

Human Rights Policy

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1. Introduction

The stated purpose of the KAP Limited group (“KAP” or the “Group”) is to inspire people through building exceptional businesses that create lasting economic and social value. To achieve KAP’s aspiration of being recognised as the most inspiring listed company in Africa, the Group is committed to creating a culture that encourages its people to grow and achieve their full potential, and to leverage its businesses to create positive social and environmental change.

KAP recognises that it has a responsibility to respect and promote human rights. KAP believes that only those businesses that respect and contribute positively to human rights will flourish and grow. KAP’s commitment to human rights is rooted in its core values of leading responsibly, respecting society, valuing the environment, embracing diversity, respecting its people and innovating relentlessly. Human rights principles are incorporated into KAP’s policies and practices and are an integral component of KAP’s code of ethics.

KAP subscribes to the principles of human rights as expressed through the Bill of Rights in Chapter 2 of the Constitution of the Republic of South Africa, and in line with the United Nations Guiding Principles on Business and Human Rights, the International Bill of Human Rights (consisting of the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights) and the principles concerning fundamental rights set out in the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work. KAP follows the OECD Guidelines for Multinational Enterprises and is a signatory to the United Nations Global Compact. Where national law and international human rights standards differ, KAP follows the higher standard. Where they are in conflict, KAP will at all times adhere to the national law, while seeking ways to respect international human rights to the greatest extent possible, in line with the KAP values.

2. Scope

This policy applies to all directors, employees and contractors across all its divisions. In this context business partners shall mean any legal agreement between KAP and any of its suppliers in respect of goods or services, as well as any legal agreement where KAP provides goods or services.

The policy should be read in conjunction with the KAP code of ethics, and the KAP supplier code of conduct, applicable to its suppliers.

3. Purpose of the policy

The objective of this policy is to:

- raise awareness and understanding of the Group’s human rights impact;
- build leadership commitment around human rights to ensure that adequate resources are assigned to contribute towards effective policy implementation;
- highlight the practices that KAP and its stakeholders are expected to apply in order to uphold human rights;
- identify the types of behaviour and practices that are prohibited, unacceptable or incompatible with the Group’s values and standards, or are in violation of the law;
- ensure that all KAP’s stakeholders are aware of the above; and
- highlight the procedures to follow when complaints arise regarding human rights abuses.

The policy is periodically reviewed by the KAP social and ethics committee, which is both a statutory committee and a committee of the board of directors of KAP (the “Board”).

4. KAP’s core human rights principles

4.1. Non-discrimination

KAP respects each individual’s human rights and will not discriminate or tolerate any form of discrimination and harassment on the basis of race, religion, gender, colour, creed, age, political opinion and affiliation, social status, sexual orientation or disability. In all aspects of employment, including

recruitment and appointments, compensation and benefits, training and promotion, KAP will treat individuals justly and according to their abilities to meet the requirements and standards of their role.

KAP believes diversity and inclusion contributes to the success of its business and is at the heart of its value system. As part of the ongoing process of addressing the racial injustices of the past in South Africa, and in line with the Group's employment equity strategy and commitment to the objectives of broad-based black economic empowerment, KAP actively strives to improve diversity and inclusion within its business through growth and natural attrition.

4.2. Workplace health and safety

KAP is committed to eliminating the risk of serious harm for all employees and contractors and to maintain a safe and healthy working environment. KAP believes all occupational injuries and illnesses, as well as occupational safety and environmental incidents, are preventable and therefore KAP's strategic objective is zero occupational harm for all its employees, contractors and other individuals who access the Group's workplace from time to time.

In order to achieve zero occupational harm, KAP is committed to providing appropriate safety equipment and clothing to protect its employees and contractors. KAP also commits to providing ongoing safety training and induction to both employees and contractors. Worker participation is encouraged to foster a culture that supports taking accountability for individual safety and caring about the safety of others. This will be done by developing safe work practices through the appointment of safety representatives from the shop floor.

KAP is a good corporate citizen and therefore operates in such a manner that its activities do not harm the human rights (including health and safety) of the public.

In addition, KAP implements various health programmes to ensure the general health of its employees, including programmes to address Covid-19 and HIV/Aids. Some employees are required to procure medical cover as a condition of employment, while in other instances and where feasible, the Group invests in on-site occupational and primary healthcare clinics for staff to support employee well-being.

4.3. Fair wages and compensation and standard of living

KAP recognises that a motivated and engaged workforce creates a sustainable competitive advantage and benefits society as a whole. To ensure the success of the Group, KAP is committed to providing fair and competitive remuneration and benefit packages, relevant to the industries and territories in which it operates, to attract and retain the best people and to create opportunities for its employees.

KAP meets or exceeds the minimum wage requirements as legislated and in territories where no such minimum wage stipulations exist or where there is insufficient minimum wage legislation, the Group adopts industry market practices. KAP regularly conducts an analysis of pay differentials to ensure that all of its divisions comply with the principles of equal pay for work of equal value.

KAP endeavours to provide access to medical services and/or medical insurance, retirement funds and disability and group life insurance. Membership of a retirement scheme is compulsory for all permanent employees.

To contribute towards employee wellbeing, overtime work is strictly monitored in line with the relevant labour laws in the countries in which it operates. KAP believes a healthy workforce is entitled to breaks during working hours, paid leave and working hours within the legal limit.

4.4. No child labour and forced/bonded labour

KAP respects the rights of children and no entity in the Group will employ anybody under the age of 18, and all reasonable steps are taken to verify the age of workers when employed.

In addition, no forced or bonded labour is used. KAP has a zero tolerance for modern slavery, forced labour and human trafficking.

KAP expects its suppliers to employ on similar terms in accordance with its values and will not knowingly acquire materials or products from suppliers who make use of child or forced labour. In the event that

it is found that any suppliers contravene these principles, the supply contract will be terminated in line with the applicable termination clause(s).

4.5. Freedom of association and collective bargaining

KAP is committed to constructive engagement with all employees at both KAP corporate and divisional levels. As an industry leader, KAP recognises that companies with strong labour relations structures in place to determine conditions of employment and to manage labour disputes, experience fewer incidents of labour-related conflict. KAP actively seeks to develop social dialogue and productive working relationships with representative trade unions and worker representatives to encourage communication, consultation and negotiation.

KAP respects the rights of employees to choose to be a member of a trade union or to bargain collectively without fear of intimidation. Where employees are represented by a trade union, KAP is committed to establishing constructive dialogue with their chosen representatives.

In situations or countries where the rights regarding freedom of association and collective bargaining are restricted by law, the Group facilitates and develops alternative structures for meaningful workplace communication and consultation.

4.6. Community engagement

KAP acknowledges that it has a duty to contribute positively to the communities in which it operates and is committed to making a lasting positive impact on society. KAP's approach to engaging with the communities is based on building mutually respectful, beneficial and lasting relationships with all community stakeholders through transparency, social justice, integrity and accountability.

KAP respects the legitimate rights, interests and perspectives of indigenous peoples and takes into account their unique and special connections to land, water and other natural resources. Indigenous peoples are generally accepted as those individuals who historically occupied land.

Prior to any material investment decision, KAP identifies the key community opportunities and risks, and, where appropriate in conjunction with the community, develops strategies that mitigate risk and create opportunities for both KAP and the relevant community.

Integral to this process, KAP provides stakeholders with formal channels through which they can raise concerns and grievances with the Group in a structured and reliable way. KAP monitors developments within the communities in which it operates through regular engagement, in both formal and informal structures, and by proactively developing plans to address community issues when they arise.

4.7. Right to privacy

KAP respects the privacy of all individuals by complying with the applicable laws regarding the collection, processing, storage, use, retention, transfer, protection and deletion of personal data. KAP only processes data lawfully and will only keep personal data for as long as it is strictly necessary or legislatively required and for the purpose for which it was collected.

5. Reporting Human Rights violations

Any violations, grievances and disputes regarding human rights can be reported through the formal channels that are established for employees, the contractual mechanisms available in respect of contractors and, where appropriate, for the communities. In addition, all stakeholders, including employees, have the opportunity to report human rights violations anonymously, to an independently managed ethics hotline, namely KAPREF.

These reports remain confidential and are only disclosed to the individual involved in the investigation of the alleged violation, to take appropriate action or fulfil its reporting or cooperation obligations in terms of the law. All incidents reported *via* KAPREF are investigated in accordance with the applicable standard operating procedures. The principles that relate to investigations are set out in the Ethics Policy.

6. Responsibilities

It is the responsibility of all KAP employees, across all its operations and subsidiaries, to familiarise themselves with this policy and to adhere to its provisions.

It is the responsibility of the KAP chief executive officer and the divisional chief executive officers to ensure this policy is communicated to employees and suppliers.

The KAP social and ethics committee is responsible to keep the policy relevant and updated and to review it on a regular basis.

The Board is responsible for adopting the policy on behalf of the KAP Group.

Approved by the social and ethics committee on 16 September 2022.

Zellah Fuphe
Chairperson of the KAP social and ethics committee

Adopted by the board on 21 November 2022.

Patrick Quarmby
Chairperson of the KAP board