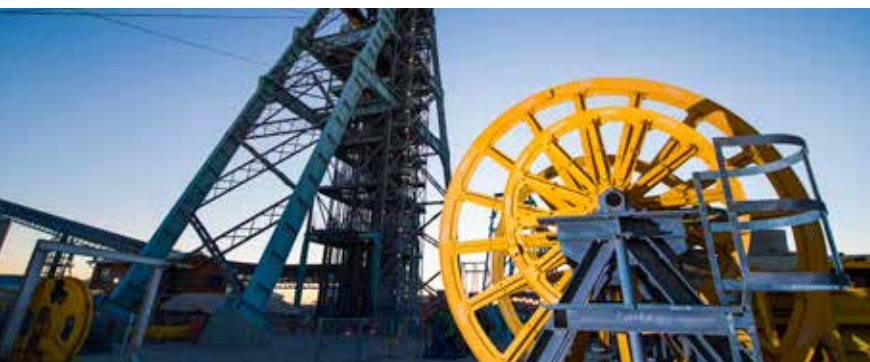


PLATINUM & PALLADIUM
RESPONSIBLE
SOURCING POLICY



2020

CONTENTS

1	Platinum and Palladium responsible sourcing policy	1
2	Definition of key terms.....	6



PLATINUM AND PALLADIUM RESPONSIBLE SOURCING POLICY

Implats is committed to the highest standards of personal and professional ethical behaviour. The Board of Directors of Implats has “zero tolerance” to corruption, fraud, misconduct and dishonesty. Consistent with this, Implats supports global efforts to combat systematic or widespread abuses of human rights, to avoid contributing to conflict, to comply with high standards of anti-money laundering and to combat terrorist financing practices.

This policy seeks to align our practices with the London Platinum & Palladium Markets (LPPM) Responsible Platinum/Palladium Guidance (RPPG) and the Organisation for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

As such, we commit to refraining from any action which contributes to the financing of conflict and we commit to comply with relevant United Nations sanctions resolutions or, where applicable, domestic laws implementing such resolutions.



PLATINUM AND PALLADIUM RESPONSIBLE SOURCING POLICY

Regarding serious abuses associated with the extraction, transport or trade of minerals:

- 1** We will neither tolerate nor by any means profit from, contribute to, assist with or facilitate the commission by any party of:
 - i) any forms of torture, cruel, inhuman and degrading treatment;
 - ii) any forms of forced or compulsory labour, which means work or service which is exacted from any person under the menace of penalty and for which said person has not offered himself voluntarily;
 - iii) any forms of child labour;
 - iv) other gross human rights violations and abuses such as widespread sexual violence;
 - v) war crimes or other serious violations of international humanitarian law, crimes against humanity or genocide.

Regarding risk management of serious abuses:

- 2** We will immediately suspend or discontinue engagement with upstream suppliers where we identify a reasonable risk that they are sourcing from, or linked to, any party committing serious abuses as defined in paragraph 1.

Regarding direct or indirect support to non-state armed groups:

- 3** We will not tolerate any direct or indirect support to non-state armed groups through the extraction, transport, trade, handling or export of minerals. "Direct or indirect support" to non-state armed groups through the extraction, transport, trade,

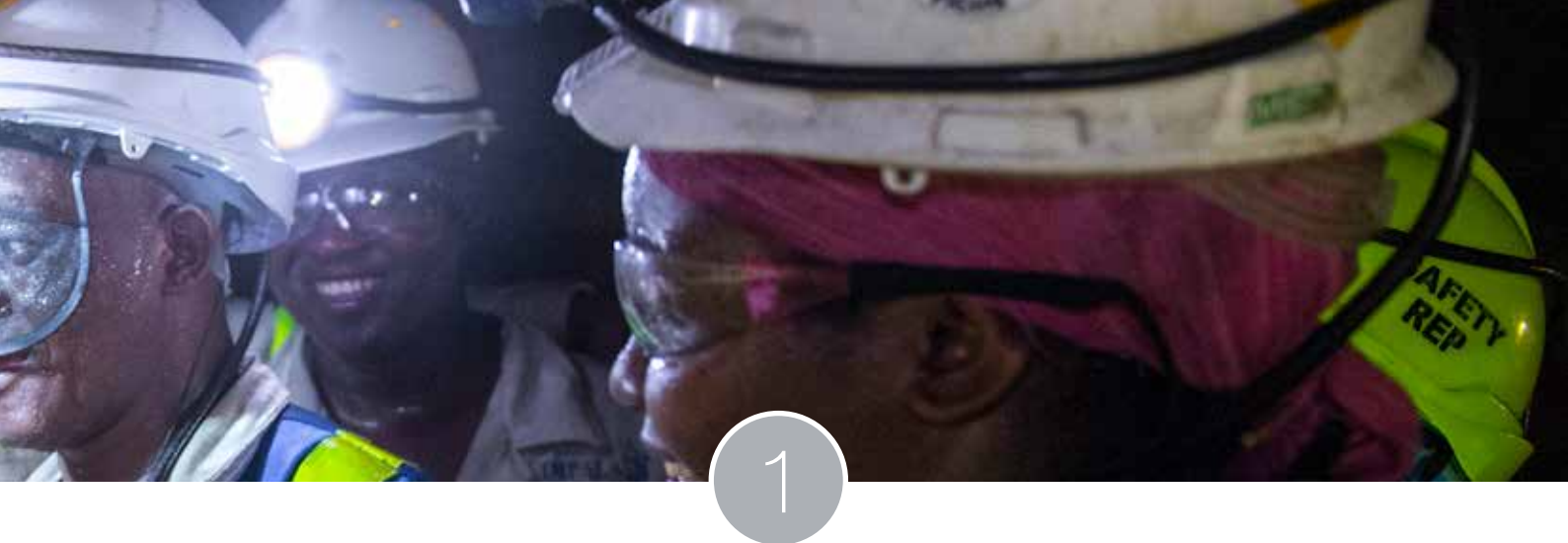
handling or export of minerals includes, but is not limited to, procuring minerals from, making payments to or otherwise providing logistical assistance or equipment to, non-state armed groups or their affiliates.

Regarding risk management of direct or indirect support to non-state armed groups:

- 4** We will immediately suspend or discontinue engagement with upstream suppliers where we identify a reasonable risk that they are sourcing from, or linked to, any party providing direct or indirect support to non-state armed groups as defined in paragraph 3.

Regarding public or private security forces:

- 5** We will not provide, in accordance with paragraph 9, 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 point of access to mine sites, along transportation routes or at points where minerals are traded; or illegally tax or extort intermediaries, export companies or international traders.
- 6** We 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, and protecting the mine site or transportation routes from interference with legitimate extraction and trade.



PLATINUM AND PALLADIUM RESPONSIBLE SOURCING POLICY

- 7 We will support efforts, or take steps, to engage with central or local authorities, international organisations and civil society organisations to contribute to workable solutions on how transparency, proportionality and accountability in payments made to public security forces for the provision of security could be improved.
- 8 We will support efforts, or take steps, to engage with local authorities, international organisations and civil society organisations to avoid or minimise the exploitation of vulnerable groups, in particular, artisanal or small scale miners.

Regarding risk management of public or private security forces:

- 9 We will devise, adopt and implement a risk management plan with upstream suppliers to prevent or mitigate the risk of direct or indirect support to public or private security forces, as identified in paragraph 5, where we identify that such a reasonable risk exists. In such cases, we will suspend or discontinue engagement with upstream suppliers after failed attempts at mitigation within six months from the adoption of the risk management plan.
- 10 Where we identify a reasonable risk of activities inconsistent with paragraphs 6, we will respond as per paragraph 9.

Regarding bribery and fraudulent misrepresentation of the origin of minerals:

- 11 We will not offer, promise, give or demand 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.

Regarding money laundering and the payment of taxes, fees and royalties due to government:

- 12 We will support 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. We will suspend or discontinue engagement with upstream suppliers involved in money laundering. We will ensure that all taxes, fees, and royalties related to mineral extraction, trade and export are paid to governments and, in accordance with the company's position in the supply chain, we commit to disclose such payments in accordance with the principles set forth under the Extractive Industry Transparency Initiative (EITI).

Regarding identifying and assessing risks in the supply chain:

- 13 For both mined and recycled Platinum/Palladium we commit to identify risks in paragraph 1 to 12 associated with the supply chain from point of origin to the refinery in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

PLATINUM AND PALLADIUM RESPONSIBLE SOURCING POLICY

14 In order to map the supply chain and assess the risks effectively, we commit to conduct supply chain due diligence which will comprise the following:

- **Identifying the Platinum/Palladium-supplying counterparty** and verifying its identity using reliable, independent source documents, data or information;
- **Identifying the beneficial owner(s)** of the Platinum/Palladium-supplying counterparty where applicable;
- **Checking that the Platinum/Palladium-supplying counterparty** and their beneficial owners are not named on any government lists for wanted money launderers, known fraudsters or terrorists;
- **Obtaining business and financial details** with regard to the Platinum/Palladium-supplying counterparty and information on the purpose and intended nature of the business relationship;
- **For Mined Platinum/Palladium from Large/ Medium Scale Mining:**
 - Identifying the origin of the Platinum/ Palladium based on reasonable and good faith efforts; Obtaining mining license for mining operations located in conflict affected or human right abuse high risk areas, if applicable;
- **For recycled Platinum/Palladium, collecting Recycled Platinum/Palladium counterparty's AML-CFT policy and practices** if applicable.

15 Suppliers meeting the following criteria will be considered high risk and require enhanced due diligence:

- The Mined Platinum/Palladium or Recycled Platinum/Palladium originates from, has transited or has been transported via a conflict-affected or human rights abuse high-risk area;
- The Mined Platinum/Palladium is claimed to have originated from a country that has limited known reserves, likely resources or expected production levels of Platinum/Palladium;
- The Recycled Platinum/Palladium comes from a country where Platinum/Palladium from conflict- affected and human rights abuse high-risk areas are known, or reasonably suspected, to transit;
- Platinum/Palladium-supplying counterparty or other known upstream companies are located in a country representing high-risk for money laundering;
- 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 person;
- Platinum/Palladium-supplying counterparty 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.



PLATINUM AND PALLADIUM RESPONSIBLE SOURCING POLICY

16 Enhanced due diligence referred to in paragraph 15 will involve:

- **On-site investigation/visit** aimed at substantiating the documentary supply chain due diligence findings, which should be conducted within the first year of the business relationship;
- **For Mined Platinum/Palladium:** The verification of the identity of the origin of the material using reliable, independent source documents, data or information and the checking of government watch list information for each company involved in the chain located in conflict affected or human right abuse high risk areas from the mine to the refinery (including Platinum/Palladium producers, intermediaries, Platinum/Palladium traders and exporters, and transporters);
- **For Recycled Platinum/Palladium:** The verification of the identity of the origin of the material using reliable, independent source documents, data or information and the checking of government watch list information should be done for each company involved in the chain located in conflict affected or human right abuse high risk areas from the Platinum/Palladium-supplying counterparty to the refinery (including transporters);

17 The Group Executive: Refining and Marketing has been appointed as the Compliance Officer who will report any new supply chain assessed as high risk to the Implats Executive Committee who will

determine whether to continue with the business relationship or not.

- 18** An independent third party audit of the supply chain due diligence will be conducted annually by an approved auditor. The assurance report will be submitted to the LPPM.
- 19** Implats will publicly report on its Platinum/Palladium supply chain due diligence policies and practices and its compliance with the RPPG in the Group's annual sustainability report. The disclosure will cover activities over a 12-month reporting period.
- 20** Training will be provided for all staff involved in the Platinum and Palladium supply chain on identifying supply chain actors, maintaining/recording supply chain information for materials received, recognising tampering and maintaining adequate records for supply chain due diligence.
- 21** We encourage employees and external stakeholders to anonymously voice any concerns over the Platinum/Palladium supply chain.

To report suspected fraud, corruption, human rights abuse and misconduct, parties can phone our **Whistle Blower Hotline 0800 005 314**, which is available 24 hours a day, seven days a week in all official languages of South Africa.

All calls to this line are made to an independent third party and all information is treated as strictly confidential. The anonymity of all callers is guaranteed.



DEFINITION OF KEY TERMS

KEY TERM	DEFINITION
AML-CFT	Anti-money laundering – combating the financing of terrorism.
Approved Auditor	Auditor or assurance service provider approved by the LPPM to provide Responsible Sourcing audits to precious metal refiners and published in the LPPM's list of Approved Auditors on the LPPM's website (www.lppm.com).
Artisanal and Small-scale Mining (ASM)	Formal or informal mining operations with predominantly simplified forms of exploration, extraction, processing, and transportation. ASM is normally low capital intensive and uses high labour intensive technology. “ASM” can include men and women working on an individual basis as well as those working in family groups, in partnership, or as members of cooperatives or other types of legal associations and enterprises involving hundreds or even thousands of miners.
Conflict-affected and high-risk areas	Areas identified by the Heidelberg Institute for International Conflict Research Barometer Report as having ‘War’ or ‘Limited war’ with armed conflict and widespread violence, and risks of serious and widespread harm/abuses to people. Armed conflict may take a variety of forms, such as a conflict of international or non-international character, which may involve two or more states, or may consist of wars of liberation, or insurgencies, civil wars.
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.
Mined Platinum/Palladium	This term means any Platinum/Palladium or Platinum/Palladium-bearing material produced by or at a mine, in any form, shape and concentration, until it is fully refined (999.5 or greater), fabricated into a Platinum/Palladium refinery product (e.g. bar, grain) and sold.



DEFINITION OF KEY TERMS

KEY TERM	DEFINITION
Money laundering	<p>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.</p> <p>The Financial Action Task Force (FATF) (https://www.fatf-gafi.org/countries/) identifies countries with a high risk of money laundering and those being monitored for potential money laundering risk.</p>
Politically exposed persons (PEPs)	<p>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.</p>
Recycled Platinum/ Palladium	<p>Platinum/Palladium that has been previously refined. This term traditionally encompasses anything that is Platinum/Palladium-bearing and has not come directly from a mine in its first Platinum/Palladium life cycle. In practical terms, recyclable material includes end-user, post- consumer products, scrap and waste metals, and materials arising during refining and product manufacturing, and investment Platinum/Palladium and Platinum/Palladium-bearing products.</p> <p>This category may also include fully refined Platinum/Palladium that has been fabricated into grain, bars, medallions and coins that have previously been sold by a refinery to a manufacturer, bank or consumer market, and that may thereafter need to be returned to a refinery to reclaim their financial value, including grandfathered stocks.</p>



DEFINITION OF KEY TERMS

KEY TERM	DEFINITION
Platinum/Palladium origin	For Mined Platinum/Palladium that has never been previously refined, the origin is the location of the mine itself, whether a small-scale, medium or large-scale mine. The origin of recyclable Platinum/Palladium is the point in the Platinum/Palladium supply chain where the Platinum/Palladium is delivered to the Refiner.
Platinum/Palladium-supplying counterparty	A Platinum/Palladium supplier that is directly engaged with a Platinum/Palladium refinery.
Supplier	This term refers to any individual or organisation who is a participant in the supply chain for the supply of Platinum/Palladium and Platinum/Palladium-bearing materials. Terrorist financing: Terrorist financing includes the financing of terrorist acts, of terrorists and of terrorist organisations.
Supply Chain Due Diligence	With specific regard to supply chain due diligence for responsible mineral sourcing, risk-based due diligence refers to the steps companies should take to identify, prevent and mitigate actual and potential adverse impacts and ensure that they respect human rights and do not contribute to conflict through their activities in the supply chain.

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