

LPPM RESPONSIBLE PLATINUM AND PALLADIUM SOURCING COMPLIANCE REPORT 2024

IMPALA PLATINUM LIMITED

TABLE 1: REFINER'S DETAILS	
Refiner's name:	Impala Platinum Limited (Impala) , 87% owned by Impala Platinum Holdings Limited (Implats).
Processing entities and locations:	Impala Platinum Processing – Phokeng, North-West, South Africa. Impala Platinum Refineries – Springs, Gauteng, South Africa.
Metals in Scope:	Platinum and Palladium
Reporting period:	1 July 2023 to 30 June 2024
Date of Report:	20 September 2024
Senior Management responsible for this report:	Sifiso Sibiya, Group Executive: Refining and Marketing (Compliance Officer: Responsible Sourcing).
<p>Implats is a leading fully integrated Platinum Group Metals (PGMs) producer. The Group is structured around seven mining operations and Impala Refining Services (IRS), a refining business. Our operations are located on the Bushveld Complex in South Africa, the Great Dyke in Zimbabwe – the two most significant PGM-bearing ore bodies in the world – and the Canadian Shield. We have a primary listing on the JSE Limited in South Africa, a secondary listing A2X and a level 1 American Depository Receipt programme in the USA. In 2024, Implats earned its third consecutive inclusion in the S & P Global Sustainability Yearbook 2024.</p> <p>Impala Platinum Limited is a subsidiary of Implats. Its operations are comprised of a 10-shaft mining complex, concentrator and smelter near Rustenburg in South Africa, and a base metal refinery (BMR) and platinum metals refinery (PMR) in Springs, east of Johannesburg. Impala processes material containing PGMs and base metals from its own mining complex, Group-related companies located within South Africa and Zimbabwe, as well as other third party PGM producers.</p>	

IMPALA'S EVALUATION

TABLE 2: SUMMARY OF ACTIVITIES UNDERTAKEN TO DEMONSTRATE COMPLIANCE	
Step 1: Establish strong company management systems	
Compliance Statement:	Impala have complied with Step 1: Establish strong management systems.
1. Has the refiner adopted a company policy regarding due diligence for mineral supply chains?	
Comments and demonstration of compliance:	The Implats Responsible Sourcing of Metals policy is consistent with 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 and is available for perusal on the Implats website (https://www.implats.co.za/esg-policies-and-key-documents.php). Such policy represents an extension of the fundamental Implats values of respect, care and deliver. This policy has been utilised to review existing counterparties as well as prospective suppliers of PGM and base metal containing material. The policy has been updated to include OHS as part of the improvement plan for the operations and approved by the Impala Executive Committee during the reporting period.

Impala's Responsible Sourcing Procedure regulates implementation of the policy.

2. Has the refiner set up an internal management structure to support mineral supply chain due diligence?

Comments and demonstration of compliance:

Impala established a Responsible Sourcing Committee ("RSC") that consist of management from areas such as business development; day-to-day operation, administration, and counterparty liaison; financial management; marketing; and environmental, social and governance. The defined roles and responsibilities of each committee member are detailed in the Responsible Sourcing Procedure.

The RSC is responsible for the review of supply chain due diligence summary documents and approval of the risk rating of each mineral supplying counterparty. The RSC meets on a quarterly basis to discuss all issues pertaining to the responsible sourcing of material and to review the effectiveness of the supply chain due diligence management system.

3. Has the refiner established a strong internal system of due diligence, controls, and transparency over mineral supply chains, including traceability and identification of other supply chain actors?

Comments and demonstration of compliance:

All material received from Group companies and other counterparties are recorded and administered by means of a bespoke metal accounting and financial accounting system with the necessary checks and controls in place to ensure the accuracy and security of information. A unique contract code is assigned to each counterparty. In cases where a counterparty supplies more than one type of material, a different contract code is assigned per material type. A unique lot/batch reference number is assigned to each delivery. The date received, weights and assays are captured for each lot/batch.

Supply chain due diligence documentation is retained for a period of at least five years following the end of each financial year.

Implats have a Whistle Blower Hotline in place (<https://www.implats.co.za/esg-policies-and-key-documents.php>), which allows employees and external stakeholders to anonymously report any instance of suspected fraud, corruption, human rights abuse, and misconduct. The Hotline is managed by an independent third party. All calls are reported to Impala's internal audit department who in turn will report all mineral supply chain related incidents to the RSC members. All information is treated as strictly confidential. No incidents relating to the mineral supply chain were raised during the reporting period.

Training was provided to selected employees involved in the mineral supply chain, including operational personnel responsible for the receiving, weighing, and sampling of material.

All payments for material are by means of authorised electronic transmission of funds to a designated bank account.

The Compliance Officer: Responsible Sourcing was appointed in November 2019 and is a member of the Impala Executive Committee and an Impala Director.

Impala supports all applicable laws and regulations and at all times strives to comply fully with them. Impala cooperates with all relevant government authorities.

Implats strives to reduce its environmental footprint by mitigating environment impacts at our operations and across the value chain, guided by our core values and by means of rigorous compliance programmes. Implats' commitment to zero harm requires the responsible management of all safety and health risks and promoting employee wellbeing. Implats is committed to

maintaining the highest standards of good governance to promote quality decision making and ensure the execution of these decisions within a disciplined framework of policies, procedures, and defined delegation of authority. Impala Platinum Refineries is ISO 14001:2015 and ISO 45001:2018 certified. The annual Implats ESG Report is available on its website (<https://www.implats.co.za/corporate-reports-results-and-presentations.php>).

The material received by Impala during the period under review:

- was from long-established business relationships,
- was largely sourced from known mining sources (100% of the platinum and 99.9% of the palladium),
- with the exception of one mined source, was from either listed (or parental listed) companies, which are therefore deemed lower risk, and
- was predominantly from mined sources within whom Impala holds not less than 46% equity.

4. Has the refiner strengthened engagement with mineral supplying counterparties and, where possible, assisted the counterparties in building due diligence capacities?

Comments and demonstration of compliance:

Impala maintains close relationships with its suppliers. The Responsible Sourcing Policy has been communicated to all counterparties together with an appropriate link to the Implats website.

Addendums to existing agreements include commitment by both parties to support responsible sourcing objectives as defined in the Implats Responsible Sourcing of Metals policy. New agreements make specific reference to responsible sourcing objectives.

Step 2: Identify and assess risks in the supply chain

Compliance Statement:

Impala have complied with Step 2: Identify and assess risks in the supply chain.

1. Does the refiner have a process to identify risks in the supply chain?

Comments and demonstration of compliance:

Existing counterparties are required to complete a Know-Your-Counterparty (“KYC”) questionnaire on an annual basis, which includes the submission of relevant documents commensurate with the source operation. Prospective counterparties are required to complete a KYC questionnaire prior to the establishment of a new agreement.

Using information obtained through the KYC of all suppliers, including origin, refinery location, and transit routes, all countries in the mineral supply chains are identified and evaluated for each of the following supply chain elements:

- Material origin;
- Material transit route;
- Supplier or beneficiary location;
- Supplier or beneficiary sourcing origins over the past 12 months;
- Subsidiary location and sourcing origins, and
- Refinery location (for minerals claimed to originate from recyclable/scrap or mixed sources).

Impala makes use of *CAHRA Map* by Kumi Consulting to determine whether any of the above supply chain elements are rated as a Conflict-Affected and High-Risk Area (CAHRA) or not. The process is repeated annually.

A red flag is issued if any of the following conditions are present:

- The mined or recycled material originates from, has transited or has been transported via a conflict-affected and high-risk area (CAHRA).
- The mined material is claimed to originate from a country that has limited known reserves, limited likely resources or is expected to have limited production levels of such mineral¹
- The material is claimed to originate from a country through which material from a CAHRA is known or reasonably suspected to transit.
- The material is claimed to originate from recyclable / scrap or mixed sources and has been refined in a country where material from CAHRAs is known or reasonable suspected to transit (precious group metals only).
- Anomalies or unusual circumstances are identified through information collected which give rise to a reasonable suspicion that the material may contribute to conflict, or serious abuses associated with the extraction, transport, or trade of the metals (precious group metals only).
- The counterparty or other known upstream companies have shareholder or other interests in companies which supply material from or operate in a CAHRA where material originate from or is known to or reasonably expected to transit.
- The supplier or other known upstream companies are known to have sourced material from a CAHRA in the last 12 months.
- The supplier or other known upstream companies are located in a country which is reasonably considered to represent a country of high risk from a money laundering perspective.
- The supplier or its ultimate beneficial owner(s) with significant influence over the supplier, are politically exposed person(s).
- The metal-supplying counterparty, or other known upstream companies, are active in a higher-risk business activity, such as the arms trade, the gaming and casino industry or the field of antiques and art, or are known to have a close relationship with religious and/or political and/or other sects and their leaders.

2. Does the refiner assess risks in the light of the standards of their due diligence system?

Comments and demonstration of compliance:

Since Impala's material is predominantly sourced from South Africa and Zimbabwe and since for the period under review both countries were classified as CAHRAs, the following risk assessment was prompted:

For supply chains involving cobalt, on-the-ground assessments of mines were conducted against OECD Annex II and OSH risks and smelter inventory management systems were reviewed by trained personnel.

For all other minerals supply chains, red flag reviews were conducted for supply chains which did not involve cobalt. These supply chains were also subject to site visits in line with the template as provided by the London Platinum/Palladium Market ("LPPM") for site visits.

As part of the red flag review, independent sources were used to verify the incorporation and existence of the organisation, and mining licences and export permits were obtained to ensure legal tenure of the material being supplied. Verification of the mineral source was also performed. Suppliers and beneficiaries were screened against major sanction lists. Tax compliance status, chain of custody and environmental, social and governance or related certifications were also reviewed.

¹ When using the OECD Guidance, Annex II Model policy, this is flagged when declared mineral volumes from a country are out of keeping with its known reserves or expected production levels.

There were no potential or actual risk of harm identified in any of the supply chains based upon the above risk assessments.

3. Has the refiner determined criteria for high-risk supply chains

Comments and demonstration of compliance:

The criteria that are considered high-risk or red flags (listed in section 2.1) and which would trigger enhanced due diligence, are consistent with the OECD Red Flags and the minimum requirements of the LPPM's Responsible Platinum/Palladium Guidance ("RPPG") version 4. Such criteria are also defined in the Responsible Sourcing of Metals Policy and Procedure.

4. Does the refiner have systems in place for the monitoring of transactions?

Comments and demonstration of compliance:

Weights are compared with counterparty information upon arrival. If the weight variance between Impala and counterparty exceeds a contractual limit, the material is reweighed. All documentation that accompanies receipts is verified and material is set aside if any discrepancies are noted. Deliveries are inspected by security personnel to check for tampering. Non-compliance issues are reported to relevant personnel for resolution failing which, unresolved issues shall be reported to the RSC. No non-compliance issues were escalated to the RSC during the period under review.

Assays are exchanged with counterparties and compared in accordance with contractual requirements. When assays are outside contractual splitting limits, samples are sent to an independent laboratory for analysis. Non-typical variances are reported internally and investigated.

5. Does the refiner recognise other certifications to demonstrate compliance with due diligence requirements?

Comments and demonstration of compliance:

Certain certifications held by the supplier, as specified by the RPPG version 4, are considered when assessing risks pertaining to the supply chain. For the period under review no consideration of the abovementioned certifications was relevant.

6. Does the refiner perform continuous monitoring of risk management?

Comments and demonstration of compliance:

The due diligence process is repeated on an annual basis for existing counterparties and the outcome reported to the RSC. A counterparty will be re-assessed on an ad-hoc basis should the continuous monitoring process or other publicly available information highlight any potential change in risk. In instances where a potential risk has been identified, additional information will be requested, reviewed and risk mitigating factors will be considered where applicable.

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

Compliance statement:

Impala have complied with Step 3: Design and implement a management strategy to respond to identified risks.

1. Does the refiner report findings to designated Senior Management?

Comments and demonstration of compliance:

Any actual and potential risks identified by the mineral supply chain risk assessment will be reviewed by the RSC whereafter it will be communicated to the Impala EXCO by the Compliance Officer: Responsible Sourcing. High risks will be reported on a case-by-case basis, whereas low to medium risks will be reported on a quarterly basis.

2. Has the refiner devised a strategy for risk management of an identified risk by either (i) mitigation of risk while continuing trade, (ii) mitigation of the risk while suspending trade or (iii) disengagement from the risk?

Comments and demonstration of compliance:

Impala maintains a procedure to mitigate should risks of harm be identified in the future. This includes creating a risk mitigation plan to identify risks and risk mitigation strategies, which inter alia may include, continuing trade throughout the course of measurable risk management efforts, temporarily suspending trade while pursuing ongoing measurable risk mitigation, or disengaging with a supplier in cases where the attendant risk is of such a serious nature that mitigation thereof would be an unacceptable solution.

If the annual mineral supply chain due diligence or ongoing monitoring concludes that there is an undoubted risk relating to (i) money laundering, (ii) terrorist financing, (iii) serious human rights abuse, (iv) direct or indirect support to illegitimate non-state armed group, or (v) fraudulent misrepresentation of the origin of minerals, then such shall represent a material breach and Impala shall in such event retain a right to terminate an agreement with the counterparty.

If the annual mineral supply chain due diligence or ongoing monitoring identifies a potential risk relating to (i) direct or indirect support to illegitimate public or private security forces, (ii) bribery, (iii) non-compliance of taxes, fees, and royalties due to government, or (iv) material breaches of environmental, health, safety, labour, and community-related local legislation, and/or ESG risks that have a high likelihood of resulting in highly adverse impacts, then Impala shall require of the counterparty to take immediate steps by means of an agreed improvement plan, with the aim of achieving significant measurable improvement within a reasonable period not exceeding six months.

No existing relationship was suspended or discontinued as a result of risk mitigation during the period under review.

3. Does the refiner monitor the improvement plan when a strategy of risk mitigation is undertaken?

Comments and demonstration of compliance:

In any case where Impala has requested a counterparty to adopt an improvement plan, Impala shall, in consultation with the counterparty and affected stakeholders, record clear performance objectives, including qualitative and/or quantitative indicators to measure improvement and track performance within a period which shall normally not exceed six months. An assessment to determine whether proper measures have been undertaken by the counterparty, shall be performed when the deadline has been reached.

Should the counterparty fail to significantly mitigate the identified risk within an agreed timeframe, Impala may suspend the agreement pending significant mitigation in accordance with the improvement plan. Further failed attempts to mitigate the identified risk may result in termination of the agreement.

No formal improvement strategy was in place or has been initiated during the period under review.

4. Does the refiner report findings to the Executive Committee

Comments and demonstration of compliance:

If any actual or potential risks have been identified from the due diligence process, the Compliance Officer: Responsible Sourcing shall report it to the Impala Executive Committee.

No risks of harm were identified during the period under review.

5. Does the refiner continuously monitor adequacy of risk management strategies?
<p>Comments and demonstration of compliance: Risk mitigation plans and their effectiveness shall be monitored on an on-going basis. Any change in the supply chain may necessitate a repeat of some due diligence steps to ensure effective management of risk.</p> <p>There was no risk mitigation plans in place for the period under review and therefore no re-assessment of risk required.</p>
Step 4: Arrange for an independent third-party audit of the supply chain due diligence
<p>Compliance statement: Impala have complied with Step 4: Arrange for an independent third-party audit of the supply chain due diligence.</p>
<p>Comments and demonstration of compliance: Impala has engaged PricewaterhouseCoopers Inc. (“PwC”) to provide a reasonable assurance opinion on the assertions contained in this compliance report in line with the LPPM RPPG. The assurance report is available on the Implats website (https://www.implats.co.za/esg-policies-and-key-documents.php).</p>
Step 5: Report on mineral supply chain due diligence
<p>Compliance statement: Impala have complied with Step 5: Report on mineral supply chain due diligence.</p>
<p>Comments and demonstration of compliance: This compliance report is prepared in accordance with Step 5 of the LPPM RPPG and is available on the Implats website (https://www.implats.co.za/esg-policies-and-key-documents.php).</p>

IMPALA OVERALL CONCLUSION

TABLE 3: MANAGEMENT CONCLUSION
Impala have complied with the requirements of the LPPM RPPG for the reporting period.
<p>Compliance Statement: Impala has implemented management systems, procedures, processes, and practices to conform to the requirements of version 4 of the LPPM RPPG for the period 1 July 2023 to 30 June 2024.</p> <p>Impala is committed to continuous improvement.</p>
TABLE 4: OTHER REPORT COMMENTS
Readers of this report can contact the Compliance Officer: Responsible Sourcing to provide feedback or address relevant queries by emailing: sifiso.sibiya@implats.co.za



Sifiso Sibiya
Compliance Officer: Responsible Sourcing (Group Executive: Refining and Marketing)
20 September 2024