

- 106 Governance for Sustainable Development
- 109 Ethics and Human Rights
- 112 Assurance
- 113 Independent Assurance Provider's Limited Assurance Report on Selected Sustainable Development Performance Information
- 116 Independent Assurance Provider's Reasonable Assurance Report on Selected Sustainable Development Performance Information

Governance

Governance for Sustainable Development

Lonmin’s corporate governance is built on its corporate values and the Lonmin Code of Ethics. The Board is guided by accountability, Lonmin’s values and a responsible leadership ethos to oversee the Company’s impact on the environment and society.

Lonmin Plc is a company incorporated in England and Wales. The Company’s principal business activities are its operations based in South Africa. Lonmin Plc has a primary listing on the London Stock Exchange and a secondary listing on the Johannesburg Stock Exchange Securities Exchange. The Company therefore adheres to the UK Corporate Governance Code and its supporting guidance (www.frc.org.uk). Lonmin’s significant shareholders can be viewed on page 66 and 67 of the Annual Report and Accounts..

The Board is the custodian of the Company’s strategic aims, vision and values. It provides entrepreneurial leadership to management within a framework of prudent controls which enables risk to be assessed and managed appropriately. It assesses whether the necessary financial and human resources are, and will continue to be, in place to enable the Company to meet its objectives and ensure that it takes full account of safety, environmental and social factors.

At 30 September 2017, the Board consists of eight members, including the Chairman, six Non-executive Directors (four of whom are independent) and two Executive Directors. Lonmin currently has two female members on the Board, and two of the Directors are Historically Disadvantaged South Africans (HDSAs). Board appointments are made on merit against objective criteria that include skills, experience and personal attributes, including independence of mind.

Detailed information regarding the Board is available on pages 58 to 113 of the Annual Report and Accounts 2017.

The Board believes that the effectiveness review process provides a valuable opportunity for improving effectiveness and

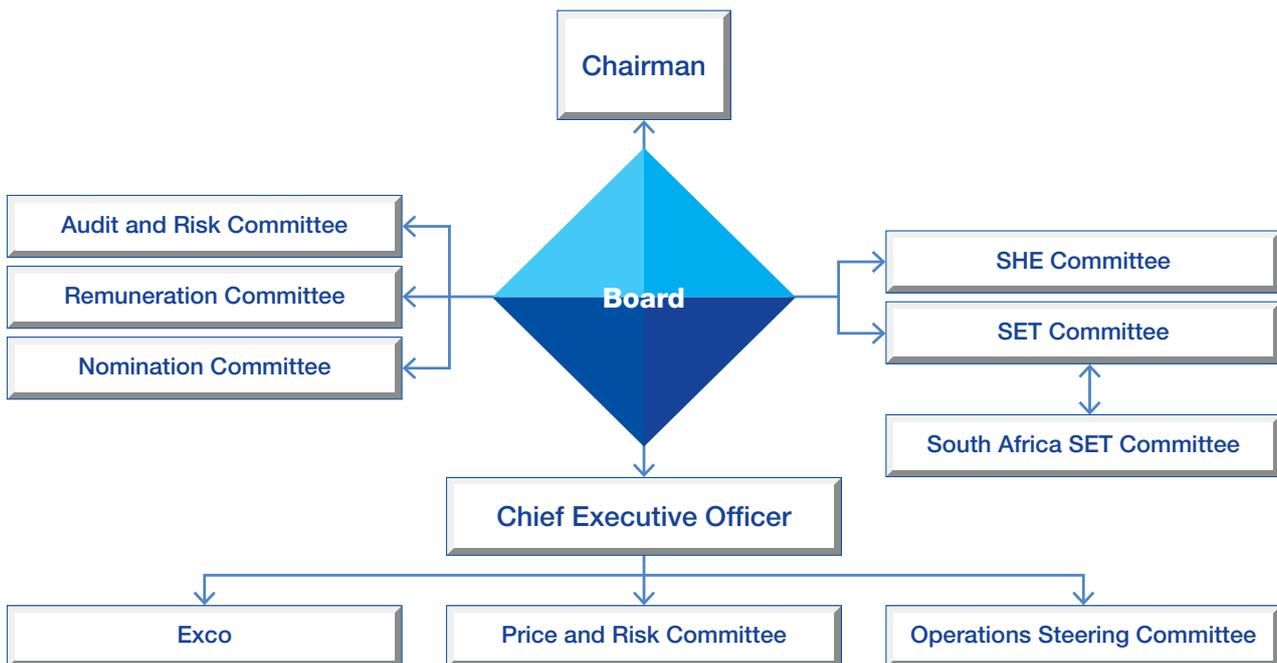
gives the Board a mechanism for constructive group and peer feedback to help Directors individually to improve their ability to contribute to the work of the Board.

Having conducted an externally facilitated effectiveness review of the Board in FY2016, the Board undertook an internal review in FY2017 which involved completion of a structured questionnaire that covered a range of key topics, including composition of the Board, skills, knowledge and experience of the Board, the respective roles and responsibilities of the Non-executive and Executive Directors, quality of strategic and risk debate, the effectiveness of decision making, interactions with management, quality of information and support provided to the Board and areas of development or improvement, both individually and collectively as a Board. This will be supplemented with one-to-one discussion between the Chairman and each Director. Preliminary feedback from the review, including recommendations, was provided privately to each Director and collectively to the Board.

Our Annual Report and Accounts 2017 provides details of:

- How Board members are selected (page 61)
- How we communicate with our shareholders and formally report (page 67)

The Board delegates some of its functions and authority to committees without delegating its ultimate responsibility for the governance of the Company. In addition to the committees recommended in the UK Corporate Governance Code, the Board has established two other committees to specifically oversee safety and social responsibility matters, the Safety, Health and Environment (SHE) Committee and the Social, Ethics and Transformation (SET) Committee. As with any business, power is also delegated from the Board to the Chief Executive Officer, and through him to the management team via a documented delegation of authority, setting out the responsibilities, decision-making and approval powers of managers at different levels of the enterprise.



More detailed information on these committees, including a full discussion of the Company’s Remuneration Policy, can be found in the committee reports in the Annual Report and Accounts 2017.

The interaction between the Board, its committees and the management of the Company can be summarised as follows:

SET Committee

Lonmin's SET Committee oversees the Company's strategy and performance in addressing transformation, empowerment and other social and ethics issues prescribed in South African legislation. The Committee also oversees Lonmin's inclusive stakeholder engagement and the process of addressing all stakeholder issues.

Activities of the SET Committee during the year

The Committee has an annual work plan, developed from its terms of reference, with standing items that the Committee considers at each meeting in addition to matters of topical relevance or on which the Committee has otherwise chosen to focus.

The Committee met formally four times during the year, and also led a 'deep dive' into stakeholder relations issues, which was presented by the Executive Vice-President (EVP) of Stakeholder Engagement and Regulatory Affairs. All other Board Directors were given a standing invitation to attend any of these meetings, and many did so. As well as routine monitoring activities, the material items considered by the Committee in FY2017 were:

<p>Social and Transformation</p>	<ul style="list-style-type: none"> Reviewed reports on progress against commitments made in the Social and Labour Plans and requirements of Mining Charter and provided feedback to management Reviewed strategic plans for Lonmin's transformation programme and remedial actions Received regular progress reports on implementation of accommodation strategy Deep dive on, and update of, accommodation strategy following a review of feedback from a large-scale survey undertaken by an external South African consultancy aimed at better understanding employees' accommodation preferences Received updates on relations with the Bapo Ba Mogale (Bapo) community, including progress made against Lonmin's procurement commitments (and the Bapo's performance in delivering under such contracts) Reviewed the funding and terms of the 1608 Education Trust Received reports on the outcome of a customer audit undertaken by BASF¹ Reviewed the community complaints register and, where relevant, actions taken to address any issues Reviewed status of commitments made by Lonmin in response to the Farlam Commission Report Reviewed plans for a permanent memorial to the victims of the events of 2012
<p>Ethics</p>	<ul style="list-style-type: none"> Reviewed and recommended approval of the new Code of Ethics by the Board Reviewed and recommended the approval of Lonmin's first statement under the Modern Slavery Act 2015 by the Board, which was published on the Company website in March 2017 Reviewed findings of a human rights pilot study focused on the subject of women in mining
<p>Governance, regulatory and reporting</p>	<ul style="list-style-type: none"> Reviewed changes to local and international regulations and new legislation, including Mining Charter III and the status of legal actions in connection with the same (including in relation to the "once empowered always empowered" principle) Received feedback in relation to the Committee from the external Board effectiveness review conducted during FY2016 Reviewed the Committee's report within the 2016 Annual Report and recommended approval to the Board Considered feedback from external auditors following their assurance review of selected data in the FY2016 annual report and FY2016 Sustainable Development Report Considered and approved the appointment of KPMG as the assurance provider for the FY2017 Sustainable Development Report Reviewed the Committee's annual workplan, terms of reference and Committee objectives for FY2017

¹ A customer to Lonmin.

Governance for Sustainable Development (continued)

SHE Committee

In addition to overseeing the areas of safety, health and the environment, Lonmin's SHE Committee assists the Board in meeting the commitments of the Sustainable Development Policy. The Committee sets aspirational standards, implements an appropriate culture, ensures robust and independent assurance, and provides advice to the Board on SHE compliance with legal requirements. The Committee meets quarterly and met four times during the year. The following work was undertaken:

<p>Safety</p>	<ul style="list-style-type: none"> • Received reports from accountable managers on the five fatalities during FY2017 and all serious safety incidents, including a detailed analysis of factors contributing to the safety incident and the corrective and preventative measures taken to prevent recurrence • Reviewed reports on key safety indicators and trends • Participated in a safety deep dive, including a review of Lonmin's strategic plan to improve safety, current and pending safety initiatives, and performance trends and safety measures in place at key shafts and other areas of the operations • Reviewed company and contractor security and firearm policies and procedures • Reviewed progress and implementation of a strategic plan to improve safety and long-term safety initiatives • Reviewed material regulatory compliance and Lonmin's performance against its peers
<p>Health</p>	<ul style="list-style-type: none"> • Reviewed reports on health and community indicators and trends • Received reports on the various medical schemes available to Lonmin employees and their families
<p>Environment</p>	<ul style="list-style-type: none"> • Received reports from accountable managers on all serious environmental incidents, including a detailed analysis of factors contributing to the incident and the corrective and preventative measures taken to prevent recurrence • Reviewed reports on key environmental indicators and trends • Reviewed progress reports on various environmental initiatives • Reviewed the Company's environmental targets against regulatory requirements • Reviewed reports on complaints by regulators or third parties, including members of local communities
<p>Governance, regulatory and reporting</p>	<ul style="list-style-type: none"> • Reviewed changes to local and international safety, health and environmental regulations • Received feedback relating to the committee from the external Board effectiveness review conducted during FY2016 • Reviewed the committee's report within the 2016 Annual Report and Accounts and recommended approval to the Board • Considered feedback from external auditors following their assurance review of selected data in the FY2016 Annual Report and Accounts and FY2016 Sustainable Development Report • Reviewed the committee's annual workplan, terms of reference and committee objectives for FY2017

Ethics and Human Rights

Lonmin's Code of Ethics commits the Company to the highest standards of social and business practices and requires that employees, contractors and stakeholders share this commitment, formalising Lonmin's ethical approach to conducting, managing and regulating all of its business dealings.

The SET Committee of the Board oversees the Group's activities in social and ethics matters, endorses associated policies, and oversees progress in relation to combating conflicts of interest, corruption and bribery. Lonmin aspires to an ethical culture in the Company through its corporate values and by leading in a way that demonstrates good ethics from the top of the organisation.

The Code of Ethics defines Lonmin's stance on conflicts of interest, anti-competitive behaviour, lobbying and relationships with government, bribery, insider trading, the receipt of gifts and donations, whistle-blowing and reporting of corruption or unethical behaviour. All employees and service providers are required to commit to the principles contained in the Code of Ethics. During 2017, the Code of Ethics was reviewed and updated. This policy and the Human Rights policies are available online at www.lonmin.com/about-us/business-conduct.

In addition to the review of the Code of Ethics, the Whistle-blowing Policy was updated and several additional policies were established, namely the Conflict of Interest, Bribery, Fraud Prevention and the Anti-Corruption Policy was published in mid-2017. These policies were approved by the Board and are due for publication. An electronic reporting platform is being commissioned to support the Conflict of Interest and Bribery and Anti-Corruption policies to enable employees to make declarations of gifts made and received and other potential conflicts of interest. Going forward, Lonmin Business Assurance Services will provide an oversight role in addition to the heads of department and general managers. The Procurement Department will identify high-risk vendors for potential fraud. Ethics training is included in induction training, which employees and contractors receive as a pre-requirement to employment. Those employees and contractors in core operations also receive refresher induction training when returning from leave.

Where allegations of misconduct are received, Lonmin Business Assurance Services and Group Security conduct investigations on the relevant business units. A 24-hour ethics hotline is available to all employees, contractors and community members to anonymously report ethical grievances through formal Company channels. The hotline is operated by an independent third party and the call logging process is designed to protect individual rights, defend whistle-blower anonymity, and encourage the true spirit of whistle-blowing. Each call is logged and addressed by the relevant investigations unit, which takes appropriate steps to either confirm or refute the allegations, while management will institute disciplinary action where required.

Consequences for those found guilty of contravening the Code of Ethics include dismissal, contract termination and/or legal action.

The main areas of concern investigated relate to vendor fraud and job selling by external syndicates. The Company has developed and implemented a policy on BEE fronting to address certain allegations in this regard. Furthermore, a cautionary is included in advertisements for job vacancies, which states that Lonmin does not endorse or tolerate unethical or fraudulent behaviour, bribery, insider trading, corruption or job selling, and that such behaviour will be reported to the relevant authorities.

2018 focus

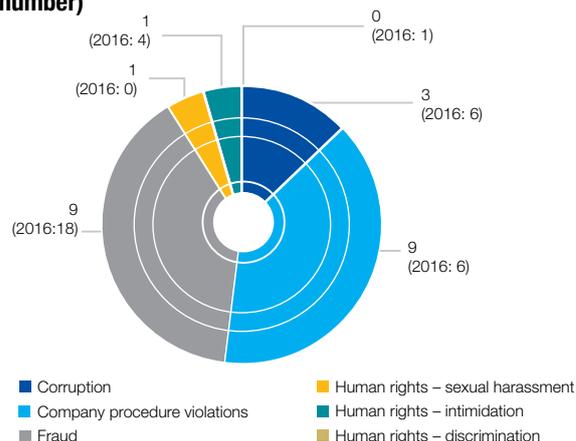
Lonmin Business Assurance Services will continue to raise awareness around fraud and the ethics hotline, focus on preventive controls, and deal with violations of the Code of Ethics appropriately.

93 cases of alleged unethical behaviour were investigated by the Lonmin Business Assurance Services and Group Security, comprising 27 cases carried forward from 2016, and 66 cases reported in 2017. All reported cases are investigated through a structured and formalised investigation process.

Of these cases, 16 are still under review, 54 were unfounded, and 23 were concluded having confirmed inappropriate behaviour. The following disciplinary action resulted from the 23 cases¹ investigated and concluded in the year:

- Five cases resulted in dismissals and/or final warnings
- Five vendor contracts were terminated
- Six employees were disciplined
- Two cases were settled with vendors
- Four cases were referred to a third party
- Two employees resigned prior to conclusion of disciplinary action

Unethical behaviour cases investigated and concluded (number)



¹ Note: A single case may have multiple disciplinary actions associated with it.

Ethics and Human Rights (continued)

Numbers	2016	2017
Number of incidents of sexual harassment investigated	1	2 ¹
Number of whistle-blowing incidents logged through hotline	28	25
Number of cases of unethical behaviour reported	60	41
Percentage of business units analysed for corruption risks	100%	100%

Respecting human rights

Lonmin is committed to respecting the human rights of its workforce and those who may be affected by its operations as entrenched in the Constitution of the Republic of South Africa. We continue to seek to implement the United Nations Guiding Principles on Human Rights (the Guiding Principles) throughout our operations.

These commitments are incorporated into the Lonmin Sustainable Development Standards, our Human Rights Policy and our Code of Ethics.

As part of the ongoing process, Lonmin is embarking on the development of an internal human rights due diligence checklist to assist the Company in achieving and maintaining full compliance with the relevant policies and systems. A pilot study, focusing on women in mining, was completed in February 2017. The results of the study identified short, medium and long-term actions, the aims of which are to further embed respect for human rights within the Company.

Human rights are communicated internally and externally to Lonmin's stakeholders. Human rights training is included in the induction programme for all employees and contractors, including security personnel, and is included in mandatory annual refresher training. Attendees are informed of their rights, expectations, standards and mechanisms to report grievances or incidents, which include a toll-free ethics hotline service. Additional training for managers and executives was delayed and will be included in training for the Code of Ethics in 2018.

Incidents of human rights violations are recorded and followed up wherever possible. One case of intimidation (2016: 4) and no cases of discrimination (2016: 1) were reported in 2017. There were no reported incidents of forced or child labour at the operations.

Modern Slavery Act

Lonmin's human rights commitment includes a prohibition on modern slavery in all its forms, including human trafficking and forced or compulsory labour.

Lonmin is alert to the modern slavery risks which can affect the mining industry, including the employment of migrant workers, health and safety issues and concerns around living conditions. All new Lonmin employees are subject to vetting procedures,

including age and identity verification, credit checks, criminal record checks and a medical fitness assessment. We have zero tolerance for child labour in the Company, and do not employ individuals or hire contractors aged less than 18 years old. The minimum legal working age in South Africa is 15.

Lonmin believes that one of its fundamental roles as an employer is to pay its employees a fair wage for their work. A recent survey undertaken by Lonmin indicated that the remuneration packages paid to Lonmin employees across a range of positions and levels of seniority compares favourably with two key competitors, and is higher than the median levels for both South Africa as a whole, and for certain major industries (including the mining industry).

We support the right of all of our employees and contractors to collective bargaining and freedom of association, and are committed to building constructive relationships with recognised unions. Wages for our unionised employees are negotiated by collective agreement. We comply with South African legislation regarding working hours, which stipulates that a worker may not be required to work more than 45 hours per week.

Further details on the steps Lonmin takes to reduce the risk of modern slavery among its workforce are set out in the 2017 Modern Slavery and Human Trafficking Statement, available on our website at <https://www.lonmin.com/about-us/governance/modern-slavery-act>.

Protecting human rights through the supply chain

Lonmin seeks to ensure that its counterparties conduct their own operations in line with Lonmin's standards on human rights and modern slavery.

During the year, Lonmin circulated a new questionnaire to all existing vendors, requiring them to answer a set of questions relating specifically to modern slavery risks in their businesses and supply chains. We are collating and considering the responses we received.

Lonmin's approval process for new vendors requires potential vendors to answer questions in relation to human rights, including whether the vendor has its own Human Rights Policy and whether it provides human rights training to its staff. During 2017, we expanded this process to include specific questions regarding the new vendor's policy in respect of modern slavery and the due diligence processes in place in respect of their supply chains.

In addition, the standard terms and conditions applicable to contracts with all vendors require Lonmin's counterparties to adhere to a range of legislation relevant to human rights, including the South African Labour Relations Act, (66 of 1995), the Basic Conditions of Employment Act, (75 of 1997), the Compensation for Occupational Injuries and Diseases Act (130 of 1993), as well as Lonmin's own Sustainable Development Standards and Code of Business Ethics. These

¹ Included in whistle-blowing incidents and unethical behaviour cases reported.

acts and standards contain wide-ranging human rights stipulations, including health and safety at work, working hours, freedom of association, the prohibition of child labour, non-discrimination and freedom from forced labour and corporal disciplinary practices. During 2017, these standard terms and conditions were expanded to expressly require each vendor to prohibit modern slavery from their operations and take steps to work with their own suppliers to reduce the risk of modern slavery in their supply chains.

This year, five vendor contracts were terminated due to unethical behaviour (2016: 8).

Human rights and security

Lonmin's security function takes an integrated proactive approach that has a broader focus than the traditional focus on asset protection. The Company focuses on understanding security threats to operations with a primary objective to mitigate interruption to operations. The Company subscribes to and implements the Framework for Peace and Stability in the Mining Industry (February 2013), and the Deputy-President's Framework Agreement for a Sustainable Mining Industry (July 2013). We continue to build on our relationships at all levels with stakeholders, community and the South African Police Services (SAPS).

The security risk management process aligns with the fundamentals of ISO 31000, the international risk management standard, and the voluntary principles on security and human rights, which are human rights guidelines designed specifically for extractive sector companies. The security-related recommendations arising from last year's human rights gap analysis were incorporated into the updated Security Policy and Security Code of Conduct.

The Lonmin security function does not engage with public disorder incidents, as that is the role of public order policing. Our focus remains on supporting the safety of our people and the protection of our property through training, education and vulnerability assessment processes, and ensuring employees have appropriate equipment with applicable logistics necessary

for asset protection (including crime-prevention vehicles and thermal cameras).

Corporate operational procedures are in place, and there is a specialised corporate operational procedure on crowd management. Security personnel receive training on the legal and operational aspects of crowd management and by year-end 54% of our personnel were trained. Security employees and contractors all have Private Security Industry Regulatory Authority (PSIRA) training as a minimum. Modules on security philosophy, the Security Code of Conduct, teamwork, human rights and arrest rights are included in the Lonmin basic security training programme.

Human rights forms part of the basic security training programme. Human rights fundamentals are included in our Security Policy and Security Code of Conduct. Security employees receive retraining on these aspects as part of the ongoing training plan and, at year-end, 65% of security employees and 85% of contractors received retraining.

There were 876 recorded security incidents in 2017 (2016: 1,121) and 39.8% of those related to theft and attempted theft of Company property (2016: 45.4%). Theft and attempted theft of Company property comprised 61.4% incidents (2016: 45.4%), theft of private property 13.4% (2016: 9.5%) malicious damage to Company property made up 4.1% (2016: 5.5%), and other security-related incidents the remaining 21.1% (2016: 39.5%).

Material lost to crimes on Lonmin property totalled R5.3 million during the financial year, including consequential loss (damages) and recoveries totalled R1.4 million.

At year-end Lonmin had 147 full-time security employees and 553 contractors.

Customers and human rights

Lonmin understands the importance of demonstrating good corporate citizenship as part of the global PGM supply chain. We are open to and appreciative of customers' feedback that aims to improve our sustainability performance.

Assurance

Lonmin's Audit and Risk Committee is responsible for overseeing internal audit and external assurance procedures to support the integrity of our measurement and data management systems. These procedures set out the internal management and controls of key risks, and enhance the reliability of information used by investors and other stakeholders. Further detail can be found in the Audit and Risk Committee report in the Annual Report and Accounts 2017 on page 73.

Internal audit

The Internal Audit Department is responsible for providing objective assurance on risks and key internal controls in alignment with the risk management framework. The in-house auditors are supported by the South African arm of PricewaterhouseCoopers Inc, who provides specialist services to Lonmin. Management uses the findings and recommendations from the Internal Audit Department to identify and implement corrective action plans that are monitored and reported to the Audit and Risk Committee.

External assurance

Certain aspects and indicators in our sustainable development reporting have been externally assured to provide the reader with an objective and impartial opinion over the balance and legitimacy of the performance data. This annual external assurance of our safety, health and environmental and social indicators is obtained to align with the International Council on Mining and Minerals' 10 principles of sustainable development and best practice. The SHE and SET Committees consider and approve the indicators that receive external assurance.



Sample preparation

Independent Assurance Provider's Limited Assurance Report on Selected Sustainable Development Performance Information

To the Directors of Lonmin Plc

We have undertaken a limited assurance engagement on selected sustainable development performance information (selected information), as described below, and presented in the Sustainable Development Report 2017 (the Report) in the Key Performance Statistics Table on pages 120 to 121 of the Report and marked with an "LA", to the stakeholders of Lonmin Plc (Lonmin) for the year ended 30 September 2017. This engagement was conducted by a multi-disciplinary team of health, safety, social, environmental and assurance specialists with extensive experience in sustainability reporting.

Subject Matter

We are required to provide limited assurance on the selected information set out in the table below. The selected information described below has been prepared in accordance with the criteria set out in (a)(i), (a)(ii), (a)(iii) and (b) of the table below, which is referred to as the 'applicable reporting criteria' within this report.

<i>(a) Limited Assurance on the following selected key performance indicators:</i>		
<i>(i) Limited Assurance on the following KPIs prepared in accordance with the GRI G4 guidelines and Lonmin's internally developed reporting guidelines</i>	<i>Unit</i>	<i>Boundary</i>
Number of new cases of noise induced hearing loss (NIHL) diagnosed	No. of cases	Total Mine
Number of new cases of TB diagnosed and treated	No. of cases	Total Mine
Total fresh water consumption	m ³	Total Mine
Total direct and indirect energy	TJ	Total Mine
Scope 1, 2 and 3 Greenhouse Gas (GHG) emissions as per defined boundary	tCO ₂ e	Total Mine
<i>(ii) Limited Assurance on the following KPIs prepared in compliance with the Broad-Based Socio-Economic Empowerment Charter (BBSEEC) (2002) and related Scorecard (2004) and Lonmin's internally developed reporting guidelines</i>	<i>Unit</i>	<i>Boundary</i>
Project Spend in South African Rands against approved project budget (Health, Education, Social Infrastructure) WPL and EPL	Rand Value	WPL & EPL
Percentage Females in Total Own Employee Workforce (WAM)	% women	WPL & EPL
<i>(iii) Limited Assurance on the following KPIs prepared in compliance with the Amendment to the BBSEEC (2010) and related Scorecard (2010) and Lonmin's internally developed reporting guidelines</i>	<i>Unit</i>	<i>Boundary</i>
Total Percentage HDSA (excl. white females)	% HDSA	WPL & EPL
<ul style="list-style-type: none"> • EXCO / Senior Management • Middle Management • Junior Management 		
HRD expenditure as percentage of total annual payroll (excl. Mandatory Skills Development Levy)	% HRD Spend	Total Lonmin (% split applied)
<i>(b) Limited Assurance on the following statement prepared in accordance with the International Council on Mining and Metals' (ICMM) Sustainable Development Framework</i>	<i>Unit</i>	<i>Boundary</i>
The Directors' statement on page 3 of the Report that Lonmin has complied with the ICMM Sustainable Development Framework, principles and reporting commitments.	Text	Total Lonmin

Boundary Key	
WPL & EPL	WPL and EPL information only presented separately as WPL and EPL
Total Lonmin	The information cannot be split between WPL & EPL, therefore the number reported is for total Lonmin
Total Lonmin (% split applied)	The information is recorded as total Lonmin and a percentage (%) split is applied in order to report for the WPL portion. This is calculated by the number of employees WPL contributes to the total employees at Lonmin
Total Mine	Denotes consolidated data for Lonmin Plc, including WPL, EPL, Pandora JV, Head Office and Limpopo operations

07 /

Safety and Health

08 /

Community Relationships and Investment

09 /

Managing Environmental Impacts and Opportunities

10 /

Constructive Engagement: Government, Regulatory and Other Stakeholders

11 /

Governance

12 /

Annexures

Independent Assurance Provider's Limited Assurance Report on Selected Sustainable Development Performance Information (continued)

Directors' Responsibilities

The Directors are responsible for the selection, preparation and presentation of the selected information in accordance with the applicable reporting criteria, including Lonmin's internally developed reporting guidelines, which are available on request from Lonmin for the selected information in the table above. This responsibility includes the identification of stakeholders and stakeholders' requirements, material issues, for commitments with respect to sustainable development performance and for the design, implementation and maintenance of internal control relevant to the preparation of the Report that is free from material misstatement, whether due to fraud or error.

The Directors are also responsible for the preparation and presentation of their statement that Lonmin has complied with the ICMM Sustainable Development Framework, principles and reporting commitments. This responsibility includes ensuring that Lonmin has processes and systems in place that are designed and implemented to operate and monitor compliance with the ICMM SD Framework, principles and reporting commitments relevant to the preparation of the statement that is free from material misstatement, whether due to fraud or error.

Our Independence and Quality Control

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

KPMG Services Proprietary Limited applies the International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the selected information based on the work we have performed and the evidence we have obtained. We have conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board. That Standard requires that we plan and perform our engagement to obtain limited assurance about whether the selected information is free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3000 (Revised) involves assessing the suitability in the circumstances of Lonmin's use of its reporting criteria as the basis of preparation for the selected information, assessing the risks of material misstatement of the selected information

whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the selected information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. The procedures we performed were based on our professional judgement and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of our limited assurance engagement on the selected information set out in section (a)(i), (a)(ii), (a)(iii) and (b) of the Subject Matter paragraph above, in performing the procedures listed above, we:

On selected information (a)(i), (a)(ii) and (a)(iii)

- Understood the processes that Lonmin has in place for determining the selected information to be included in the report;
- Obtained an understanding of the systems used to generate, aggregate and report the selected information;
- Conducted interviews with management and senior executives to obtain an understanding of the internal control environment, risk assessment process and information systems relevant to the sustainability development performance reporting process;
- Inspected documentation to corroborate the statements of management in our interviews;
- Inspected supporting documentation and performed analytical procedures on a sample basis to evaluate the data generation and reporting processes against the applicable reporting criteria in respect of the selected sites;
- Undertook site visits to Lonmin's Marikana operations (which represents the most material contribution to the selected key performance statistics); and
- Evaluated whether the selected key performance statistics presented in the Report are consistent with our overall knowledge and experience of sustainability management and performance at Lonmin.

On selected information (b)

- Inspected Lonmin's response regarding its compliance with the ICMM Sustainable Development Framework, principles and reporting commitments, and the documents referred to in the response and confirmed that the documents included elements referenced;
- Understood the processes that Lonmin has in place for determining and monitoring compliance with the ICMM Sustainable Development Framework principles and reporting commitments and how the documents referred to in the response are maintained and kept up to date;
- Conducted interviews with management at the sampled operations and executives at head office and inspected documentation to corroborate their statements;

- Understood the process undertaken to identify the sustainable development issues, risks and opportunities that Lonmin considers to be most material and inspected documents related to the outcomes of the materiality process and the discussions held by the Safety, Health and Environment Board Committee;
- Obtained an understanding of the application of the sustainable development management systems related to the identified material sustainable development issues, risks and opportunities;
- Inspected that performance indicators related to Lonmin's material sustainable development issues, risks and opportunities have been disclosed in the Report, and performed the procedures set out in the section above entitled "on selected information (a)(i), (a)(ii), and (a)(iii)" over the selected information set out in section (b) of the Subject Matter paragraph; and
- Inspected Lonmin's assessment of their reporting of performance in accordance with the core option of Global Reporting Initiative's (GRI) G4 guidelines.

The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the selected information set out in section (a)(i), (a)(ii), (a)(iii) and (b) of the Subject Matter paragraph above has been prepared, in all material respects, in accordance with the relevant reporting criteria.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that:

- the selected information set out in section (a)(i), (a)(ii) and (a)(iii) of the Subject Matter paragraph above for the year ended 30 September 2017 is not prepared, in all material respects, in accordance with the applicable reporting criteria.
- the Directors' statement on page 6 of the Report that Lonmin has complied with the ICMM Sustainable Development Framework, principles and reporting commitments, is not, in all material respects, fairly stated.

Other Matters

The maintenance and integrity of the Lonmin Website is the responsibility of Lonmin management. Our procedures did not involve consideration of these matters and, accordingly we accept no responsibility for any changes to either the information in the Report or our independent assurance report that may have occurred since the initial date of presentation on the Lonmin Website.

Restriction of Liability

Our work has been undertaken to enable us to express limited assurance conclusions on the selected information to the Directors of Lonmin in accordance with the terms of our engagement, and for no other purpose. We do not accept or assume liability to any party other than Lonmin, for our work, for this report, or for the conclusions we have reached.



KPMG Services Proprietary Limited
Per PD Naidoo

Director
5 March 2018

KPMG Crescent
85 Empire Road
Parktown
Johannesburg

Independent Assurance Provider's Reasonable Assurance Report on Selected Sustainable Development Performance Information

To the Directors of Lonmin Plc

We have undertaken a reasonable assurance engagement on selected sustainable development performance information (selected information), as described below, and presented in the Sustainable Development Report 2017 (the Report) in the Key Performance Statistics Table on page 120 of the Report and marked with an "RA", to the stakeholders of Lonmin Plc (Lonmin) for the year ended 30 September 2017. This engagement was conducted by a multi-disciplinary team of safety and assurance specialists with extensive experience in sustainability reporting.

Subject Matter

We are required to provide reasonable assurance on the selected information set out in the table below. The selected information described below has been prepared in accordance with the criteria set out in the table below, which is referred to as the 'applicable reporting criteria' within this report.

<i>Reasonable Assurance on the following KPIs prepared in accordance with the Global Reporting Initiative (GRI) G4 guidelines and Lonmin's internally developed reporting guidelines</i>	<i>Unit</i>	<i>Boundary</i>
Total Injury Frequency Rate (TIFR)	Ratio	Total Mine
Lost Time Injury Frequency Rate (LTIFR)	Ratio	Total Mine

<i>Boundary Key</i>	
Total Mine	Denotes consolidated data for Lonmin Plc, including WPL, EPL, Pandora JV, Head Office and Limpopo operations

Directors' Responsibilities

The Directors are responsible for the selection, preparation and presentation of the selected information in accordance with the applicable reporting criteria, including Lonmin's internally developed reporting guidelines, which are available on request from Lonmin for the selected information in the table above. This responsibility includes the identification of stakeholders and stakeholders' requirements, material issues, for commitments with respect to sustainable development performance and for the design, implementation and maintenance of internal control relevant to the preparation of the Report that is free from material misstatement, whether due to fraud or error.

Our Independence and Quality Control

We have complied with the *Code of Professional Conduct for Registered Auditors* issued by the Independent Regulatory Board for Auditors (IRBA) that is consistent with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (Part A and B), which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

KPMG Incorporated applies the International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express an opinion on the selected information based on the evidence we have obtained. We have conducted our reasonable assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board. That Standard requires that we plan and perform our engagement to obtain reasonable assurance about whether the selected information is free from material misstatement.

A reasonable assurance engagement in accordance with ISAE 3000 (Revised) involves performing procedures to obtain evidence about the quantification of the selected information and related disclosures. The nature, timing and extent of procedures selected depend on the practitioner's judgement, including the assessment of the risks of material misstatement, whether due to fraud or error.

In making those risk assessments we have considered internal control relevant to Lonmin's preparation of the selected information. A reasonable assurance engagement also includes:

- Evaluating the appropriateness of quantification methods, reporting policies and internal guidelines used and the reasonableness of estimates made by Lonmin
- Assessing the suitability in the circumstances of Lonmin's use of the applicable reporting criteria as a basis for preparing the selected information; and
- Evaluating the overall presentation of the selected sustainability performance information

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the selected information set out in the Subject Matter paragraph above for the year ended 30 September 2017 is prepared, in all material respects, in accordance with the applicable reporting criteria.

Other Matters

The maintenance and integrity of the Lonmin Website is the responsibility of Lonmin management. Our procedures did not involve consideration of these matters and, accordingly we accept no responsibility for any changes to either the information in the Report or our independent assurance report that may have occurred since the initial date of presentation on the Lonmin Website.

Restriction of Liability

Our work has been undertaken to enable us to express an opinion on the selected information to the Directors of Lonmin in accordance with the terms of our engagement, and for no other purpose. We do not accept or assume liability to any party other than Lonmin, for our work, for this report, or for the opinion we have reached.



KPMG Inc.
Per A van der Lith
 Chartered Accountant (SA)
 Registered Auditor
 Director
 5 March 2018

KPMG Crescent
 85 Empire Road
 Parktown
 Johannesburg



Saffy Shaft