

ENX GROUP LIMITED

SUPPLY CHAIN - CODE OF CONDUCT

Background

enX Group Limited (“enX”), is a JSE Listed, diversified industrial business with operations across South Africa, and a selected international presence. EnX is committed to growth founded on socially-responsible actions and behaviours in all countries in which it operates and in all fields in which it does business.

EnX is committed to high standards of business ethics, as reflected in our own employee Code of Ethics, and to best practice and continuous improvement in the broader sustainability performance of our business and projects.

EnX is committed to adhere to the principles based on the Universal Declaration of Human Rights, the International Labour Organization’s (ILO) Declaration on Fundamental Principles and Rights at Work and Development and the United Nations Convention Against Corruption. These commitments have been reiterated in the company’s “Code of Ethics”. This code is regularly updated and is available on the enX website. The code puts forward a common set of key references. Each individual, from top executives to all employees, must comply with it in all circumstances.

Application

Within the procurement framework, enX considers social, environmental and fair economic business principles as key elements in business award decisions, both for new and existing suppliers. Supplier compliance with standards that match our own as outlined below is of utmost importance for enX.

enX reserves the right to carry out, at any time, audits at Supplier’s various sites, by enX or by a third party appointed by enX, in order to verify conformance of the Supplier’s practices with the enX requirements.

Communication and implementation of supplier code of conduct

This code, available on our website must be communicated to all material suppliers and where applicable used as an annexure to contracts.

ENX – SUPPLIER CODE OF CONDUCT:

Commitments:

1. Obey the Law
Suppliers must respect and comply in all areas with the laws and regulations in force in all of the countries in which it operates. When legislation is lower than the international standards outlined below, suppliers are still required to converge to these latest standards.
2. Responsible Supply Chain Management
Suppliers should prevent any contravention of human rights and prevent or mitigate environmental impacts that its enterprise may cause or contribute to through its own activities, or which maybe directly linked to its operations, products or services by its business relationships.

Labour & Social Policies:

3. No Child Labour

Suppliers are prohibited from employing children in violation of the stipulations of the International Labour Organisation's convention (ILO Convention No's 138, 182). The minimum age for employment shall be the country legal minimum age, or the age for completing compulsory education in that country, whichever is higher.

4. No Forced Labour

Suppliers must not, under any circumstances, resort to forced or compulsory labour. Forced or compulsory labour is any work or service which is forced upon any person under the menace of a penalty and which the person has not entered into of his or her own free will.

5. Working Hours

Working hours (including overtime), as well as break times and periodic days off, shall be compliant with applicable laws & regulations, collective-bargaining agreements and international conventions.

6. Fair Wages

Suppliers shall comply with all applicable laws and regulations, including those relating to minimum wages, overtime hours and legally mandated benefits. In places where no legal requirement exists for defining a minimum wage, ILO Convention No 131 can serve as a basis for the definition. Workers must be paid in a fairly and timely manner.

7. Non-Discrimination and Equal Remuneration

Suppliers must not discriminate against any worker based on race, color, age, gender, sexual orientation, ethnicity, disability, religion, political affiliation, union membership, national origin, social origin, or marital status in hiring and employment practices such as applications for employment, promotions, rewards, access to training, job assignments, wages, benefits, discipline, termination and retirement.

8. Freedom of association

Suppliers must respect the right of workers to associate freely, form and join workers organization of their own choice, seek representation, and to bargain collectively, as permitted by and in accordance with the applicable laws and regulations.

9. Health and Safety

Suppliers shall ensure that the health and safety (H&S) risks to their policy holders, employees, contractors and members of the public which arise from its operations are reduced as far as is reasonably practicable. We require that our suppliers carry out their operations in a safe manner in line with relevant regulation, approved codes of practice and industry best practice and in a way that does not expose any person to the risk of injury or ill health. Accordingly, its chosen contractors or suppliers are expected to demonstrate a clear commitment to Health and Safety Management (H&S) and that they maintain effective policies and procedures.

Environment

10. Environmental Policy

Suppliers shall comply with all environmental laws and regulations and implement measures contributing to the protection of the environment. They should strive to minimize the adverse environmental impact of their products and services during the whole product life cycle: conception, development, production, transport, use and disposal or recycling.

Innovation & product life cycle: enX is particularly attentive to bringing to market, in all countries, vehicles with better standards of environmental performance and endeavors to research and promote innovative technical solutions contributing toward this.

Suppliers are expected, not only to consider the environmental impacts of their products during their design phase, but also in their production & procurement processes as well.

Natural resources preservation: Suppliers should be focus on reducing the use of raw materials and resources as well as to eliminate the waste produced by all its activities. This goal will be achieved through the improvement of production, maintenance and cleaning processes, modes of conservation and transportation, as well as the substitution, re-use and recycling of materials, design, process changes, innovations, etc.

Prohibited substances and materials: Products or parts bought from Suppliers by enX, whether they are standard or specifically-developed by the Suppliers for enX, must not contain any product, material or substance prohibited by the legislation or regulations applicable in the Suppliers' countries, and should be validated beforehand.

CO2 emission reductions: The Suppliers shall promote the development of technologies limiting CO2 emissions as well as energy saving and recycling solutions, and implement logistic strategies that minimize environmental impact.

Economic practices

11. No Corruption & Bribery

Suppliers shall prevent and fight all forms of corruption, bribery, extortion and improper advantage, and comply with all applicable laws pertaining to these issues. Aligned to the enX "Code of Ethics," suppliers should not, directly or indirectly, offer, promise, give, demand or accept any bribe or other undue advantage, to enX employees, public officials or other private or public actors, with the intention to obtain or retain business or any other improper advantage.

12. Fair Business Practices

Suppliers shall strive for fair business practices, and in any case suppliers must comply with all applicable laws and regulations related to fair competition.

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1630



Suppliers, where applicable may be asked to communicate its financial health, on business activities, evolution and forecast to business stakeholders. Where this information is not in the public domain information can be governed via a Non-Disclosure agreements as set out in underlying contracts with enX.

A conflict of interest exists when an employee or a close relative liable to benefit personally from a transaction involving a company in the enX group. Conflicts of interest shall be addressed by avoiding, identifying and revealing situations where there is an actual risk of conflict of interest in association with EnX employees or their relatives.

enX has strict policy as for the acceptance of gifts and gratuity from suppliers, for details please refer to “Code of Ethics”.