

**SIBANYE-STILLWATER’S COMPLIANCE REPORT ON RESPONSIBLE SOURCING OF PLATINUM/PALLADIUM**

The London Platinum and Palladium Market (LPPM) Responsible Platinum/Palladium Guidance has been established for Good Delivery Refiners to adopt high standards of due diligence in order to combat systemic or widespread abuses of human rights, to avoid contribution to conflict, to comply with high standards of anti-money laundering and combating terrorist financing practices.

Sibanye Stillwater Limited (“Sibanye-Stillwater”) is a leading international precious metals mining company, with a diverse portfolio of platinum group metals (PGMs) operations in the United States and Southern Africa, gold operations and projects in South Africa, and copper, gold and PGM exploration activities in North and South America.

The company is the world’s largest primary producer of platinum and rhodium, the second largest primary producer of palladium and a top tier gold producer, ranking third globally on a gold equivalent basis, as well as a significant producer of other PGMs and associated minerals such as chrome.

In June 2019, Sibanye-Stillwater completed the acquisition of Lonmin and as such became the owner of the Precious Metals Refinery (“PMR”) held within its subsidiary, Western Platinum Proprietary Limited (“WPL”).

Sibanye-Stillwater and the WPL PMR comply with the LPPM Responsible Platinum/Palladium Guidance through the adoption and implementation of our policy for the responsible sourcing of Platinum/Palladium (“the Policy”) and our framework for the responsible sourcing of Platinum/Palladium (“Framework”). Steps taken in this regard are detailed in this report.

Table 1: Refiner’s details	
Refiner’s name	Western Platinum Proprietary Limited’s (WPL) (a subsidiary of Sibanye Stillwater Limited) Precious Metals Refinery (PMR)

Location	4/130 Platinum Road, Vulcania X 2, Brakpan, South Africa
Sibanye-Stillwater year end	31 December 2020
Reporting Period	1 January 2020 – 30 June 2020
Date of report	11 December 2020
Senior Management responsible for this report	Richard Stewart (Group Chief Operating Officer); Marizaan Siegert (Manager Corporate Compliance and the Sibanye-Stillwater Platinum and Palladium Responsible Sourcing Compliance Officer)

**Table 2: Summary of activities undertaken to demonstrate compliance**

**Step 1: Establish strong company management systems**

**Compliance Statement with Requirement:**

Sibanye-Stillwater has complied with Step 1. The Company has established strong company management systems.

1.1. Sibanye-Stillwater has adopted a company policy regarding due diligence for supply chains of Platinum/Palladium.

Comments and Demonstration of Compliance:

Sibanye-Stillwater recognises the risks of significant adverse impacts that may be associated with extracting, processing, trading, handling and exporting minerals. We recognise 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 practices, and to combat terrorist financing practices.

In January 2020, Sibanye-Stillwater adopted the Policy. Through our Policy, we strive for engagements and operations that are conducted in accordance with the LPPM's Platinum/Palladium Guidance ("LPPM RPPG") and with 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. Our Policy is applicable to all personnel including suppliers, service providers and agents in the Platinum/Palladium responsible sourcing supply chain.

1.2. Sibanye-Stillwater has set up an internal management structure to support supply chain due diligence.

Comments and Demonstration of Compliance:

**Table 2: Summary of activities undertaken to demonstrate compliance**

An internal management system, as set out in the Framework, has been set up to define the governance, roles and responsibilities, procedures, communications and senior management review as per the Policy.

The Responsible Sourcing Committee (“RSC”) has been established to govern the Policy and Framework and its members have been selected from senior management across several operational and functional areas, including operations, business development, marketing, protection services, compliance, risk, technical, and environmental, social and governance.

The RSC oversees the responsible sourcing of Platinum/Palladium, reviews and assesses the supply chain due diligence, and approves the counterparties after discussion and appropriate risk mitigation. The Compliance Officer and the Due Diligence officer manage, supervise and review the due diligence process, and report directly into the RSC.

The RSC reports to Sibanye-Stillwater’s Executive Committee (Exco). The Exco is supported by the Sibanye-Stillwater Board of Directors, who will have oversight of the supplier due diligence outcomes on high risk items.

Training was provided to selected employees and management involved in the Platinum/Palladium supply chain during the reporting period. Employees involved in the receipt and analyses of third-party material were included in the training in order to ensure heightened awareness and detection of potential issues. As a result of Covid-19 restrictions, planned training that was not able to be conducted during the reporting period was finalised shortly after the lifting of lockdown restrictions. All employees of the Sibanye-Stillwater group were informed about the responsible sourcing of Platinum / Palladium via Company email communications during the reporting period, prior to formal training being completed.

1.3. Sibanye-Stillwater has established a strong internal system of due diligence, controls and transparency over Platinum/Palladium supply chain, including traceability and identification of other supply chain actors.

**Comments and Demonstration of Compliance:**

Sibanye-Stillwater has a robust Platinum/Palladium material receipt process. Specific documents must be received, and transactional details entered before we process any Platinum/Palladium containing material. Each lot received must be accompanied by the appropriate documentation in support of the material.

**Table 2: Summary of activities undertaken to demonstrate compliance**

These documents are registered in our transactional system and confirmed through a weighing, sampling and evaluation protocol. The weight data is captured in the weighbridge management system and transferred into the Sibanye-Stillwater Metal Accounting System (MES). Approved sampling data is stored in the Laboratory Information Management System (LIMS) and also transferred into MES, Sibanye-Stillwater will ensure that these records are maintained for as least five years following our year end.

Any form of non-compliance is reported to the Manager Metallurgical Accounting – Technical Services and to the RSC. No such matters were brought to the RSC during the Reporting Period.

1.4. Sibanye-Stillwater has strengthened company engagement with Platinum/Palladium supplying counterparties, and where possible, assisted Platinum/Palladium supplying counterparties in building due diligence capabilities.

Comments and Demonstration of Compliance:

During the reporting period, Sibanye-Stillwater sent formal communication to its Platinum/Palladium counterparties advising them of our Policy responsible sourcing expectations and requirements. During the reporting period, site visits to specific counterparties were not possible due to Covid-19 restrictions. The specific site visits were however conducted in November 2020 and were used as an opportunity to share Sibanye-Stillwater’s Policy and Framework in more detail, to share our compliance expectations and to help our counterparties continuously improve their responsible sourcing processes.

1.5. Sibanye-Stillwater has established a company-wide communication mechanism to promote broad-based employee participation and risk identification to management.

Comments and Demonstration of Compliance:

Sibanye-Stillwater has deployed a mechanism across the organisation which allows for the confidential reporting of unethical behaviour such as fraud, corruption, illegal mining, product theft, theft of company property, clocking fraud, copper theft or theft of explosives anonymously.

This tip off mechanism has been expanded to ensure that any concerns over the responsible Platinum/Palladium sourcing management system or newly identified risk can be reported.

This tip off mechanism is exclusively monitored by Protection Services who have an established protocol to elevate concerns regarding responsible sourcing of

**Table 2: Summary of activities undertaken to demonstrate compliance**

Platinum/Palladium to the Due Diligence officer and from there to the RSC. No specific concerns were raised with the RSC during the reporting period.

**Step 2: Identify and assess risks in the supply chain**

**Compliance Statement with Requirement:**

Sibanye-Stillwater has complied with Step 2. The Company identifies and assesses risk in the supply chain.

**2.1. Sibanye-Stillwater has a process to identify risks in the supply chain**

Comments and Demonstration of Compliance:

Counterparties are requested to complete a due diligence questionnaire which forms the basis for our KYC checks.

The risk and insurance unit manager, who is a member of the RSC, will conduct an initial risk assessment based on the information gathered from the due diligence process for all new counterparties following the initial due diligence process. The risk assessment will be performed in accordance with the Framework and the established risk assessment matrix. Sibanye-Stillwater will conduct enhanced due diligence should any potential high risks be identified and will include, as a minimum, an on-site visit to assess the specific risk.

The initial and mitigated risk assessment is then discussed and ratified by the RSC and is minuted accordingly. A risk management strategy will be implemented should the RSC assess it necessary.

Counterparties will be monitored on an ongoing basis and the risk will be re-assessed should there be a change in feedstock, contract terms, beneficial ownership, or if any red flags are raised after its' initial approval.

**2.2. Sibanye-Stillwater assessed risks in light of the standards of their due diligence system**

Comments and Demonstration of Compliance:

As this was the first year in which the Policy and Framework were adopted, Sibanye-Stillwater completed a full due diligence process on its Platinum/Palladium counterparties in accordance with our Policy and Framework. The due diligence consisted of internal and independent third-party verification of information provided via our responsible sourcing due diligence questionnaire (including, for example, the existence of the counterparty and its shareholders; information on key management individuals; confirmation of the origin and logistics of the material and security arrangements).

**Table 2: Summary of activities undertaken to demonstrate compliance**

The RSC assessed the initial and mitigated risks identified in accordance with the Framework and no counterparties were assessed to be high risk by the RSC. As such, all counterparties were approved by the RSC for supply to the WPL PMR.

2.3. Sibanye-Stillwater reports risk assessment to the designated manager

Comments and Demonstration of Compliance:

The risk assessment of a counterparty is presented and discussed at the RSC. Should the RSC be comfortable that the potential risks have been appropriately mitigated, the RSC will approve the counterparty. The risk assessment is then signed off by senior management

**Step 3: Design and implement a management system to respond to identified risks**

**Compliance Statement with Requirement:**

Sibanye-Stillwater has complied with Step 3. The Company has designed and implemented a management system to respond to identified risks.

3.1. Sibanye-Stillwater has devised a strategy for risk management of an identified risk by either (i) mitigation of the risk while continuing to trade, (ii) mitigation of the risk while suspending trade or (iii) disengagement from the risk

Comments and Demonstration of Compliance:

For medium and high-risk counterparties, should the RSC determine that certain risks exist that are required to be mitigated and addressed, a risk management strategy will be adopted after investigating to determine the appropriate course of action. Depending on the particular risk and the significance thereof, Sibanye-Stillwater will choose not to accept any counterparty material until the risk can be appropriately mitigated. The risk and insurance unit manager has been tasked with providing a report to RSC that contains notification of the risk strategy to be adopted.

During the report period, Sibanye-Stillwater declined to accept material from one potential counterparty as the RSC determined that the supply chain risks could not be appropriately mitigated.

3.2. Where a management strategy of risk mitigation is undertaken, it should include measurable steps to be taken and achieved, monitoring of performance, periodic reassessment of risk and regular reporting to designated Senior Management.

Comments and Demonstration of Compliance:

The RSC has noted certain risks identified in respect of a counter party and the Due Diligence officer will report back at each meeting of the RSC on this monitoring. If required, the Due Diligence officer will report back immediately to the RSC Committee on any adverse findings.

Table 2: Summary of activities undertaken to demonstrate compliance
<b>Step 4: Arrange for an independent third-party audit of the supply chain due diligence</b>
<p><b>Compliance Statement with Requirement:</b></p> <p>Sibanye-Stillwater has complied with step 4. The Company has arranged for an independent third-party audit of the supply chain due diligence</p>
<p><u>Comments and Demonstration of Compliance:</u></p> <p>Sibanye-Stillwater has engaged the services of PricewaterhouseCoopers Incorporated to provide a reasonable assurance opinion on Sibanye-Stillwater’s assertions contained in this Compliance Report. The assurance report is attached hereto and available on our website: <a href="https://www.sibanyestillwater.com/responsible-sourcing/2020/assurance-report">https://www.sibanyestillwater.com/responsible-sourcing/2020/assurance-report</a></p>
<b>Step 5: Report on supply chain due diligence</b>
<p><b>Compliance Statement with Requirement:</b></p> <p>Sibanye-Stillwater has complied with step 5 in that it has reported on its supply chain due diligence.</p>
<p><u>Comments and Demonstration of Compliance:</u></p> <p>This Compliance Report, covering our Policy, Framework and responsible sourcing practices for the reporting period, has been approved by the RSC and signed by the relevant senior management. The Compliance Report is available to the public and included on our website <a href="https://www.sibanyestillwater.com/responsible-sourcing/2020/compliance-report">https://www.sibanyestillwater.com/responsible-sourcing/2020/compliance-report</a></p>

Table 3: Management conclusion
Is the refiner in compliance with the requirements of the LPPM Responsible Platinum/Palladium Guidance for the reporting period?
<p><u>Sibanye-Stillwater overall conclusion:</u></p> <p>Sibanye-Stillwater has implemented an effective and robust policy, management system, procedures, processes and practices to comply with the requirements of the LPPM RPPG as explained above in Table 2, for the six month period from 1 January to 30 June 2020. Sibanye-Stillwater is committed to continuous improvement.</p>

Table 4: Other report comments
<p>If users have any queries or wish to provide any feedback to Sibanye-Stillwater in respect of this report, please email: <a href="mailto:kleantha.pillay@sibanyestillwater.com">kleantha.pillay@sibanyestillwater.com</a></p>

**Table 4: Other report comments**



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**Richard Stewart**

**Senior Management, Responsible Sourcing Committee**

**(Group Chief Operating Officer)**

11 December 2020



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**Marizaan Siegert**

**Platinum and Palladium Responsible Sourcing Compliance Officer**

**(Manager Corporate Compliance)**

11 December 2020