

Responsible Platinum/Palladium Guidance

Version 4 – November 2022

Introduction

The **London Platinum and Palladium Market**, (the “LPPM”) created its **Responsible Platinum/Palladium Guidance** (the “Guidance” or “RPPG”) for Good Delivery Refiners and members of the Sponge Accreditation Lists in order to combat systematic or widespread abuses of human rights, to avoid contributing to conflict, to comply with high standards of Anti-Money Laundering and combating terrorist financing practice. This Guidance formalises and consolidates existing high standards of due diligence amongst all PGM Refiners, called the LPPM Responsible Sourcing Programme (the “Programme”).

The Guidance follows the five-steps framework for risk-based due diligence of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas adopted on 15 December 2010.

Refiners should use the Toolkit (available on the LPPM website <https://www.lppm.com/>) to implement the requirements within this Guidance. Refiners may be asked to justify any substantive deviations from the Toolkit.

This Guidance should be interpreted as a minimum threshold upon which Refiners should build and continually improve their due diligence practices across each of the key areas. The concept of continuous improvement is an integral component of the Programme and underpins the spirit of the five-steps framework.

Refiners retain ultimate responsibility for the scope and quality of their due diligence activities, for the actions taken to respond to actual adverse impacts or the identified risks of adverse impacts, and for public reporting on the steps undertaken to protect their supply chains.

The overarching requirement of the RPPG is that all Refiners must be aware of, and comply with, the laws, rules and regulations applicable to them and the precious metals market in each jurisdiction in which they do business (Applicable Laws). This Guidance does not provide a legal defence to a violation of any Applicable Laws. It is expected that all parties directly involved in the Platinum/Palladium supply chain, including upstream producers, comply with all Applicable Laws.

Scope

All Good Delivery Refiners producing Platinum/Palladium and members of the Sponge Accreditation Lists (“Refiners”) must comply with the Guidance in order to remain on the approved Platinum/Palladium List. Failure to meet this continuing obligation may result in the suspension or removal of a refiner from the relevant Refinery List at the LPPM's sole discretion.

Any Refiner applying to be an approved Platinum/Palladium Refiner must implement the Guidance and pass a reasonable audit covering a 12-month period prior to becoming a member of the Platinum/Palladium Refinery List. All applicants must use an auditor on the LPPM Approved Service Provider List (available on the [LPPM website](#)).

Programme Governance

Details of the LPPM governance of the Programme can be viewed on the LPPM website.

Disclaimer

This Guidance is intended for the use of Good Delivery Refiners, applicants to the Good Delivery List, members of one or both Sponge Accreditation Lists, applicants to be a member of one or both Sponge Accreditation Lists and LPPM Approved Auditors. Nothing in this Guidance should be relied upon by any third party for assurance,

due diligence, or compliance purposes or for any other purpose whatsoever and neither the LPPM nor its constituent members accept any liability in relation to any such reliance or for any loss, damage or liability arising from the use of or reliance upon this Guidance by any third party for any other reason whatsoever.

The LPPM reserves the right to revise the document at any time, based on emerging good practice and implementation experience.

Definitions

AML: Anti-Money Laundering – Combating the Financing of Terrorism

Assurance Provider: Assurance service provider approved by the LPPM to provide Responsible Sourcing audits to Platinum/Palladium refiners and published in the LPPM's list of Approved Auditors on the LPPM's website.

Country of Origin: For Mined (Primary) Platinum/Palladium that has never been previously refined, the origin is the location of the mine itself. For Recycled (Secondary) Platinum/Palladium the origin location is considered to be the country from which the Platinum/Palladium has been shipped, before being received by the Refiner.

Environment, Social and Governance (ESG): Decision-making that considers the ESG factors as outlined in Step 1:1

High-Risk: For the purpose of this Guidance, High-Risk may apply to any or all parts of a Platinum/Palladium supply chain and any actor in a Platinum/Palladium supply chain that is at a higher risk of being associated with or contributing to armed conflict, widespread violence, systematic or widespread Human Rights abuses, Money Laundering or financing of terrorism.

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.¹ Refiners should also consider the United Nations Guiding Principles on Business and Human Rights. The United Nations has gradually expanded human rights law to encompass specific standards for women, children, persons with disabilities, minorities and other vulnerable groups, who now possess rights that protect them from discrimination that had long been common in many societies¹.

ISAE 3000: International Standard on Assurance Engagements ISAE 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information.

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. sponge, bar, grain) and sold.

Mining By-product: This term means a by-product of mining operations or processes, such as Platinum/Palladium obtained from the mining of base metals - for example from nickel, zinc, copper ore, in which Platinum/Palladium may be a trace constituent. The origin of Mining By-product Platinum/Palladium should be deemed to be the point at which trace Platinum/Palladium is first separated from its parent mineral ore. The Refiner's due diligence should ensure that false representations are not made to hide the origin of newly mined Platinum/Palladium through Mining By-products.

Money Laundering: 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.

¹ They include the Convention on the Prevention and Punishment of the Crime of Genocide (1948), the International Convention on the Elimination of All Forms of Racial Discrimination (1965), the Convention on the Elimination of All Forms of Discrimination against Women (1979), the Convention on the Rights of the Child (1989) and the Convention on the Rights of Persons with Disabilities (2006), among others. UN Human Rights: <https://www.un.org/en/global-issues/human-rights>

Politically exposed persons (PEPs): Individuals and their family members and close associates (either foreign or domestically based) who are or have been entrusted with prominent public functions by a particular country. These individuals can include heads of state or government, senior politicians and government officials, senior executives of state-owned corporations and important political party officials. The definition of PEPs is not intended to cover middle-ranking or more junior individuals in the foregoing categories. Many PEPs hold positions that can be abused for the purpose of laundering illicit funds or other offences predicated on the abuse of power such as corruption or bribery. PEP status does not predict criminal behaviour, but the additional

risk exposure it brings means that Refiners must apply additional AML/CFT measures when establishing a business relationship.

Recycled Platinum/Palladium: 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. 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.

Refiner: A Platinum/Palladium organisation shown on the LPPM Refiner List

Refiner List: A List of refiners shown (by organisation and country) on the LPPM web site of Good Delivery Refiners and Sponge Accreditation Refiners.

Responsible Sourcing Review Committee (RSRC): The LPPM committee, appointed by The Management Committee (MC) of the LPPM to oversee the policy development and implementation of the Responsible Sourcing programme.

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 considered to be the country from which the Platinum/Palladium has been collected and shipped.

Platinum/Palladium: Platinum and / or Palladium, jointly or severally. The term **Platinum Group Metal (“PGM”)** means the same, in the context of this Guidance.

Platinum/Palladium-supplying counterparty: A Platinum/Palladium supplier that is directly engaged with a Refinery.

Sponge: A powdered form of Platinum/Palladium. Sponge is the form normally required for the manufacture of many PGM-based chemical and catalysts.

Sponge Accreditation List: The London Platinum and Palladium Market Sponge Accreditation List. The process for Sponge accreditation is similar to the full Good Delivery bar application process, including the LPPM Responsible Sourcing annual audit.

Supplier: This term refers to any individual or organisation who is considered to be 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.

Ultimate Beneficial Owner: Ultimate Beneficial Owner refers to the natural person(s) who ultimately owns or controls a customer and/or the natural person on whose behalf a transaction is being conducted. It also includes those persons who exercise ultimate effective control (over 25%) over a legal person or arrangement.

Acronyms

- AML:** Anti-Money Laundering – Combating the Financing of Terrorism.
- CAHRA:** Conflict-Affected and High-Risk Area
- DD:** Due Diligence
- EDD:** Enhanced Due Diligence
- ESG:** Environment, Social and Governance
- EITI:** Extractive Industry Transparency Initiative
- EU:** European Union
- GD:** Good Delivery
- GDL:** Good Delivery List
- ISAE 3000:** International Standard on Assurance Engagements
- KYC:** Know Your Customer or Counterparty
- LBMA:** London Bullion Market Association
- LPPM:** London Platinum and Palladium Market
- LSM:** Large-Scale Mining
- NGO:** Non-Governmental Organisation
- OECD:** Organisation for Economic Co-operation and Development
- PEP:** Politically Exposed Persons
- RGG:** Responsible Gold Guidance
- RMI:** Responsible Minerals Initiative
- RSRC:** Responsible Sourcing Review Committee
- RPPG:** Responsible Platinum and Palladium Guidance
- SAL :** Sponge Accreditation List
- UBO:** Ultimate Beneficial Owner

Step 1 – Establish strong company management systems

1. Adopt a company policy regarding due diligence for supply chains of Platinum/Palladium.

Refiners must adopt a Platinum/Palladium supply chain policy which is consistent with the Model Policy set forth in Annex II of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (CAHRA) and extends to addressing adverse ESG factors

Refiners are required to undertake due diligence on all material supplied to them, regardless of Platinum/Palladium content (%) or quantity (OzT).

The policy should cover at least the following topics:

- Scope.
- Organisation and responsibilities.
- Identification and assessment of risks, including all risks described in Annex II of the OECD Guidance and consideration of ESG factors.
- Criteria for high-risk Platinum/Palladium supply chain that meet, at a minimum, the requirements under Step 2.2 of this Guidance.
- Detailed and meaningful supply chain & KYC due diligence processes that meet, at a minimum, the requirements under Step 2.2 of this Guidance.
- Monitoring of transactions that meet, at a minimum, the requirements of Step 2.2 of this Guidance.
- Maintaining records of due diligence documents and supply chain traceability system.
- Employee training.
- Whistleblowing and grievance mechanism.

2. Set up an internal management structure to support supply chain due diligence

Refiners must establish internal governance structures to provide effective oversight of the implementation and continuous improvement of the supply chain due diligence programme.

Refiners' internal management system should collect and maintain documentation regarding the sources of Mined Platinum/Palladium, Recycled Platinum/Palladium, or any other feedstock, in order to ensure that they have not financed conflict, have not participated in abuse of human rights or money laundering, nor financed terrorism at any point in the supply chain.

Board level oversight.

The Refiner must assign ultimate authority and accountability to the Board, or a committee appointed by the Board, including the appointment of a Compliance Officer to take responsibility of all due diligence in the supply chain.

The general outline of a best practice for such a structure is as follows:

- Assign authority and responsibility to Senior Management with the necessary competence, knowledge, and experience to oversee the supply chain due diligence process.
- Ensure availability of resources necessary to support the operation and monitoring of these processes.
- Put in place an organisational structure and communication processes that will ensure critical information, including the company policy, reaches relevant employees and Platinum/Palladium-supplying counterparties.
- Ensure internal accountability with respect to the implementation of the supply chain due diligence process.
- Senior managers should review the effectiveness and performance of their supply chain due diligence procedures regularly and document the results of these reviews.

3. Establish a strong internal system of due diligence, controls, and transparency over Platinum/Palladium supply chains, including traceability and identification of other supply chain actors

Supply chain traceability system

Refiners will establish a supply chain traceability system that collects and maintains supply chain information for each lot refined, including assigning a unique reference number to each input and output in a manner that tampering, or removal will be evident. Such information should include:

- Type of Platinum/Palladium received (Mined or Recycled);
- Weight and assay (declared and processed);
- Reference to the Platinum/Palladium supplying counterparty due diligence file;
- Date of arrival at the refinery and date of finalisation of the refining process.

Maintaining records

Refiners should maintain adequate records of the supply chain documentation, as requested in Step 2.2, section 2 (assess risks in light of the standards of their supply chain due diligence system) in order to demonstrate that appropriate and ongoing due diligence has been followed. These records are required to be maintained for at least five years following the end of the Refiner's fiscal year.

Confidential whistleblowing and grievance mechanism

Refiners must establish a confidential Whistleblowing grievance mechanism, so that employees and external stakeholders (including suppliers, contractors, customers or any other individual) may report new, or newly identified, risks to the Refiner's supply chain and / or the integrity of the industry and the Programme.

The mechanism must be designed to be:

- Accessible at all times, regardless of the geographical location of the individual lodging a grievance
- Confidential and respectful of the individual
- Free of risk or reprisal for the individual providing the information
- Independently administered and subject to rigorous scrutiny and follow-up
- Properly publicised, including, but not exclusively, on the company's website.
- Compliant with all relevant applicable laws and codes.

Training

Refiners should develop an ongoing Platinum/Palladium supply chain training program for all staff involved in the Platinum/Palladium supply chain. Details of this activity should be recorded, for attendance and understanding.

Compliance Officer

Refiners should nominate a Compliance Officer who reports to Senior Management.

The Compliance Officer is responsible for all matters regarding the Platinum/Palladium supply chain. In particular, they review the Platinum/Palladium supply chain due diligence and assesses if the due diligence is adequate and request additional documentation or information if necessary. They ensure that appropriate measures are executed in case of high-risk supply chains or transactions. They are also responsible for the training of the employees with respect to the responsible supply chain, to prepare and update the Platinum/Palladium supply chain policy, and to give proper information to the Senior Management for them to perform their duties.

Payment through official banking channel

Any cash transaction to which the Refiner is party should be clearly motivated and justified, supported by verifiable information and approved by Senior Management. Refiners should show on-going commitment to a process of moving away from the use of cash payments to suppliers and towards payments for Platinum/Palladium through official banking channels or the crediting of metal through the Refiner.

Participants in official banking channels often discourage or prohibit so-called Third Party Payments to suppliers because they are fraught with risk. Refiners asked to make such payments, that wish to maintain a transparent supply chain, should be aware of and mitigate such risks.

Cooperation with government authorities

Refiners must cooperate fully and transparently with government authorities and provide full access to records and information as appropriate.

Environment, Social and Governance (ESG) Factors

Refiners must demonstrate compliance with environmental, health, safety and labour regulations in their country of operation and/or with their company ESG policy. Such compliance should encompass all applicable laws and legislation concerning:

- Environmental management, which should include:
 - Air, water, land pollution and incident management plans
 - Water stewardship, especially in water scarce and stressed areas
 - No unauthorized sourcing from World Heritage Sites and Protected Areas.
 - Safe storage, handling, and disposal of hazardous chemicals,
- Management of labour issues, including remuneration, working hours, collective bargaining, discrimination, diversity, disputes and safeguarding of workers.
- Community engagement and management programmes (land acquisition and community resettlement, cultural heritage sites and indigenous people, closure planning and safeguarding of vulnerable populations).
- Management of business integrity and ethical conduct and supporting the implementation of relevant initiatives such as the EITI.

4. Strengthen company engagement with Platinum/Palladium-supplying counterparties and, where possible, assist Platinum/Palladium-supplying counterparties in building due diligence capacities

Refiners are encouraged to build long-term relationships based on trust and mutual recognition with their suppliers.

Refiners are required to ensure that their Platinum/Palladium-supplying counterparties commit to, and acknowledge in writing the compliance with, a supply chain policy consistent with their own supply chain policies and requirements and are included into all contracts and agreements with the supplying counterparty.

Refiners must define a process to promote responsible sourcing practices throughout the supply chain and assist Platinum/Palladium supplying counterparties or prospects in improving their responsible supply chain practices. For example, Refiners can communicate their expectation and provide guidance or share practices during on-site visits to help counterparties improve their practices.

STEP 2 - Identify and Assess Supply Chain Risks

1. Identify risks in the Platinum/Palladium supply chain

When sourcing Mined Platinum/Palladium and/or Recycled Platinum/Palladium, Refiners should identify risk in accordance with Annex II of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from CAHRAs as well as additional location, supplier or type of material-based high risks.

2. Assess risks of their supply chain due diligence system

Supply chain due diligence

In order to assess risks in the Platinum/Palladium supply chain effectively, Refiners should perform supply chain Due Diligence (DD) following a risk-based approach before entering into a business relationship with any Platinum/Palladium-supplying counterparty. The assessment of risk in a supply chain begins with the origin of Platinum/Palladium (including recycled Platinum/Palladium). This means that DD should be undertaken throughout the supply chain, beyond the direct supplier wherever necessary.

As a minimum supply chain DD measures will comprise the following:

Location risk identification should include:

- Determination of the origin of the Platinum/Palladium:
 - Mined Platinum/Palladium: The location of the mine
 - Recycled Platinum/Palladium: The point in the supply chain where the Platinum/Palladium is received by the Refiner or other downstream intermediate processor or recycler.
 - Mining By-product: The point of separation of Platinum/Palladium from the mineral base.
- Verification that sourcing from the Country of Origin is not in breach of any relevant international sanctions. Refiners are to comply with all relevant economic/trade sanctions lists and in case of doubt, are strongly advised to seek legal guidance.
- This location-based risk identification process must include an integrated assessment of all risks outlined in Step 1.1.
- Sources of such an integrated assessment must include, but are not limited to:
 - Sanctions lists (US, UK, EU, UN, and relevant sanctions lists)
 - Dodd Frank s. 1502
 - EU CAHRA list
 - UN Human Rights Office of the High Commissioner or equivalent
 - Reports (including relevant country reports) by the Financial Action Task Force (FATF)
 - Credible market intelligence on countries where there is a high risk of money laundering.
- Identifying the Platinum/Palladium-supplying counterparty and verifying its identity using reliable, independent source documents, data or information.
- Identifying the Ultimate Beneficial Owner (UBOs) and authorised signatories of the Platinum/Palladium-supplying counterparty.
- Checking that the Platinum/Palladium-supplying counterparty and their UBOs are not named on any sanctions lists or 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.
- Obtaining and assessing, where possible and relevant:
 - Anti-money laundering and terrorist financing policies and practices,
 - Bribery and corruption policies and practices, including payment to government officials.
 - Human rights policies and practices

- Environmental policies and practices
 - Health and safety policies and practices
 - Labour policies and practices, if not already covered through other policies collected
 - Community engagement programmes
 - Ethics and business integrity policies and practices.
- Risk identification for Mined Platinum/Palladium from Mining:
 - Obtaining mining license for mining operations located in conflict affected or human right abuse high risk areas, if applicable
 - Obtaining import/export Platinum/Palladium license for Platinum/Palladium supplying counterparty located in CARHA, if applicable.
 - Collecting and assessing mining practice.
 - Obtaining data on mining and processing capacity, if available.
 - Sourcing of any third-party stock.

Note on Platinum and Palladium sourced from Mining By-Products

Where Refiners source Platinum and Palladium as a Mining By-product, a risk identification assessment should be undertaken along the supply chain including where the Platinum and Palladium is originally mined.

The Refiner will be expected to conduct due diligence on the responsible sourcing policies and practices of the by-product supplying counterparty and assess whether the counterparty has appropriately identified and managed its high-risk supply chains in relation to threat financing risks,

At a minimum the Refiner should assess the counterparty supplying the Mining By-product, or use audits, assurance or certification reports for other recognised responsible sourcing initiatives, as supporting evidence.

A Refiner that only sources Mining By-product is still subject to an RPPG assurance over its policies, processes and systems to manage the risk of false misrepresentations of origin.

- Conducting ongoing DD on the whole Platinum/Palladium supply chain

Classify supply chains based on risk profiles

Refiners should apply each of the supply chain due diligence measures described above but may determine the extent of such measures on a risk-sensitivity basis depending on the type of company, business relationship, transaction type, location of the company or transit zone. For higher-risk categories, an enhanced due diligence should be performed, and the following additional steps are required:

- On-site investigation/visit (mining sites for Mined Platinum/Palladium and Platinum/Palladium supplying counterparty office for Recycled Platinum/Palladium) for high-risk supply, 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 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 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 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).

3. High Risk Supply Chains

Refiners should determine their own criteria for high-risk supply chain. However, the following minimum criteria shall be considered high-risk and trigger EDD:

- The Mined Platinum/Palladium or Recycled Platinum/Palladium originates from, has transited or has been transported via a CAHRA or human rights abuse areas. The Mined Platinum/Palladium is claimed to be 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 CAHRA high-risk areas are known, or reasonably suspected, to transit and/or is unjustifiably claimed to have originated from a country that has limited exports of Platinum/Palladium, 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 UBOs with significant influence over the Platinum/Palladium-supplying counterparty are PEP(s)
- 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
- There is significant unexplained geographic routing from their supplier or counterparty in the supply chain.

The refiners should revisit the due diligence performed within a reasonable timeframe, which should be defined in the internal procedure for low and high-risk supply chain.

Following a change of risk level to 'high risk', refiners must perform the EDD steps within a reasonable timeframe, and apply, if required, step 3 "design and implement a management strategy to respond to identified risks".

4. Monitoring of transactions

The Refinery should conduct appropriate scrutiny and monitoring of transactions undertaken through the course of the relationship to ensure that the transactions are consistent with the Refiner's knowledge of the supply chain and risk profile. Monitoring of transactions should be undertaken by applying a risk-based approach.

In this context, the Refinery should receive and document the following information for each lot received:

- For Mined Platinum/Palladium:
 - Estimated weights and assay results (from counterparty).
 - Shipping/transportation documents (waybill/airway bill, pro-forma invoice, if applicable).
 - Export and import form for high-risk transaction, if applicable.
- For Recycled Platinum/Palladium:
 - Estimated weight (from counterparty).
 - Shipping/transportation documents (waybill/airway bill, pro-forma invoice, if applicable).
 - Export and import form for high-risk transaction, if applicable.

Refiners will verify that the documents and materials are consistent with each other and with their knowledge of the supply chain based on the due diligence performed. Refiners need to verify that the shipment received is in conformance with the shipping/transportation documents. The background of transactions which are not consistent or are in any way suspicious should be examined and the findings established in writing and reported to the Compliance Officer. The Platinum/Palladium must be physically segregated and secured as required in Step 3 of this Guidance until the inconsistencies are resolved. These findings will be reported to the appropriate authorities as applicable.

5. Recognition of other certifications to demonstrate compliance with the due diligence requirements

The following certificates may be used by the Refiner to assist in demonstrating compliance with the requirements described in Step 2, Section 2 of this Guidance:

- Mined and/or Recycled Platinum/Palladium bearing material for which a Responsible Jewellery Council (RJC) Chain of Custody Transfer Document has been issued by a RJC certified Entity; or Mined Platinum/Palladium bearing material where a Management Statement of Conformance document is issued which accompanies the Platinum/Palladium shipments over a period of time.

6. Continuously monitoring of risk management

The Board, or Senior Management appointed by the Board retains the ultimate control and responsibility for the Platinum/Palladium supply chain. After implementing a risk management strategy, Refiners should assess if Step 2 of this Guidance should be repeated, if another on-site visit is required. Any changes in the supply chain may require the Refiner to repeat some due diligence steps to ensure effective management of risk.

The Board, or Senior Management appointed by the Board should approve each new supply chain assessed as high risk and should revisit each year the decision whether to continue with these business relationships or not.

STEP 3 - Design and implement a management strategy to respond to identified risks

The objective of this section is to evaluate and respond to identified risks in order to prevent or mitigate adverse impacts. Where appropriate, Refiners should seek to enhance supplier engagement and their own systems of information collection and transparency. Where known risks or founded suspicion of upstream suppliers sourcing from or linked to any party committing zero-tolerance or high-risk abuses are identified, the Refiner must immediately cease or suspend engagement with the counterparty.

1. Report findings to designated Senior Management

Where appropriate, information gathered, and actual and potential risks identified in the supply chain risk assessment will be communicated to Senior Management.

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

If the result of the Platinum/Palladium supply chain due diligence concludes that there is: -

- Money laundering, terrorist financing.
- Serious human rights abuse.
- Direct or indirect support to illegitimate non-state armed groups
- Fraudulent misrepresentation of the origin of minerals or if the possibility of the same is deemed too high.

The Refiner should immediately cease to refine Platinum/Palladium from this provenance and report it to the appropriate authorities if applicable.

Where the result of the due diligence is not fully satisfactory or when the result of the due diligence suspects that there is a possibility of:

- Direct or indirect support to illegitimate public or private security forces,
- Bribery
- Fraudulent misrepresentation of the origin of minerals
- Non-compliance of taxes fees and royalties due to government,
- Material breaches of environmental, health, safety, labour and community-related local legislation, and/or ESG risks that have the high likelihood to result in highly adverse impacts.

The Refiner may, if the assessed company in the supply chain is using reasonable and good faith effort, continue to refine Platinum/Palladium coming from this source provided that it adopts an improvement strategy, devised with input and engagement from the supplier, which clearly defines performance objectives within a reasonable timeframe, which is approved by the Compliance Office and/or Board Committee.

3. Monitor the improvement plan when a strategy of risk mitigation is undertaken

Where Refiners decide to continue relationships as counterparties implement an improvement plan, the principles of good faith efforts to make meaningful improvements in the supply chain must be adopted. The risk management strategies must include measurable steps to be taken by the counterparty, performance monitoring, periodic reassessment of risk and regular reporting to the Compliance Officer and/or the Board Committee, as applicable.

The risk monitoring strategy should at a minimum:

- Identify significant and measurable improvements towards eliminating the risk within six months from the adoption of the improvement plan.

- Define additional measures in a revised improvement plan based on the progress achieved within the first six months.
- Formally assess performance to determine that measures have been properly undertaken by the deadline (e.g., through independent audits, a follow-up on-site visit or remote review, as appropriate).

To facilitate monitoring activities, Refiners should, as appropriate:

- Consult relevant stakeholders such as local or central authorities, upstream companies, international or civil society organisations, and affected third parties.

After the six-month time frame, Refiners should consider:

- Suspending the relationship where limited or no measurable improvement can be demonstrated, until the supplier responds to the improvement plan; or
- Terminating the relationship after failed attempts at risk mitigation and performance improvement.

4. Report findings to the Board Committee

The Board retains ultimate control and accountability for the Platinum/Palladium supply chain. Actual and potential risks identified in the supply chains and proposed risk management strategies must be communicated to the Board Committee.

5. Continuously monitor adequacy of risk management strategies

Supply chain due diligence is a dynamic process and requires ongoing risk monitoring. After implementing a risk management strategy, Refiners should assess if Step 2 of this Guidance should be repeated if, for instance, if another on-site visit is required. Any changes in the supply chain may require the Refiner to repeat some due diligence steps to ensure effective management of risk.

STEP 4 – Obtain independent third-party Assurance on the supply chain due diligence

The objective of Step 4 is for Refiners to have their supply chain due diligence policies and processes, applicable to each Refinery, independently assured by an Approved Assurance Provider. The independent assurance provides the Board, LPPM and external stakeholders with the comfort that the Refiner's supply chain due diligence policies and processes are appropriately designed and are effectively operating to meet the objectives of the Programme and to protect the Platinum/Palladium supply chains against the irresponsibly sourced material and ESG factors. It is expected that if a refiner's activities include both Platinum and Palladium that only one audit is performed. The scope of activities audited will be agreed in advance, by the refiner and auditor, and should cover all applicable metal supply chains for Platinum Palladium and associated DD activities.

Assurance Requirements

The Board Committee is responsible for the approval of an Approved Assurance Provider and must ensure that it is independent of the organisation and has the requisite competencies, experience and capacity to carry out the engagement. The Refiner must select from the list of Approved Assurance Providers, which can be viewed on the LPPM website.

Assurance objective

The Approved Assurance Provider is expected to express a conclusion on whether the Refiner's annual reporting (refer to Step 5 of this Guidance) fairly describes the Refiner's activities and on the Refiner's management's overall conclusion on meeting the objectives of the Programme. It is designed to enhance the intended users' degree of confidence in the Refiner's public Compliance Report and the confidential Country of Origin Annex.

Refiners must grant Approved Assurance Providers the requisite access to relevant sites, personnel, documentation (including previous years' management reports) and data in order for them to perform their duties.

Assurance Standards and Procedures

The LPPM will only accept and approve the ISAE 3000 revised assurance standard

Approved Assurance Providers should apply ISAE 3000 and refer to the Third-Party Assurance Guidance, specifically those sections that provide further guidance on the application of ISAE 3000 Standard. Approved Assurance Providers will provide assurance on the Refiner's Compliance Report (refer to Step 5).

Assurance Deliverables

The Approved Assurance Provider is required to provide three deliverables to the Refiner at the conclusion of the assurance engagement:

- Independent Assurance Report on the Refiners Compliance Report (Public)
- Report to Refinery Management (Confidential)
- Independent Assurance Report, by the Approved Assurance Provider, on the Refiner's Countries of Origin Annex (Confidential)

Detailed requirements of the deliverables are shown in the LPPM Responsible Sourcing Guidance 3rd party Assurance Guidance.

Reporting Period

An assurance of the Refiner's compliance with the Responsible Platinum/Palladium Guidance is required on a yearly basis, which will cover activities over a 12-month reporting period. A first full LPPM Independent

Assurance Report (Reasonable Assurance/Full Assessment) will be carried out to ensure Refiners are meeting the requirements of the Guidance. After successfully passing a full audit without instances of non-compliance, Refiners may be subject to a lower level of assurance (Limited Assurance/Assessment Review) for the next two years. A Reasonable Assurance/Full Assessment will be required every three years; however, some Refiners may choose to conduct a full audit every year. The required audit frequency will increase if instances of non-compliance are identified or if there is a significant change of circumstance in the Refiner's supply chain, or in their circumstances e.g., change of ownership or credit rating.

Submission of Assurance Report.

Copies of both full assurance reports and review reports should be submitted via email or hard copy on an annual basis. Approved Assurance Providers and Refiners will be informed if hard copies are required.

Multi-metal and Multi-site Refiners assurance reports

For logistical and cost reasons, Refiners may wish to employ the same LPPM and LBMA approved Assurance Provider to perform platinum/palladium and gold and silver assurance engagements simultaneously. The LPPM Independent Assurance Report must be performed using this LPPM Guidance, the LPPM's Third-Party Audit Guidance and the LPPM's Toolkits only. A multi-metal engagement is only acceptable if the following criteria are met:

- Refiners and Approved Assurance Providers produce separate, confidential, and independent deliverables as set out in Step 4 for the LPPM Assurance Report.
- The Refiner's supply chain policies and management systems are consistent for all metals in scope
- The multi-metal assurance engagement covers all requirements of the Programme, platinum/palladium must be assessed separately to gold/silver and to the level set out in this Guidance
- Detailed sample testing adequately covers all metals in scope (further guidance is provided in the LPPM's Third-Party Assurance Guidance)

Refiners that choose to submit assurance deliverables generated as a result of multi-metal engagement should remember at all times that the materials and supply chains for Platinum/Palladium, gold, silver and other metals are distinct and have many characteristics that differ widely from each other. Above all, the RPPG requires that any multi-metal assurance engagement results in a separate Independent Assurance Report under the terms of the Guidance for Platinum/Palladium, that shows the Refiner's particular attention to the details and risks of the Platinum/Palladium supply chain.

Refiners may continue to commission separate assurance engagements against the relevant metal guidance should they choose to.

Companies must undertake separate assurance engagements for each of their Refiners (whether listed on a LPPM Good Delivery lists(s) or one or more of the Sponge Accreditation lists). These may be part of the same engagement but separate deliverables (as set out in Step 4) are required for each individual Refiner.

Special Audits

A Special Audit has a specific focus and provides a second opinion to confirm the Refiner's compliance with the Programme during the reporting period. It can arise out of:

- Country of Origin data analysis

- Market intelligence
- Media allegations
- Whistleblowing.

Under a Special Audit the RSRC selects an auditor that is independent of the original Approved Assurance Provider. The Special Audit is an effective tool for the LPPM RSRC to address issues that arise between annual assurance engagements.

STEP 5 - Report annually on supply chain due diligence

Refiners must publicly report on their Platinum/Palladium supply chain due diligence policies and practices, with appropriate regard for security, proprietary information, and the legal rights of the other supply chain actors. Refiners must publicly report on their compliance with this Guidance on an annual basis, which will cover activities over a 12-month reporting period.

Step 5 reporting is expected to provide sufficient detail of the Refiner's supply chain due diligence policies, management systems and risk assessment processes for users of the reporting to obtain a complete, accurate, timely and balanced view of the Refiner's activities over the reporting period. The annual reporting must also detail actual performance during the year, including, the results of the risk assessment and risk mitigation steps in order for users to understand the effectiveness with which the Refiner is meeting the objectives of the RPPG.

It is expected that annual reporting will be specific to the business circumstances in each particular year, reflecting the dynamic due diligence process and showing continuous improvement.

Reporting deliverables

For assurance engagements, Refiners are required to provide the following four reporting requirements to meet the needs of different stakeholders for each reporting period:

1. Refiner's Supply Chain Policy should be documented and/or updated in line with Step 1 at the beginning of each reporting period and clearly posted on the Refiner's website
2. The Compliance Report must be submitted to the LPPM and made publicly available on the Refiner's website. Minimum information includes (but is not limited to):
 - Name of refinery.
 - Reporting period.
 - Summary of activities undertaken during the period to demonstrate compliance.
 - Refiner's level of compliance with each step of this Guidance.
 - Management conclusion statement on compliance with this Guidance.
 - The steps taken to map the circumstances of the high-risk operations and supply chains (EDD), methodology, practices and information yielded by on-site visits, and actual or potential risks identified.
 - The steps taken to strengthen traceability for high-risk supply chains, risk mitigation strategies, monitoring and tracking of performance.
 - The number of instances where the Refiner has disengaged with suppliers and/or supply chains without disclosing the identity.
3. The Country-of-Origin Annex must, meet the requirements outlined in Appendix 1. Information must include Platinum/Palladium sources (shown separately) giving the following detail:
 - Country of Origin
 - Gross weights and fine contents (Platinum and Palladium separately)
 - Received material above or below 95% purity
 - Type of material.
 - Mined Platinum/Palladium or Recycled Platinum/Palladium

Details to be excluded:

- Customer names or references
- GD Platinum/Palladium ingot or sponge received directly from a GD Refinery

The Annex will be held by the LPPM RSRC in complete confidence and only shared within the LPPM under strict embargo and for the purpose of ensuring compliance with the Guidance. It will not be divulged to any other parties outside of the LPPM or used for any purposes other than for Responsible Sourcing compliance.

4. Corrective Action Plan (Confidential)

Refiners should also submit a Corrective Action Plan to the RSRC when there is a Medium / High-Risk / Zero Tolerance Non-Compliance and/or the Refiner fails to satisfy one or more of the requirements as set out in Steps 1 to 5 of this Guidance. The Refiner's Corrective Action Plan should include (for each Medium / High-Risk / Zero Tolerance non-compliance identified):

- A description of the issue.
 - Reference to the relevant section in this Guidance.
 - Assigned risk rating of the non-compliance.
 - Corrective actions to be taken for each non-compliance identified.
-
- The timeframe for completion of corrective actions for each non-compliance identified.
 - The person responsible for the implementation of each corrective action.

At its discretion, the RSRC may require the Corrective Action Plan to be reviewed by the Approved Assurance Provider on the completion date before the next annual audit is due.

Other Public Disclosures

Refiners should make available to the public their company policy regarding Platinum/Palladium supply chain, (which should be clearly displayed on their website) the Refiner's Compliance Report with these guidelines together with the LPPM independent Assurance Report. Refiners are not required to disclose publicly the Country-of-Origin Annex report disclosing the countries of origin of Platinum/Palladium.

Clarity of disclosure of policies and public reports is fundamental to the establishment and maintenance of a responsible sourcing programme. Refiners' policies and reports should be accessible on company websites and the path to them clearly signposted. In the absence of a working company website, Refiners should make copies of the policies and most recent reports available in print, on request. Such publicity and clarity should be seen to be in the Refiner's own best interests.

Request for further information and confidentiality

The RSRC reserves the right to request further information and supporting documentation from Refiners. LPPM is committed to protecting the confidentiality of Refiners' commercially sensitive information. All confidential information will not be divulged to any other parties outside of the LPPM or used for any purposes other than for Responsible Sourcing compliance.

Incident Review Process

The Incident Review Process is invoked in response to a particular stimulus of a reputational nature. Information can come from a variety of sources (trade associations, law enforcement agencies, market intelligence, etc.) and the LPPM will seek corroboration wherever possible as part of the process. Due to the sensitivities involved, the LPPM may keep the process confidential until the issue has been resolved.

The Responsible Sourcing Review Committee (RSRC) will review the details of the complaint and the outcome will be formally communicated to all interested parties.

Failure to Comply or Change in Circumstances.

The failure or refusal to follow this Guidance (including a refiner's ongoing obligations and public reporting requirements in respect of responsible sourcing) and/or a failure or refusal to arrange for and/or submit audit reports under Steps 4 and 5 above or any other event or change in circumstances occurs which may in LPPM's view adversely affect LPPM's reputation, integrity or operation (whether or not as a result of any act or omission of the refiner) may result in the following, exercisable at the LPPM's sole discretion:

- A refusal to allow an applicant to be added to the Good Delivery List or a Sponge Accreditation List.
- Further or repeat audits under this Guidance, and/or the provision of information or further explanation from the refiner.
- Suspension from the Good Delivery List or Sponge Accreditation List(s), pending further investigations or enquiries by the LPPM.
- Removal from the Good Delivery List or Sponge Accreditation List(s).

Effective Date: Refiners shall apply this Guidance (Version 4 for the annual period beginning on or after 1 January 2023).

Appendix 1

Country of Origin Annex RS Guidance V4

All Platinum and or Palladium containing material (under 99.95%) is to be included.

The Annex will be held by the LPPM RSRC in complete confidence and only shared within the LPPM under strict embargo and for the purpose of ensuring compliance with the Guidance. It will not be divulged to any other parties outside of the LPPM or used for any purposes other than for Responsible Sourcing compliance.

To improve supply chain and transaction risk assessment, the Annex must include the following information:

- Country of Origin
 - The Country of Origin is: -
 - For mined (primary) metal, the location of the mine.
 - For recycled (secondary) metal, the country from which the material originated and any country through which it was subsequently shipped, before being received by the refinery.
- Gross and fine weights
 - The approx. gross weight of material received (in Kg)
 - The fine weight recovered (in Kg or OzT)
- Received material above or below 95% purity
 - Fine Platinum/Palladium content (in Kg or OzT) for each material and Country of origin, showing separately weights from high grade (95% and over) material and weights for non-high grade (below 95%). Material ranging above and below 95% should be separately noted
- Type of material.
 - Mined Platinum/Palladium or Recycled Platinum/Palladium
 - In all forms, including ingot, bars, sponge, and grain) and any material containing Platinum and Palladium received for refining or processing.

Exceptions

Information on Platinum/Palladium of 99.95% purity in sponge or ingot form received directly from an LPPM Good Delivery or LPPM Sponge Accredited Refiner can be excluded from the report.

Information on Platinum/Palladium of 99.95% purity in sponge or ingot form refined by an LPPM Good Delivery or LPPM Sponge Accredited Refiner and received from an LPPM Full or Associate Member can also be excluded from the report.

Notes

1. Country of Origin information must be shown for all Pt/Pd received from all companies wholly or partially owned by the Good Delivery Refiner or member of one or both Sponge Accreditation Lists.
2. All fine content weights for Pt and Pd to be shown separately and not as a combined weight.

| COO Annex Table | | | | | | |
|-------------------|--------------------|---------------------|-----------|-----------|------------------|------------------|
| Country of origin | Material Type | Approx. Gross Wt Kg | Below 95% | Above 95% | Fine Contents Pt | Fine Contents Pd |
| | Spent Autocatalyst | | √ | | Kgs or Ozt | Kgs or Ozt |

Example of RS Audit V4 COO Annex Table

Responsible Sourcing – Country of Origin Annex – Material Type Categories

| Catalysts | Mine Material | Alloys | Industrial Alloys | Residues |
|--|--------------------------|--------------------|---|------------------|
| Spent Autocat | Concentrates/By-Products | Jewellery scrap | Gauzes | Sweeps |
| Chemical, Pharma, Petrochem (one category) | Semi-refined ingots | Dental Scrap | Scrap Components (e.g., Glass Industry) | Process residues |
| | | High Grade Bullion | Semi-refined ingots | e-scrap |
| | | | | |

