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TongaatHulett®

ANTI-BRIBERY & CORRUPTION POLICY



We succeed
through
excellence and
innovation



We grow and
win in teams



We take
accountability



Integrity and
ethics guide
our way



We care and do
our best



Safely home
every day

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1. Introduction

- 1.1. Tongaat Hulett Limited (“the Company”) takes a zero-tolerance approach towards bribery and corruption.
- 1.2. As a South African registered entity, we remain bound by the laws of South Africa, including the Prevention and Combating of Corrupt Activities Act, Act 12 of 2004 (“PRECCA”) as well as the Prevention of Organised Crime Act, Act 121 of 1998 (“POCA”) in respect of our activities both in South Africa and abroad.
- 1.3. Most countries around the world have laws prohibiting bribery and corruption such as the Prevention of Corruption Act (Chapter 9:16) and the Anti-Corruption Commission Act (Chapter 9:22) in Zimbabwe; the Anti-Corruption Act (Law No. 6/2004) in Mozambique and the Corruption and Economic Crime Act, 1994 in Botswana. Some laws (including the U.S. Foreign Corrupt Practices Act and the United Kingdom’s Bribery Act) are wide-ranging and may apply to activities by persons and entities outside of those countries.
- 1.4. It is therefore expected that the Company may, under many different legal frameworks, be held liable for acts of corruption by associated parties, i.e. their agents, consultants, contractors, sub-contractors, suppliers, distributors, joint-venture partners, or any individual or entity that has some form of business relationship with the Company.
- 1.5. This policy should be read in conjunction with the following Tongaat Hulett Code and policies:
 - Code of Business Conduct and Ethics;
 - Gifts and Hospitality Policy;
 - Whistle-Blower Policy;
 - Conflict of Interest Policy; and
 - Anti-Fraud & Corruption Policy and Response Plan.

2. Purpose

- 2.1. The purpose of this document is to provide the principles and mandatory minimum standards for the management of bribery and corruption risk across the Company.
- 2.2. This policy also sets out legal and regulatory obligations.

3. Objective

- 3.1. The objectives of this Policy are to:
 - Set out our responsibilities in observing and upholding our policies on

bribery and corruption;

- Provide information and guidance to all our employees and associated parties whom we have a business relationship with, or who act on our behalf, on what our requirements are with regards to bribery and corruption;
- How we expect them/the stakeholders to conduct themselves when dealing with the Company or with other parties on our behalf; and
- How we deal with bribery and corruption allegations should they arise.

4. Scope

- 4.1. This policy applies equally to the directors, employees, (including seasonal employees and contract workers), service providers, suppliers, and other representatives of the Company and/or any other parties having business relations with Tongaat Hulett. This policy also applies to all operations, dealings and transactions in all countries where Tongaat Hulett operates.

5. Regulatory Framework

- 5.1. This policy is drafted in accordance with Tongaat Hulett policies, procedures and best practice to ensure compliance with the anti-corruption laws; domestic and foreign. If local laws or regulations establish stricter requirements, we will comply with such stricter requirements

6. Defining Bribery and Corruption

- 6.1. Bribery is the offer/receipt of any kickback, gift, loan, fee, reward/other advantage to/from customers, agents, contractors, suppliers, intermediaries or employees of any such party or to/from government officials, as an incentive to do something which is dishonest, illegal, improper, a breach of trust or a breach of the Company policy or principles for the Company or its employee's benefit or that of the employee's family, friends, or business associates.
- 6.2. Corruption is the offering, giving, soliciting or acceptance of an inducement or reward (including facilitation payments or hidden commissions) which may improperly influence the action of any person in relation to the Company's business.
- 6.3. Facilitation payment are improper payments made to facilitate or expedite the performance of a routine government action. A facilitation payment is not intended to affect the result of a decision-making process but to speed up a scheduled action.

- 6.4. Bribery and/or corruption has many meanings globally, however these constitute criminal offences under any law

7. The Policy

- 7.1. The Company has zero-tolerance for bribery and/or corruption either committed on behalf of the Company or by external parties seeking to bribe or corrupt Company employees or agents. Furthermore, the Company has no appetite for any breach of anti-bribery/corruption legal and/or regulatory requirements, both local and extra territorial.
- 7.2. Strong operational controls must be in place to effectively mitigate the reputational, regulatory and legal risks that arise from bribery and/or corruption cases.
- 7.3. It is recognised that the Company operates in various jurisdictions with varying bribery and corruption perception risks, and breaches could occur despite the Company efforts to comply with laws and regulations, therefore the strength and application of the above controls is critical in managing the risk.
- 7.4. This policy is in place for the avoidance of any doubt.

Bribery and Corruption

- 7.5. The Company does not permit the direct or indirect offer, payment, solicitation of acceptance of any improper payments, such as bribes of illegal gratuities, in any form.

Facilitation Payments

- 7.6. Facilitation payments are illegal under the local law, and facilitation payments shall not be made unless the payment is made on behalf of the Company and only where there is an immediate and credible threat to life, limb or liberty.
- 7.7. The following high-risk activities are highlighted:

Gifts, Entertainment and Hospitality

- 7.8. Employees must not request, accept, offer or provide gifts or hospitality designed to induce, support or reward improper conduct in connection with any business or anticipated future business involving the Company.
- 7.9. Employees must never avoid their obligation to report or seek approval for any business entertainment or gift by paying personally for it in instances where they would otherwise be required to report and/or seek approval for it.

Donations and Sponsorships

- 7.10. Charitable donations can in some circumstance be used as a disguise for bribery, for example where a donation is provided to a 'charity' which is controlled by a public official who is in a position to make decisions affecting the Company, as such employees may only make charitable donations provided it has been subjected to suitable due diligence and approval processes, and is appropriate in all the circumstances.

Politically Exposed Persons ("PEPs") / Prominent Influential Persons ("PIPs")

- 7.11. PEPs are individuals who are, or have in the past been, entrusted with prominent public functions in a country. PIPs are local influencers, such as religious leaders or chiefs of provinces.
- 7.12. Due to this, PEPs/PIPs are considered high risk and therefore an enhanced due diligence should be conducted when dealing with them. There is regular interface with government departments at local, provincial and national level, in the normal course of doing business in the various countries of operation.
- 7.13. All employees, officials, and directors of the Company shall interact at these forums with integrity, honesty, transparency and respect.
- 7.14. No payments or contributions shall be made on behalf of the Company as an inducement for future benefits or interference with fair business dealings.
- 7.15. Employees are urged to seek guidance or clarity and obtain required approvals before engaging in any government or PEPs/PIPs on behalf of the Company.

Identification of Bribery and Corruption

- 7.16. The Company must establish, maintain and regularly review procedures to identify bribery and corruption, including:

Risk Assessments

- 7.17. Assessing the risk of bribery and corruption and measures to manage and/or mitigate the risk, including regular risk assessments on associated parties and countries to assess the risk. This risk assessment must be in line with the Company ERM / Combined Assurance framework.

Due Diligence

- 7.18. An appropriate level of due diligence must be performed by each business/operation at the outset of any business relationship with partners, agents/intermediaries, counterparties, joint ventures, sponsorships etc. The

level and depth of due diligence must increase where the risk of bribery or corruption is perceived to be higher. See Appendix for due diligence guideline procedures.

- 7.19. Pre-employment screening and vetting is carried out on all prospective Company employees. This process is managed by the Human Resources Department, which include first obtaining consent from the prospective employee. Thereafter, reference checks including criminal records, credit worthiness and the verification of qualifications are performed.
- 7.20. Screening of employees should also routinely take place on promotion and/or transfers, particularly to high profile appointments and higher risk areas such as Procurement, Sales and Asset Acquisition.
- 7.21. Employment contracts must include contractual obligations and disciplinary procedures must be in place to enforce actions against employees involved in bribery and corruption.

Employee Training

- 7.22. Employees working in higher risk areas (as above) should be trained and supervised so they are able to identify and report bribery and corruption. All employees should understand the risks of engaging in bribery and corrupt activities and the policy requirements.
- 7.23. Records of training must be retained.

Reporting

- 7.24. Safe and confidential procedures should be established for employees to report and discuss incidents and situations where suspicions of bribery and corruption arise. (minimum standards are detailed in the Whistle-Blower Policy). Deloitte Tip-offs Anonymous local contact details are displayed on noticeboards at all sites.

Managing Bribery and Corruption Risk

- 7.25. The Company must manage bribery and corruption risk to avoid material risk or loss to the Group, including:

Decision-Making

- 7.26. A process must be documented for formal decision making by senior individuals in relation to high-risk transactions, including mergers, acquisitions, disposals and property procurement. Consideration must be also be given to the potential for bribery and corrupt activity during the transaction.

Financial Controls

7.27. Financial controls should prevent the giving or receiving of bribes or involvement in corrupt acts, including proper authorisation procedures before any payment is made; proper selection of vendors or suppliers; and risk-based monitoring of associated party relationships and payments made.

Procurement and Contract Management Procedures

7.28. Such procedures must be designed to obviate the opportunity for bribery and corruption, including the incorporation of anti-bribery and corruption provisions, termination and audit rights in contracts with third parties. The Procurement Policy stipulates the circumstances under which a supplier may be removed from the supplier database.

Investigations

7.29. All allegations of bribery and corruption must be properly investigated by appropriately skilled individuals. A report will be generated on a quarterly basis by the Head of Forensics on the status of all investigations which will be submitted to the Chief Audit Executive.

External Reporting

7.30. Bribery and corruption cases must be promptly reported to local law enforcement (and regulatory bodies if appropriate), except where local circumstances render this impractical or unsafe. In such instances the matter must be reported to the Head of Forensics.

Disclosure Process

- 7.31. The following must be put in place:
- gift/hospitality register (that is maintained on an online portal) containing all requests for approval where decisions made must be recorded and maintained;
 - appropriately senior and skilled employees must be appointed to approve disclosures for gifts/hospitality above a reasonable minimum level;
 - declared gifts/hospitality must be reviewed by the respective member of management as and when notified by the online system; and
 - a quarterly Gift Register report must be submitted to the Head of Forensics for scrutiny.

Compliance

- 7.32. Obtain annual compliance declarations from all employees that they have understood this policy, including immediate notification of new gifts/hospitality that may arise.

Independent Assurance

- 7.33. Management is responsible for the daily management and operation of the business, including managing risk by operating systems of risk management and internal control that are consistent with the Company ERM / Combined Assurance framework, including this policy.
- 7.34. Internal Audit will assess the extent to which risk management and governance practices are effective and systems of control are functioning as intended, in line with perceived risk.

Reporting Incidents

- 7.35. The requirements for escalation are detailed in the Code.
- 7.36. Reports on violation of this policy will be regularly submitted to the Social & Ethics Committee by the Head of Forensics.

Legal and Regulatory Obligations

- 7.37. The Company must determine the extent to which local legal and regulatory duties apply to our operations to ensure that we remain compliant.

Management Information and Assurance of Compliance

- 7.38. Each operation Managing director / Chief Executive Officer of the Company will be required to confirm, to the Company Head of Compliance via a bi-annual Letter of Representation, that the business they operate is compliant with each of the terms of this Policy. If a business cannot confirm compliance, the reasons for this and a description of the remediation actions required, must be stated in the Letter of Representation.

8. Confidentiality

- 8.1. All information relating to bribery and corruption that is received and investigated will be treated confidentially. The progression of investigations will be handled in a confidential manner and will not be disclosed or discussed with any person(s) other than those who have a legitimate right to such information. This is important to avoid harming the reputations of suspected persons who are subsequently found innocent of wrongful conduct.

- 8.2. No person is authorised to supply any information with regard to allegations or incidents of bribery and corruption to the media without the express permission of the Tongaat Hulett Executive responsible for that operation.

9. Protection of Whistle-Blowers

- 9.1. The Company has adopted a Whistle-Blower Policy which is intended to encourage employees or other parties to raise concerns relating to specific matters (including acts of bribery and/or corruption), without fear of victimisation.
- 9.2. No person will suffer any penalty or retribution for reporting in good faith, any suspected or actual incident of corruption.
- 9.3. Management should discourage employees or other parties from making allegations which are false and made with malicious intent. In such instances, the person who made the allegations will be subjected to disciplinary or other appropriate action.

10. Communication of Policy

- 10.1. In order for the policy to be sustainable, it must be supported by a structured education, communications and awareness programme.
- 10.2. It is the responsibility of the Forensic Unit to ensure that all employees are made aware of and receive appropriate training with regards to the Anti-Bribery and Corruption Policy.

11. Training and Education

- 11.1. All Employees must know and understand the Anti-Bribery and Corruption Policy.
- 11.2. Appropriate training will be provided to all employees on a periodic basis.

12. Non-compliance

- 12.1. Non-compliance with this policy and the procedures associated with it may result in disciplinary action and even dismissal. Non-Compliance may also contravene corruption laws, which may result in imprisonment, fines or both.

13. Administration

- 13.1. Tongaat Hulett has the overall responsibility for the maintenance and operation of this policy.
- 13.2. Tongaat Hulett will be supported by the Office of the Company Secretary of Tongaat Hulett.

14. Policy Review

- 14.1. This policy shall be reviewed annually and as and when required to factor in any changes in legal frameworks, organisational development and economic trends.

15. Implementation date

- 15.1. This policy will come into effect on the date of signature by the Chief Executive Officer.



SIGNATURE OF CHIEF EXECUTIVE OFFICER



DATE

Annexure to AB&C Policy: AB&C Procedures for Associated Party Due Diligence

This Procedure supports the Tongaat Hulett Anti-Bribery and Corruption (“AB&C”) policy. The Tongaat Hulett Chief Executive Officer will be the custodian of this guideline.

Prior to entering into any form of business relationship, proper due diligence should be performed. Such due diligence should also be repeated periodically. The term “due diligence” in general refers to the research, investigation, assessment and monitoring of an individual and/or entity prior to entering into or reassessing an existing form of relationship and/or agreement. The primary objective of the AB&C due diligence is to ensure that Tongaat Hulett Limited (“the Company”) enters into business relationships with associated parties (individuals and/or entities) who will behave in a manner consistent with the Company’s policies and procedures.

A counterparty is an “Associated Party” of the Company if it is a person or entity who or which:

- performs services for or on behalf of the Company; and
- may have an opportunity to offer, promise or give a bribe with the intention of getting or keeping business or any other advantage for the Company.

As the Company has various business relationships, the depth and breadth of its due diligence procedures applied to each will differ, ranging from selective to enhanced in-depth due diligence procedures on associated parties, with agents/intermediaries being deemed high risk. Due diligence procedures would generally include background searches on the business relationship partner/s, review of the adequacy of its AB&C framework, policies and procedures and whether there are any known or suspected bribery and corruption concerns and/or “red flags”.

Due diligence may, where appropriate, be carried out by the Company through its Strategic Sourcing department, in-house Forensic or Compliance functions or outsourced; or may be performed by a combination of the functions and outsourced service providers.

The purpose of this guideline is to identify the forms of the Company’s business relationships, whether controlled entities or associated parties and to provide guidance on the specific due diligence required.

A flowchart summarising the process in this document is set out at Appendix 1.

Responsibility and Authority

Due diligence procedures are carried out by suitable management/staff designated by the responsible authority of the relevant operation and where appropriate assisted by other line managers with a minimum knowledge of the markets, clients and operations of the Company.

Procedures

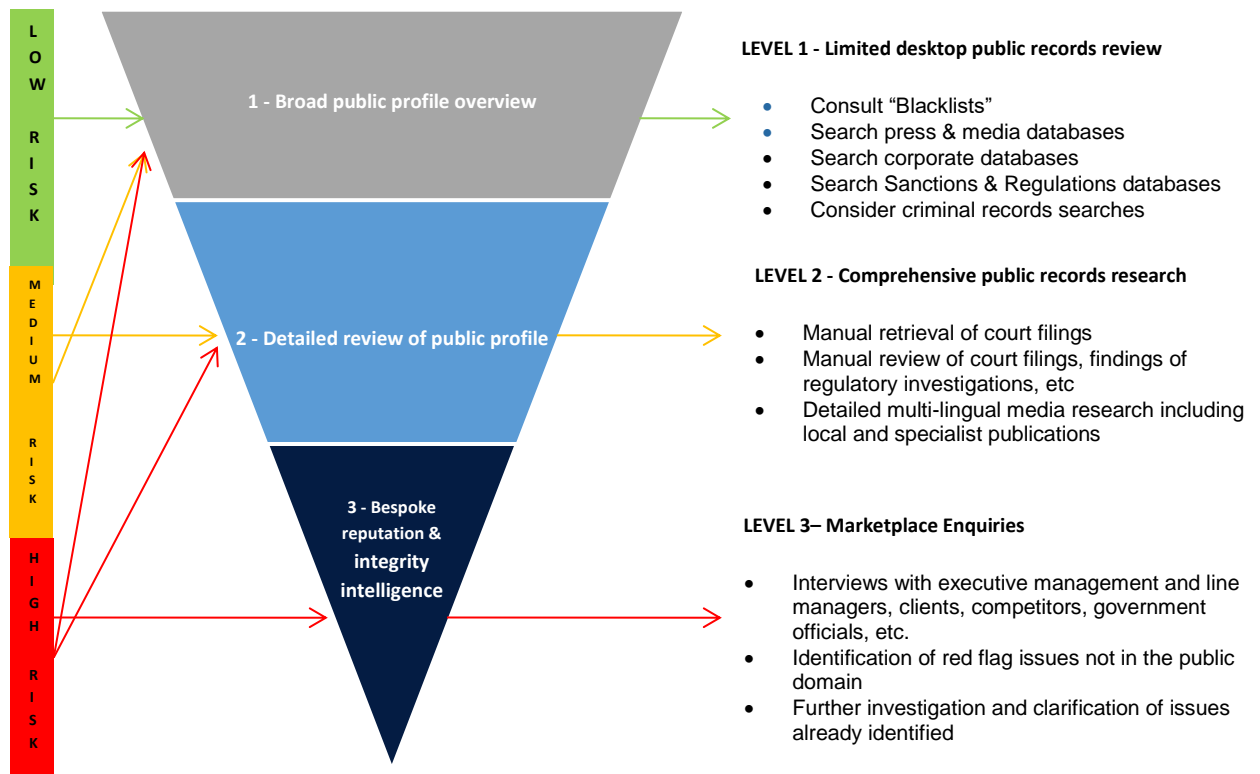
Proportionate and risk-based approach

The Company applies due diligence procedures, taking a proportionate and risk-based approach, in order to mitigate the risks associated with bribery and corruption. The appropriate level of due diligence to prevent bribery and corruption will vary depending on the risks arising from the particular relationship. In the case of lower risk relationships, the Company will conduct limited due diligence procedures, whereas in the case of higher risk relationships, the Company will conduct comprehensive due diligence procedures.

Levels of due diligence required

The levels of due diligences required are based on the bribery and corruption risk arising from the business relationship, as indicated below:

- **“LOW RISK”** business relationships - Conduct a **“LEVEL 1”** review
- **“MEDIUM RISK”** business relationship - Conduct a **“LEVEL 1”** and **“LEVEL 2”** review
- **“HIGH RISK”** business relationship - Conduct a **“LEVEL 1”**, **“LEVEL 2”** and **“LEVEL 3”** review
(refer diagram below).



How do I determine the level of bribery risk which the Associated Party presents?

You should determine the level of bribery and corruption risk by reference to the risk factors outlined below. If the Associated Party displays any of the Increased risk factors, it should be classified as Increased bribery and corruption risk and enhanced due diligence should be conducted.

If you have sufficient justification to merit classifying the Associated Party as Standard risk despite the existence of an Increased risk factor, you must obtain written authorisation to do so from the respective authority (in consultation with Group Compliance where appropriate) before proceeding on this basis to AB&C Standard due diligence.

Risk factors

You should consider the following risk factors in determining the level of bribery risk faced:

1. **Country risk: this is evidenced by perceived high levels of corruption, an absence of effectively implemented anti-bribery legislation and a failure of the foreign government, media, local business community and civil society effectively to promote transparent procurement and investment policies.**

You should determine country risk by considering the country in which the Associated Party will perform services for, or on behalf of, Tongaat Hulett. The Associated Party should be classified as Increased (high risk countries) or Standard risk (medium and low risk countries). The risk is considered when assessing this risk in the country of execution of service/supply rather than the country of legal formation. If the Associated Party performs services for, or on behalf of, Tongaat Hulett in more than one country the highest risk ranked country which is the Associated Party's **primary focus** should be used for the purposes of the Associated Party risk assessment.

2. Sectoral risk: some sectors are higher risk than others. Higher risk sectors include the extractive industries and the large scale infrastructure sector.

The industry in which the Associated Party operates;

The following industries may be considered but not limited to be high risk industries by reference to the Transparency International ("TI") Bribe Payers Index:

- Public works contracts & construction
- Real estate & property development
- Oil & gas
- Heavy manufacturing
- Mining
- Pharmaceutical & medical care
- Utilities
- Defence

3. Transaction risk: certain types of transactions give rise to higher risks, for example, charitable or political contributions, licences and permits, and transactions relating to public procurement.

To determine if the Associated Party is Standard or Increased risk, consideration must also be given to the type of transaction involved and the proposed role of the Associated Party in that transaction. If the transaction relates to political lobbying or to introducing a new line of business then it may be considered Increased bribery risk. Similarly, if the transaction necessitates a banking or other form of licence to be granted it should be considered an Increased risk.

4. Business partnership risk: certain relationships may involve higher risk, for example, the use of intermediaries in transactions with foreign public officials; consortia or joint venture partners; and relationships with politically exposed persons where the

proposed business relationship involves, or is linked to, a prominent public official.

You should consider the bribery and corruption risk associated with the Associated Party's exposure to Public Officials¹ in providing services for, or on behalf of, the Company.

You should assess the Public Official and/or Prominent Influential Person ("PIP") risk by reference to:

- a. Whether the Associated Party is itself a Public Official or PIP; and
- b. Whether the third party with which the Associated Party interacts is a Public Official/ PIP and/or there is a requirement to deal with Public Officials/PIP in delivery of the service.

This is because the bribery and corruption risk is associated with the service being provided by the Associated Party.

5. *Business opportunity risk: such risks might arise in high value projects or with projects involving many contractors or intermediaries; or with projects which are not apparently undertaken at market prices, or which do not have a clear legitimate objective.*

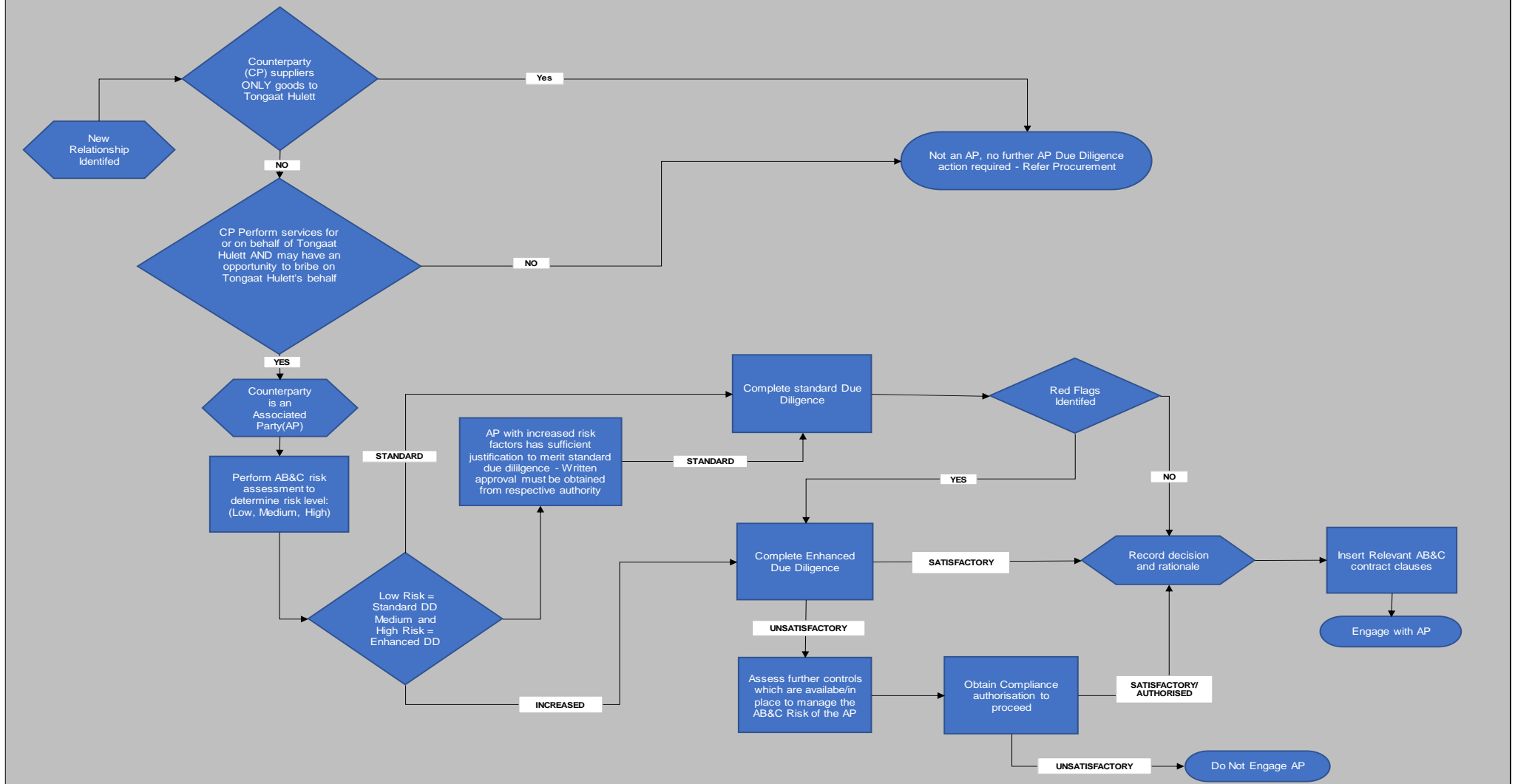
You should consider the overall environment in which the Associated Party is operating to consider whether there are any factors which may give rise to a risk of bribery. For example, are the pressures on the Associated Party such that it may feel compelled to engage in bribery? Will the Associated Party be involved in providing services which are so non-transparent that it is difficult to identify the purpose for which payments are being made? Is the benefit derived from the contract sufficiently material as to increase the likelihood of the Associated Party engaging in bribery?

¹ "Public Official" means: any officer, employee or representative of a government, whether national, federal or local; any individual exercising a legislative, administrative or judicial function, whether appointed or elected; any officer, employee or representative of any entity controlled or owned by a government, including but not limited to central banks, sovereign wealth funds, state-run hospitals and any business venture that is owned or controlled by a government entity; any candidate for or holder of public office; any official of a political party; any officer, employee or representative of a public international organisation; and any member of a royal family.

Once the Associated Party has been classified as Increased (medium to high) or Standard (low) bribery and corruption risk by reference to the above factors, this should be recorded, and AB&C due diligence conducted accordingly.

(Please refer to attached process flow (Appendix 1) for guidance on steps to be followed)

Appendix 1 - Associated Party AB&C Due Diligence Process Flow



ANTI-BRIBERY & CORRUPTION POLICY

DOCUMENT CONTROL DATA



VERSION 1

LAST REVISION DATE: 00/00/0000

FIRST IMPLEMENTATION DATE: 10/11/2020

DOC. REF. NR. THL7/2020

APPROVAL RECORD

	DESIGNATION	SIGNATURE	DATE
AUTHOR	Group Company Secretary		28/07/2020
REVIEWED BY	Business Assurance Executive		31/07/2020
APPROVED BY	Social & Ethics / Safety & Health Committee	Resolution: SEHS 2020/01	06/11/2020