



POWERING POSSIBILITY

CORPORATE POLICY

Human Rights Policy for all Companies and Operations in the Exxaro Group

REVISION

Revision 2

ISSUE DATE

DOCUMENT OWNER

Executive Head, Stakeholder Affairs

APPROVED BY

BOARD OF DIRECTORS

EXXARO RESOURCES LIMITED

Herein after referred to as the Company or the Employer

This policy replaces all previous policies, overwrites clauses in policy documents and previous correspondence in this regard.

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1. PURPOSE

The purpose of this policy is to document Exxaro’s position and intent regarding the protection and upholding of the human rights of its employees as well as all people within Exxaro’s sphere of influence. As such, this document stipulates the Company’s human rights expectations of Exxaro personnel, suppliers, business partners and other parties directly linked to its operations, products, and services.

Adherence to the obligation to respect human rights also requires: (1) human rights policy statements; (2) human rights due diligence practices, and (3) grievance mechanisms, which will be set out in this Policy.

2. SCOPE

This policy is applicable to all employees, suppliers, and business partners of Exxaro and should be reflected and referenced in operational policies and procedures and counterparty contracts and agreements as required to embed it throughout the organisation and business conduct. This document should be read in conjunction with the Company’s suite of policies including but not limited to:

- Employee wellness policy
- Talent management and staffing suite of policies
- Relations and compliance suite of policies
- Code of ethics
- Safety and sustainable development policy
- Community stakeholder management policy
- Supply chain sustainability policy

3. LEGISLATION AND CORPORATE GOVERNANCE REQUIREMENTS REFERENCE

- Constitution of the Republic of South Africa, 1996
- Governance: King IV™, Companies Act 71 of 2008
- Labour: Employment Equity Act 55 of 1998, Promotion of Equality and Prevention of Unfair Discrimination Act 4 of 2000; Labour Relations Act 66 of 1995; Basic Conditions of Employment Act 75 of 1997
- Health and safety: Mine Health and Safety Act 29 of 1996; Occupational Health & Safety Act 85 of 1993; Compensation for Occupational Injuries and Diseases Act 130 of 1993; Occupational Diseases in Mines and Works Act 78 of 1973
- Environmental: National Environmental Management Act 107 of 1998 (NEMA); National Water Act 36 of 1998; NEM: Air Quality Act 39 of 2004; NEM: Waste Act 59 of 2008; NEM: Protected Areas Act 57 of 2003, NEM: Biodiversity Act 10 of 2004; Conservation of Agricultural Resources Act 43 of 1983’ etc.
- Communities: Mineral and Petroleum Resources Development Act 28 of 2002 (MPRDA); Mine Community Resettlement Guidelines 2022; Interim Protection of Informal Land Rights Act 31 of 1996; Communal Property Association Act 28 of 1996; Traditional Leadership and Governance Framework Act 41 of 2003; Restitution of Land Rights Act 22 of 1994; Regulation of Gatherings Act 2015 of 1993

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4. EXTERNAL STANDARDS REFERENCE

- United Nations Guiding Principles on Business and Human Rights
- International Labour Organisation’s (ILO) Declaration on Fundamental Principles and Rights at Work adopted in 1998 and amended in 2022,
- OECD Guidelines for Multinational Enterprises,
- Minerals Council South Africa Human Rights Framework, and
- UN Global Compact (“UNGC”) principles on human rights, labour, environment and anti-corruption

5. POLICY STATEMENT AND INTERNAL STANDARDS

5.1. Policy Statement

Exxaro’s purpose is ‘to power better lives in Africa and beyond’. Fundamental to powering better lives is our stance that all people have inherent fundamental human rights regardless of their differences. As such, Exxaro commits to respecting and upholding human rights for all people in its sphere of influence i.e., where the Company has power to effect investment and development.

At a minimum, the Company will promote human rights as set out in:

- our Constitution and legislation;
- the United Nations Guiding Principles on Business and Human Rights
- the ILO’s Declaration on Fundamental Principles and Rights at Work, which is an expression of a commitment to uphold basic human values that are vital to our social and economic lives.

Furthermore, the Company:

- unreservedly supports the OECD Guidelines for Multinational Enterprises that set standards for responsible business conduct across a range of issues such as human rights, labour rights, and the environment; and
- is a signatory to the UNGC and believes that its voluntary participation in the UNGC advances the case for responsible business practices and encourages its stakeholders to do the same. From how Exxaro operates to what it operates, it is striving to be a responsible steward of our natural assets and social capital to uplift our communities.

Therefore, Exxaro commits to avoid causing or contributing to adverse human rights impacts through our own activities and to respond to and address such impacts when they occur. In addition, Exxaro will seek ways to prevent or mitigate adverse human rights impacts that are directly linked to its operations, products, or services from its business conduct and relationships.

Given the risks and opportunities inherent in the industries where Exxaro operates, key areas of potential impact related to human rights and addressed in this Policy are as follows:

- Governance and ethics
- Equal opportunities / non- discrimination and transformation
- Human rights in the workplace

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- Safe and healthy work environment
- Respect for all communities
- Security and human rights
- Environmental management and conservation
- Land use and resettlements

5.2. Governance and Ethics

Exxaro's conduct is anchored on an ethical culture, which promotes values such as trust, acceptable behaviour, dignity, and fairness. The Company's Board assumes responsibility for ensuring that organisational ethics is managed effectively and governs Exxaro's ethics to support the establishment of an ethical culture.

In addition, the Company's Board mandated the Social, Ethics and Responsibility Committee ("SERC") to have oversight of how the consequences of the Company's activities and outputs affect its status as a responsible corporate citizen in the following areas: -

- Economy: economic transformation and prevention, detection and response to fraud and corruption; and
- Society: public health and safety; consumer protection; community development and protection of human rights; and
- Environment: Protection of the natural environment

5.3. Equal opportunities / non-discrimination

Exxaro promotes the principles of equal opportunities and prohibits unfair discrimination based on human difference, including but not limited to, race, marital status, gender, sexual orientation, language, religion, political or other opinion, corporate position, age, employment status, national or social origin and status, property, or birth.

Exxaro respects and upholds the rights and equal treatment of all people including women, the LGBTQIA+ community as well as people living with disabilities

5.4. Human Rights in the workplace

5.4.1. Forced labour

Exxaro will not make any use of, cause, demand or impose forced labour, including prison labour, slave labour or other forms of compulsory labour on any person.

5.4.2. Child Labour

Exxaro will conduct business and operate in accordance with ILO (International Labour Organization) Conventions No. 138 on the minimum age for admission to employment and No. 182 on the banning of the worst forms of exploitation of child labour. The company will not employ persons under the legal minimum age of 18 for work. Further, Exxaro supports the use of legitimate workplace apprenticeship, internship and other similar programmes that comply with all laws and regulations applicable to such programmes.

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5.4.3. Freedom of association and the right to collective bargaining

Exxaro respects our employees' right to join or form a labour union without fear of reprisal, intimidation, or harassment. Where employees are represented by a legally recognised union, the Company is committed to establishing a constructive dialogue with their freely chosen representatives. The Company is committed to bargaining in good faith with such representatives. The Company supports the principal of Collective Bargaining.

5.4.4. Working Hours

Exxaro will safeguard employees' physical and mental health by using humane working hours. Exxaro will align with the ILO conventions relating to the working standards of our employees, including those regarding working hours, leave and holidays.

5.4.5. Discipline

The Company will not make use of or allow the use of any form of corporal punishment, physical, sexual, or verbal abuse in the workplace. Any disciplinary matter will be dealt with fairly and in accordance with our transparent disciplinary and grievance procedures.

5.4.6. Safe and healthy working environment

Zero harm remains Exxaro's key safety objective, and stringent management protocols, programmes, and systems are applied. In terms of process, Exxaro's business unit management teams investigate every safety incident through a committee headed by an independent chairperson, Exxaro also reports investigation findings to the Group Executive Committee as well as the Board Social, Ethics and Responsibility Committee (SERC) as well as the Risk and Business Resilience (RBR) Committee and escalate these to the Company's board.

In addition, Exxaro's health and wellness strategy (approved by the board in November 2019) aims to:

- Shift our healthcare approach from curative and employer-driven to preventive and employee-driven efforts.
- Align our health and wellness portfolios for a holistic and integrated management programme.
- Identify occupational and non-occupational health risks and their causes, solutions to mitigate these risks, impacts of the risks on the business, and the best approach to ensure an environment that empowers employees to manage and protect their health.

Exxaro's integrated health and wellness strategy is supported by three pillars that ensure a cohesive approach to occupational and lifestyle diseases throughout its operations: (i) diagnose; (ii) manage and (iii) prevent.

5.4.7. Respect for all Communities

The Company's board has adopted a stakeholder-inclusive approach that is supported by its key account management (KAM) approach to stakeholder engagement, responds to principle 16 of King IV regarding stakeholder inclusivity and responsiveness. It aims to balance the needs, interests, and expectations of material stakeholders in the organisation's best interest over time to protect and build trust in the organisation and its reputation and legitimacy in the eyes of its stakeholders.

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For the communities in which Exxaro operates, our human rights commitment includes respecting the cultural values of societies, including indigenous peoples and traditional authorities, giving appropriate regard to the self-sufficiency, sustainability, health, safety, and the natural environment of such communities; and conducting business as a responsible member of society.

5.4.8. Security

In respect, specifically to protests at operations, Exxaro is guided by the Regulation of Gatherings Act 2015 of 1993 and this Policy. To this end, the following guidelines must be followed in a protest action situation:

- (i) Senior management should be informed of any notice of a protest action received at the operations or head office, to determine whether protestors have followed due process in terms of the Regulation of Gatherings Act and whether Exxaro would need to seek urgent legal action;
- (ii) Exxaro should seek to participate in meetings with the South African Police Service (SAPS) and the relevant Municipality when consideration is given to the protest action application;
- (iii) Exxaro to remain open to communication and endeavour to include the protestors into existing structures, failing which a small delegation of the protestors should be engaged with;
- (iv) Additional private security arrangements to deal with serious violence and unrest as per the Exxaro Security Strategy which is aligned to the Voluntary Principles on Security and Human Rights.

5.5. Environmental management and conservation

Exxaro believes that all people should live in a natural environment that is not detrimental to their health and wellbeing – this includes access to quality water, affordable electricity, and protection from noise and air pollution as well as hazardous materials.

Planning early for mine closure is critical to protect the future of the environment and society, and to uplift the surrounding communities, therefore Exxaro prioritises closure planning and mining rehabilitation, before, during, and after the operating life of a mine.

The Company's board adopted the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations as a strategic framework for guiding Exxaro's climate change response strategy. Exxaro is committed to responsible mining, decarbonisation as well as mitigating the impact of climate change, beyond compliance as articulated in its climate change response strategy.

5.6. Supply Chain responsibility

With respect to Exxaro's contractors and suppliers, and the protection of human rights throughout the value chain, Exxaro will give preference to those who share and demonstrate Exxaro's values. Exxaro's supplier code of conduct finds application in and contains an expression of this commitment.

5.7. Land use and resettlements

The International Finance Corporation (IFC)'s Environmental and Social Performance Standard 5 advises companies to avoid involuntary resettlement wherever possible and to

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minimize its impact on those displaced through mitigation measures such as fair compensation and improvements to and living conditions. Active community engagement throughout the process is essential. For the time being and until such time that Exxaro develops resettlement guidelines in respect of non-mining related resettlements, to provide for involuntary resettlement as per the Minerals Council South Africa Human Rights Framework, Exxaro will take guidance from the IFC's Environmental and Social Performance Standard 5.

The DMRE published the Mine Community Resettlement Guidelines 2022 for implementation on 30 March 2022, which outlines the process and requirements to be complied with by an applicant for or holder of a prospecting or mining right.

As part of Exxaro's Social Impact framework, as far as possible, mine closure will be addressed through the Mineral succession planning programme.

6. IMPLEMENTATION, COMPLIANCE AND REPORTING

6.1. Implementation

Exxaro intends on implementing its commitment to Human Rights through multiple strategic and operational mechanisms in our business. These mechanisms include policies, procedures, approaches, various tiers of strategy as well as tracking and reporting of progress. These will be reviewed regularly to ensure their relevance in adding value to the people in our sphere of influence. Given the existing environment, there is focus on Diversity Equity and Inclusion, access to water, access to affordable energy, health and safety amongst others.

Exxaro will ensure that all employees are trained in the principles of Human Rights on an ongoing basis.

6.2. Territorial Application

The principles in the policy apply to all jurisdictions the Company operates in. In geographies beyond South Africa, the local regulation that is aligned to these principles will be complied with.

6.3. Due Diligence

Exxaro commits to frequent and ongoing human rights due diligence to identify, prevent, mitigate, and account for how the Company addresses its adverse human rights impacts. This process will: 1) assess the actual and potential human rights impacts, 2) integrate and act upon the findings, 3) track responses and 4) communicate how impacts are addressed.

6.4. Reporting

Exxaro has been an active signatory to the UNGC since 2007 and, every year, it affirms Exxaro's commitment with its Communication on Progress (COP) in implementing the UNGC principles. As the SERC and RBR committees have oversight responsibilities, regular reporting, including the COP, shall be submitted to these board committees to ensure compliance, transparency, and accountability.

Any complaint against Exxaro registered with the South African Human Rights Commission (SAHRC) must be reported to the SERC and RBR committees without delay.

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6.5. Remediation

Where Exxaro identifies that it has directly caused or contributed to adverse human rights impacts, the Company will provide for or cooperate in the remediation through legitimate processes. In doing so, the Company will treat the risk of causing or contributing to gross human rights abuses as a legal compliance issue.

6.6. Access to remedy and grievance mechanisms

Acknowledging that in the process of mineral exploitation, conflict potential exists with communities and other interested and affected groups, the Minerals Council South Africa has encouraged its members to develop a grievance mechanism in following the IFC Good Practice Note, which Exxaro is committed to.

Exxaro has established an effective operational-level grievance mechanisms for both employees and community members. Internally, there is a grievance procedure that provides a structured and formal process for employees to report any grievances including human rights related. Both employees and community members have free access to the Exxaro Independent Fraud Hotline.

Suspected and alleged Human Rights violations are reported using the Exxaro Fraud and Ethics Hotline number - 0800 203 579. These mechanisms are fair and objective to all stakeholders and remain a source for continuous learning to the Company. Further, Exxaro participates in other grievance mechanisms even where it has been established by another party.

7. NON-COMPLIANCE

Failure to comply with this policy will amount to gross misconduct, a material breach of the contract of employment, disciplinary action in line with the applicable Exxaro disciplinary codes and fines or penalties in terms of applicable laws.

Refer to the Exxaro standard glossary of terms in addition to the terms contained in this policy. Should there be a conflict the Exxaro standard glossary of terms should prevail.

8. APPLICABLE BUSINESS GOVERNANCE FORUMS REFERENCE

- Executive Committee
- Social, Ethics and Responsibility Committee
- Risk & Business Resilience Committee
- Company Board

9. PERIOD OF OPERATION

This Policy will remain in force from its effective date until amended and circulated as an updated Policy.

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10. DOCUMENT CONTROL

10.1. DOCUMENT INFORMATION

Document Information	
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10.2. DOCUMENT APPROVALS

Role	Name	Signature	Date
EXECUTIVE HEAD: STAKEHOLDER AFFAIRS	MZILA MTHENJANE		09/12/2022
CHIEF EXECUTIVE OFFICER (CEO)	Nombasa Tsengwa		09/12/2022
BOARD			

10.3. RECORD OF AMENDMENTS

Page	Rev #	Nature of revision	Approved by	DATE
New document	1	NEW document	Company's Board	1 March 2008
Full revision	2	FULL review	Company's Board	20XX-XX-XX

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APPENDIX A ¥ GLOSSARY OF TERMS

Grievance mechanism	Refers to the options that affected persons or stakeholders can use to lodge complaints or disputes against organisations (<i>UN Guiding Principles on Business and Human Rights</i>)
Human Rights	Human rights are rights every person has simply because they exist as human beings. These rights are not granted by any state. They are inherent to everyone, regardless of nationality, sex, national or ethnic origin, colour, religion, language, or any other status. They range from the most fundamental - the right to life - to those that make life worth living, such as the rights to food, education, work, health, and liberty. (<i>United Nations Human Rights Office of the High Commissioner</i>)
Inclusivity	Inclusivity is the participation of stakeholders in developing and achieving an accountable and strategic response to sustainability. An inclusive organisation accepts its accountability to those on whom it has an impact and who have an impact on it. According to King IV following a stakeholder-inclusive approach means, instead of prioritising the interests of the providers of financial capital, companies give parity to all sources of value creation, including among others, social and relationship capital embodied by stakeholders. An inclusive organisation accepts its accountability to those on whom it has an impact and who have an impact on it. (<i>King IV Code of Corporate Governance</i>)
King IV	Refers to the King IV report of corporate governance for South Africa 2016 and includes all of its parts. The King IV code refers only to part 5 of the report. The legal status of King IV is that of a set of voluntary principles and leading practices. In South Africa, as in many jurisdictions around the world, a hybrid system of corporate governance has developed as, over time, some practices of good governance have been legislated in parallel with the voluntary codes of governance. (<i>King IV Code of Corporate Governance</i>)
LGBTQIA+	Lesbian, Gay, Bisexual, Transgender, queer, intersex, asexual, +:represents all of the other identities (non-binary, pansexual)
Responsiveness	Responsiveness is an organisation's response to stakeholder issues that affect its sustainability performance and is realised through decisions, actions and performance, as well as communication with stakeholders.
RBR	Risk and Business Resilience committee of the board.
SAPS	South African Police Service
SERC (SERC)	Social, Ethics and Responsibility committee of the board.
Stakeholder engagement	Stakeholder engagement is the actual act of interacting with stakeholders in different formats and channels and a process used by an organisation to engage relevant stakeholders for a clear purpose to achieve agreed outcomes. It encompasses two-way dialogue, interaction events, communication, negotiation, collaborations and partnering with stakeholders in different forms.
Stakeholder management	The process by which Exxaro aims to establish, nurture, manage and terminate relationships with stakeholders. It includes the systematic identification of stakeholders, the analysis of their interests, needs, challenges, concerns and expectations and impact on the organisation. It also includes coordination of Exxaro's investment and efforts in planning actions to influence, communicate, interact and engage stakeholders, monitoring and evaluation of the impact and effectiveness of such activities, as well as reporting on the outcomes.
Stakeholder	A stakeholder is defined as any individual, group of individuals or institution(s) who can affect or is affected by the actions, decisions, policies, practices or goals of an organisation's daily operations, enabling activities, and/or its projects.
TCFD	Task Force on Climate-Related Financial Disclosures

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