - Extractive Industry Transparency Initiative
- o ESG – Environmental Social Governance
- o ISAE – International Standard on Assurance Engagements
- o PEP – Politically exposed persons
- o LPPM RPPG - London Platinum and Palladium Market's Responsible Platinum/Palladium Guidance
- o OECD DDG - Organisation for Economic Co-operation and Development Due Diligence Guidance
- o RSC – Responsible Sourcing Committee
- o KYC – Know Your Counterparty
- o PGM – Platinum Group Metals
- o UN – United Nations



COMMITMENT



ACCOUNTABILITY



RESPECT



ENABLING



SAFETY

## 1. DEFINITIONS

Beneficial Owner	Beneficial Owner refers to the natural person(s) who ultimately owns or controls a Counterparty and/or the natural person on whose behalf a transaction is being conducted. It also includes those persons who exercise ultimate effective control (over 25%) over a legal person or arrangement.
Counterparty/ties	This term refers to any individual or organisation who is considered to be a participant in the supply chain for the supply of Platinum/Palladium and Platinum/Palladium-bearing materials including those supplying externally to the ultimate PGM supplier.
Due Diligence	Due diligence is an ongoing, proactive and reactive process through which companies can identify, prevent, mitigate and account for how they address their actual and potential adverse impacts as an integral part of business decision-making and risk management systems. Due diligence can help companies ensure they observe the principles of international law and comply with domestic laws, including those governing the illicit trade in minerals and United Nations sanctions.
Fraud	Fraud may be understood to mean the wrongful or criminal/unlawful deception by an individual or enterprise with the intention to acquire financial or personal gain whilst causing financial loss, prejudice or potential prejudice against another.
High-Risk	High-risk applies to parts of the Precious Metal supply chain and any actor in a Precious Metal supply chain that is at a higher risk of being associated with or contributing to armed conflict, widespread violence, systematic or widespread Human Rights abuses, Money Laundering or financing of terrorism.
Human Rights	For the purpose of this Guidance, human rights are those defined in the International Bill of Human Rights. The Bill includes the Universal Declaration of Human Rights (1948), the International Covenant on Economic, Social and Cultural Rights (1966), the International Covenant on Civil and Political Rights (1966), as well as its two Optional Protocols
Know Your Counterparty (KYC)	The process of a business identifying and verifying the identity of its counterparts and establish the facts to have a clear understanding of the nature and background of the relationship.
Money Laundering	Money laundering is the practice of disguising the origins of illegally obtained money. Ultimately, it is the process by which the proceeds of crime are made to appear legitimate. The money involved can be generated by any number of criminal acts, including drug dealing, corruption and other types of fraud. The methods by which money may be laundered are varied and can range in sophistication from simple to complex.
Platinum/Palladium Origin	The origin of Mined Platinum/Palladium is where the mine is located. The origin of recyclable Platinum/Palladium is considered to be the point in the Platinum/Palladium supply chain where the Platinum/Palladium is delivered to the Refiner.

Platinum/Palladium-Supplying Counterparty/ties	A Platinum/Palladium counterparty that is directly engaged with a Platinum/Palladium refinery.
Politically Exposed Persons (PEPs)	Foreign PEPs are individuals who are or have been entrusted with prominent public functions by a foreign country, for example Heads of State or of government, senior politicians, senior government, judicial or military officials, senior executives of state-owned corporations, important political party officials. Domestic PEPs are individuals who are or have been entrusted domestically with prominent public functions, for example Heads of State or of government, senior politicians, senior government, judicial or military officials, senior executives of state-owned corporations, important political party officials. Persons who are or have been entrusted with a prominent function by an international organisation refers to members of senior management, i.e., directors, deputy directors and members of the board or equivalent functions. The definition of PEPs is not intended to cover middle- ranking or more junior individuals in the foregoing categories.
Supply Chain	The sequence of processes involved in the mining and refining of Platinum/Palladium.
Terrorist Financing	Terrorist financing includes the financing of terrorist acts, of terrorists and of terrorist organisations.
Worst Forms of Child Labour	<p>The worst forms of child labour are defined by Article 3 of ILO Convention No. 182, the Worst Forms of Child Labour Convention. The Convention, which adheres to the international definition of a child as a person below the age of 18, defines the worst forms of child labour as:</p> <p>All forms of slavery or practice similar to slavery, such as the sale and trafficking of children, debt bondage, and serfdom, and forced or compulsory labour, including forced or compulsory recruitment of children for use in armed conflict.</p> <p>The use, procuring or offering of a child for prostitution, for the production of pornography or for pornographic performances.</p> <p>The use, procuring or offering of a child for illicit activities in particular for the production and trafficking of drugs a defined in the relevant international treaties.</p> <p>Work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children.</p>

## 2. INTRODUCTION

Sibanye-Stillwater as one of the world's primary producer of Platinum/Palladium recognises the risks of significant adverse impacts that may be associated with extracting, processing, trading, handling and exporting minerals. Sibanye-Stillwater recognises the need to combat systematic or widespread abuses of Human Rights, to avoid contributing to geopolitical conflict, to comply with high standards of anti-money laundering practice, and to combating Terrorist Financing practice. Towards these ends, we commit to adopt the following policy on the responsible sourcing of Platinum/Palladium.

Sibanye-Stillwater's policy is designed to ensure that our engagements and operations are conducted in accordance with the London Platinum and Palladium Market's Responsible Platinum/Palladium Guidance (LPPM RPPG) and the Organisation for Economic Co-operation and Development Due Diligence Guidance for the Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD DDG).

## 3. SCOPE

This policy is applicable to all personnel within Sibanye-Stillwater. Suppliers, service providers and agents in the Platinum/Palladium responsible sourcing supply chain, as well as employees, must adhere to this policy. Contractors and consultants are required to act consistently with this policy when performing services for Sibanye-Stillwater.

This policy will be implemented through the application, maintenance and continuous improvement of Sibanye-Stillwater's management systems that encompass strict, risk-based due diligence before entering into new commercial relationships as well as continuous monitoring of transactions on a risk-based approach by following the five-step framework for risk based due diligence of the OECD DDG as set out below:

- Establish strong company management systems.
- Identify and assess risk in the Platinum/Palladium supply chain.
- Design and implement a management strategy to respond to identified risks.
- Arrange for an independent third-party audit of the Platinum/Palladium supply chain due diligence process.
- Report on the Platinum/Palladium supply chain due diligence.

This responsible sourcing policy will be driven through Sibanye-Stillwater's Framework for responsible sourcing of Platinum / Palladium and the Responsible Sourcing Committee (RSC), which will comprise:

- Group Chief Operating Officer (RSC Senior Management).
- Chief Legal Officer
- Executive Vice President Protection Services (RSC Due Diligence Officer).
- Senior Vice President ESG and Sustainability.
- Senior Vice President Finance (US PGM Segment).
- Senior Vice President Marketing.

- Senior Vice President Processing (Smelters and Refiners).
- Manager Corporate Compliance (RSC Compliance Officer).
- Manager PGM Sales and Metal Accounting.
- Risk and Insurance Unit Manager.

The RSC will be responsible for, amongst others, discussing the risk level determined for each counterparty and their suppliers, validating the risk level, considering if there are grounds to adjust this level and implementing a plan to respond to identified risks.

Sibanye-Stillwater requires all staff involved in the responsible sourcing of Platinum/Palladium to comply with this policy and to strictly implement it.

Sibanye-Stillwater will require all counterparties to take appropriate steps to ensure that the provisions of this policy are communicated to their employees and their own suppliers and to urge all counterparties to commit to a Platinum/Palladium responsible sourcing policy consistent with the LPPM RPPG and Annex II of the OECD DDG.

#### **4. ORGANISATION AND RESPONSIBILITIES**

The RSC will govern the responsible sourcing of Platinum/Palladium. The RSC will be supported by Sibanye-Stillwater's C-Suite. Senior Management of the RSC will lead the committee and retain the ultimate control and responsibility for the responsible sourcing of Platinum/Palladium and approves each counterparty assessed. The RSC will be responsible for:

- Assigning authority and responsibility to senior management with the necessary competence, knowledge and experience to oversee the responsible sourcing due diligence management system.
- Ensuring availability of resources necessary to support the operation and monitoring of these processes and systems.
- Putting in place the necessary processes that will ensure critical information, including the company policy, reaches relevant employees and counterparties.
- Developing an ongoing Platinum/Palladium responsible sourcing training program for all staff involved in the supply chain.
- Ensuring internal accountability with respect to the implementation of the responsible sourcing due diligence management system.
- Reviewing the effectiveness and performance of the due diligence management system regularly and documenting the results of these reviews.
- Discussing the risk level determined for each counterparty and their suppliers, validating the risk level, considering if there are grounds to adjust this level and implementing a plan to respond to identified risks.

#### **5. COMMITMENT**

Regarding the responsible sourcing of Platinum/Palladium, Sibanye-Stillwater commits to the below:

- Systematically performing due diligence practices, including the Know Your Counterparty (KYC) questionnaire, following a risk-based approach, before entering a business relationship with any Platinum/Palladium Counterparty.
- Ensuring that Platinum/Palladium Supplying Counterparties commit to, and acknowledge in writing the compliance with, a supply-chain policy consistent with Annex II of the OECD Due Diligence Guidance Policy for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas for all interactions with the Refiners.
- Ensuring the use of a risk-based approach, appropriate scrutiny and monitoring of the transactions undertaken through the course of the relationship, as well as; the governance structures in place to address any risk of illegal activities.
- Implement a risk management/mitigation strategy to respond to identified risks. The following minimum criteria would be considered High-Risk and would trigger enhanced due diligence:
  - The mined material originates from or has been transported via a conflict-affected area or Human Rights abuse high-risk area.
  - The Platinum/Palladium comes from a country where conflict-affected and Human Rights abuse high-risk areas are known, or reasonably suspected, to exist.
  - The mined material is claimed to be originated from a country that has limited known reserves, likely resources or projected production levels of Platinum/Palladium.
  - Platinum/Palladium Supplying Counterparties or other known upstream companies are located in a country representing high risk for Money Laundering activity, crime or corruption.
  - Platinum/Palladium Supplying Counterparty or other known upstream companies or their Beneficial Owners with significant influence over the Platinum/Palladium Supplying Counterparty are Politically Exposed Persons.
  - Platinum/Palladium Supplying Counterparties or other known upstream companies are active in a higher-risk business activity such as arms, gaming and casino industry, antiques and art, sects and their leaders etc.
  - The mined material originated from artisanal mining, illegal mining activities or illicit metal supply chains.
- Immediately suspend or discontinue engagement and implement a risk mitigation strategy with upstream counterparties where we identify a reasonable risk that they are sourcing from, or are linked to any party committing any of the serious offences below:
  - any form of torture, cruelty, inhumane and degrading treatment;
  - any form of forced or compulsory labour;
  - child labour in any guise;
  - other Human Rights violations and abuses such as widespread sexual violence, human trafficking, etc.;
  - and
  - war crimes or other violations of international humanitarian law, crimes against humanity or genocide.
- Not tolerating any direct or indirect support to non-state armed groups through the extraction, transport, trade, handling or export of minerals who:

- illegally control mine sites or otherwise control transportation routes, points where minerals are traded and upstream actors in the supply chain; and or
- illegally tax or extorts money or minerals at points of access to mine sites, along transportation routes or at points where minerals are traded; and/or
- illegally tax or extort intermediaries, export companies or international traders
- Immediately suspend or discontinue engagement and implement a risk mitigation strategy with upstream counterparties where we identify a probable occurrence that they are sourcing from, or linked to, any party providing direct or indirect support to non-state armed groups as defined above.
- Eliminate, in accordance with paragraph 10 of Annex II of the OECD DDG, direct or indirect support to public or private security forces who illegally control mine sites, transportation routes and upstream actors in the supply chain; illegally tax or extort money or minerals at points of access to mine sites, along transportation routes or at points where minerals are traded; or illegally tax or extort from intermediaries, export companies or international traders.
- Recognise that the role of public or private security forces at the mine sites and/or surrounding areas and/or along transportation routes should be solely to maintain the rule of law, including safeguarding Human Rights, providing security to mine workers, equipment and facilities, material and protecting the mine site or transportation routes from interference with legitimate extraction and trade. In particular, we will support or take steps, to adopt screening policies to ensure that individuals or units of security forces that are known to have been responsible for gross Human Rights abuses will not be hired.
- Not offering, promising, giving or demanding any bribes, and will resist the solicitation of bribes to conceal or disguise the origin of minerals, to misrepresent taxes, fees and royalties paid to governments for the purposes of mineral extraction, trade, handling, transport and export.
- Supporting efforts, or take steps, to contribute to the effective elimination of money laundering where we identify a reasonable risk of money-laundering resulting from, or connected to, the extraction, trade, handling, transport or export of minerals derived from the illegal taxation or extortion of minerals at points of access to mine sites, along transportation routes or at points where minerals are traded by upstream counterparties.
- Committing, in accordance with our position in the Platinum/Palladium supply chain, to require evidence from our counterparties that they have disclosed payments in accordance with the Extractive Industry Transparency Initiative (EITI). Investigate the role of refiners in incentivising counterparties to operate in accordance with the EITI.
- Identify the origin of the Platinum/Palladium and perform due diligence procedures, including if the material was purchased/processed from third parties.
- Monitoring transactions through an annual update of the counterparties' KYC information and, depending on the supply-chain risk level, carrying out appropriate on-site spot check.
- Implement a corrective action plan following an audit if any medium, high or zero tolerance non-conformances have been identified as well as failing to satisfy one or more of the requirements as set out in Steps 1 to 5 of the LPPM RPPG.
- Adequately storing and maintaining all records and documentation relating to the Platinum/Palladium supply chain in order to demonstrate that appropriate and on-going due diligence has been performed. Storage of

such information should be for a minimum of 10 years or as directed by applicable local laws, whichever is longer and undertakes to cooperate fully and transparently with all government authorities and provide full access to records and information.

- Ensuring ongoing responsible sourcing training to be supplied to all Sibanye-Stillwater employees involved.
- Ensuring all payments are made via official banking channels or Platinum/Palladium transfers through accredited refiners. Sibanye-Stillwater has a zero tolerance to cash payments.
- Putting in place the following telephone number 0800 001 987 (free call) and e-mail address [sibanyestillwater@tip-offs.com](mailto:sibanyestillwater@tip-offs.com) allowing any employee, supply chain actor, counterparty or stakeholder to voice any concerns over the responsible sourcing process or newly identified risk. Refer to the Sibanye-Stillwater Whistleblowing Policy for further information.

## **POLICY FOR RESPONSIBLE SOURCING OF PLATINUM/PALLADIUM ENDS**