

SHU POWDERS



# SUPPLIER CODE OF CONDUCT



JAN 2024



# Shu Powders: Supplier Code of Conduct

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SHU POWDERS AFRICA (PTY) LTD  
CO. REG. 2007/000835/07  
VAT REG. 4150236521  
POSTNET SUITE 10015  
PRIVATE BAG X7005, HILLCREST, 3650  
TEL: 27 31 782 1100 FAX: 27 31 782 1100  
Company Stamp

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## Introduction

This agreement forms part of the supply agreement with Shu Powders and is binding for business relationships between the Supplier and Shu Powders.

Shu Powders is committed to establishing and maintaining themselves as a quality manufacturer of cobalt, to achieve this goal Shu Powders is committed to the fundamental principles of human rights, labour rights, the environment and the fight against corruption throughout our operations. This includes building sustainable and reputable relationships with our Suppliers.

Together we must take into consideration the economic, environmental and social impacts we have in our communities, our respective countries and globally. Winning in the workplace and the market place depends in large part on our reputation as a strong partner and an ethical company. Our core values are Sustainability; Honouring Commitment; Undertaking; and People. These values guide our daily interactions, and decision making. This has led us to developing our Supplier Code of Conduct (Supplier Code) and we require Suppliers to make every effort to comply with it. It applies to our entire supply base and includes Suppliers, contractors, distributors and agents, hereafter referred to as "Suppliers"

The aim of this Supplier Code of conduct is to provide a start point for the expected relationship between Shu Powders and the Supplier. Recognising that the Supplier should in any instance be compliant with any applicable statutory regulations relating to environmental protection and occupational health and safety, while keeping any manufacturing effects on people and the environment as minimal as possible.

## Our Core Values

Shu Powders operates from 4 core values that underpin all our operations these are:

### Sustainability

- We conduct our business in a sustainable and responsible manner, complying with relevant legislation.
- We operate effectively in a challenging global market.
- Health and Safety is paramount in our practise.
- We act in an environmentally responsible manner.



### Honouring Commitment

- We are accountable for our actions and take pride in our work
- We believe in maintaining ethical and healthy relationships along the entire supply chain.
- We are committed to results and believe in keeping our promises.



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CO. REG. 2007/000865/07  
VAT REG. 4150236521  
POSTNET SUITE 10015  
PRIVATE BAG X7005, HILLCREST, 3650  
TEL: 27 31 782 1001 FAX: 27 31 782 1100

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## Undertaking

- We strive to exceed our customers' expectations to increase their competitiveness.
- We are passionate about the Quality of our Product, and making it number one in the Cobalt market.
- We constantly search for a new way of thinking to continuously improve processes.
- We believe in teamwork to realize our goals.



## People



- We value the diversity of our people.
- We Pursue growth and Learning
- We are committed to the development of the Communities where our employee's live and work.

## Requirements

This Supplier Code was developed to build our working relationships and protect our values and those of the businesses we engage with. The International Labour and Environmental standards have been considered.

### 1. Management Systems

Ensuring a strong and cooperative relationship requires all parties to have a similar work ethic and ability to meet each other's working standards. The requirements of the Code of Conduct provide for the Supplier to be aware of, relevant operational processes as well as legal requirements.

#### 1.1. Supplier Management System

Shu Powders complies with the management system of ISO9001 and where applicable the Supplier must maintain similar. The Supplier must have a management system that complies with industry norms and standards; this must be made available to Shu Powders for review on request. Any membership certificates for the appropriate management system must be maintained and copies of these made available to Shu Powders. These membership certificates should be kept up to date, and any cancellation or withdrawal of membership must be conveyed to Shu Powders immediately.

#### 1.2. Supplier Monitoring / Audit

Recognising Shu Powders goal for quality assurance as underpinning the need for a strong and coherent management system, Shu Powders reserves the right to carry out its own audits, or request a third party to carry out an audit at the Supplier. Audits will only be carried out once reasonable notice has been given to the Supplier. In the event of any quality problems, the Supplier may be requested to facilitate an audit on short notice.

SHU POWDERS AFRICA (PTY) LTD  
CO. REG. 2007/000835/07  
VAT REG. 4150236521  
POSTNET SUITE 10015  
PRIVATE BAG X7005, HILLCREST, 3650  
TEL: 27 31 782 1901 FAX: 27 31 782 1100

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### 1.3.OECD Due Diligence Guidance

Shu Powders complies with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas - the Supplier must maintain similar. The Supplier must comply with industry norms and standards consistent with the requirements of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas; this must be made available to Shu Powders for review on request.

## 2. Product Life Cycle

The Supplier's product lifecycle needs to maintain quality at all points.

### 2.1.Development, Planning and Release

An order placed with the Supplier that requires any development tasks will have clear parameters set out in writing. The Supplier will ensure all planning and development will include quality improvement, and document any testing and manufacturing conditions.

### 2.2.Manufacture and labelling

It is important to ensure that all products supplied to Shu Powders meet the required specifications. In the event a Supplier is not able to meet the product specification, they must inform Shu Powders and a written concession may be provided by Shu Powders. All labelling of products must be as per the agreement with Shu Powders; it must be legible and remain so during transport and storage. If there are any health and safety regulations regarding hazardous material labelling this must be adhered to and takes precedence over any other labelling. All labelling must ensure traceability and the principle of First In-First Out shall apply.

### 2.3.Delivery and Inspection

Supplier's products must be delivered using suitable means of transport, as per product and packaging specifications so as to avoid unnecessary damage, contamination or injury.

### 2.4.Quality Targets

Shu Powders is committed to a zero-defect goal and expects Supplier to support this goal, through the implementation of quality improvements and targets. Suppliers must maintain a Continuous Improvement Process. If a Supplier can't meet a zero-defect goal Shu Powders must be informed and temporary goals will be established. The Supplier must provide information relating to measures that will be introduced to effectively improve quality and contain defects. This does not affect the Supplier's liability for defective deliveries.

### 2.5. Life cycle perspective

Shu Powders considers the life cycle perspective in its sourcing and has established environmental requirements (refer to [Environmental Procurement Requirements & Guidelines](#)) for the procurement of products and services.

Suppliers need to implement the concept of life cycle perspective throughout the product life cycle. The Supplier should consider the following:

SHU POWDERS AFRICA (PTY) LTD  
REG. 2007/000885/07  
REG. 4150226521  
PO BOX 10015  
SITE BAG X7005, HILLCREST, 36  
TEL: 31 782 1001 FAX: 31 782 1002

Company Stamp

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- a. establish controls as appropriate to ensure that its environmental requirement(s) are addressed in the design and development process for the product or service, considering each stage of its life cycle;
- b. determine its environmental requirement(s) for the procurement of products and services as appropriate;
- c. communicate its relevant environmental requirement(s) to external providers, including contractors;
- d. consider the need to provide information about potential significant environmental impacts associated with the transportation or delivery, use, end-of-life treatment and final disposal of its products and services.

### 3. Legal Compliance

Suppliers must comply with relevant legislation regarding human rights, labour rights, working conditions, health and safety, environment, tax and anti-corruption practices, as well as the requirements set out in this document. In cases where local laws or regulations provide stronger protection than the requirements in this Supplier Code, the Supplier will allow such local laws or regulations to take precedence. Suppliers must be able to demonstrate compliance with local legal requirements upon request.

Suppliers must strive to uphold the spirit of universally recognised human and labour rights.

#### 3.1. Labour and Human Rights

Shu Powders Limited does not support insurgent activities and will insure it does not purchase raw materials from sources that support insurgent activities. Shu Powders supports the [International Bill of Human Rights](#), the International Labour Organisations [Declaration on Fundamental Principles and Rights at Work](#). It is of great importance therefore that Suppliers treat their employees fairly, with dignity and respect, and that they respect human rights and avoid contributing to or being linked to other parties' involvement in contravention of labour and universally recognised human rights. Supplier shall therefore:

##### 3.1.1. Child labour

Not use or support any use of child labour and child exploitation. Have systems in place to verify the age of employees. Ensure that all new employees have completed compulsory schooling (ensure a minimum school leavers certificate is available) before entering employment.

##### 3.1.2. Forced labour

Not engage in or support any form of forced, compulsory or illegal labour including trafficking, prison labour or bonded labour. Not require the surrender of any original personal documentation of any employee; e.g. Passport, work permits or any other government issued identification.

##### 3.1.3. Discrimination

Not discriminate in hiring and employment practices. Ensure that employees with the same experience and qualifications receive equal pay for equal work, and equal opportunities.

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CO. REG. 2007/000835/07  
VAT REG. 4150236521  
POSTNET SUITE 10015  
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TEL: 27 31 782 7000 FAX: 27 31 782 1100

11/01/2024

#### **3.1.4. Working hours**

Comply with applicable laws and industry standards. Including but not limited to, dividing working hours into normal and overtime hours; not requiring overtime on a regular basis, and that overtime does not exceed the local legal limits; ensuring a minimum of one day off for every seven day period, with sufficient rest between shifts.

#### **3.1.5. Compensation and benefits**

Comply at a minimum with the laws and regulations relating to overtime, including minimum wage. Pay wages regularly and directly to employees. Ensure all employees have the right to paid statutory holidays and legally stipulated leave, including sick leave

#### **3.1.6. Employment conditions**

Comply with at a minimum the laws regulating working conditions, and ensure that all employees are informed of their rights and obligations in their native language or a language they understand.

#### **3.1.7. Freedom of association and collective bargaining**

Recognise the importance of open communication and direct engagement between employees and management. Comply with any relevant laws of association and collective bargaining.

Conversely respect any employee's choice not to participate.

#### **3.1.8. Right to report**

In the spirit of building people and relationships ensure that all employees have access to and ability to report and concerns regarding legal compliance or company policy/rules without fear of reprisal.

#### **3.1.9. Conflict free origin of minerals**

Sourcing of minerals from conflict0affected and high-risk areas:

Be conscious of the possible link between the production of raw materials and armed conflict or gross violation of human rights. Supply chains that either directly or indirectly contributes to conflicts are unacceptable. Depending on the Supplier's position in the supply chain, raw material should be sourced from responsible sources only.

### **3.2. Health and Safety**

Shu Powders is committed to continual improvement in safety, health and environmental performance. This is non-negotiable in our drive towards Zero Harm. We believe that all injuries and environmental incidents are preventable; the safety of our employees, visitors and contractors and the prevention and minimisation of any impact on the environment is a non-negotiable. To achieve this all Suppliers shall provide a safe and healthy working environment and take all practicable steps to prevent incidents and injuries.

Suppliers must have risk-based health and safety programmes in place that include but are not limited to, a health and safety policy, relevant instructions and training that is understandable to all



employees. The Supplier's health and safety programme must be appropriate and relevant to the nature of the business and risk related to activities.

To achieve this, the Suppliers programme must include at a minimum:

### **3.2.1. Health and Safety**

As a foundation, identify and assess health and safety risks and minimise their impact with clear and implemented emergency plans and response procedures. Ensure hazard identification and risk assessment to determine control measures are in place.

Ensure all employees are protected from exposure to health and safety hazards, including the provision, free of charge, of personal protection equipment to all employees. Ensure relevant first aid kits are easily accessible and that training in first aid is available.

Implement procedures to manage, track and report occupational injuries and illness, and support employee wellness.

Ensure employees do not work under the influence of drugs and/or alcohol.

### **3.2.2. Fire Safety**

Ensure all work premises is regularly checked in order to maintain daily fire safety. Maintain a functioning fire alarm, firefighting equipment and clearly marked and accessible evacuation routes and exits. Ensure all staff, contractors and visitors are aware of the evacuation procedure and carry out regular drills.

## **4. Environment**

Shu Powders is committed to reducing consumption and wastage of materials through recovery, rework and recycling where possible.

Suppliers must actively seek to support the protection of the environment and contribution to a sustainable development. By limiting any negative impacts from operations and supply chain on the environment, through the establishment of environmental plans that are appropriate in relation to the nature of their business and the risks related to their activities. Through the undertaking of precautionary measures as soon as there is reasonable belief that an action could or is causing harm to the environment. Suppliers should strive to develop and support environmentally friendly techniques, products, designs and material selection. Actively work with and provide any information and documentation pertaining to chemical and hazardous material, waste, emissions to air, water and soil, energy and water management and consumption.

Supplier shall adhere to the polluter pays principle which requires payment for any social and economic costs that arise from their activity that causes damage to the environment.

## **5. Anti- Corruption and Competition Law**

Shu Powders expects Suppliers to conduct business with the same high ethical integrity that we strive to achieve in our own business dealings. Shu Powders has zero tolerance for corruption,

SHU POWDERS AFRICA (PTY) LTD  
CO. REG. 2007/000885/07  
VAT REG. 4150236521  
POSTNET SUITE 10015  
PRIVATE BAG X7005, HILLCREST, 3650  
TEL: 27 31 782 1001 FAX: 27 31 782 1100

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including bribery, conflict of interest, fraud, embezzlement; unlawful kickbacks, extortion and nepotism/cronyism, and we work actively to combat corruption. Shu Powders respects competition that is lawful and does not contravene and competition laws, agreements or abuse to the market.

Suppliers are therefore expected to comply with local laws and international corruption conventions, and endeavour to not engage in or cause Shu Powders to engage in any corrupt practices. Suppliers must have in place processes to prevent corruption such as staff training and policies prohibiting any corrupt actions; such as but not limited to, providing any influence or benefits for Shu Powder Africa employees to facilitate the Suppliers business with Shu Powders.

Suppliers must comply with and respect and applicable competition laws and regulations, and establish systems to prevent infringements.

## Conclusion

We need all Shu Powders team members and business partners to work together to sustain a reputation for integrity in our words and actions. Suppliers commit to this code and to proactively meet the requirements within their operations and with their Suppliers.



Signature

Siphesihle Nhlankhla Kunene

Full Name

SHU POWDERS AFRICA (PTY) LTD  
CO. REG. 2007/000835/07  
VAT REG. 4150235521  
POSTNET SUITE 10015  
PRIVATE BAG X7005, HILLCREST, 3650  
TEL: 27 31 762 1001 FAX: 27 31 762 1100

Company Stamp

11/01/2024

Date

