

REPORT FROM THE INDEPENDENT ASSURER

Independent Assurance Report to the management and stakeholders of Northam Platinum Limited

Our brief

Northam Platinum Limited ("Northam Platinum") appointed Environmental Resources Management Limited ("ERM") to provide independent assurance on selected information related to its Sustainable Development Report 2011 and associated web pages ("the Report") for the year ended June 2011 as follows:

- A. **Global Reporting Initiative (GRI) G3.1 application:** Northam Platinum's self-declared B+ level of GRI-G3.1 application on page 44;
- B. **AA1000 AccountAbility Principles:** Northam Platinum's status of alignment against the AA1000 AccountAbility Principles of Inclusivity, Materiality and Responsiveness; and
- C. **Selected Performance Indicators (KPIs) as follows:**

Environmental Performance

- Materials used (including timber, explosives, oxygen, sulphuric acid, grease, lubricating and hydraulic oils) [page 36];
- Energy used from electricity, diesel, petrol, coal, jet fuel and paraffin [page 3, 7, 35, 38];
- Scope 1 and 2 greenhouse gas (GHG) emissions [page 3, 7, 35, 39];
- Volume of water used and recycled [page 3, 7, 35, 38];
- SO₂ emissions [page 3, 35, 39];
- Area of land under management, disturbed by mining and rehabilitated [page 40]; and
- Closure plans, amount in trust funds and closure liability [page 40, 41, 42].

Health and safety performance

- Fatality injury incidence rate (FIIR) [page 3, 7, 10, 23];
- Lost time injury incidence rate (LTIR) [page 3, 7, 10, 23, 24];
- Total injury incidence rate (RIIR) [page 7, 10, 23, 24];
- Reportable injury incident rate [page 7, 10, 23, 24];
- Total number of shifts lost [page 3, 23];
- Number of annual medical surveillance examinations [page 25];
- Number of entry medical surveillance examinations [page 25];
- New cases of noise induced hearing loss (NIHL) [page 7, 24, 25];
- Number of Section 54 stoppages [page 3, 9, 19, 23, 24];
- Total number of voluntary counselling and testing (VCT) encounters [page 7, 25]; and
- Total number of people on anti-retroviral treatment (ART) [page 3, 7, 24, 25].

Labour performance

- Total workforce (number of employees and contractors) [page 25, 46];
- Labour turnover [page 3, 7, 26, 28, 46];
- Collective bargaining (number of employees represented per union) [page 27];
- Training and education (budget) [page 31];
- Number of women in mining as a percentage of total workforce [page 3, 26, 30];
- Number of historically disadvantaged South Africans (HDSAs) in management [page 29];
- Corporate social investment/local economic development (CSI/LED) spend [page 7, 34]; and
- Adult basic education and training (ABET) participation and pass rates [page 30, 31].

Our approach

Standards and criteria used

We performed our work in accordance with the AccountAbility AA1000 Assurance Standard (AS) 2008 Type 2 requirements. We used the following assessment criteria when undertaking our work: AA1000 AccountAbility Principles Standard (APS) 2008 and Northam Platinum's Sustainable Development Data Reporting Guidelines.

Level of Assurance and engagement limitations

We planned and performed our work to obtain all the information and explanations that we believe were necessary to provide a basis for our assurance conclusions as to whether the reported information set out in 'Our Brief' was free from material misstatement (moderate assurance as per AA1000 AS 2008).

The evidence gathering procedures for moderate assurance are more restricted than for high assurance and therefore less assurance is obtained with moderate assurance than for high assurance (as per AA1000 AS 2008).

The reliability of the reported information and data is subject to inherent uncertainty, given the available methods for determining, calculating or estimating the underlying information. It is important to understand our assurance conclusions in this context.

Our work

A multi-disciplinary team of sustainability and assurance specialists with experience in Northam Platinum's industry sector performed work at corporate level and at its operating location. Our assurance activities included:

- Face-to-face interviews to understand and test the processes in place for reporting on the AA1000 Principles and the KPIs, and the underlying data management systems;

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- Site visits to Northam Platinum's Zondereinde operation, which involved testing, on a sample basis, the measurement, collection, aggregation and reporting processes in place;
- Reporting our assurance findings to management as they arose to provide them with the opportunity to correct them prior to finalisation of our work; and
- Reviewing the presentation of information relevant to the scope of our work in the Report to ensure consistency with our findings.

Respective responsibilities and ERM's independence

Northam Platinum is responsible for preparing the report and for the collection and presentation of information within it. ERM's responsibility is to express our assurance conclusions on the agreed brief.

ERM maintains strict policies related to conflict of interest and we have confirmed our independence to Northam Platinum in delivering our assurance engagement.

Our assurance conclusions

Based on the work undertaken as described above, we conclude that in all material respects the following information selected for this assurance engagement is free from material misstatement:

- A. Northam Platinum's self-declared B+ level of GRI-G3 application on page 44.
- B. Northam Platinum's status of alignment against the AccountAbility 1000 Principles of Inclusivity, Materiality and Responsiveness; and
- C. The selected KPIs as presented throughout the Report.

Our key observations and recommendations

Based on our work set out above, and without affecting our conclusions, our key observations and recommendations for improvement are:

In relation to the Inclusivity Principle

As presented within the Report, Northam Platinum engages a wide range of stakeholders at corporate and operational level. Looking forward, we recommend that Northam Platinum continues to develop and document its overarching group stakeholder engagement strategy

and policy so that the stakeholder participation process is more robust, balanced and responds to the views and expectations of stakeholders.

In relation to the Materiality Principle

ERM commends Northam Platinum's continuing drive to determine and report on its material issues in a transparent and balanced manner. We recommend that Northam Platinum improve its documenting of clear criteria for determining its material sustainability issues.

In relation to the Responsiveness Principle

ERM recognises that Northam Platinum has been responsive to stakeholders such as employees, media and shareholders. ERM recommends that Northam Platinum improve its documenting and reporting on how it also has responded to other stakeholders, such as communities.

In relation to the selected Performance Indicators

We recommend that Northam Platinum review and update the Sustainable Development Data Reporting Guidelines, in particular with respect to clarifying uncertainties related to the Lost Time Injury (LTI) definition and ensuring consistency in its LTI reporting.



AA1000

Licensed Assurance Provider
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Environmental Resources Management Limited (ERM)

Johannesburg 11 October 2011

ERM is an independent global provider of environmental, social and corporate responsibility consulting and assurance services. Over the past 5 years we have worked with over half of the world's 500 largest companies, in addition to numerous governments, international organisations and NGOs.

Our assurance statement provides no assurance on the maintenance and integrity of the website, including controls used to maintain this, and in particular whether any changes may have occurred to the information since it was first published. These matters are the responsibility of Northam Platinum and no control procedures can provide absolute assurance in this area.