



RESPONSIBLE SOURCING STANDARD FOR NORTHAM PLATINUM HOLDINGS SUPPLIERS

NORTHAM
PLATINUM HOLDINGS LIMITED

March 2023

1. Introduction to Northam

Northam Platinum Holdings Limited (Northam, Northam Holdings, the company or group) is listed on the main board of the JSE in the platinum sector. The company wholly owns and operates mining operations and metallurgical facilities located on the western limb of the Bushveld Complex and mining operations on the eastern limb in South Africa. In the USA the company has a 100% interest in a platinum group metal recovery and recycling business. Northam Holdings is an independent, integrated platinum group metals producer.

2. Our approach to responsible sourcing

Northam believes that partnerships based on responsible sourcing agreements strengthen supply chain sustainability, mitigate supply chain risks, and contribute to strong and mutually beneficial relations with stakeholders. Thus, our suppliers of goods, services and raw materials play a critical partnership role in our commitment to conduct our business responsibly.

This Responsible Sourcing Standard (RSS or standard) emphasises our commitment to working together with our suppliers, in continuing to create value. This document is instrumental in ensuring that we realise our business objectives while responsibly making a positive impact on the lives of our stakeholders across the value chain. Furthermore, we seek to encourage our suppliers to reduce any potential adverse impact on the environment resulting from climate change and we advocate respect for human rights amongst all the group's stakeholders.

3. Who does this apply to

Outlined in this standard is a set of requirements which all suppliers must meet to be able to conduct business with Northam. This requirements are based on the fundamental principles that are anchored in internationally recognised standards. Furthermore, we expect and encourage our suppliers to embrace these requirements to assist us in creating value for our shareholders and stakeholders in a responsible manner.

For this standard, a supplier is any organisation or company, contractor or individual that provides, sells, or leases any goods or/and services to Northam Holdings and its subsidiaries and operating companies.

4. The fundamental principles

The fundamental principles underlying our requirements are anchored in internationally organised standards that we subscribe to, namely:

- the UN Guiding Principles on Business and Human Rights;
- the International Bill of Human Rights; and
- the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work.

We expect and encourage our suppliers to embrace these requirements to assist us in creating value for our shareholders and stakeholders in a responsible manner.

In seeking to ensure alignment with the above-mentioned international standards, we support the Initiative for Responsible Mining Assurance (IRMA) Standard for Responsible Mining, which also specifies a set of objectives and leading performance requirements for environmentally and socially responsible sourcing and supply chain practice. Accordingly, this document therefore also incorporates relevant aspects from the IRMA Standard.

In accordance with our code of ethics and conduct, we seek to work with suppliers to ensure they have the required systems and policies in place to contribute to a sustainable future, based on responsible business practices in terms of the environment, the economy and social conduct.

5. Our requirements and expectations

This RSS details the requirements which extend across six areas of sustainability, that our suppliers are expected to follow:

5.1 Protection of health and safety

Ensuring safe working conditions is a collective responsibility, requiring participation by all stakeholders. We expect our suppliers to take necessary precautions and responsibility in preserving the safety and health of their employees.

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To that end, we expect our suppliers to:

- comply with all applicable laws and regulations in the work environment. This includes having the appropriate permits, licences and other records as stipulated by the law;
- provide appropriate personal protective equipment to their employees;
- prevent work-related injuries and fatalities;
- provide regular health and safety training and to promote awareness;
- maintain an alcohol and drug free policy
- encourage employees to report all safety related incidents including near-misses and unsafe working conditions;
- have appropriate health and safety policies and procedures;
- have measures in place to prepare for potential emergencies;
- keep abreast of external safety incidents and assess the potential incidents which could harm their workforce;
- apply regular risk assessments;
- provide clean and safe accommodation (where applicable) which complies with the legal requirements
- implement a system to manage infectious diseases which ensures patient confidentiality and voluntary testing and/ or participation; and
- comply with Northam safety procedures in cases of crisis and emergency.

5.2 Adherence to ethical business practices

We are committed to the highest standard of ethical conduct, as detailed in our code of ethics and conduct. We expect our suppliers to ensure that their conduct and that of their employees conform to the values underpinning our ethical standards of respect, care, and integrity.

We expect our suppliers to conduct business lawfully and with integrity, by complying with all applicable laws and regulations, including our code of ethics and conduct and ensure that they meet requirements pertaining to:

- Anti-corruption and bribery. Suppliers shall neither provide nor accept bribes nor allow others representing them to do so;
- Anti-money laundering and the financing of terrorism. Suppliers must comply with all the laws which prevent money laundering and the combating of terrorism;
- Anti-tax evasion. Suppliers must comply with all applicable tax and trading laws, including the laws on economic sanctions, and import and export laws;

- Donations and sponsorships. Suppliers must refrain from offering sponsorships/ gifts which may be perceived to position them at an unfair advantage;
- Gifts, hospitality, and personal gain: Suppliers should refrain from offering items (gifts, entertainment and hospitality) which may be perceived to position them at an unfair advantage;
- Anti-competitive practices (price fixing and collusion);
- We encourage our suppliers to avoid conflicts of interest in their dealings with our company and our employees by proactively taking steps to declare and manage any such potential conflicts of interests, including those pertaining to their employees. All cases of such conflict must be raised formally, in writing, with Northam management;
- Encourage their employees to report any incidents of fraud, corruption, or unethical behaviour to the Northam Independent Ethics & Fraud hotline;
- Have appropriate policies and controls to ensure compliance with the above requirements.

5.3 Respect for human rights

We subscribe to and respect internationally recognised human rights as articulated in the Universal Declaration of Human Rights in line with the United Nations Guiding Principles on Business and Human Rights.

Our commitment in this area extends explicitly to the human rights of employees and labour, both those who work for Northam and our suppliers, and for the communities who host and are affected by our operations.

We have a zero tolerance approach to forced labour, child labour and unfair discrimination and labour practices.

We expect our suppliers to:

- Respect human rights and demonstrate this respect with appropriate policies and procedures in place;
- Ensure that measures are in place to prevent and address harassment, intimidation, and/or exploitation, particularly of women and other vulnerable groups;
- Protect personal information and privacy of individuals;
- Ensure that all their workers are of an appropriate age;
- Have mechanisms to identify, assess and prevent potential human rights abuses within their companies;
- Have a policy and procedure in place that prohibits the use of force and firearms by security personnel;
- Have a mechanism for their stakeholders to blow a whistle on human rights abuses and unethical business conduct.

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In terms of labour rights we encourage and expect our suppliers to treat their employees fairly and with respect. This includes:

- Respect for their employees' right to lawful freedom of association and collective bargaining.
- Treating all their employees equally, with respect and dignity.
- Informing workers of the hazards associated with their work, the health risks involved and relevant preventative and protective measures.
- Fair remuneration for reasonable hours of work
- Having a zero tolerance approach to slavery, forced and child labour.
- Prohibiting all forms of unfair and illegal discrimination.
- Ensuring that their workers have mechanisms that allow them to raise and seek resolutions for work related complaints and grievances.
- Having a mechanism for their stakeholders to report labour rights abuses.
- Having appropriate policies and controls for the protection of labour rights of their employees.

6. Environmental responsibility

We recognise that the environment represents a strategic and limited resource for both current and future generations. We are therefore committed to minimising the impact of our operations by applying appropriate, cost-effective measures and technology to foster environmentally sustainable development.

6.1 We expect our suppliers to:

- Comply with all applicable laws and regulations aimed at protecting the environment.
- Where applicable carry out screening to evaluate any potential impacts on biodiversity, ecosystem, and protected areas, and take steps to mitigate and minimize their operation's impact.
- Obtain and maintain all applicable environmental authorisations. This includes permits, licences and other records as stipulated by the relevant law.
- Have procedures for handling chemical and other hazardous materials safely and discarding thereof in a responsible manner.
- Maintain a high level of emergency preparedness to manage adverse environmental events.
- Put effort in improving their efficiencies on energy, water, and natural resources usage.

- Monitor their air emissions, including greenhouse gases), energy efficiency, water quality and quantity, and ensure that waste and wastewater is managed appropriately.
- Engage in effort to transition to a low carbon economy.
- Eliminate unnecessary packaging and use recyclable packaging where possible.
- Monitor noise and vibration emanating from their operations to preserve the health and well-being of nearby noise receptors, and to protect offsite structures from vibration impacts.
- Regularly evaluate the performance of their waste facilities to assess the effectiveness of their risk management measures.
- Have appropriate policies and controls to effectively manage their environmental performance and potential impacts on climate change.
- Comply with Northam's procedures when working onsite.

7. Foster good community relations

Our operations aspire to have a lasting and positive impact on the lives of communities in which they operate, thereby maintaining open and robust engagements with the mine communities affected by our operations.

- We treat our communities with respect and communicate openly with our local stakeholders to understand and address their concerns.
- In keeping with our values of respect, care, and integrity, when present in our host and affected communities, we expect our suppliers to:
 - Treat members of our communities with respect, care, and dignity.
 - Evaluate and mitigate any potential health and safety risks
 - Interact with our communities fairly, with honesty and objectivity.
 - Respect the diversity, heritage, and cultures of our host communities.
 - Conduct activities in a manner that aims to minimize adverse impacts on the environment and the livelihood of communities.
 - Have zero tolerance for undesired activities such as threatening behaviour, sexual exploitation, and intimidation.
 - Where possible contribute the quality of life in our communities.
 - Partake in community engagement activities as per site procedures and requirements.

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Implementation and compliance

In addition to sharing this standard on our website, this standard will be communicated to all our current and prospective suppliers during the onboarding processes and various sourcing events.

We undertake to communicate appropriate due diligence of our current and prospective suppliers using a risk-based approach:

- During pre-qualification, the tendering process, or at the renewal of existing contract term we will conduct risk assessments of our suppliers.
- Conduct ongoing compliance audits of selected suppliers based on the criticality of their goods and/or services offerings, as well as nature of the contractual agreement.
- Based on the risk assessment results, suppliers may be required to complete a self-assessment questionnaire against this standard.
- In some instance we might conduct further due diligence, and
- where applicable use third party verification agents.
- We expect our suppliers to cooperate by adhering to this standard and partake in addressing any non-conformances to the standard.

Where possible, Northam undertakes to work together with the supplier to determine appropriate corrective action(s). The corrective action(s) will be monitored by Northam and the affected supplier until both parties are content that the desired outcome has been achieved.

8. Breaches of the standard

Northam reserves the right to suspend or terminate a relationship with a supplier should there be a reason to suspect or if proof exists that the supplier is in breach of this standard and refuses to demonstrate reasonable and timely efforts to effect remedial actions to comply with the principles outlined in this standard. A breach refers to serious non-compliance to the principles outlined in this standard, with failure to demonstrate willingness to remedy the situation or where the breach cannot be remedied.

Should breach of this standard occur, the supplier is expected to remedy the situation by:

- Timeously reporting the breach to Northam
- Develop corrective action plans with measurable outcomes
- Regularly report to Northam on the progress regarding corrective actions being undertaken to resolve the situation.
- Take steps to prevent reoccurrence.

We encourage our suppliers to share and apply the requirements detailed in this standard with their own employees and supply chain.

References

This standard should be read against the background of the following standards, policies, guidelines and frameworks:

- The Northam Code of Ethics and Conduct,
- The Northam environmental policy,
- The Northam human rights policy,
- The Initiative for Responsible Mining Assurance (IRMA).

This standards document was approved by the executive committee in February 2023 and will be subject to review and updated as it becomes necessary