



Tongaat Hulett

Supplier Code of Conduct

Revised May 2018

*Addendum to the
Procurement Policy
and Supplier
Contract*

Supplier Code of Conduct

The Tongaat Hulett Ltd group of companies ("THL") takes enormous pride in its reputation for integrity and the success that its reputation enables. This reputation has taken years to build and maintaining it is vital to our success.

This Supplier Code of Conduct (the "Code") has been developed to publicly declare what THL regards as morally or ethically acceptable behaviors from current and future vendors, suppliers, contractors, consultants, agents and other providers of goods and services (our "Suppliers") and sets out the ethical values, standards, principles, and guidelines which bind Suppliers in their dealings with THL.

The Code determines the ethical values, standards, principles and guidelines which bind our Suppliers in all their dealings with THL. THL is committed to ensure that working conditions within the supply chain are safe and that employees are treated with the necessary respect and dignity. THL is furthermore committed to ensure that all manufacturing processes are environmentally and socially responsible. Suppliers and business partners are required at all times to operate in accordance with the THL's values and are obligated, in all of their activities, to operate in full compliance with the applicable laws, rules, and regulations of their respective countries.

THL regards any contravention of this Code as a serious matter which could result in the termination of the business relationship and even possibly the institution of civil or criminal proceedings. Accordingly, deviations from the Code will only be accepted if acceptance or permission in writing is granted by a member of the Executive committee responsible for the operation in question.

Suppliers are required to take steps to ensure that the Code is communicated throughout their organizations.

THL requires suppliers to share its commitment to and compliance with the following minimum standards:

1. LABOUR

1.1 Human Rights Discrimination

Suppliers must uphold the human rights of their employees and treat them with the necessary dignity and respect. Every Supplier must take steps to promote equal opportunity in the workplace by eliminating unfair discrimination in any employment policy or practice.

Suppliers may not unfairly discriminate, directly or indirectly, against an employee, in any employment policy or practice, on one or more grounds including race, color, age, gender, sexual orientation, ethnicity, disability, religion, pregnancy, political affiliation, union membership, national origin, HIV status or marital status. Suppliers may not require employees or potential employees to undergo medical tests that could be used in a discriminatory manner unless required by applicable legislation.

1.2 Harassment & Forced Labour

Suppliers must be committed to a workplace that is free of harassment. Suppliers may not threaten employees with or subject them to harsh or inhumane treatment, including sexual harassment, sexual abuse, corporal punishment, mental coercion, physical coercion or verbal abuse. Suppliers and their employees may not engage in any form of physical or mental abuse, harassment, punishment or the threat thereof against any person.

No Supplier may, for its own benefit or for the benefit of someone else, cause, demand or impose forced labour. Any form of involuntary, bonded, indentured, or prison labour is strictly prohibited.

1.3 Child Labour

No Supplier may employ a child who has not attained the applicable minimum legal working age. All Suppliers must comply with the applicable child labour legislation in their respective countries.

1.4 **Wages & Hours**

Suppliers must set working hours, wages, overtime pay and annual leave in compliance with the applicable laws in their respective countries. Workers shall be paid at least the minimum legal wage or a wage that meets local industry standards, whichever is greater. While it is understood that overtime is often required in production, Suppliers shall carry out operations in such a way that limits overtime to a level that ensures humane and productive working conditions.

1.5 **Freedom of Association**

Every employee has the right to freedom of association. This includes the right of an employee to join and form a trade union, to participate in activities of a trade union and to engage in collective bargaining in accordance with the procedures prescribed by the applicable laws.

2. **HEALTH & SAFETY**

THL acknowledges that integrating sound health and safety management practices into all aspects of the business is essential to maintaining high morale and producing innovative products. Suppliers must commit to creating a safe and healthy work environment for all employees. All Suppliers are expected to comply with the provisions of any local health and safety legislation applicable to their specific industry and country.

2.1 **Occupational Safety & Industrial Hygiene**

Suppliers must provide appropriate controls, safe work procedures, preventative maintenance and protective measures to mitigate health and safety risks within the workplace. If hazards cannot be adequately controlled by these means, suppliers must provide their employees with appropriate personal protective equipment.

Suppliers must furthermore identify, evaluate and control exposure to its employees of any hazardous chemical, biological or physical agents. If hazards cannot be

adequately controlled by means of engineering, Suppliers must provide employees with appropriate personal protective equipment.

2.2 Emergency Prevention & Response Procedures

Suppliers must anticipate, identify and assess emergency situations and events and minimize the impact thereof by implementing emergency plans and response procedures. This includes emergency reporting, worker notification, evacuation procedures, worker training and drills, appropriate first-aid supplies, appropriate fire detection and suppression equipment, adequate exit facilities and recovery plans.

2.3 Occupational Injury and Illness, Physically Demanding Work & Communication

Suppliers must establish procedures and systems to manage, track and report occupational injuries and illness. Suppliers must furthermore identify, evaluate and control worker exposure to physically demanding tasks, including manual handling of materials, heavy lifting, prolonged standing, and highly repetitive or forceful assembly tasks.

Suppliers must also ensure that its employees receive adequate information and training pertaining to health and safety in the work place, including written information and warnings in the primary language of the employees. Suppliers are furthermore encouraged to initiate and support employee health and safety committees to enhance health and safety education.

3. COMPETITIVE LAW

Competition laws ensure that companies compete to acquire business by offering lower prices, innovative products and better service and not by interfering with the market forces of supply and demand.

THL requires that all suppliers conduct their business in full compliance with all applicable laws intended to promote free and fair competition and do not enter into prohibited agreements or practices, formal or informal, such as price fixing, market sharing, bid rigging, collusion and "kickbacks".

4. CONFIDENTIAL AND PROPRIETARY INFORMATION

Suppliers may not use, for their own purposes or disclose to any third party THL intellectual property, trade secrets or other confidential, proprietary or sensitive information, without the prior written consent of THL.

The Supplier shall disclose THL Information to persons within the Supplier organization strictly on a "need to know" or "need to use" basis.

5. COMPLIANCE & ETHICS

THL seeks to deal with Suppliers honestly and ethically and will give all potential suppliers fair consideration. Decisions will be based on objective criteria such as price, quality, BBBEE status, service capability, reliability and integrity. Suppliers are required to demonstrate the same high ethical standards and to conduct business with integrity and fairness.

Knowledge gained through employment must not be used for private or personal advantage or in such a manner that a conflict or an appearance of conflict arises between the company's interest and personal interests. A conflict could arise where an employee, a member of an employee's family or friend, or a business with which the employee or family is associated obtains a gain, advantage or profit by virtue of the employee's position with the company or knowledge gained through that position.

Any form nepotism or preferential treatment involving family or friend / associate represents an acceptable conflict of interest and will not be tolerated. To this end Tongaat Hulett Limited employees are prohibited from transacting with company for personal gain.

5.1 Compliance and Documentation

THL monitors compliance with employment, safety, quality and environmental standards. Suppliers must manufacture, package, store and transport products in accordance with good manufacturing practices prevailing in their respective industries and countries. Suppliers are expected to provide goods and services that consistently meet the required specifications and/or industry standards. Suppliers are required to agree to at least one annual on-site inspection of the workplace and other related areas that will be conducted by a representative of the THL or designated independent third party. In order for THL to monitor compliance, Suppliers are required to keep compliance records in accordance with the applicable local and international standards.

5.2 Corruption, Extortion or Embezzlement

Corruption, extortion and embezzlement, in any form, are strictly prohibited and may result in immediate termination of the business relationship between THL and the supplier and/or legal action.

5.3 Disclosure of Information

Suppliers must disclose information regarding its business activities, structure and/or financial situation in accordance with applicable laws, regulations and prevailing industry practices.

5.4 Anti-Bribery

Company policy and anti-bribery laws around the world prohibit THL and its employees from giving or accepting money or other inappropriate enticements, directly or indirectly to coerce or persuade the awarding of a business opportunity to THL or the Supplier, as the case may be.

Suppliers may not, in their business relationship with THL, act in any way, that violates THL policy or anti-bribery laws around the world. Suppliers must also ensure that where THL is involved in the supply chain that their suppliers do not engage in the giving or receiving of bribes, kickbacks, or other similar improper or unlawful payments.

Ethical standards form an integral part of all THL strategies and operations. Suppliers are therefore required to commit to the highest standards of ethical conduct when dealing with all stakeholders and to conduct business with integrity and fairness.

5.5 **Whistle blowers**

Suppliers must make provision for employees to report unlawful or irregular conduct by employers and fellow employees while ensuring the protection of those employees who make the disclosures. Suppliers must create a culture facilitating the disclosure of information by employees relating to criminal and other irregular conduct in the workplace in a responsible manner and also promote the eradication of criminal and other irregular conduct in both the public and private sectors.

5.6 **Conflict of Interest**

Suppliers are obligated to disclose any interest and/or relationship that could potentially give rise to a conflict of interest, as and when they arise.

6. GIFTS

Suppliers should be aware that even though it is permissible for THL's employees to receive gifts, in accordance with the conditions laid out in the *Conflict of Interest policy*, it is not advisable for THL employees to give or receive gifts, hospitality of favours that could influence any business decision or that create the appearance of influencing such decision.

Suppliers can therefore only provide gifts, hospitality or favours to any THL employee, their family members or friends in the following:

- Promotional material and reasonable business entertainment such as business breakfasts, lunches, cocktail parties or dinners;
- Business conferences and/or seminars provided that travel and accommodation costs are not included;

All acceptances of gifts whether cash equivalents, vouches or other must be approved by the relevant Managers. Any deviations from this will only be allowed if permission is in writing from the Executive of the division and the CEO of the company.

7. SUSTAINABILITY

THL is committed to the principle of sustainable development, by which is meant striking an optimal balance between economic, environmental and social development and will strive to innovate and adopt best practice, working in consultation with its stakeholders. THL recognizes the need for sustainability to:

- Minimize consumption of natural resources and waste generation;
- Minimize the impact of operations on the environment; and
- Maximize recycling where possible;

and requires Suppliers to share its commitment to Sustainability.

7.1 Community Engagement

Suppliers are encouraged to engage with their community to help foster sustainable communities and socio-economic development. All Suppliers should ensure that their business works in partnership with relevant stakeholders for the overall benefit of the society.

8. BREACH

If a Supplier violates the Code, THL reserves the right, in its sole discretion, to terminate its business relationship with the Supplier. Alternatively, THL may request the Supplier to implement immediate corrective measures.

All Suppliers and employees of THL should report any conduct that is inconsistent with the letter and spirit of the Code. THL will ensure that safe and effectively managed processes are in place for employees and suppliers to report unethical conduct. Suppliers may elect to contact the Company Secretary or to provide such information on an anonymous basis via THL tip-off line at 0800 2121 87.

This method of reporting was created to ensure that all Suppliers and employees of THL have a confidential and safe forum to report suspected instances of unethical conduct.

FOR:

THE CONTRACTING PARTY

SIGNATURE:

NAME OF SIGNATORY:

DESIGNATION OF SIGNATORY:

DATE OF SIGNATURE:

PLACE OF SIGNATURE:

who, by signature hereof:

- confirms that he/she has read the and understood the above; and
- binds the Contracting Party to the Supplier Code of Conduct;