



# SUPPLIER CODE OF CONDUCT

VERSION 1.1

**exxaro**

POWERING POSSIBILITY

# TABLE OF CONTENTS

Code on a page

1. Introduction	1
2. Purpose and objective	1
3. Who does this Code apply to?	1
4. Applicable legislation and industry standards	2
5. What is Exxaro's Commitment?	4
6. Supplier self-registration process	11
7. Management tools and compliance	11
8. Consequences of non-compliance	11
9. Period of operation	11





# CODE ON A PAGE

## WHAT

The Supplier Code of Conduct outlines Exxaro's ethical and sustainability expectations for Suppliers and vendors who intend to, or are currently, doing business with Exxaro. It serves as a basis to assess and ensure that Suppliers and vendors operate in alignment with Exxaro's values on ethics, sustainability, human rights, health and safety, labour practices, and environmental responsibility.

## WHY

The purpose of the Supplier Code of Conduct is to communicate the standards that Exxaro regards as mandatory for selecting Suppliers.

## WHO

Applicable to: All Exxaro Suppliers, Exxaro Employees, vendors, Subcontractors, and their personnel who interact with or provide goods and/or Services to Exxaro.

Owned by: Executive Head, Commercial.

## HOW

**Ethical business conduct:** Zero tolerance for corruption, bribery, or unethical behaviour. Commitment to protecting human rights, complying with sanctions, and ensuring that gifts, benefits, and entertainment are managed responsibly and transparently.

**Sustainability and Environmental Responsibility:** Compliance with environmental laws, focus on pollution reduction, and waste management.

**Transformation and Social Impact:** Support inclusive growth through local employment, skills development, and B-BBEE-aligned procurement.

## 1. INTRODUCTION

This Supplier Code of Conduct outlines Exxaro's ethical and sustainability expectations for Suppliers and vendors, including their representatives and employees, who intend to, or are currently doing business with Exxaro. Exxaro will use this Supplier Code of Conduct as a basis to assess and ensure that Suppliers and vendors operate in alignment with its values on ethics, sustainability, human rights, health and safety, labour practices, and environmental responsibility.

## 2. PURPOSE AND OBJECTIVE

The objective of this Supplier Code of Conduct is to communicate the standards that Exxaro regards as mandatory for selecting and contracting with Suppliers.

### **This Supplier Code of Conduct sets out:**

1. Exxaro's standards for compliance by all Suppliers.
2. Focus areas that, if appropriately addressed, should keep both Exxaro and Suppliers well ahead of the regulatory wave, creating an impetus for innovation, continuous improvement, risk mitigation, learning, and operational efficiency.
3. Perspectives for developing criteria to be used when assessing and auditing Supplier progress on compliance with this Supplier Code of Conduct; and
4. The basis on which the collaborative development spheres of Suppliers will be focusing.

## 3. WHO DOES THIS CODE APPLY TO?

### **This Code applies to:**

- All Exxaro Suppliers, Exxaro Employees, vendors, Subcontractors, and their personnel who interact with or provide goods and/or Services to Exxaro.
- All Suppliers and vendors doing and wishing to do business with Exxaro, as well as all Exxaro Employees, particularly those involved in dealing with Suppliers in the upstream supply chain on behalf of Exxaro.

## 4. APPLICABLE LEGISLATION AND INDUSTRY STANDARDS



4.1. This Code complies with all relevant legislation, regulations, and industry standards, including but not limited to:

**Legislation:**

1. Broad-Based Black Economic Empowerment Act, 53 of 2003 (as amended)
2. Basic Conditions of Employment Act, Act 75 of 1997
3. Constitution of the Republic of South Africa, Act 108 of 1996
4. Companies Act No.71 of 2008
5. Employment Equity Act, no 55 of 1998 (as amended)
6. Labour Relations Act, no. 66 of 1995
7. Mine Health and Safety Act (MHSA), 29 of 1996
8. Prevention and Combating of Corrupt Activities Act, 12 of 2004
9. US Foreign Corrupt Practices Act, 1977 (FCPA)
10. UK Bribery Act, 2010

**Standards:**

1. ISO 45001 (previously OHSAS 18001)
2. SANS 14000 (Environmental Management)
3. SANS: ISO 9001 (Quality Management Systems)
4. SA8000 (Social Accountability Standard)
5. OECD Guidelines for Multinational Enterprises
6. United Nations Guiding Principles on Business & Human Rights (UNGPs)
7. International Labour Organisation's Declaration on Fundamental Principles and Rights at Work
8. International Council on Mining and Metals
9. Mining Charter

4.2. Exxaro is committed to staying up to date with changes in legislation and industry standards to ensure ongoing compliance. The Code will be reviewed and updated as necessary to reflect any changes.

4.3. Exxaro requires Suppliers to take responsibility and ensure that their business conduct complies with all applicable laws, regulations, and corporate governance standards, while implementing systems that prevent inappropriate behaviour that will compromise the Supplier as a responsible corporate citizen and/or Exxaro's reputation.

## 5. WHAT IS EXXARO'S COMMITMENT?

5.1. Exxaro is committed to maintaining the highest standards in ethics and governance; transformation; environmental stewardship; safety, occupational health and hygiene; fair labour; service delivery; social engagement; waste/resource management; and secure access with medical surveillance, ensuring legal compliance and fostering a culture of integrity, zero harm, accountability, and continuous value creation.





### **Safety, Occupational Health, and Hygiene**

Safety, Occupational Health, and hygiene remain top priorities for Exxaro. Exxaro is committed to:

- Enforcing compliance with the requirements of the relevant occupational safety, health, and hygiene regulations.
- Ensuring that all incidents leading to fatalities, injuries, occupational accidents, and diseases are reported and investigated thoroughly to determine all contributing factors and promptly implement corrective and preventative actions.
- Preventing injury, ill health, pollution, and continually improving safety, sustainability, and performance; and
- Maintaining continuous hazard and aspect identification and risk assessment for safety, Occupational Health, and sustainable development in general.

### **Suppliers are obliged to:**

1. Have an effective policy to enforce compliance with all applicable safety, Occupational Health, and hygiene legislation and programmes for the protection of its workforce from unsafe practices and the threat of occupational diseases.
2. Maintain controls and innovative methods to ensure that they comply with the regulated occupational exposure limits or legislated targets and guidelines on noise and dust when providing Services or supplies to Exxaro.
3. Implement effective prevention and monitoring measures to protect workers from occupational diseases, including pneumoconiosis, silicosis, and noise-induced hearing loss, supported by appropriate medical surveillance.
4. Enforce and visibly manage a zero tolerance to behaviour and practices that harm the workforce; and
5. Maintain a high level of emergency preparedness and response to manage any potential safety, health, and environmental emergencies.

## HIV/ AIDS and Tuberculosis (TB)

Suppliers are encouraged to support the battle against HIV/AIDS and Tuberculosis (TB) by implementing programs to improve awareness, prevent the spread of HIV/AIDS and TB, and eliminate any stigma or unfair discrimination on the basis of HIV/AIDS and TB.

### These programs may include, but are not limited to:

- A well-communicated policy on HIV/AIDS and TB in the workplace, encouraging employee participation in voluntary counselling, testing, and patient confidentiality.
- Prevention, treatment, and care for people with HIV/AIDS and TB.

## Environmental Responsibility

Exxaro is committed to achieving high standards of environmental care and providing a safe and healthy workplace for Employees, contractors, Suppliers, and other relevant stakeholders.

Suppliers are obliged to demonstrate their compliance with applicable environmental legislation, regulations, and requirements when providing Exxaro with Services or goods. By way of example and not limited to this, Suppliers are encouraged to ensure that they:

1. Have an effective environmental policy in place.
2. Obtain and record all environmental permits and registrations.
3. Implement effective systems and measures to reduce, control, and eliminate air emissions, pollution at the source, and environmental spillages.
4. Identify, manage, store, move, and handle hazardous substances in accordance with legislation and guidelines relating to hazardous materials.



## Transformation and Empowerment

In respect of operations located in the Republic of South Africa, Exxaro's transformation and empowerment initiatives are guided by the Mining Charter, the B-BBEE Act, the MPRDA, and South African labour and industrial relations regulations (e.g., LR Act, BCE Act, EE Act, Skills Development Act, etc.). In every country where Exxaro operates, we support social and economic empowerment efforts that address critical skills shortages, unemployment, and encourage the participation of local SMMEs in those economies.

Suppliers are expected to have strategies, action plans, and systems for guiding, monitoring, reviewing, and evaluating the progress of their transformation and empowerment programs, with specific reference to, but not limited to:

- In respect of Suppliers located in the Republic of South Africa, facilitation of employment equity, development of their employees, community development, and Preferential Procurement in their businesses.
- Identification of critical skills and implementation of an effective talent pipeline program that addresses a future shortage of critical skills.

## Social Development

Suppliers are expected to contribute to the social development and improvement of the communities where they deliver their Services/ goods to Exxaro, as per the following:

- Implement local economic development initiatives that address the economic, social, and educational needs.
- Ensure that their business impact primarily benefits the local communities through, inter alia, job creation, literacy and numeracy education, skills development, and the economic advancement of women and youth.
- Respect human dignity and recognise the rights, cultural heritage, and traditions of indigenous communities, and handle all community matters in the spirit of dialogue, honesty, teamwork, and empowerment to contribute.



## Labour Standards

Suppliers must implement sound and internationally recognised labour standards, such as (but not limited to) the freedom of association and expression; effective recognition of the right to collective bargaining; elimination of all forms of employment discrimination and gender equality; and the effective prevention of child labour, as well as forced and compulsory labour.

## Ethics, Human Rights, and Governance

### Business Ethics

Exxaro, as a responsible corporate citizen, expects its Employees and Suppliers to commit to following the highest standards of honesty, integrity, accountability, and trust when engaging in any activity concerning Exxaro. In addition, Exxaro expects Employees and Suppliers to avoid any activity that gives the appearance of being improper, illegal, or that could in any way harm or embarrass Exxaro or those dealing with it.

### Conflict of Interest

Exxaro subscribes to ethical and responsible leadership, requiring all Employees and Suppliers to act in the best interests of the Company. Suppliers must avoid any actual, potential, or perceived conflicts of interest, including conduct that could compromise impartial decision-making or place personal or financial interests above those of Exxaro.

This includes disclosing any relationships, interests, or circumstances that could improperly influence business decisions. Full compliance with Exxaro's ethical standards is essential to maintaining a trusted and sustainable partnership. Any such interests, relationships, or circumstances must be disclosed immediately, in line with Exxaro's Conflict of Interests Policy and the Companies Act No. 71 of 2008.

### Anti-Bribery, Corruption, and Sanctions

Exxaro is committed to doing business ethically and complying with the law at all times. We have a zero tolerance for the commission or concealment of theft, fraudulent, or corrupt acts by Employees or Suppliers. To improve Exxaro's broader operating environment and culture in combating fraud and corruption, our standard operational and capital-related expenditure terms and conditions for contracting with Suppliers contain specific provisions around sanctions, corrupt practices, fraud, and prohibited practices in respect of local and international legislation.

### Gifts, Benefits, and Entertainment

Exxaro has a formal Policy that prohibits Employees from accepting gifts and/or benefits above a specified value from Suppliers or requires disclosure and approval for those that exceed such value. Suppliers should ensure that, in their dealings with Exxaro Employees, they do not offer gifts and/or benefits that may influence impartiality in business decisions for personal gain or the unfair allocation of undue business opportunities. We expect our suppliers to avoid offering the following with respect to gifts, entertainment, and hospitality:

- Offering gifts and benefits, entertainment, or hospitality, while engaged in a tender, competitive bidding, commercial negotiations, or selling process,
- Providing or accepting cash or cash equivalents, such as shares, vouchers, or gift cards,
- Extending individual sponsorship to Employees or members of their families.



## Human Rights

Exxaro is committed to respecting and upholding human rights for all people within its sphere of influence and promoting responsible business practices. In expressing this commitment, Exxaro adopted the United Nations Guiding Principles on business and human rights and has been a signatory to the UN Global Compact since 2010.

The Exxaro Human Rights Policy, available on our website, documents our position and intent regarding the protection and upholding of human rights. It also stipulates Exxaro's human rights expectations of our personnel, Suppliers, and business partners. Any non-compliance with the Exxaro Human Rights Policy by any Supplier and/or business partner will be considered a material breach of any existing agreement with Exxaro, capable of termination.

## Waste Management

Suppliers are expected to collaborate with Exxaro in implementing effective and appropriate value chain initiatives that ensure the reduction or elimination of waste of all types (including water and energy) at the source, through practices such as modifying production, maintenance, and facility processes; material substitution; conservation; recycling; and reuse.

## Value-Adding

Suppliers are encouraged to participate in continuous business improvement initiatives and to propose product improvements or any value-adding initiatives that contribute to Exxaro's operational efficiency goals. **These can be categorized into, but not limited to, the following:**

- Competitive pricing and its impact on total cost of ownership (TCO), Exxaro's productivity/ bottom-line, i.e., the price of Services and goods provided by Suppliers has a major impact on cost and operational efficiency goals of Exxaro.
- Exxaro requires Suppliers to offer their Services and goods at competitive prices and to make concerted efforts to constantly reduce costs.
- Product functionality, durability, reliability, and consistency in environmental performance.

## Service Delivery

Exxaro will subject Suppliers to ongoing performance assessments by way of monitoring, evaluating, and providing feedback on Supplier performance. Aspects of Supplier performance that must be complied with and may be evaluated by Exxaro include:



Price/cost



On-time delivery



Quality



Lead times



Responsiveness



Inventory optimisation



Accurate invoicing



Reliability



Value-add or value release

## Access Control and Medical Surveillance

### Access to Exxaro's Premises

Exxaro's Suppliers are obliged to ensure that their personnel who, in the course of their Work, access Exxaro's Premises comply with Exxaro's requirements for contractor identification. These are issued to the Supplier's personnel who have a recurring business need to enter any of Exxaro's Premises, or who are required to identify themselves by wearing such identification. Contractor identification access cards shall be returned to Exxaro when the employment of the holder is terminated or when the holder no longer requires such identification, or at the request of Exxaro.

### Induction, Entry, and Exit Medical Surveillance or Screening

Suppliers must ensure that all their employees and subcontractors undergo Exxaro and sitespecific induction and a medical examination before starting with Work on any of Exxaro's Premises; and an annual medical examination covering the employees at any of Exxaro's Premises on which they operate, giving an analysis of the employee's health based on the employee's records of Medical Surveillance; and an exit medical examination before or within seven (7) working days after termination of employment, and that a record of the exit certificate is kept on the employee's record of Medical Surveillance.

## 6. SUPPLIER SELF-REGISTRATION PROCESS

Supplier engagement at Exxaro begins with a self-registration process via an online form available on the company website [www.exxaro.com](http://www.exxaro.com). To be recognised as a Prospective Supplier, applicants must accept the Exxaro Supplier Code of Conduct. Refer to Appendix A for the detailed process, steps, and required documentation.

## 7. MANAGEMENT TOOLS AND COMPLIANCE

Suppliers should demonstrate their compliance with this Supplier Code of Conduct and maintain effective management tools that are based on sound business principles and systems, with appropriate goals, targets, regular performance reviews, and improvement actions in their value chain.

Suppliers must ensure that their agents, Subcontractors, and suppliers are made aware of this Supplier Code of Conduct and its implications. Exxaro may, where necessary, prescribe specific contractual obligations and requirements for Suppliers to address this Supplier Code of Conduct.

## 8. CONSEQUENCES OF NON-COMPLIANCE

Non-compliance with this Supplier Code of Conduct may potentially negatively affect the future relationship or business between the Supplier and Exxaro. Exxaro may, upon reasonable notice to a Supplier, conduct an assurance review where necessary.

## 9. PERIOD OF OPERATION

The Supplier Code of Conduct will remain in force from the effective date until amended and circulated as an updated Code.



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For any concerns, queries, or feedback on this Code,  
please contact [vendor.services@exxaro.com](mailto:vendor.services@exxaro.com)

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