



# THUNGELA RESOURCES RESPONSIBLE SOURCING POLICY

<b>IMPLEMENTATION DATE</b> 2024/05/31	<b>NEXT REVIEW DATE</b> 2027/04/30
<b>DOC NO</b> TR.FIN.POL.054	<b>VERSION NUMBER:</b> 01

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IMPLEMENTATION DATE	2024/05/31	NEXT REVIEW DATE	2027/04/30
DOC NO	TR.FIN.POL.054	VERSION NUMBER:	01

### 1 CONTEXT:

As a responsible miner, Thungela provides a wide range of economic and social benefits for Business Partners, host communities and the country, which includes significant employment, tax revenues, export earnings, business opportunities and the provision of many essential community services.

This Responsible Sourcing Policy outlines our approach and provides a guideline to sourcing materials, or services in ethical, and sustainable manner by upholding human rights, labour standards, health and safety, environmental management, and business integrity across our supply chain.

Thungela is committed to working with suppliers, vendors, agents, consultants and contractors (Business Partners) that share these principles and comply with this Policy in their operations.

The Responsible Sourcing Policy is instrumental in ensuring that we deliver our business objectives while making a positive social impact on the lives of millions of people in our supply chains.

### 2 DOES THIS APPLY TO ME?

This Policy applies to all Thungela managed operations as well as those operations where Thungela acts with a Business Partner.

This Policy shall further apply to any Business Partners and subcontractors(s) involved in a business relationship with Thungela.

#### ***Accountability and responsibility***

Thungela expects its Business Partners to implement responsible sourcing practices, and Thungela may act where responsible sourcing principles are not being appropriately practiced and applied.

Oversight of compliance with this Policy is undertaken at different levels of the organization including the Thungela Resources Board, Social and Ethics Committee, Executive Committee and Senior Management, General Manager and Mine HOD/Management Team, Functional and Project Teams.

Thungela Supply Chain will be the custodians and responsible for the implementation of this Policy therefore any inputs, queries and observed breaches are to be directed to the department.

Where not provided for, exemptions to this Policy are not permitted unless written approval has been obtained from the Head of Supply Chain (HoSC) or via the Thungela Commercial Committee (TCC).

### 3 WHAT IS THUNGELA RESOURCES COMMITMENT?

We are committed to doing business in line with internationally recognized principles on human rights, environmental management, business integrity, and anti-corruption.

Based on the above Thungela Responsible Sourcing Policy shall be applied to ensure that any Business Partners and subcontractors(s) involved in a business relationship with Thungela shall adhere to and apply the following key responsible sourcing principles:

- Business is conducted lawfully fairly and with business integrity
- Business is conducted in a manner that limits the impact on health and safety
- Business is conducted in a manner which embraces sustainability and reduces environmental impact
- Labour and Human rights are protected
- Land rights of communities, including indigenous peoples, will be protected and promoted
- Abide by the values embedded in Thungela Code of Conduct, Human Rights Policy, ESG Policy, Social Policy, HR policies



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DOC NO	TR.FIN.POL.054	VERSION NUMBER:	01

## 4 WHAT DO I NEED TO DO?

All persons associated with Thungela, and all our Business Partners are responsible for upholding the commitment to implement the responsible sourcing principles diligently and transparently in every aspect of our business dealings. Commitment from our employees and Business Partners will be demonstrated by abiding to the following:

### 4.1 Compliance With Laws

Comply with all applicable laws, all internal policies and procedures in relation to sourcing, labour practices, environmental protection and human rights. These policies are premised on applicable international regulations and standards.

### 4.2 Business Integrity

#### 4.2.1 Conflicts of Interest, Bribery and Corruption

In line with Thungela Business Integrity Policy, and Code of Conduct, conduct business with integrity, honesty, and transparency as prescribed in the policy.

#### 4.2.2 Gifts and Hospitality

In line with Thungela Business Integrity Policy, and Code of Conduct, refrain from offering and receiving gifts, entertainment or hospitality in order to gain a business advantage.

#### 4.2.3 Competitor Information

Thungela prohibits anti-competitive practices and will not tolerate such activities from our employees and Business Partners. Business Partners shall understand and comply with competition law requirements applicable to their business.

#### 4.2.4 Illicit Trade-: Financial Records, Money Laundering and Insider Trading

While doing business with Thungela Business Partners shall engage in legitimate business and shall not condone, facilitate, or support counterfeiting, smuggling, or other related crimes, such as money laundering.

#### 4.2.5 Safeguarding Information and Property

Confidential and/or personal information must not be shared with any third party unless expressly permitted. This information shall be used only for the purposes authorized by contractual agreement.

#### 4.2.6 Product Quality, Responsible Innovation and Product Marketing

Products and services are delivered to meet the required specifications as well as quality and safety criteria specified in the relevant contract documents and are safe for their intended use.

Consumers shall be informed of any products' harmfulness and mitigating factors.

### 4.3 Respect Human Rights and Labour

Thungela is committed to respecting human rights and such commitment is entailed in the Thungela Human Right Policy.

Business Partners must have policies and processes in place appropriate to size and circumstances of the Business Partner, which at a minimum are aligned to Thungela Human Rights Policy.

#### 4.3.1 Forced labour and human trafficking.

Various strategies in the supply chains and the recruitment processes shall be adopted to combat modern day slavery/ human trafficking and forced labour.



# THUNGELA RESOURCES RESPONSIBLE SOURCING POLICY

IMPLEMENTATION DATE	2024/05/31	NEXT REVIEW DATE	2027/04/30
DOC NO	TR.FIN.POL.054	VERSION NUMBER:	01

Awareness, visibility on human trafficking and modern slavery must be increased in the organisations or operations.

## 4.3.2 Child labour

The age of labour shall always be in line with national legislation applicable to the countries where Thungela operates and in the countries in which the Business Partner is registered and/or conducts business and as prescribed by the International Labour Organisation.

Practices, policies and procedures must be in place to prevent the illegal recruitment of children.

## 4.3.3 Fair and Legal terms of employment

Business Partners shall ensure terms of employment are legal and are in accordance with Basic Conditions of Employment Act No. 75 of 1997.

All terms and conditions of employment shall meet the minimum legal requirements applicable where Thungela operates and in the countries in which the Business Partner is registered or conducts business.

## 4.3.4 Irregular Employment

Business Partners shall comply with national labour laws of the country in which the Business Partner is registered or conducts business or where Thungela operates.

## 4.3.5 Working time, Wages and benefits

Thungela and Business Partners shall ensure that regular working hours, payment of wages and benefits are as per the employment agreement and in accordance with the national legislation i.e., Basic Conditions of Employment Act No. 75 of 1997.

## 4.3.6 All Workers are treated Fairly and equally and with dignity.

Working practices and a working environment that is inclusive and professional which do not tolerate physical, sexual, psychological or verbal harassment, abuse or other form of intimidation, offensive, demeaning or abusive behaviour, or discrimination of any kind shall be maintained.

All workers are provided with visible, fair and confidential procedures that result in swift, neutral, objective and fair resolution of problems which may arise as part of their employment.

## 4.3.7 Freedom of association

Recognize workers' right to bargain collectively and support initiatives that asserts the workers' rights against exploitation.

## 4.4 Workplace safety and health

Thungela prioritises health and safety of its employees and all individuals involved in its operations as prescribed in our Health and Safety Policies and practices.

Business Partners shall have in place and implement the following:

- robust health and safety protocols
- adequate training
- proper equipment and infrastructure shall be provided to prevent accidents
- overall wellbeing of all individuals involved in their operations.



# THUNGELA RESOURCES RESPONSIBLE SOURCING POLICY

IMPLEMENTATION DATE 2024/05/31	NEXT REVIEW DATE 2027/04/30
DOC NO TR.FIN.POL.054	VERSION NUMBER: 01

## 4.5 Environmental and Climate Change Responsibility

Thungela is committed to minimising the environmental impact of our mining activities through its Safety, Health and Environment (SHE) Policy. We strive to achieve responsible environmental stewardship based on the efficient use of resources, climate risk management, promoting biodiversity and land stewardship as well as pollution prevention.

Business Partners shall implement responsible environmental management practices, appropriate to its size and circumstance.

## 4.6 Community Rights, Development and Security

Guided by the Thungela Human Rights Policy and Social Policy, communities' human rights, land rights and titles, their traditions, customs and cultural heritage shall be respected.

## 4.7 Reporting Concerns and Non-retaliation

We strongly support a culture of speaking up without any fear of retaliation against those who report actual or suspected violation of the Responsible Sourcing Principles. We strongly encourage the adoption of confidential "whistleblowing" channels to raise concerns.

**Thungela's HAIBO!** facility may be used to report any potential violations of this Policy or other suspicious behaviour. Thungela Whistle blowing details are available on the website or as follows:

1. report a concern using Haibo Tip-Offs Anonymous Tip-Offs phone number: 0800 555 117. or
2. report a concern using the email address: [thungela@tip-offs.com](mailto:thungela@tip-offs.com); or
3. report a concern using the website- [www.tip-offs.com](http://www.tip-offs.com)

# 5 IMPLEMENTATION

Every Business Partner shall acknowledge this Policy and agree to abide by the standards set forth herein, as a pre-requisite in every business relationship with Thungela. This Policy together with other policies mentioned will be made available during the Vendor registration process, during the sourcing process, in our contracts and Purchase order documents and through our website.

To support Thungela Business Partners in meeting our Responsible Sourcing Policy requirements, we have developed a comprehensive guideline, which explains our expectations in more detail, and aims to support Business Partners to implement this policy in their operations and business relationships. It includes recommendations on how to meet the Policy requirements and provides suggested operational controls, documentation and management systems.

The above is further enforced via Thungela's standard Supply Chain Contracts ("SC Contracts") concluded with Business Partners. Business Partners are contractually obliged to comply with the Responsible Sourcing Policy requirements via certain disclosure and assessment obligations, corrective or remedial actions (see *Monitoring and Reporting below*) failing which, Thungela is entitled to terminate the SC Contract with the Business Partner concerned.

# 6 MONITORING AND REPORTING:

Thungela may audit and assess our Business Partners' adherence to these Principles through internal and external planned or unplanned assessments or audits at least once per annum and expects Business Partners to take concrete actions to close any gaps identified in the application and assessments of these Principles.



## THUNGELA RESOURCES RESPONSIBLE SOURCING POLICY

IMPLEMENTATION DATE 2024/05/31	NEXT REVIEW DATE 2027/04/30
DOC NO TR.FIN.POL.054	VERSION NUMBER: 01

Business Partners shall also undertake self-assessments in measuring implementation of the Responsible Sourcing Principles. Self-assessments questionnaire or surveys may be used and shall be required as part of the vendor registration process, or sourcing events and routine information updates requests.

If Thungela has a reasonable suspicion that a Business Partner has violated the terms of this Policy, may terminate or restrict its business relationship with the Business Partner and or report such violations respective Thungela risk committees.

## 7 FURTHER INFORMATION:

### **Internal and External references**

*Thungela Human Rights Policy*

<https://thungela.sharepoint.com/sites/ThungelaSPH/Central%20Standards%20and%20Policies/Policies/Human%20Rights%20Policy.pdf> -

*Thungela ESG Framework*

<https://thungela.sharepoint.com/sites/ThungelaSPH/Central%20Standards%20and%20Policies/Policies/Environmental,%20Social%20and%20Governance%20Policy.pdf>

*The Thungela Social Policy*

<https://thungela.sharepoint.com/sites/ThungelaSPH/Central%20Standards%20and%20Policies/Policies/Social%20Policy.pdf>

*The Thungela SHE Policy*

<https://thungela.sharepoint.com/sites/ThungelaSPH/Central%20Standards%20and%20Policies/Policies/SHE%20Policy.pdf>

**THUNGELA ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICY-**

<https://thungela.sharepoint.com/sites/ThungelaSPH/Central%20Standards%20and%20Policies/Policies/Environmental,%20Social%20and%20Governance%20Policy.pdf>

*Thungela Code of Conduct*

<https://thungela.sharepoint.com/sites/ThungelaSPH/Central%20Standards%20and%20Policies/Policies/Code%20of%20Conduct.pdf>

*Business integrity Policy:*

<https://thungela.sharepoint.com/sites/ThungelaSPH/Central%20Standards%20and%20Policies/Policies/Business%20Integrity%20Policy%20and%20Performance%20Standards.pdf>

*Antitrust Policy:*

<https://thungela.sharepoint.com/sites/ThungelaSPH/Central%20Standards%20and%20Policies/Policies/Antitrust%20Policy.pdf>

*Human Resources Policies*

<https://thungela.sharepoint.com/sites/ThungelaSPH/Central%20Standards%20and%20Policies/Policies/Human%20Rights%20Policy.pdf>

*Inclusion & Diversity Policy*

<https://thungela.sharepoint.com/sites/ThungelaSPH/Central%20Standards%20and%20Policies/Policies/Inclusion%20and%20diversity%20policy.pdf>

*Integrated Risk Management Policy*

<https://thungela.sharepoint.com/sites/ThungelaSPH/Central%20Standards%20and%20Policies/Policies/Integrated%20Risk%20Management%20Policy.pdf>

*Remuneration Policy*

<https://thungela.sharepoint.com/sites/ThungelaSPH/Central%20Standards%20and%20Policies/Policies/Remuneration%20Policy.pdf>

*Social Investment Policy*

<https://thungela.sharepoint.com/sites/ThungelaSPH/Central%20Standards%20and%20Policies/Policies/Social%20Investment%20Procedure.pdf>

*Supply Chain Policy*

<https://thungela.sharepoint.com/sites/ThungelaSPH/Central%20Standards%20and%20Policies/Policies/Supply%20Chain%20Policy.pdf>

*Water Policy*

<https://thungela.sharepoint.com/sites/ThungelaSPH/Central%20Standards%20and%20Policies/Policies/Water%20Policy.pdf>

*Whistleblowing Policy*

<https://thungela.sharepoint.com/sites/ThungelaSPH/Central%20Standards%20and%20Policies/Policies/Whistleblowing%20Policy.pdf>

*Operational Risk Management Standard*

<https://thungela.sharepoint.com/sites/ThungelaSPH/Zibulo/Standards%20and%20Guidance%20Documents/Operational%20Risk%20Management%20Standard.pdf>

*Thungela Accountability Policy*



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<https://thungela.sharepoint.com/sites/ThungelaSPH/Central%20Standards%20and%20Policies/Policies/Accountability%20Policy.pdf>

*Air Quality Management Standard*

<https://thungela.sharepoint.com/sites/ThungelaSPH/Greenside/Standards%20Procedures%20and%20Guidance%20Documents/Ventilation%20Standard.pdf>

*Water Management Standard*

<https://thungela.sharepoint.com/sites/ThungelaSPH/Central%20Standards%20and%20Policies/Technical%20Standards/Water%20Management%20Standard.pdf>

*Mine Closure Standard*

<https://thungela.sharepoint.com/sites/ThungelaSPH/Central%20Standards%20and%20Policies/Technical%20Standards/Mine%20Closure%20Standard.pdf>

*Thungela Inclusive Procurement Policy*

<https://thungela.sharepoint.com/sites/ThungelaSPH/Central%20Standards%20and%20Policies/Policies/Inclusive%20Procurement%20Standard.pdf>

*Thungela Data Privacy Policy*

<https://thungela.sharepoint.com/sites/ThungelaSPH/Central%20Standards%20and%20Policies/Policies/Data%20Privacy%20Policy.pdf>

## External references

*United Nations Global Compact*

*UN Guiding Principles on Business and Human Rights*

*United Nations Sustainable Development Goals*

*UN Declaration on the Rights of Indigenous Peoples*

*International Finance Corporation Performance Standards and associated Guidance Notes*

*Voluntary Principles on Security and Human Rights*

*ICMM 10 principles for sustainable development*

*ICMM Position Statement on Indigenous Peoples and Mining*

*OECD Guidelines for Multinational Enterprises*

*Bettercoal Code 2.0*

*International Standard Organisation 9001/9001*

*Quality Management 14001/ ISO14001*

*Environmental Management ISO 26000 / 26000*

*International Core Labour Organisation Standards*

*Occupational Health and Safety Management- OHSAS 18001 and ISO45000*

*United Nations Guiding Principles on Business and Human Rights*

*UK Modern Day Slavery Act 2015*

*Prevention and Combating of Trafficking in Person Act 2013*

*International Bill of Human Rights*

*Organisation for Economic Co-operation and Development (OECD)*

## Glossary / list of abbreviations/definitions

Abbreviation	Explanation
ILO	International Labour Organization

Term	Definition
Business Partner/s	means suppliers, vendors, agents, consultants, contractors, subcontractors, partners, joint venture.



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## 8 RECORD OF REVISION

### *Frequency of Policy review*

This Policy will be subjected to a 3-year review period per Thungela Resources Document review system or earlier, as and when required.

### *Revision history for this document*

Version	Date of Change	Main changes made
1	N/A	New Thungela Responsible Sourcing Policy