






# THUNGELA RESOURCES BUSINESS INTEGRITY POLICY AND PERFORMANCE STANDARDS

IMPLEMENTATION DATE 2021/06/01	NEXT REVIEW DATE 2022/05/31
DOC NO TR.FIN.POL.004	VERSION NUMBER: 1

AUTHORISATIONS	NAME	POSITION	SIGNATURE	DATE
AUTHOR	Francois Klem	Company Secretary		22 January 2022   11:21
REVIEWED BY	Deon Smith	Chief Financial Officer		24 January 2022   16:48
APPROVED BY	Thungela Social & Ethics Co	Thero Setiloane		



# THUNGELA RESOURCES BUSINESS INTEGRITY POLICY AND PERFORMANCE STANDARDS

IMPLEMENTATION DATE 2021/06/01	NEXT REVIEW DATE 2022/05/31
DOC NO TR.FIN.POL.004	VERSION NUMBER: 1

## 1 CONTEXT:

Integrity and accountability are core values for Thungela Resources Limited (Thungela). Earning and continuing to command trust are fundamental to the success of our business. Our stakeholders should be confident that we will deal with them fairly and ethically.

Our Good Citizenship Business Principles (hereafter referred to as the Business Principles) set out the standards which guide the conduct of our business. They make it clear that we are implacably opposed to corruption. We will neither give nor accept bribes nor permit others to do so in our name, either in our dealings with public officials or with suppliers and customers. We are committed to operate to the same high standard of integrity wherever we work.

As a long-term investor, we are committed to contributing to the sustainable development and good governance. Corruption undermines that objective; it erodes trust, drives away investment, undermines the rule of law upon which our investment security depends, and increases the costs and unpredictably of doing business. It significantly reduces the ability of our business to produce positive development outcomes.

Bribes and other corrupt payments are illegal. In addition to compliance with this policy, our employees and contractors have a duty to uphold and comply with the laws of the countries and jurisdictions in which they operate.

### Purpose

The purpose of this policy is to set out the standards of conduct required at every level within Thungela, our subsidiaries, joint ventures and associates; on the part of those with whom we do business and those who work on our behalf, in combating corrupt behaviour of all types.

## 2 DOES THIS APPLY TO ME?

This Policy is applicable to Thungela Board members, employees and those of its managed operations. Our channels to report non-compliance with our Business Integrity standards are available to all employees (including contractors), as well as to external stakeholders such as customers and suppliers of Thungela.



## THUNGELA RESOURCES BUSINESS INTEGRITY POLICY AND PERFORMANCE STANDARDS

IMPLEMENTATION DATE 2021/06/01	NEXT REVIEW DATE 2022/05/31
DOC NO TR.FIN.POL.004	VERSION NUMBER: 1

### 3 WHAT DO I NEED TO KNOW?

#### What is corruption?

For the purpose of this policy, corruption is defined as any act intended to result in the misuse of entrusted power for personal or corporate gain. Corruption encompasses a variety of situations including bribery, conflicts of interest, theft, extortion, embezzlement, fraud and misuse of company assets.

**Bribery** is defined as promising, offering or giving an undue advantage to a person or entity, either directly or through an intermediary, in order that the person or entity should perform, or refrain from performing, an act in breach of their business or public duties. Common examples of bribery include:

- cash or other forms of payment to secure a contract or obtain a license;
- improper donations to political parties or related organisations; and
- excessive gifts or entertainment intended to influence the recipient to undertake a particular course of action.

For the purpose of this policy, a bribe may consist of anything of material value, not simply a payment of cash, and may include the provision or receipt of:

- lavish or disproportionate gifts and entertainment;
- donations with an ulterior motive;
- payment of travel expenses or accommodation for a customer or official when there is no underlying business purpose for a trip; or
- use of corporate assets for activities which are unrelated to our business or approved charitable purposes.

**Conflicts of interest** can arise when financial or personal considerations may influence or appear to influence the judgement or actions of our employees in performing their duties or have the potential to do so. Such conflicts can occur when private and company interests are mixed or when business or governmental decisions are based on private interests.

**Extortion** is defined as the illegal use of an official position or powers to obtain property or funds.

**Fraud** can be defined as any deception deliberately practiced in order to secure unfair or illegal gain.

#### The exercise of improper influence



## THUNGELA RESOURCES BUSINESS INTEGRITY POLICY AND PERFORMANCE STANDARDS

IMPLEMENTATION DATE 2021/06/01	NEXT REVIEW DATE 2022/05/31
DOC NO TR.FIN.POL.004	VERSION NUMBER: 1

We will not, either directly or indirectly through intermediaries or other third parties, solicit, receive, offer, promise or provide money or anything of material value (including confidential or sensitive business and financial information and intellectual property) or otherwise exercise improper influence in our business or governmental relationships, with the intention of obtaining a contract, permit or any other specific benefit or any improper advantage in the conduct of business.

This applies both to our relationships with governmental organisations and officials and in our dealings with other businesses or civil society organisations. We will not tolerate any such activity by our employees, agents, contractors or business partners.

The question of what constitutes 'material value' will vary according to context. It will be defined by:

1. The context of the potential inducement, and
2. Whether what is offered or promised has sufficient potential value to the recipient, whether monetary or by its nature, to potentially sway the recipient's opinions or actions.

This policy covers the soliciting and receipt of bribes or other inducements from third parties by Thungela employees as well as the provision and payment of bribes.

### The Performance Standards – overview

The Performance Standards are intended as guidance to assist in identifying and interpreting situations of actual or potential corruption. The Standards are principles based and provide a framework within which employees are expected to exercise their best judgement in relation to specific situations.

Illustrative examples are provided for each Performance Standard. The illustrative examples do not provide definitive answers to all situations but illustrate the appropriate decision- making processes.

These Performance Standards apply to all Thungela employees and contractors. Thungela's supplier contracts will require suppliers of goods and services to the Company to adopt this policy or equivalent standards and our Board representatives will seek to secure the adoption of comparable standards in joint ventures or associate companies.



## THUNGELA RESOURCES BUSINESS INTEGRITY POLICY AND PERFORMANCE STANDARDS

IMPLEMENTATION DATE 2021/06/01	NEXT REVIEW DATE 2022/05/31
DOC NO TR.FIN.POL.004	VERSION NUMBER: 1

*Detailed Prevention of Corruption Performance Standards (hereafter referred to as the Performance Standards) have been adopted to cover the following areas and should be read in conjunction with this policy:*

- a** – Gifts, entertainment and hospitality
- b** – Conflicts of interest
- c** – Facilitation payments
- d** – Use of company assets
- e** – Political donations
- f** – Interactions with government officials and lobbying
- g** – Charitable donations
- h** – Social and community investment and enterprise development activities
- i** – Sponsorships
- j** – Retention and payment of intermediaries
- k** – Mergers, acquisitions, joint ventures and associates

Below follows an overview of each Performance Standard.

### **a – gifts, entertainment and hospitality**

#### *Offering or providing gifts, entertainment and hospitality*

The exchange of modest gifts and entertainment may help to build goodwill and this policy is not intended to detract from the desirability of fostering good relations with business partners and other stakeholders through legitimate, occasional social interactions.

However, offering or providing inappropriate gifts or entertainment may cause embarrassment to Thungela and damage our reputation. Particular concerns arise when the offering of gifts and entertainment may be connected in some way with an actual or potential business transaction or regulatory approval. Even if the intent is not corrupt, there is still a risk that a recipient or an objective third party may perceive the gift or entertainment to be an attempt to gain an improper advantage.

Any gift or entertainment is always unacceptable if it:

- is offered or made in exchange for a contract, a permit or any other specific benefit;



## THUNGELA RESOURCES BUSINESS INTEGRITY POLICY AND PERFORMANCE STANDARDS

IMPLEMENTATION DATE 2021/06/01	NEXT REVIEW DATE 2022/05/31
DOC NO TR.FIN.POL.004	VERSION NUMBER: 1

- is offered to obtain an improper advantage in the conduct of business;
- is in breach of local or international bribery laws;
- would be considered unacceptable if offered by a supplier or business partner to one of our own employees; and
- would, if it became public, adversely affect our reputation.

### *Receiving gifts, entertainment and hospitality*

We have a responsibility to ensure that our dealings with suppliers are based on objective decisions and are not influenced by gifts or favours. We prohibit employees from soliciting or receiving gifts and entertainment including favours, goods, gratuities, money and services that:

- may create a sense of obligation;
- may influence or be perceived to influence their business judgement; or
- may create, or appear to create, a conflict between an employee's personal interests and those of their employer or of Thungela as a whole.

### **b – conflicts of interest**

A conflict of interest arises when an actual or potential personal interest may influence an employee's ability to act fairly, independently, and objectively. A conflict of interest means any situation in which an employee has an actual or potential interest that may:

- Influence the objective performance of his / her obligations to Thungela and / or its stakeholders; or
- Prevent an employee from rendering an unbiased and fair service to Thungela's stakeholders; or
- Prevent an employee from acting in the best interests of Thungela, including, but not limited to, a financial interest, an ownership interest, or any relationship with a third party.

Conflicts of interest may arise in areas such as: personal investments; outside employment in addition to an employee's current role; advisory roles; serving on boards and committees; own commercial enterprises; commercial opportunities found through employment at Thungela; commercial involvement with friends and family; co-worker relationships; and accepting gifts, entertainment and other courtesies from external stakeholders and third parties.



## THUNGELA RESOURCES BUSINESS INTEGRITY POLICY AND PERFORMANCE STANDARDS

IMPLEMENTATION DATE 2021/06/01	NEXT REVIEW DATE 2022/05/31
DOC NO TR.FIN.POL.004	VERSION NUMBER: 1

Employees must avoid actual or perceived conflicts of interest, involving themselves or close relatives and where such a conflict has the potential to arise, must draw this to the attention of their line manager and any other person designated by Thungela for this purpose.

### **c – facilitation payments**

We prohibit the making of facilitation payments. A facilitation payment is a payment of nominal value made to a low-level government official whose duties are essentially administrative in nature to secure the performance of routine governmental non-discretionary actions to which the payer is legally entitled. Examples include payments for the processing of a visa application or connecting power or water supplies, when all relevant requirements have clearly been met.

We recognise that occasionally payments may be demanded under duress. Duress may be defined as a situation of actual or threatened violence, imprisonment or other personal threat to coerce a person to enter into an agreement or to act against their will. The threat may be to the person themselves or to others. We do not expect employees to compromise their safety or security or that of others in order to comply with our policy, but we do require employees to report any such incidence as soon as possible.

### **d – use of company assets**

We will not, either directly or indirectly through intermediaries and other third parties, offer, promise or provide money or anything of value or otherwise exercise improper influence in our business relationships, with the intention of obtaining a contract, permit or any other specific benefit or any improper advantage in the conduct of business. This applies both to our relationships with governmental organisations and officials and in our dealings with the private sector. We will not tolerate any such activity by our employees or business partners. The use of company assets, such as premises, equipment or vehicles, free of charge, represents something of value for the intended recipient. Company assets should not be provided for the personal or discretionary use of customers, public officials or other third parties where there is no underlying proper business purpose or clear public benefit.

### **e – political donations**

Thungela, as a company, will not make donations for political purposes to any politician, political party or related organisation, an official of a political party or candidate for political office in any circumstances either directly or through third parties. Employees are, however, free to make such donations in their personal capacity.



## THUNGELA RESOURCES BUSINESS INTEGRITY POLICY AND PERFORMANCE STANDARDS

IMPLEMENTATION DATE 2021/06/01	NEXT REVIEW DATE 2022/05/31
DOC NO TR.FIN.POL.004	VERSION NUMBER: 1

### **f – interactions with government officials and lobbying**

We promote honest and constructive engagement with our host governments at all levels. We will consult widely with people who are affected by our activities and we will proceed in our dealings with governments and public officials in a transparent and ethical way.

We will not, either directly or indirectly through intermediaries and other third parties, offer, promise or provide money or anything of material value or otherwise seek to exercise improper influence in our business relationships, with the intention of obtaining a contract, permit or any other specific benefit or any improper advantage in the conduct of business. This applies both to our relationships with governmental organisations and officials and in our dealings with the private sector. We will not tolerate any such activity by our employees or business partners.

### **g & h – charitable donations and social and community investment and enterprise development activities**

We make charitable contributions and social and community investments with the objective of promoting sustainable community development, combating poverty and disease, protecting the environment and developing the capacities of people or institutions where we work. We take care, however, that such donations do not work primarily to the benefit of a particular government official, politician or party and put controls in place to ensure that they are not misused by third parties. Donations and social and community investments should not be made if they either create or have the potential to create, the perception of impropriety.

In our dealings with communities and their representatives we will act transparently and in good faith.

### **i – sponsorship**

Sponsorship may not be promised, offered or provided in exchange for a contract, permit or specific regulatory benefit. It should not be offered to obtain an improper advantage in the conduct of business or if it is likely to be perceived as having this intention.

### **j & k – retention and payment of intermediaries and mergers, acquisitions, joint ventures and associates**

Our reputation can be damaged by the actions of third parties such as advisers, suppliers, agents, contractors, lobbyists and joint venture partners and Thungela may find itself liable for their actions. It is never acceptable for a third party to carry out an act on Thungela's behalf which, were it done by Thungela directly, would be a breach of this policy.





## THUNGELA RESOURCES BUSINESS INTEGRITY POLICY AND PERFORMANCE STANDARDS

IMPLEMENTATION DATE 2021/06/01	NEXT REVIEW DATE 2022/05/31
DOC NO TR.FIN.POL.004	VERSION NUMBER: 1

In order to protect against the risk of bribes being paid indirectly, we are committed to:

- taking all reasonable steps to ensure that our business partners understand and comply with our Business Integrity Policy and Prevention of Corruption Performance Standards;
- investigating the reputation and qualifications of our business partners and carrying out formal due diligence, where appropriate, to satisfy ourselves of their integrity and bona fides;
- putting in place appropriate controls and checks to monitor the use of Thungela's money by third parties purporting to act on our behalf;
- ensuring that joint ventures and associate companies have equivalent processes in place; and
- thoroughly investigating the background, reputation, ethical and cultural values of any company we invest in or acquire and any partner with which we decide to enter into a joint venture, and of the nature of investments we thereby inherit.

### Detailed Prevention of Corruption Performance Standards

The Performance Standards have been expanded to assist employees and other stakeholders further in identifying and interpreting situations of actual or potential corruption.

### Performance standard A: gifts, entertainment and hospitality

What does the Thungela Business integrity Policy say?

- Offering or providing gifts, entertainment and hospitality.

The exchange of modest gifts and entertainment may help to build goodwill and this policy is not intended to detract from the desirability of fostering good relations with business partners and other stakeholders through legitimate, occasional social interactions.

However, offering or providing inappropriate gifts or entertainment may cause embarrassment to Thungela and damage our reputation. Particular concerns arise when the offering of gifts and entertainment may be connected in some way with an actual or potential business transaction or regulatory approval. Even if the intent is not corrupt, there is still a risk that a recipient or an objective third party may perceive the gift or entertainment to be an attempt to gain an undue advantage.



## THUNGELA RESOURCES BUSINESS INTEGRITY POLICY AND PERFORMANCE STANDARDS

IMPLEMENTATION DATE 2021/06/01	NEXT REVIEW DATE 2022/05/31
DOC NO TR.FIN.POL.004	VERSION NUMBER: 1

*Any gift or entertainment is always unacceptable if it:*

- is offered or made in exchange for a contract, a permit or any other specific benefit;
- is offered to obtain an improper advantage in the conduct of business;
- is in breach of local or international bribery laws;
- would be considered unacceptable if offered by a supplier or business partner to one of our own employees; and
- would, if it became public, adversely affect our reputation.

### - Receiving gifts, entertainment and hospitality

*We have a responsibility to ensure that our dealings with suppliers are based on objective decisions and are not influenced by gifts or favours. We prohibit employees from soliciting or receiving gifts and entertainment including favours, goods, gratuities, money and services that:*

- may create a sense of obligation;
- may influence or be perceived to influence their business judgement; or
- may create, or appear to create, a conflict between an employee's personal interests and those of their employer or of Thungela as a whole.

### - What is this about and why is it an issue?

Providing gifts and entertainment (such as meals, travel and hospitality) is often considered a form of courtesy and is common business practice in most countries.

Anti-corruption laws prohibit offering or providing anything of value, including gifts and hospitality, to a third party in order to obtain an improper advantage or to otherwise improperly influence official action. The focus of this policy should be upon 'impropriety'; it is not intended to restrict the building of legitimate working relationships or constructive business networks.

*Concerns are created where:*

- entertainment or gifts are or appear to be linked to a forthcoming regulatory or commercial decision;
- the value of the gift or entertainment is lavish or disproportionate; or
- the nature or pattern of the giving of gifts and entertainment appears intended to undermine the objectivity of a public official, supplier, contractor or customer.



## THUNGELA RESOURCES BUSINESS INTEGRITY POLICY AND PERFORMANCE STANDARDS

IMPLEMENTATION DATE 2021/06/01	NEXT REVIEW DATE 2022/05/31
DOC NO TR.FIN.POL.004	VERSION NUMBER: 1

The provision of lavish or disproportionate gifts and entertainment may be used or construed as a bribe, particularly if the gifts or entertainment are provided in the context of a potential business transaction or regulatory approval. Even if the intent is not corrupt, there is still a risk that a recipient or an objective third party will perceive the gift or entertainment as an attempt to gain an improper advantage for Thungela. This may result in damage to our reputation as well as creating potential legal liability for the Company or for the individuals involved.

Our dealings with suppliers and other third parties should not be influenced by the receipt, offer or promise of gifts and corporate gestures.

*Thus, when considering the giving or the receipt of gifts or entertainment and hospitality, the following factors need to be considered:*

- **Is the proposed gift legal?** Even if custom and practice in a country is different from what the law states, you must regard the law as a minimum benchmark. You must also consider whether other global standards that may apply to Thungela, such as UK law, US or South African law, may apply.
- **The context of the interaction.** For example, is a decision on a new contract pending or is the intended recipient a government official who is about to decide on the grant of a permit?
- **The intention behind the gift.** Is the gift merely a gesture of general goodwill or has it been offered with the intention or expectation of receiving a specific business advantage in return?
- **The value of the gift or the cost of the entertainment and hospitality.** Does it genuinely represent something, in the given context, of modest value which could not reasonably be construed as having an improper intent?
- **The risk that any gift or entertainment could be misconstrued.** The recipient or an objective third party might misconstrue the gift or entertainment as an attempt to gain an improper advantage.

*All gifts, entertainment and hospitality offered or provided must comply with the following guidelines:*

- it is not offered or made in exchange for a contract, a permit or any other specific benefit or to obtain an improper advantage in the conduct of business;
- it is permitted by local law and any applicable global standard;
- the value is not lavish or disproportionate in the context in which the gift or entertainment is provided;
- the value is reasonable and appropriate to the recipient's position and circumstances and to the occasion;



## THUNGELA RESOURCES BUSINESS INTEGRITY POLICY AND PERFORMANCE STANDARDS

IMPLEMENTATION DATE 2021/06/01	NEXT REVIEW DATE 2022/05/31
DOC NO TR.FIN.POL.004	VERSION NUMBER: 1

- the circumstances and value of the gift do not create an appearance of bad faith or impropriety, and could not reasonably be misunderstood by the recipient or others as a bribe, even in hindsight;
- the frequency of gifts or hospitality provided to the same recipient would not create the appearance of impropriety; and
- it is recorded transparently, accurately and fairly in Thungela's books and records on a timely basis so that the nature of the expenditure as a gift, entertainment or hospitality can be clearly identified.

Caution should be exercised if the intended recipient has (or has had) direct or indirect decision-making responsibility over an anticipated or pending regulatory or commercial decision that will affect Thungela's interests.

### - **Generally unacceptable**

*Some examples of gifts and entertainment expenditure which are generally prohibited and which should not be incurred without appropriate consultation and approval, are:*

- payments of cash;
  - what may be seen as extravagant or lavish forms of hospitality;
  - payment of expenses for shopping trips;
  - payment of travel expenses for trips which have no direct connection to a business purpose;
  - provision of company assets for non-business purposes;
  - gifts to, or the provision of entertainment for, spouses, family members or other individuals having a close personal relationship with the recipient, unless they are nominal in value; and
  - per diem payments connected with travel unless they are:
    - i. permitted under applicable laws and customary in similar circumstances; and
    - ii. intended to reimburse reasonable expenses necessarily incurred in connection with Thungela business
- **"Reasonable expenses"** may include appropriate compensation for time provided as a result of involvement with Thungela business, for example by members of local communities who agree to give up time to be involved in consultation processes.

### - **Permitted gifts and entertainment**

Accepting or offering gifts of modest value is acceptable in situations where it is legal and in accordance with local business practice (i.e., where the exchange of gifts is customary and the gifts are appropriate for the occasion).



## THUNGELA RESOURCES BUSINESS INTEGRITY POLICY AND PERFORMANCE STANDARDS

IMPLEMENTATION DATE 2021/06/01	NEXT REVIEW DATE 2022/05/31
DOC NO TR.FIN.POL.004	VERSION NUMBER: 1

### - Providing gifts and entertainment

*Some examples of permitted gifts and entertainment are:*

- small gifts of modest value such as promotional items that display the Thungela logo;
- gifts and entertainment that are modest in value relative to the situation, comply with local law and are customary as a courtesy or as a token of regard in the relevant country (for example, when calling upon a Head of State or at a time of national celebration or festival where the giving of small gifts is normal practice);
- meals which comply with the guidelines above and are business related (e.g. the meal takes place in the course of a meeting or another occasion, the purpose of which is to hold bona fide business discussions);
- invitations to attend a charity fund-raising event (where the ticket price is likely to be significantly above the intrinsic 'value' of the entertainment) transparently, as Thungela's guest. However, extending such invitations to public officials should be considered on a case-by-case basis and is subject to senior management approval; and
- It would always be wrong for such an invitation to be extended to a public official who is likely to be imminently involved in considering the award of a license or permit to the Company.

### - Two helpful tests to apply to judge the acceptability of a gift or entertainment are:

1. Would there be adverse comment if the nature of the gift/entertainment which it is proposed to give to the specific recipient were to be made public (however unlikely it may seem) and;
2. Would Thungela regard such a gift or hospitality as acceptable if offered by a competitor to a government official or by a supplier to one of our managers?

### - Receiving gifts and entertainment

Only corporate branded gifts or other gifts of modest value may be accepted from suppliers (e.g., pens, key fobs, desk ornaments, equipment models, caps).

- Meals may only be accepted if they relate to Thungela business or if they form a venue for business discussions. Frequent meals with the same supplier should be avoided.



## THUNGELA RESOURCES BUSINESS INTEGRITY POLICY AND PERFORMANCE STANDARDS

IMPLEMENTATION DATE 2021/06/01	NEXT REVIEW DATE 2022/05/31
DOC NO TR.FIN.POL.004	VERSION NUMBER: 1

### - Risk factors

*Some examples of warning signs that gifts or entertainment may be used or construed as a bribe are:*

*Provision of gifts and entertainment:*

- requests for gifts or entertainment;
- requests that gifts be sent to a private address, rather than the recipient's official/business address or that any such gifts not be disclosed;
- requests for gifts or entertainment that are excessive in value;
- the nature or value of the gift would be likely to embarrass the recipient or Thungela if made public;
- gifts are provided as a reward for past or future actions;
- the gift is inappropriate, given the position and rank of the recipient;
- gifts are given to spouses, partners, relatives or friends of the recipient; and
- attempts are made to conceal the nature or value of gifts, entertainment, travel or accommodation expenses by either the giver or the recipient.

*Offers of gifts and entertainment from suppliers:*

- offers of gifts or entertainment received at a time when the relevant supplier contract is about to expire or is up for renewal;
- frequent/repeated offers of hospitality/gifts from the same supplier; and
- offers of personal favours or other treatment of a preferential nature (for example, goods or services free of charge or at artificially reduced prices, holidays or other accommodation of any nature, payment of travelling costs, personal loans).

### - Consultation and approval

*The Company Secretariat should establish and implement appropriate procedures to ensure that:*

- there is a robust and independent process of approval for relevant categories of gifts and entertainment expenditure (for example, gifts in excess of a prescribed value or meals which are not directly business related);



## THUNGELA RESOURCES BUSINESS INTEGRITY POLICY AND PERFORMANCE STANDARDS

IMPLEMENTATION DATE 2021/06/01	NEXT REVIEW DATE 2022/05/31
DOC NO TR.FIN.POL.004	VERSION NUMBER: 1

- employees are able to consult when they are in doubt as to the appropriateness of any proposed gift, entertainment or hospitality expenditure; and
- all gifts and entertainment, both incoming and outgoing, should be appropriately disclosed and registered, subject to specified minimum thresholds.

- Where the proposed gift or entertainment to be offered is significant in value, confirmation should be obtained from a superior of the invitee within the Company that such a gift or entertainment is acceptable and does not represent a breach of Thungela's Business Integrity Policy and Performance Standards. The Group or department should determine appropriate thresholds for the application of this Performance Standard, to be agreed with and notified to the Company Secretariat. Such thresholds should be subject to periodic review.

### Performance standard B: Conflict of interest

#### - What does the Thungela Business integrity Policy say?

Employees must avoid actual or perceived conflicts of interest involving themselves or close relatives and where such a conflict has the potential to arise must draw this to the attention of their line manager and of any person designated by their operation for this purpose.

#### What is this about and why is it an issue?

##### *Conflicts of interest can arise in situations when:*

- financial or personal considerations may influence, or appear to influence, the judgement of an employee in conducting their duties;
- private and company interests are mixed;
- business decisions are based on private interests; or
- the other interest/activity is so intensive as to distract an employee from effective fulfillment of their duties.

Actual conflicts of interest must be avoided, but even the appearance of a conflict of interest can be harmful and needs to be made transparent and subject to independent oversight.

The key requirement of this Performance Standard is that all potential, perceived and actual conflicts of interest should be declared and be transparent.



## THUNGELA RESOURCES BUSINESS INTEGRITY POLICY AND PERFORMANCE STANDARDS

IMPLEMENTATION DATE 2021/06/01	NEXT REVIEW DATE 2022/05/31
DOC NO TR.FIN.POL.004	VERSION NUMBER: 1

### Some examples of conflicts of interest

- **Outside jobs and affiliations.** Examples include an employee having a second job, performing services, serving as a director or consultant or holding a financial interest in a third-party organisation which is a customer, competitor, potential business partner or a supplier of goods or services to Thungela– or seeking to become so. These situations may give rise to a conflict of interest or the appearance of a conflict of interest.
- **The jobs and activities of close relatives.** The activities of close relatives performing services for customers, potential or actual business partners, competitors or suppliers of Thungela may also give rise to actual or perceived conflicts of interest. For the purpose of this Performance Standard, a ‘close relative’ means a spouse, partner, , parent, step-parent, dependent, child, stepchild, sibling, step-sibling, nephew, niece, first cousin, grandparent and grandchild (including in-laws).
- **Serving on the board of directors of another organisation.** In certain situations, employees may be asked to serve on the board of directors of another organisation, either commercial or not-for-profit. This may give rise to conflicts of interest.
- **Investments held by employees or their close relatives.** Conflicts of interest can occur if investments are held by an employee in competitors, potential or actual business partners, suppliers or customers of Thungela which are sufficiently material to the net worth of the individual to impair, or be perceived to impair, the ability of employees to make objective decisions on behalf of Thungela.

### The standards

#### *Outside jobs and activities*

Employees must never work or provide services for anyone or any organisation that they deal with as part of their job for Thungela. Other outside employment or similar activities may only be taken up with the prior written approval of their line manager or a senior manager designated by their operation for this purpose.

In the case of any other relationships with competitors, potential or actual business partners, customers or suppliers, an employee should first disclose these and obtain prior written approval from their line manager or any person designated by their operation for this purpose. They should ensure that in taking on any such role that they do not compromise their ability to devote their principal energies to their job with Thungela.





## THUNGELA RESOURCES BUSINESS INTEGRITY POLICY AND PERFORMANCE STANDARDS

IMPLEMENTATION DATE 2021/06/01	NEXT REVIEW DATE 2022/05/31
DOC NO TR.FIN.POL.004	VERSION NUMBER: 1

### *Serving on Boards of directors*

Any employee considering outside directorships must obtain prior approval from their line manager or any person designated by their operation for this purpose.

### *Close relatives*

If an employee becomes aware that a close relative works or performs services for a competitor, actual or potential business partner, or a customer or supplier, they should promptly notify their line manager to determine if action is required. In general, relatives of Thungela employees should not have business dealings with them or with anyone reporting to them.

In addition, an employee should not be in a position where they are able to hire, supervise, affect terms and conditions of employment or influence the management of any close relative, regardless of whether that person is a Thungela employee or employed by a Thungela contractor. Exceptions require specific approval by the relevant employee's line manager or any person designated by their operation for this purpose.

### *Personal investments*

Thungela respects the right of all employees to make personal investment decisions as they see fit, as long as these decisions do not contravene this Performance Standard or any other applicable policy or legislation and provided these decisions are not made on the basis of material non-public information acquired by reason of an employee's service with Thungela.

This Performance Standard relates only to investments which are directly held by employees. Investments which are indirectly held by pension schemes or mutual funds for example, where the employee has no discretion or influence over the investment decisions made, are not relevant for these purposes.

Some investments are always wrong. An employee should never invest in a supplier if they have any involvement in the selection or assessment of, or negotiations with, the supplier or if they supervise anyone who has such a responsibility.

An employee should never invest in a customer if they are responsible for dealings with that customer or supervise anyone with such responsibility.

For other employees any substantial interest in a customer, supplier or competitor requires the prior written approval of the employee's line manager. For the purpose of this Performance Standard a substantial interest means any economic interest that might influence or appear to influence your judgement. If in doubt, employees should consult their line manager.

### *When deciding whether an investment might create a conflict of interest an*



## THUNGELA RESOURCES BUSINESS INTEGRITY POLICY AND PERFORMANCE STANDARDS

IMPLEMENTATION DATE 2021/06/01	NEXT REVIEW DATE 2022/05/31
DOC NO TR.FIN.POL.004	VERSION NUMBER: 1

*employee should consider the following questions:*

- Would the investment affect any decisions I will make on behalf of Thungela?
- How would my investment look to others inside the Company – would they think it might affect how I do my job?
- How would my investment look to someone outside Thungela, such as a customer or shareholder?

### *Gifts and entertainment*

Conflicts of interest can arise where employees are offered or accept gifts, hospitality or other favours which may be perceived to influence their judgement in relation to business transactions such as the placing of orders and contracts.

Employees should refer to Performance Standard A on Gifts, entertainment and hospitality.

### *Disclosure*

If employees think they may have a conflict of interest or that others might think that an activity in which they are engaged represents a conflict of interest, they must promptly disclose this to their line manager.

If subsequent to making an investment or becoming involved in an activity an employee becomes aware that they do or may have a conflict of interest they should inform their line manager as soon as possible. Many conflicts of interest can be resolved in a manner that is mutually acceptable but they must be explicitly addressed.

Failure to disclose an actual or potential conflict of interest at the time the conflict became known or should reasonably have become known may lead to disciplinary action.

### *Consultation and approval*

Operations should ensure that they have robust consultation, disclosure and approval processes in place and that these processes are clearly communicated to employees.

## **Performance standard C: Facilitation payments (nominal payments for performance of routine services)**

### **What does the Thungela Business integrity Policy say?**

Refer to the Thungela Document Management System for the latest version of the document. Copyright resides with the company. Printed copies of this document are Uncontrolled and deemed valid only on the day of printing.



## THUNGELA RESOURCES BUSINESS INTEGRITY POLICY AND PERFORMANCE STANDARDS

IMPLEMENTATION DATE 2021/06/01	NEXT REVIEW DATE 2022/05/31
DOC NO TR.FIN.POL.004	VERSION NUMBER: 1

We prohibit the payment of facilitation payments. A facilitation payment is a payment of nominal value made to a low-level government official whose duties are essentially administrative in nature to secure the performance of routine governmental non-discretionary actions to which the payer is legally entitled. Examples of such payments include for the processing of a visa application or connecting power or water supplies, when all relevant requirements have clearly been met.

We recognise that in rare situations payments may be demanded under duress.

Duress may be defined as a situation of actual or threatened violence or imprisonment to force a person to enter into an agreement or to do an act against their will. The threat of violence or imprisonment may be to the person themselves or to others.

Thungela employees should be free to carry out their duties without fear of intimidation or threat of violence. The safety and security of our employees is our paramount concern. We do not expect any employee to compromise their safety or security or that of others in order to comply with the terms of this policy.

Employees should, however, immediately report any incident where they have been threatened or intimidated to carry out an act which may result in a breach of this policy to the designated responsible person within their Operations, copied to the Company Secretariat.

After appropriate internal consultation such incidents should also be reported to the relevant authorities in order to prevent any recurrence.

### What is this about and why is it an issue?

*Payments to lower level officials as a personal benefit to them to secure or speed the performance of a routine action to which the payer is entitled, are an issue because:*

- facilitation payments are illegal in many countries, including the United Kingdom, which applies its law extra-territorially, or are not explicitly exempt from criminal sanction; and
- paying for the performance of routine government services may easily open the door to more serious forms of corruption.

### The standards

Facilitation payments are prohibited. When you encounter a situation that is or may be a



## THUNGELA RESOURCES BUSINESS INTEGRITY POLICY AND PERFORMANCE STANDARDS

IMPLEMENTATION DATE 2021/06/01	NEXT REVIEW DATE 2022/05/31
DOC NO TR.FIN.POL.004	VERSION NUMBER: 1

request for a facilitation payment, you should immediately report this to your line manager. Such practical problems do arise in everyday business in certain countries but they can usually be resolved in other ways.

If you make a payment which could possibly be misunderstood as a facilitation payment, you should notify your line manager and a designated senior person in the business immediately..

Never attempt to disguise a facilitation payment as something else or conceal it. Under international anti-bribery legislation the penalties for disguising payments of this nature may be greater than the penalties for making one.

Approval to make facilitation payments will not be given.

If payments are demanded under duress, you should not compromise your safety and security or that of your colleagues. Employees should immediately report any incidents of this nature to their line manager.

### **Performance standard D: Use of company assets**

#### **What does the Thungela Business Integrity Policy say?**

We will not, either directly or indirectly through intermediaries and other third parties, offer, promise or provide money or anything of value or otherwise exercise improper influence in our business relationships, with the intention of obtaining a contract, permit or any other specific benefit or any improper advantage in the conduct of business. This applies both to our relationships with governmental organisations and officials and in our dealings with the private sector. We will not tolerate any such activity by our employees or business partners.

The use of Company assets, such as premises, equipment or vehicles, free of charge represents something of value for the intended recipient. Company assets should not be provided for the personal or discretionary use of customers, public officials or other third parties where there is no underlying proper business purpose or clear public benefit.

#### **What is this about and why is it an issue?**

Corruption is not confined to the payment of cash bribes or the provision of lavish gifts and



## THUNGELA RESOURCES BUSINESS INTEGRITY POLICY AND PERFORMANCE STANDARDS

IMPLEMENTATION DATE 2021/06/01	NEXT REVIEW DATE 2022/05/31
DOC NO TR.FIN.POL.004	VERSION NUMBER: 1

entertainment. Putting company assets at the disposal of public officials or customers for their personal use such as premises, equipment, vehicles and other means of transport is likely to represent something of value for the intended recipient.

The risk of corruption arises when the use of Thungela assets by customers or others in a position to influence our commercial prospects may be, or may be perceived to be, offered or provided in exchange for a contract, a permit or any other specific benefit or with the intention of obtaining an improper advantage in the conduct of business.

### The standards

Employees have a responsibility to protect Thungela assets against theft, loss, abuse, unauthorised access or disposal.

Employees may use Company assets only for purposes related to discharging their Thungela job responsibilities and other such uses as are authorized. **(see Performance Standard E on Political donations).**

The appropriateness, or otherwise, of the use of Company assets by third parties will depend on the context in which the assets are provided. The use of Company assets by third parties is generally acceptable in situations where there is a transparent and proper underlying business purpose for, or clear public benefit from, the use of the asset; for example, the use of Thungela vehicles to transport customers or potential customers to inspect mining operations, or providing a venue for developing complex solutions or proposals which require an intensive consensus building process.

The use of Company assets by third parties where there is no such underlying proper business purpose or public benefit, or where the assets are used entirely at the discretion of the third party, leads to a heightened corruption risk and is likely to be inappropriate and in breach of this Performance Standard.

Since Company assets such as vehicles are often provided in the context of corporate entertainment and hospitality, employees should ensure that they are also familiar with Performance Standard A on Gifts, entertainment and hospitality.

### Risk factors

*The following are warning signs which indicate that the use of Company assets by third parties involves a corruption risk:*



## THUNGELA RESOURCES BUSINESS INTEGRITY POLICY AND PERFORMANCE STANDARDS

IMPLEMENTATION DATE 2021/06/01	NEXT REVIEW DATE 2022/05/31
DOC NO TR.FIN.POL.004	VERSION NUMBER: 1

- the use of Thungela assets is requested as a reward or in return for past or future actions;
- the use of the assets is extended to spouses, partners, relatives or friends of the customer or public official;
- the manner in which the assets are proposed to be used would be likely to cause embarrassment to Thungela and/or the recipient if it became public knowledge;
- the context in which the use of the assets is provided is such that there is likely to be a perception of impropriety – for example, if the use is not transparent and the recipient is in a position to influence the outcome of a decision which will impact Thungela's commercial prospects; and
- the use of the asset is not connected to a legitimate Thungela business purpose such as transporting an official to a facility for a meeting or with a transparent public benefit such as allowing the use of Company facilities for building the skills or capacities of local officials or community members.

### Consultation and approval

*The Company Secretariat should establish and implement appropriate procedures to ensure that:*

- there is a robust and independent process of approval for instances where Company assets are provided for the use of third parties; and
- employees are able to consult where they are in doubt as to the appropriateness of the use of Company assets by a third party.

### Performance standards E: Political donations (including activities and contributions by employees)

#### What does the Thungela Business Integrity Policy say?

We prohibit the making of donations for political purposes to any politician, political party or related organisation, official of a political party or candidate for political office in any circumstances either directly or through third parties.

#### What is this about and why is it an issue?

*Political donations or contributions refer to contributions of anything of value to support a political goal. Examples may include:*

- sponsorship of regional or national fund raising events; and
- paying employees during working hours to work at a political function or paying for campaign expenses.



## THUNGELA RESOURCES BUSINESS INTEGRITY POLICY AND PERFORMANCE STANDARDS

IMPLEMENTATION DATE 2021/06/01	NEXT REVIEW DATE 2022/05/31
DOC NO TR.FIN.POL.004	VERSION NUMBER: 1

*This can create problems for Thungela because:*

- political contributions made on behalf of companies are vulnerable to abuse since they may be perceived to amount to 'buying influence' and may create the appearance of impropriety; and
- political contributions made by companies are illegal in many countries.

- Care should be taken in assessing requests for funding from organisations which may themselves provide funding to political parties – such as trade unions, industry associations – to ensure that any funds provided by the Company are clearly segregated for non-political purposes.

### The standards

Thungela will not make political contributions, whether in cash or in kind, anywhere in the world. Approval for political contributions will not be given.

Any request to make a political donation using Thungela funds, facilities or assets should immediately be reported to your line manager and Copy the Company Secretariat.

- *Thungela recognises the rights of individuals to participate in the political process in ways that are appropriate. However, employees should be careful to make clear to others that in so doing:*
  - they do not represent Thungela;
  - their views and actions are their own; and
  - that any financial contributions are given on a personal basis and are not refundable by the Company.

Thungela supports those of its employees who wish to undertake public service. Examples of public service include standing as a political candidate, serving as a local councilor, acting as a trustee of a civil society organisation and serving as a magistrate. However, employees undertaking public service should not make use of Company property or equipment to carry out or support their personal political or public service activities.

- *Any employee planning on seeking public office should:*

1. notify their line manager in advance. If they are undertaking a significant public service role they should seek permission from the General Manager of their operation. Employees should discuss with their line manager whether their official duties might affect their work and, if so, how to minimise any impacts.

If, because of the nature of the employee's role, there are potential conflicts of interest arising from their public service, the issue should be referred to the Executive Head of Human Resources or the for the Company Secretariat approval. **Employees should refer to Performance Standard B on Conflicts of interests.**



## THUNGELA RESOURCES BUSINESS INTEGRITY POLICY AND PERFORMANCE STANDARDS

IMPLEMENTATION DATE 2021/06/01	NEXT REVIEW DATE 2022/05/31
DOC NO TR.FIN.POL.004	VERSION NUMBER: 1

2. **Be familiar with Performance Standard H on Social and community investment and enterprise development activities.** In certain circumstances, if a social investment project is closely and exclusively identified with a politician or political group, it is possible that the social investment project may be viewed as a political “donation in kind”.

### Performance Standard F: Interactions with government officials and lobbying

#### What does the Thungela Business Integrity Policy say?

We promote honest and constructive engagement with -government officials at all levels. We will consult widely with people who are affected by our activities and we will proceed in our dealings with governments and public officials in a transparent and ethical way.

We will not, either directly or indirectly through intermediaries and other third parties, offer, promise or provide money or anything of material value or otherwise seek to exercise improper influence in our business relationships, with the intention of obtaining a contract, permit or any other specific benefit or any improper advantage in the conduct of business. This applies both to our relationships with governmental organisations and officials and in our dealings with the private sector. We will not tolerate any such activity by our employees or business partners.

#### What is this about and why is it an issue?

Dealings with government officials are a primary focus of international anti-bribery legislation and, as such, represent an area of significantly heightened corruption risk.

Many of Thungela’s activities routinely involve interactions with government and public officials and the success of our operations is often dependent on the manner in which we engage with the relevant governments and decisions taken by ministers and government officials.

Mineral resources are generally owned by governments on behalf of their people. The ability to obtain the permits, access rights, planning and other consents to explore and exploit those resources is dependent on actions taken by public officials. Getting our equipment on site, for example, and moving it efficiently to different locations can depend on decisions taken by government officials and on the speed with which they take them.

#### Definitions of government officials

*Under anti-bribery laws, the position of a government official is very broadly defined. The term includes, but is not limited to:*





## THUNGELA RESOURCES BUSINESS INTEGRITY POLICY AND PERFORMANCE STANDARDS

IMPLEMENTATION DATE 2021/06/01	NEXT REVIEW DATE 2022/05/31
DOC NO TR.FIN.POL.004	VERSION NUMBER: 1

- any government employee, regardless of rank, including employees of the legislative, administrative and judicial branches of government as well as local governments and councils;
- any employee of a public international organisation, (such as the European Union (EU), the United Nations (UN), the World Bank or the International Monetary Fund (IMF));
- any employee of an organisation or company which is owned or controlled by the State such as a hospital, airport, university, school, utility company, airline, oil company or bank;
- any political party official or candidate for political office, local or central; and
- members of the armed forces, police and other state services and militia.

If in doubt, employees should assume that they are dealing with a government official.

*Examples of typical situations in which Thungela employees are likely to interact with government officials are:*

- access, permitting and licensing negotiations;
- joint ventures or other collaborations with state-controlled mining entities;
- dealings with customs officials in order to obtain clearances for equipment or for shipping of products;
- applications for visas, residence permits or other official documentation;
- securing utility infrastructure supplies such as telecommunications, water, electricity, light and heat for company facilities;
- negotiation of access to, or permissions to build infrastructure; and
- working with communities on social investment projects

### **The standards**

*Gifts, entertainment and hospitality should not be offered to government officials if they:*

- are offered or made in exchange for a contract, a permit or any other specific benefit;
- are offered to obtain an improper advantage in the conduct of business;



## THUNGELA RESOURCES BUSINESS INTEGRITY POLICY AND PERFORMANCE STANDARDS

IMPLEMENTATION DATE 2021/06/01	NEXT REVIEW DATE 2022/05/31
DOC NO TR.FIN.POL.004	VERSION NUMBER: 1

- are in breach of local or international anti-bribery laws; or
- would, if covered in the media, adversely affect our reputation.

All employees should ensure that they are familiar with and strictly apply Performance Standard A on gifts, entertainment and hospitality in all their dealings with public officials.

### Political donations

Donations to any political party, official of a political party or candidate for political office in any circumstances either directly or through third parties are prohibited (see Performance Standard E). Any request to make a political donation using Thungela funds, facilities or assets should immediately be reported to your Line Manager, copied to the department responsible for Business Integrity Compliance.

### Facilitation Payments

Facilitation payments (payments of nominal value made to a lower level government official whose duties are essentially administrative in nature in order to ensure or accelerate the performance of routine governmental actions to which the payer is legally entitled) are prohibited. If you make a payment which could possibly be misunderstood as a Facilitation payment you should notify your Line Manager immediately. **Employees should refer to Performance Standard C on Facilitation payments** and ensure that this is strictly applied in dealings with government officials.

### Charitable donations

Funding Charitable donations that in some way benefit a politician or public official (for example, a donation to a charity chaired by a close relative of a government minister) risk creating the appearance of impropriety.

*Charitable donations may not be offered, promised or paid if:*

- they are offered or made in exchange for a contract, a permit or any other specific benefit;
- they are offered to obtain an improper advantage in the conduct of business;
- they are in breach of local or international bribery laws; or
- if widely known, they would adversely affect our reputation.

**Employees should refer to Performance Standard G on Charitable donations.**

### Intermediaries

The use of third-party intermediaries such as lobbyists, can be a valuable part of government relations activities. Properly managed, lobbyists can offer significantly enhanced reach and insight into government activities and help to deliver significant benefits. However, in some jurisdictions such interactions may represent a significant corruption risk. In many jurisdictions



## THUNGELA RESOURCES BUSINESS INTEGRITY POLICY AND PERFORMANCE STANDARDS

IMPLEMENTATION DATE 2021/06/01	NEXT REVIEW DATE 2022/05/31
DOC NO TR.FIN.POL.004	VERSION NUMBER: 1

such activities are tightly regulated. Considerable care is therefore needed when working with intermediaries. Employees working with intermediaries must consult Performance Standard J on Retention and payment of intermediaries and ensure it is strictly observed and applied.

### Use of company assets

The use of Company assets by government officials where there is no underlying business purpose or where the assets are used entirely at the discretion of the government official leads to a heightened corruption risk. In these circumstances, the context in which the assets are made available needs to be considered carefully. If the government official is in a position to influence Thungela's commercial prospects, then the assets should not be made available. **Employees should refer to Performance Standard D on use of Company assets.**

### Mitigation strategies

In countries with a high corruption risk, in order to reduce vulnerability to attempts by government officials to extort a bribe or other corrupt inducement, business should, wherever possible, build in reasonable periods to their business planning for the granting of licenses or the taking of other discretionary decisions.

A clear and consistent record of refusing to pay bribes is essential if pressures to behave corruptly are to be resisted. On occasions it may be necessary, where attempts are being made to extort bribes, to escalate the issue to a senior political level or to mobilise diplomatic support, including from the British or South African governments or international institutions such as the World Bank.

### Risk factors

*Some examples of warning signs that dealings with government officials entail a heightened corruption risk are:*

- a lobbyist requests payment up front to "oil the wheels" or "do what it takes to get the job done";
- the use of a particular lobbyist is recommended or specified by a public official;
- a government official who is in a position to potentially influence Thungela's operations requests a donation to be made to a charity in which they have an interest;
- the use of Thungela company assets is requested as a reward or in return for past or future actions;
- a lower level government official requests a payment to expedite a process when it is apparent that the process involves the exercise of discretion by the official. As such, the payment is unacceptable.



# THUNGELA RESOURCES BUSINESS INTEGRITY POLICY AND PERFORMANCE STANDARDS

IMPLEMENTATION DATE 2021/06/01	NEXT REVIEW DATE 2022/05/31
DOC NO TR.FIN.POL.004	VERSION NUMBER: 1

## Performance standard G: Charitable donations

### What does the Thungela Business Integrity Policy say?

We make charitable contributions and social and community investments with the objective of promoting sustainable community development, combating poverty and disease, protecting the environment and developing the capacities of people or institutions in the places where we work. Care must be taken, however, that such donations do not work primarily to the benefit of a particular government official, politician or party and controls must be put in place to ensure that they are not misused by third parties. Such donations and social investment should not be made if they either create or have the potential to create, the perception of impropriety.

In our dealings with communities and their representatives we will act transparently and in good faith.

### What is this about and why is it an issue?

Charitable donations are part of Thungela's commitment to the societies in which we operate and reflect our values as a responsible corporate citizen.

Unfortunately, even legitimate donations can either be misused by third parties or can sometimes create the appearance of impropriety, for example, if funding is given to a charitable organisation that may in some way benefit or be closely identified with a particular party such as a public official.

### The standards

*For the purpose of this Performance Standard, charitable donations include not only sums of money but also donations in kind. Examples of charitable donations in kind include:*

- provision of materials;
- making company facilities available for charity use;
- providing computer equipment to charities; or
- provision of staff time during employees' working hours.

### *Charitable donations may not be offered, promised or paid:*

- in exchange for a contract, permit or any other specific benefit;
- if they are intended to obtain an improper advantage in the conduct of business; or
- if they are likely to be perceived as having this intention.

Charitable donations should not be made to "for profit" organisations or individuals, except in strictly defined and widely accepted circumstances, such as bursaries and other forms of financial support for eligible students. Wherever possible, charities receiving Thungela



## THUNGELA RESOURCES BUSINESS INTEGRITY POLICY AND PERFORMANCE STANDARDS

IMPLEMENTATION DATE 2021/06/01	NEXT REVIEW DATE 2022/05/31
DOC NO TR.FIN.POL.004	VERSION NUMBER: 1

donations should be properly constituted under the applicable laws governing charities of the relevant country or, for example in the case of a UK charity operating overseas, their home country. Where for practical reasons it is not realistic to expect a local organisation, whose purpose is genuinely charitable, to be formally constituted or registered, then donations may still be made in appropriate circumstances. However, particular care should be exercised in determining the merits of such donations.

Where possible, donations should not be made in cash or to private accounts.

All donations of any kind must be transparent both internally and to regulatory and supervisory bodies and to local community representatives. It must be possible at all times for the Thungela internal sponsor initiating the donation to justify the reasons for a donation and to be accountable for the appropriate use of those resources.

*Where such justification relates to communities associated with our operations, justifications should be:*

1. based upon an appropriate needs assessment;
2. prioritised in a suitable fashion; and
3. recorded and monitored in accordance with the annual social management plan.

*Once the appropriateness of making a charitable donation has been established, the following information should be obtained before making, promising or paying any donation and should be retained for recording purposes:*

1. The internal sponsor
2. The recipient (name of organisation, city and country)
3. The amount of the donation
4. The area of activity (e.g. education and science, social and humanitarian projects)
5. The purpose of the donation
6. Documentary evidence that the charity is properly constituted.

Where necessary, relevant due diligence should be undertaken prior to promising or making a donation in order to obtain appropriate comfort concerning the governance and activities of the charity and the uses to which the donation will be put. This step is unlikely to be onerous for well-established and recognised international charities.

An accurate receipt or letter of acknowledgement should be obtained for all donations.

Donations should be recorded accurately and fairly in the books and records of Thungela.

### **Risk factors**



## THUNGELA RESOURCES BUSINESS INTEGRITY POLICY AND PERFORMANCE STANDARDS

IMPLEMENTATION DATE 2021/06/01	NEXT REVIEW DATE 2022/05/31
DOC NO TR.FIN.POL.004	VERSION NUMBER: 1

*Some examples of warning signs that charitable donations risk creating an appearance of impropriety and may entail a heightened corruption risk are:*

- requests or proposals for funding/participation which are not supported by a structured, transparent needs assessment process, such as set out in SEAT;
- donations are requested or provided as a reward for past or future actions;
- the value of the donation is disproportionate compared with the usual donations made by Thungela or to the cause being supported;
- the charity is unable to provide clear or convincing details of how the donation will be used or the beneficiary of the donation is unclear;
- a public official who is in a position to potentially influence Thungela's operations or a customer has an interest in the charity to which the donation is made;
- the donation is made in cash or the beneficiary requests cash payments;
- there is an attempt to conceal or wrongly characterise the donation, either by the donor or the recipient; or
- the request for a donation is closely related to community members or professional advisers who are undertaking an important function for Thungela, such as being on a standing community liaison panel or participating in the governance and oversight of a resettlement project, the performance of which can have a direct and material impact on Thungela's business.

### Consultation and approval

Operations, corporate entities and social investment vehicles controlled by Thungela should establish and implement appropriate procedures to ensure that there is a robust process of risk assessment, due diligence and approval for all charitable donations. See the Social Policy and Thungela Approvals Framework for guidance.

### Performance Standard H: Social and community investment and enterprise development activities

#### What does the Thungela Business Integrity Policy say?

We make charitable contributions and social and community investments with the objective of promoting sustainable community development, combating poverty and disease, protecting the environment and developing the capacities of people or institutions in the places where we work. Care must be taken, however, that such donations do not work primarily to the benefit of a particular government official, politician or party and controls must be put in place to ensure that they are not misused by third parties. Such donations and social investment should not be made if they either create or have the potential to create, the perception of impropriety.

In our dealings with communities and their representatives we will act transparently and in good faith.

#### What is this about and why is it an issue?



## THUNGELA RESOURCES BUSINESS INTEGRITY POLICY AND PERFORMANCE STANDARDS

IMPLEMENTATION DATE 2021/06/01	NEXT REVIEW DATE 2022/05/31
DOC NO TR.FIN.POL.004	VERSION NUMBER: 1

Social investment projects are part of Thungela's commitment to the communities in which we operate and reflect our values as a responsible corporate citizen. Unfortunately, even legitimate social investment may be misused by third parties or can create the appearance of impropriety. For example, if a project is funded which is primarily identified with a particular politician or party, especially close to an election, and that politician has significant power or discretion which can be exercised to the benefit or detriment of an Thungela operation or proposal, then the act of funding the project may constitute (or be seen to constitute) an attempt to secure an improper advantage. Such an investment may also be viewed by some as a political donation.

*The corruption risk can also be more direct in situations where the social investment project is:*

- illegitimate;
- lacking popular support or an objective basis for implementation (e.g., it has little or no relevance to established community needs or priorities); or
- failing to reflect established company social investment priorities.

A payment in these circumstances may be perceived to be an improper vehicle to conceal corrupt payments.

### The standards

*For the purpose of this Performance Standard, social investments include our enterprise development activities and also donations in kind. Examples of social investments in kind include:*

- provision of materials;
- making company facilities available;
- providing computer equipment to charities; or
- provision of staff time during working hours.

*Operations should ensure that all proposed community development, social investment and enterprise development projects are subject to a robust evaluation and approval process to ensure that:*

1. The project addresses a relevant community need which is in keeping with Thungela's overall aims of:
  - i. developing capacities;
  - ii. creating employment/strengthening livelihoods;
  - iii. providing funding for community development;
  - iv. protecting the environment; and
  - v. supporting local social and physical infrastructure.
2. The aims of the project have been clearly identified and are transparent.



## THUNGELA RESOURCES BUSINESS INTEGRITY POLICY AND PERFORMANCE STANDARDS

IMPLEMENTATION DATE 2021/06/01	NEXT REVIEW DATE 2022/05/31
DOC NO TR.FIN.POL.004	VERSION NUMBER: 1

3. An appropriate budget has been established and agreed and suitable financial controls and governance arrangements have been implemented to ensure that the funds are applied for the purpose for which they were intended.

4. (Where required) Thungela is able to commit appropriately experienced and qualified personnel to manage and/or support the project.

Where a Thungela business forms a partnership with another organisation such as a non-government organisation (NGO) or a community based organisation (CBO) or other local businesses in order to deliver a project, it should conduct appropriate due diligence in order to satisfy itself of the reputation, ethical standards and governance arrangements of any potential partner.

Thungela should ensure that clear consultation channels are established to ensure that the context in which social investment is provided, and the potential consequences of such investment, are fully considered.

In its social investment activities, Thungela may also deal with “for profit” organisations in certain circumstances. Although not constituted as charities, these organisations may have a quasi-charitable or developmental function or work for the benefit of the community at large. Donations to such quasi-charitable organisations should only be made after appropriate consultation and approval.

*In addition, it is important to ensure that where an operation is dealing with a group or individual who are intended to be representative of the interests of a community, the risk of perceived corruption should be minimised through observing the following cautionary points:*

- Any allowances or per diems paid to them should be proportionate to the time spent and their basis and quantum should be transparent to other community members;
- Robust governance arrangements should be put in place for the governance of any monies provided by the Company, including documented control processes and periodic audits; and
- Contracts with and payments made to professional advisers of such representative groups should be transparent and controls should be put in place to ensure that no conflicts of interest arise between a firm’s wider relationship with Thungela and its responsibilities to the community which it is advising.

### Risk factors

*The following are warning signs which may indicate that social investment expenditure involves a corruption risk:*

- requests or proposals for funding/participation are not supported by a structured, transparent needs assessment process;
- payments are requested or provided as a reward for past or future actions;
- the amount of the social investment is disproportionate relative to the other social investments made by the operation or relative to the cause being supported;
- a public official who is in a position potentially to influence Thungela’s operations or a customer has an interest in the project in respect of which the social investment has been provided;





## THUNGELA RESOURCES BUSINESS INTEGRITY POLICY AND PERFORMANCE STANDARDS

IMPLEMENTATION DATE 2021/06/01	NEXT REVIEW DATE 2022/05/31
DOC NO TR.FIN.POL.004	VERSION NUMBER: 1

- a person who is a relative of a politician or public official approaches our enterprise development fund for support for a business proposal;
- requests are received for monies to be paid upfront with the manner in which the funds are to be applied to be determined at a later stage;
- work on a project is put on hold after a transfer of funds or there is a significant time delay between the commitment of funds and the commencement of the project;
- requests are received for funds to be transferred in cash and/or to private accounts;
- the project governance arrangements lack transparency and it is not possible to monitor the manner in which money is to be spent;
- the project eventually embarked upon is smaller in scope than the project which was originally approved and for which funding was provided; or
- the request for a social investment involves community members or professional advisers who are undertaking a function, such as being on a standing community liaison panel or participating in the governance and oversight of a resettlement project, the performance of which can have a real and material impact upon Thungela's business.

### Consultation and approval

Operations, corporate entities and social investment vehicles controlled by Thungela should establish and implement appropriate procedures to ensure that there is a robust process of risk assessment, due diligence and approval for all charitable donations.

See the Social Policy and Thungela Approvals Framework for guidance.

### Performance standard I: Sponsorships

#### What does the Thungela Business integrity Policy say?

Sponsorship may not be promised, offered or provided in exchange for a contract, permit or specific regulatory benefit. It should not be offered to obtain an improper advantage in the conduct of business or if it is likely to be perceived as having this intention.

#### What is this about and why is it an issue?

Sponsorship may be an important part of Thungela's communication with customers and stakeholders and provides a means of strengthening the Thungela brand with target groups. This differentiates it from charitable donations or social and community investments since sponsorships are typically undertaken with a clear expectation of a direct business return.

Nevertheless, sponsorship can create the appearance of impropriety if it is seen as being linked to seeking or obtaining an improper advantage.

In addition, Thungela sponsored activities and events typically provide opportunities for entertainment and hospitality. As such, this Performance Standard should be read in conjunction with **Performance Standard A on Gifts, entertainment and hospitality**.



## THUNGELA RESOURCES BUSINESS INTEGRITY POLICY AND PERFORMANCE STANDARDS

IMPLEMENTATION DATE 2021/06/01	NEXT REVIEW DATE 2022/05/31
DOC NO TR.FIN.POL.004	VERSION NUMBER: 1

### The standards

*Sponsorship may not be offered, promised or provided if it is:*

- offered or provided in exchange for a contract, permit or similar specific regulatory benefit;
- offered with the intention of seeking to obtain an improper advantage in the conduct of business; or
- likely to be perceived as having this intention.

Sponsorship arrangements should be transparent and subject to a formal contractual arrangement.

Where appropriate, relevant due diligence should be carried out on any organisation requesting or receiving the benefit of Thungela sponsorship to ensure that its constitution, activities and reputation are appropriate to, and consistent with, Thungela's values, Business Principles and Standards of Conduct.

All proposed sponsorships must be referred to EXCO for review.

The department responsible for Business Integrity Compliance should be consulted where there is doubt as to the appropriateness of a sponsorship.

### Risk factors

*Some examples of warning signs that offering or providing sponsorship risks creating an appearance of impropriety or may be linked to obtaining an improper advantage are:*

- sponsorship of an activity or an event linked to a public official or sponsorship of political events;
- sponsorship of an event which provides significant or lavish benefits to those attending;
- a cost of sponsorship which is excessive, relative to the nature or size of the event sponsored;
- entering into arrangements where it is unclear how the sponsorship monies will be used or applied;
- sponsorship arrangements where there is no clear or justifiable marketing or community relations purpose; or
- the request for sponsorship is closely related to community members or professional advisers who are undertaking an important function for Thungela, such as being on a standing community liaison panel or participating in the governance and oversight of a resettlement project, the performance of which can have a direct and material impact upon Thungela's business.

### Performance Standard J: Retention and payment of intermediaries



## THUNGELA RESOURCES BUSINESS INTEGRITY POLICY AND PERFORMANCE STANDARDS

IMPLEMENTATION DATE 2021/06/01	NEXT REVIEW DATE 2022/05/31
DOC NO TR.FIN.POL.004	VERSION NUMBER: 1

### What does the Thungela Business Integrity Policy say?

Our reputation can be damaged by the actions of third parties such as advisers, suppliers, agents, contractors, lobbyists and joint venture partners and Thungela may find itself liable for their actions. It is never appropriate for a third party to carry out an act on our behalf which, if it were done by Thungela directly, would be a breach of this policy.

*In order to protect against the risk of bribes being paid indirectly, we are committed to:*

- taking all reasonable steps to ensure that our business partners understand and comply with our Business Integrity Policy and Prevention of Corruption Performance Standards;
- investigating the reputation and qualifications of our business partners and carrying out formal due diligence where appropriate in order to satisfy ourselves as to their integrity and bona fides;
- putting in place appropriate controls and checks to monitor the use of Thungela's money by third parties purporting to act on our behalf; and
- ensuring that joint ventures and associate companies have equivalent processes in place.

### Intermediaries

*For the purpose of this Performance Standard, an intermediary may be defined as any third party retained either in whole or in part, to assist Thungela in:*

- obtaining business, either with governments or the private sector;
- influencing government or community action; or
- persuading or negotiating with public officials or private sector customers or suppliers.

*Examples of intermediaries covered by this guidance include:*

- sales agents;
- third parties (either individuals or entities) retained to provide introductions, local knowledge, expertise and support in the territories in which Thungela has operations or is considering establishing operations;
- individuals or organisations retained to communicate and interact with communities which may be affected by Thungela's actual or proposed operations;
- business partners purporting to act on behalf of a joint venture or company in the management in which Thungela is involved;
- lobbyists, meaning any individual or entity retained by Thungela to interact with public officials with regard to formulating, changing or adopting laws, rules, regulations or orders or government programmes, policies or decisions;
- financial advisers, lawyers, consultants or other third parties who interact with public officials or private sector organisations on Thungela's behalf in connection with commercial transactions such as mergers or acquisitions or joint venture operations;
- customs clearing agents or other third parties hired to process the transit of imported or



## THUNGELA RESOURCES BUSINESS INTEGRITY POLICY AND PERFORMANCE STANDARDS

IMPLEMENTATION DATE 2021/06/01	NEXT REVIEW DATE 2022/05/31
DOC NO TR.FIN.POL.004	VERSION NUMBER: 1

exported goods or equipment through customs; and

- lawyers, consultants or other third parties who represent the Company in court or proceedings before law enforcement authorities or regulatory bodies such as securities, health and safety, environmental, tax, immigration, utilities or transportation authorities.

*In determining whether a person is an intermediary for the purpose of this Performance Standard the most important factor is what the person/entity actually does on the Group's behalf, regardless of job title or description. A third party retained by Thungela should be considered an intermediary if they are involved in:*

- obtaining business, influencing government or involved in community action;
- persuading or negotiating with public officials, private sector customers or suppliers.

### What is this about and why is it an issue?

Corruption may occur when companies use third parties as intermediaries either to obtain business or to influence decisions on their behalf. Experience in other organisations shows that intermediaries are one of the most common channels through which corruption can occur because, for example, the relationship with the public or private sector is at 'arms length' and because their use may provide opportunities for collusion between people within and outside the company.

Anti-corruption laws may not differentiate between acts performed by an employee of a company or by somebody else acting on the company's behalf. Delegating responsibility to agents or other intermediaries does not usually transfer liability, leaving companies with considerable exposure to risk. For that reason, we need to ensure that we only deal with intermediaries who understand and apply the same standards of business conduct as Thungela does, whether they interact with government officials, with suppliers or with customers.

It is never appropriate for an intermediary to carry out an act on Thungela's behalf that would be a breach of Thungela policy and Performance Standards if done by Thungela directly. Authorising, encouraging or knowingly allowing (which includes having a reasonable suspicion of their intention) any third party to pay bribes or engage in other misconduct on Thungela's behalf is a serious violation of Thungela's Business Integrity Policy and can violate applicable anti-corruption laws.

This also applies in situations where a joint venture partner acts or purports to act on behalf of an entity in which Thungela has a financial interest. Even if Thungela has no knowledge of an intermediary's misconduct, their actions can cause serious reputational damage and may expose the Company to significant legal consequences.

### the standard

#### *Retention of intermediaries and renewal of existing agreements*

It is the responsibility of each department within Thungela wishing to retain a new intermediary or to renew an agreement with an existing one to investigate and document the reputation and qualifications of the intermediary prior to retaining the person or entity. The department should satisfy itself that the proposed intermediary is ethical and understands and will abide by Thungela's Business Principles and Business Integrity



## THUNGELA RESOURCES BUSINESS INTEGRITY POLICY AND PERFORMANCE STANDARDS

IMPLEMENTATION DATE 2021/06/01	NEXT REVIEW DATE 2022/05/31
DOC NO TR.FIN.POL.004	VERSION NUMBER: 1

Policy and Performance Standards.

### *Conduct of risk-based due diligence*

A formal, documented risk-based due diligence process must be undertaken prior to retaining new intermediaries or renewing existing agreements.

*Thungela should ensure that an appropriate framework is in place for conducting due diligence on intermediaries. Such a framework should include the following:*

- identification and training of personnel to perform due diligence procedures;
- identification of responsible “owners” and allocation of responsibilities;
- development of a standardised methodology based on templates/checklists (the key elements of a proposed due diligence checklist for intermediaries are set out at Appendix 1 to this Performance Standard);
- identification and weighting of key risk factors;
- access to relevant information sources to enable due diligence to be performed;
- development of a process for evaluating the results of due diligence (red light/green light); and
- formalised independent review of results of due diligence.

### **Approval process**

Thungela should establish and implement a robust and independent approval process prior to the retention of new intermediaries or the renewal of agreements with existing ones. This process should consider, amongst other things, the results of the risk-based due diligence.

### **Communication of Thungela’s expectations**

Each department must discuss Thungela’s expectations of conduct with the proposed intermediary or, in the case of an intermediary that is an entity, with the appropriate person or persons at the entity.

Where appropriate, substantive anti-corruption compliance training should be provided to relevant intermediary personnel prior to the intermediary commencing work for Thungela.

### **Agreements with intermediaries**

*All agreements with intermediaries should be formally documented and include the following contractual protections, where practical, to communicate Thungela’s expectations and enable Thungela to monitor and prevent violations of its standards:*

- **Compensation.** A provision that compensation will be based on services provided, which must be detailed in a report.
- **Anti-corruption representations.** A representation that the intermediary is familiar with and agrees to abide by the Company’s Business Integrity Policy, as well as all applicable laws



## THUNGELA RESOURCES BUSINESS INTEGRITY POLICY AND PERFORMANCE STANDARDS

IMPLEMENTATION DATE 2021/06/01	NEXT REVIEW DATE 2022/05/31
DOC NO TR.FIN.POL.004	VERSION NUMBER: 1

and regulations.

- **Termination rights.** A right on the part of Thungela to terminate the agreement if Thungela has reasonable cause to believe that unlawful conduct has occurred or is about to occur.
- **Assignment rights.** A provision prohibiting the intermediary from assigning their rights, duties or obligations under the contract to a third party, without Thungela's prior written approval.
- **Books and records.** An agreement that the intermediary will maintain books and records that accurately describe in detail all services and expenditures for which the intermediary seeks reimbursement from Thungela.
- **Audit rights.** A right on the part of Thungela to audit the books and records of the intermediary with respect to the intermediary's work on behalf of Thungela.

### Record keeping

*Each department should establish and implement appropriate procedures (such as a central register of intermediary agreements) to ensure that:*

- at any time, management has a clear understanding and record of intermediaries being used by the business and what services they are providing; and
- agreements with intermediaries are capable of being readily identified and accessed.

### Payments to intermediaries

Payments to intermediaries should only be made on submission of an invoice supported by evidence of the services provided and a written declaration of compliance with the law.

Where feasible, payments to intermediaries should be made electronically to the bank account specified in the intermediary's contract. Payments should not be made in cash or bearer instruments or made payable to any party other than the intermediary at the intermediary's normal place of business. Payments should not be made to an account in a country other than the country of the intermediary's normal place of business.

### Books and records

All payments to intermediaries must be recorded accurately and in reasonable detail in the Company's books and records, to reflect all transactions and dispositions of assets.

### Consultation and approval

Thungela should ensure that appropriate consultation procedures are implemented and clearly publicised so that employees know where to go to get help when seeking to retain intermediaries and have to interpret the results of due diligence performed.

### Risk factors

Some examples of warning signs that a proposed intermediary represents a significant corruption risk are:



## THUNGELA RESOURCES BUSINESS INTEGRITY POLICY AND PERFORMANCE STANDARDS

IMPLEMENTATION DATE 2021/06/01	NEXT REVIEW DATE 2022/05/31
DOC NO TR.FIN.POL.004	VERSION NUMBER: 1

- the intermediary appears unqualified or the intermediary organisation is under-resourced to undertake the proposed role and function;
- the use of a particular intermediary is recommended or specified by a public official;
- the intermediary insists on anonymity and requests that their identity be hidden;
- the intermediary requests that payment be made upfront, in round-sum amounts or to an offshore account, typically in a country with a reputation for banking secrecy. Such requests may be for funds to “make the necessary arrangements”, to “oil the wheels” or to “get the business done”;
- the compensation required by the intermediary is unusually large relative to the services to be provided;
- the expenses incurred by the intermediary are unusually high or are not properly documented; or
- the invoices submitted by the intermediary lack detail or do not match the services contracted for.

### Performance standard K: Mergers, acquisitions, joint ventures and associates

*We are committed to investigating thoroughly the background, reputation, ethical and cultural values of any company we invest in or acquire and any partner with which we decide to enter into a joint venture, and of the nature of investments we thereby inherit.*

#### What is this about and why is it an issue?

Thungela is periodically involved in acquiring companies, seeking strategic partnerships and joint ventures or making minority investments. In addition to the financial and commercial aspects of these transactions, we must ensure that we investigate thoroughly the background, reputation, ethical and cultural values of any company we invest in or acquire, any partner we decide to enter into a joint venture with and the nature of any relationships we thereby inherit.

Failure to perform appropriate anti-corruption and compliance due diligence in respect of transactions can put Thungela at risk of civil or criminal liability for any previous or ongoing corrupt or otherwise dishonest conduct of the third-party business as well as having business consequences such as the loss of contracts or reputational damage.

#### The standards

Appropriate anti-corruption and compliance due diligence should be carried out in respect of all proposed mergers, acquisitions and joint venture transactions with companies (‘the Target’) with which Thungela is considering going into business.

*Anti-corruption due diligence should address, but will not be limited to, all the following:*

- the corruption risk present in the markets in which the Target operates;
- the reputation and past conduct of the Target;
- the ethical values and standards of the Target;
- the Target’s compliance and training programme, including all relevant policies, guidelines and the manner in which they are communicated, implemented and



## THUNGELA RESOURCES BUSINESS INTEGRITY POLICY AND PERFORMANCE STANDARDS

IMPLEMENTATION DATE 2021/06/01	NEXT REVIEW DATE 2022/05/31
DOC NO TR.FIN.POL.004	VERSION NUMBER: 1

monitored;

- the manner in which the Target uses agents, consultants, intermediaries and other third parties and the services they provide;
- the Target's accounting and transaction controls;
- the existence of any ongoing or previous government or regulatory investigations into the Target or its employees in connection with the Target's activities;
- a review of the ownership interests of board members of the Target and the board members themselves in order to determine whether any are political party officials;
- candidates for political office, government officials or close relatives or associates of government officials; and
- a review to establish whether any of the owners of the Target have a known history of illegal and/or corrupt conduct.

The results of the anti-corruption and compliance due diligence should be subject to legal department review and approval.

Care should be taken to ensure that any advisers or agents hired in connection with the transaction understand and comply with Thungela's standards of business conduct and appropriate due diligence is undertaken (**see also Performance Standard J on Retention and payment of intermediaries**). This is particularly relevant in high corruption risk countries and/or in transactions where government or regulatory approvals are necessary.

After the transaction has closed, further due diligence should be undertaken to confirm that the information provided in the pre-closing process was accurate and complete and the department making the acquisition should specifically provide for such due diligence in its post-acquisition planning.

This investigation work should also confirm the extent of the remediation necessary to align the Target with Thungela's own Prevention of Corruption Performance Standards. Training for all Target staff on Thungela's Standards should be undertaken as a matter of priority.

Where Thungela is acquiring a minority investment over which it is not in a position to exert control or significant influence, access to books and records and other relevant information for the purpose of conducting due diligence is likely to be more limited than in a majority acquisition or joint venture. Nevertheless, consideration should still be given to what anti-corruption due diligence is practical and realistic prior to closing in these circumstances.

*If Thungela will not exercise management control over the Target's business after closing, the relevant department should also consider what influence it would be able to exert over the Target's business after closing and what controls would be appropriate in relation to:*

- securing access to information for purposes of an anti-corruption due diligence after closing;
- aligning the Target's activities with Thungela's Business Integrity Policy and Prevention of Corruption Performance Standards; and
- the extent to which the need exists to provide for the above contractually in the transaction agreements.





# THUNGELA RESOURCES BUSINESS INTEGRITY POLICY AND PERFORMANCE STANDARDS

IMPLEMENTATION DATE 2021/06/01	NEXT REVIEW DATE 2022/05/31
DOC NO TR.FIN.POL.004	VERSION NUMBER: 1

## Risk factors

*Some examples of warning signs that indicate a high corruption risk attaching to a proposed merger, acquisition or joint venture transaction are as follows:*

- the Target operates in countries that have a high corruption risk or in an industry that has a high corruption risk or the Target itself has a mixed ethical reputation;
- the Target is known to make extensive use of intermediaries, particularly in its interactions with public officials;
- the Target has consistently punched above its weight in sales performance or in licenses and permits obtained relative to its size and operational capacity;
- the management of the Target seek contract clauses to indemnify past actions;
- the Target is reluctant to adopt or certify compliance with Thungela's Prevention of Corruption Performance Standards, policies and guidelines;
- the Target is uncooperative during the due diligence process;
- the Target has a government official as a "silent partner" or has some other government affiliation;
- the proposed joint venture partner will not reveal the identities of principals or others having a beneficial interest in the entity; or
- the Target insists on unusual secrecy concerning all or certain aspects of the transaction or its involvement.

## 4 WHAT DO I NEED TO DO?

### Guidance and reporting

*Corruption comes in many forms. In many cases the proper course of action may not always be obvious. Employees must seek advice and consult if they are unsure about the proper course of action.*

#### *The safety of our people*

Thungela employees should be free to carry out their duties without fear of intimidation or threat of violence. The safety and security of our employees is our paramount concern. We do not expect our employees to compromise their safety or security or that of others in order to comply with the terms of this policy.

Employees should, however, immediately report any incident where they have been threatened or intimidated to carry out an act which may result in a breach of this policy to the, copied to the department responsible for Business Integrity Compliance.

After appropriate internal consultation such incidents should also be reported to the relevant authorities in order to prevent any recurrence.



## THUNGELA RESOURCES BUSINESS INTEGRITY POLICY AND PERFORMANCE STANDARDS

IMPLEMENTATION DATE 2021/06/01	NEXT REVIEW DATE 2022/05/31
DOC NO TR.FIN.POL.004	VERSION NUMBER: 1

### *Breaches of this policy*

Employees must report any breaches, or potential breaches of this policy, of which they become aware. Violations of this policy will lead to disciplinary action in accordance with the disciplinary procedures. Disciplinary actions may involve sanctions up to and including summary dismissal. We are committed to reporting all instances of corruption and other forms of dishonesty to the relevant authorities and to facilitating criminal action against the individual(s) concerned. We will also seek redress for any losses arising from such actions.

### *Reporting breaches of this policy*

Reports can be made to any of the people mentioned below. There is no reporting protocol, in other words, you can report to any of the people below with whom you feel most comfortable:

- Your line manager should always be available to you as a point of contact to hear your concern.
- If you feel that you cannot talk to your line manager, then you should try to speak to another line manager.
- If you cannot speak to any line managers, then you can try to speak to someone who works in a supporting function, such as the Ethical Business Conduct team, Safety and Sustainability, Legal, Human Resources or Employee Relations.
- If you cannot, or do not feel able to speak to any of the above, you can contact our Service Provider, “**Haibo Tip-offs**” confidentially and anonymously. Haibo Tip-offs is independently administered and can be contacted by using the details below:

<b>Free Call:</b>	0800 555 117
<b>Email:</b>	<a href="mailto:Thungela@tip-offs.com">Thungela@tip-offs.com</a>
<b>Free Fax:</b>	0800 00 77 88
<b>Free Post :</b>	KZN 138 Umhlanga Rocks 4320
<b>Website:</b>	<a href="http://www.tip-offs.com">www.tip-offs.com</a>

Haibo Tip-offs is available to employees, contractors, suppliers and broader stakeholders. It is available every day of the week at any time, day or night, and in most of South Africa’s official languages.

Any incident of retaliation against a whistleblower will, if proven, be subject to disciplinary processes up to and including dismissal. Where a breach of legislation



## THUNGELA RESOURCES BUSINESS INTEGRITY POLICY AND PERFORMANCE STANDARDS

IMPLEMENTATION DATE 2021/06/01	NEXT REVIEW DATE 2022/05/31
DOC NO TR.FIN.POL.004	VERSION NUMBER: 1

is proven in this regard, Thungela also reserves the right to refer the matter to the relevant authorities for further action.

Refer to the Thungela Whistleblowing Policy for further detail.

### 5 MONITORING AND REPORTING:

All concerns submitted through Thungela's business integrity mechanisms will be rapidly appraised and where necessary appropriately investigated and closed out. Individual feedback on outcomes will be provided where possible.

Trend analysis of business integrity reports and their resolution is conducted on an aggregated, anonymised basis to identify potential recurrent themes or topics of concern. The outputs of this process is reported to the Thungela Risk and Sustainability Committee on a quarterly basis.

#### *Consequences of breach*

Any incident of retaliation against a business integrity standards, if proven, be subject to disciplinary processes up to and including dismissal. Where a breach of legislation is proven in this regard, Thungela also reserves the right to refer the matter to the relevant authorities for further action.

### 6 FURTHER INFORMATION:

#### **Appendix 1**

#### **Scope of intermediary risk-based due diligence**

Thungela should develop a due diligence checklist for use when retaining new intermediaries or renewing agreements with existing ones. The contents of such a checklist are set out below.

#### *Company details:*

- intermediary name;
- intermediary address;
- type of entity;
- date of establishment;
- place of establishment;
- extract from commercial registry entry;
- brief description of nature and history of intermediary's business;
- owners, principals and employees;
- details of any previous relationship with Thungela (include reasons for termination if terminated and person at Thungela most knowledgeable about prior relationship); and



## THUNGELA RESOURCES BUSINESS INTEGRITY POLICY AND PERFORMANCE STANDARDS

IMPLEMENTATION DATE 2021/06/01	NEXT REVIEW DATE 2022/05/31
DOC NO TR.FIN.POL.004	VERSION NUMBER: 1

- bank account information for any payment which would be made under an agreement with Thungela (account number, address, country, name of beneficial owner of account).

### *Reports:*

- report on the intermediary's business from a reputable firm;
- does the report indicate that any owner, agent, officer, director, employee or close family relative of the intermediary is related in any personal, economic or other way to a government official? If yes, explain; and
- does the report contradict the accuracy of information given by the intermediary?

### *Work plan:*

- copy of a work plan or similar document provided by the intermediary – to include description of any contacts that the intermediary proposes to have with government officials.

### *Referees:*

- references provided by the intermediary with the results of consultation;
- summary of the information provided by each referee;
- details of internal Thungela references consulted; and
- information obtained from any existing Thungela databases.

### *Prior and current proceedings:*

- details of all past and pending litigation involving the intermediary for the last 10 years; and
- any administrative, civil or governmental proceeding in the last 10 calendar years in the field of anti-trust, fraud, tax evasion, money laundering, under reporting or any action that could cast doubt on the honesty or integrity of the individual or entity involved.

### *Other*

- information from other sources – provide details of sources queried.

### *Additional questions to consider:*

- Has the intermediary requested cash or offshore payments?
- Has the intermediary approached Thungela and guaranteed success?
- Has the intermediary avoided using written communications including email?
- Does the intermediary lack proper facilities for in-country support services? (e.g., a one-person operation in countries where Thungela is doing business)?
- Did a government official recommend or refer the intermediary to Thungela?

### *Internal references*

This policy must be read in conjunction with the following documents:

- Thungela Dealing Code



## THUNGELA RESOURCES BUSINESS INTEGRITY POLICY AND PERFORMANCE STANDARDS

<b>IMPLEMENTATION DATE</b> 2021/06/01	<b>NEXT REVIEW DATE</b> 2022/05/31
<b>DOC NO</b> TR.FIN.POL.004	<b>VERSION NUMBER:</b> 1

If you have any questions or comments about this Policy, or if are not sure whether you can deal in securities at any time, please contact the Company Secretary or the Assistant Company Secretary.

## 7 RECORD OF REVISION

Policy governance commitment:

<b>Approval date by?</b>	<b>Main changes made</b>
<b>Approved by?</b>	<b>Main changes made</b>

Document Control

<b>Frequency of Policy review after date of issue:</b>	<b>Every two years or where required by a significant change either within the organisation or in external regulatory requirements.</b>
--	---