CORPORATE SOCIAL RESPONSIBILITY POLICY

1 Preamble

The Minergy Group (Minergy Limited and Minergy Coal (Pty) Ltd both "Minergy" or "the Company")) has developed and is operating the Masama Coal Mine in Botswana. The mine is located some 80km north of Gaborone. Masama Coal Mine is surrounded by various villages namely Lentsweletau, Medie, Hatsalatadi, Mahetlwe, Kweneng and Dikgonnye. Majority of the labour at the mine comes from these villages.

The mine is an open cast operation which is the first of its kind in Botswana. At name plate capacity, the mine shall produce more than 70 000 tons of saleable coal per month. The coal produced from the Masama Coal Mine is exported to neighbouring South Africa, Namibia and some of it is sold locally.

Corporate social responsibility (CSR) today is considered as an integral part of doing business. Companies are required to plough back to the communities to contribute to various facets of community development. There is now a global thrust to embrace corporate citizenship and sustainable business practices.

King Ill Report emphasises that social reporting is critical to corporate citizenship as well as corporate governance. Since inception the Company has contributed significantly to the development of communities around the mining operations in areas of economic development, education, arts, sports, and healthcare.

2 Purpose

The purpose of this guideline is to formalise the CSR activities at Minergy in line with the company's strategic intent, and relevant mining legislation. The Company is committed to being a responsible corporate citizen having clear corporate values, recognising the interest of others and communities, being transparent and following best corporate governance practices. The Company takes a broader view of its role in the society and therefore realises the importance of socio-economic development, ethics, safety, health and environmental management.

3 CSR Focus Areas

Minergy's CSR Focus Area's will prioritise the surrounding areas where the mine is located with emphasis on increasing the local skills base in terms of opencast mining , beneficiation and sale of thermal coal, skills that are currently not widely available in Botswana. Any expenditure will be subject to normal fiscal disciplines such as budgeting, approvals and availability of cash flows.

Minergy's CSR activities will cover the following areas:

3.1 Education

Education is important in the development of any society. The Company recognizes the critical role that education will play in the transformation of the receiving communities as most companies and countries participate and become increasingly competitive in the global economy.

The Company will contribute to education of the surrounding schools, cash flow permitting in the areas of science and mathematics in line with the nature of our business. For an example, schools, libraries and laboratories; and education materials such as books, and science kits.

Investment opportunities in education will be identified for the benefit of children of all ages at preparatory or pre-primary schools; primary schools; secondary schools; high schools; colleges; universities and other learning institutions. The objective will be to educate the society for a better tomorrow with a specific focus on increasing the skill of learners in the field of mining

3.2 Socio-economic development

The Company has been involved in the areas of socio-economic development throughout its stages of development. Some of the areas that the Company will continue to invest in include health promotion, job creation and the elimination or eradication of poverty, and community safety.

In the area of socio-economic development the Company will partner with the local authorities around the mining communities to identify areas of need and for support in line with this guideline. The Company will also partner with other stakeholders including non-governmental organizations as identified in the Stakeholder Engagement Plan.

3.4 Arts, culture, sports, and recreation

Arts, culture, sports and recreation are part of the soul and history of the nation. The Company recognizes this and will continue to invest in this area. The Company will seek partnerships with various organizations that are involved in this area to identify opportunities for investment for the benefit of communities and the country.

3.5 Other areas

The Company will actively identify other areas for involvement and funding depending on the nature of the needs identified and benefit to society. Consideration will be made to support projects that are linked to meeting or exceeding the requirements of the Stakeholder Engagement Plan and this guideline.

4 Social and Ethics Committee

The Social and Ethics Committee will be responsible to **consider, approve and monitor** all social responsibility or corporate social responsibility **projects, programmes,** and activities in the Company.

The **function** of the Committee will include the following:

a) The identification of worthy causes for funding or support in line with the Focus Areas identified.
b) The assessment of requests received for funding or support.
c) Approval and funding of social responsibility projects.
d) Follow-up and monitoring of projects or initiatives that have been funded.
e) Reporting to both the Minergy Limited and Minergy Coal (Pty) Ltd Boards.

The **composition** of the Committee will be guided by the Social & Ethics Committee Charter. The Committee will be supported by

c) Chief Finance Office – Mr Julius Ayo

d) The General Manager – Mr Siyani Makwakwago

e) The Human Resources Manager - Ms Bonkie Baeletse

f) MD's PA – Susan Siku

g) Other persons that may be invited from time to time.

The Social and Ethics Committee will meet regularly or on an ad-hoc basis depending on urgent project proposals to be considered. The quorum of the Committee for meetings will be at least three members. The Committee will meet at least twice a year.

5 Board of Directors

The role of Boards of Directors (Boards) with respect to corporate social responsibility will include the following:

a) To ensure that the Company shows outstanding performance in the area of corporate social responsibility in line with any Board directive and this Guideline.

b) To give a mandate for corporate responsibility spending and approve budget for CSR
c) To monitor social responsibility activities.

6 Decision Making Criteria for Funding

The projects and/or programmes selected or approved for funding must be in line with the focus areas identified above; and/or aligned with relevant mining legislation and the Company corporate strategy and based on sufficient funding and cash flow affordability.

7 CSR Funding Process

Minergy will fund projects, which the Company has identified in line with the focus areas stated above, areas identified in the approved EIA for the Masama Coal Mine and in the Stakeholder Engagement Plan or as per the proposals received from various stakeholders. The Company will follow the steps identified below for the funding of corporate social responsibility projects and programmes:

a) Proposals received from communities or organizations, or proposals identified within the Company.
b) If a proposal is from outside the Company, the Company will acknowledge receipt of the proposal.
c) Community Liaison function prepares the funding proposal according to the prescribed format and submits to the Corporate Social Responsibility Committee for consideration.
d) The Social and Ethics Committee approves or rejects the proposal. If a proposal is rejected, the Social and Ethics Committee will record the reasons for rejection.
e) If a proposal is approved, the Social and Ethics Committee will allocate funds to the project after the necessary agreements have been signed with the relevant beneficiary organisation.
f) The Community Liaison function will plan for the disbursement of the funds to the project.
g) The Social and Ethics Committee continuously monitors projects that are being funded by the Company
h) The Community Liaison function ensures that proper reporting on the CSR projects and programmes is made to the Board on a quarterly basis.

8 CSR Programme Funding

Minergy will have a Corporate Social Responsibility budget to support all approved projects. The budget will be formulated annually as part of the Company’s annual strategic planning processes.

The Company's CSR budget will be based on the profitability or financial performance of the Company. Funds obtained from external parties may be utilised to increase the scope and strengthen the impact of the Company's CSR programmes, on condition that such funds align with the Policy focus areas outlined above.

9 Exclusions

The following requests for financial assistance shall be excluded from consideration by the Social and Ethics Committee:

a) Individuals
b) Religious organisations or groups
c) Politicians, political parties and political activities
d) Companies doing business for or on behalf of Masama Coal Mine
e) All employees

10 Evaluation, Monitoring and Reporting

Continuous evaluation, monitoring, and reporting will provide evidence of performance, success stories and areas requiring attention. Reporting on CSR activities will demonstrate to shareholders and other interested parties the progress the Company has made with respect to CSR to make the Company a good corporate citizen, and to comply with relevant mining legislation. This will also allow feedback and continuous improvement.

The Boards will be updated on progress of CSR projects. The Annual Report will include a report on the progress made on CSR projects which will be publicly available.

The Company will not be involved in the management of the projects that the Company supports, however, the recipients will be expected to provide monthly reports on overall CSR project management and implementation. A stakeholder management approach will be followed in the implementation of 's CSR programme.

11 CSR POLICY

Minergy is committed to sustainable and harmonious co-existence with communities within which we operate and recognizes that effective stakeholder engagement can create value and manage risk by preventing disharmony and building a climate of mutual trust and respect. Minergy acknowledges that mining is finite and therefore we intend to leave positive lasting footprints within communities and settlements surrounding the mine.

Through its Corporate Social Responsibility (CSR) Programme and Stakeholder Engagement Plan, Minergy shall contribute to the economic and social development of surrounding communities and settlements. To achieve these, Minergy shall:

- Create a legacy of sustainability and empowerment of communities we assist.
- Partner with other stakeholders in the communities within which we operate to improve and sustain the quality of life.
- Impact positively on the quality of life of marginalized and vulnerable members of the communities in the surrounding localities.

Structure our procurement policies, where cost and quality are acceptable, to support the development of local, regional, and national supply chain in that order.

Signed: Chief Executive Officer

	11 October 2021
Signature:	**Date:**

Signed: Chairman, Social and Ethics Committee

	21/09/2021
Signature:	**Date:**