

ECDC

EMPLOYMENT POLICIES & PROCEDURES

CHAPTER 14: CODE OF ETHICS AND BUSINESS CONDUCT

- 14.1 Introduction
- 14.2 Relationship with the ECDC and your colleagues
- 14.3 ECDC's relationship with its business partners
- 14.4 Relationship with governments
- 14.5 Relationship with suppliers
- 14.6 Relationship with other stakeholders
- 14.7 Reporting concerns

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CHAPTER 14: CODE OF ETHICS AND BUSINESS CONDUCT

14.1 INTRODUCTION

- 14.1.1 The objective of this Code is to strive to ensure that everyone involved with ECDC conducts business with the highest standards of ethics, business conduct and professional behaviour.
- 14.1.2 All employees of the ECDC are responsible for complying with all applicable laws and regulations in each country in which the ECDC does business and for knowing and complying with this Code. Violations of law or this Code are serious matters that may damage the ECDC. Employees will therefore be subject to discipline, which may include termination should the code be breached. Discipline may also be imposed for conduct that is considered unethical or improper, even if that conduct is not specifically covered by this Code. Employees may also become subject to external civil or criminal legal action.
- 14.1.3 There is a duty on all employees to report a breach or suspected breach of this Code.

14.2 RELATIONSHIP WITH THE ECDC AND OUR COLLEAGUES

14.2.1 Personal responsibility for doing the right thing.

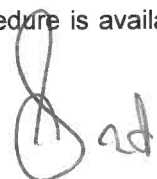
All employees are obliged to stop or prevent actions that could harm anyone involved with the ECDC and to report any such actions as soon as they occur. The ECDC fosters an environment in which integrity issues and concerns may be raised and discussed with superiors or with others without the fear of retribution.

All employees subscribe and live by the values espoused in the Corporate plan mirrored by Governments' Bathu Pele principles.

14.2.2 Fundamental rights and our Constitution.

Employees are expected to respect the individual and the diversity that exists amongst them. They must respect each other and their dignity. Fundamental human rights for all people shall be supported. The ECDC prohibits physical punishment, assault, threatening or demeaning behaviour, harassment, discrimination, intimidation, or abuse and complies with all employment laws in every market that it operates and is also an equal opportunity employer.

The ECDC specifically bans unwelcome sexual advances or physical contact, sexually oriented gestures and statements, and the display or circulation of sexually oriented pictures, cartoons, jokes or other materials. It also prohibits retaliation against any employee who rejects, protests, or complains about sexual harassment. A formal procedure is available to



employees to report sexual harassment. For further details see the ECDC's Harassment Policy.

14.2.3 **ECDC believes in transformation**

The ECDC has a formal Employment Equity Policy and Plan and complies fully with the provisions and spirit of the Employment Equity Act. The ECDC is also committed to Black Economic Empowerment (BEE) through rendering its own services and in procuring outside services.

14.2.4 **Avoiding conflicts of interest**

Each employee should avoid any situation that may create or appear to create a conflict between the employee's personal interests and the interests of the ECDC. Employees of the ECDC are prohibited from benefiting personally through the use of ECDC property, information or position; from using ECDC property, information or position for personal gain; and from competing with the ECDC.

The following are some examples of a conflict of interest:

- 14.2.4.1 accepting a loan from a current or potential stakeholder or supplier.
- 14.2.4.2 owning a financial interest in, or serving in a business capacity with an outside enterprise that does or wishes to do business with the ECDC.
- 14.2.4.3 serving as an intermediary for the benefit of a third party in transactions involving the ECDC.
- 14.2.4.4 using confidential ECDC information or other corporate assets for personal profit.
- 14.2.4.5 conducting business for another business during normal working hours without prior approval.
- 14.2.4.6 Using ECDC property to conduct business for another business and doing business on behalf of the ECDC with organisations that employ family members or, in which such individuals have an interest,
- 14.2.4.7 ECDC employees may not own, either directly or indirectly, an interest in any business entity that does or seeks to do business with the ECDC without the written permission of the CEO.

Employees need to be aware that many different types of conflicts of interest can exist and employees should make every effort to avoid such situations. Employees also need to remember that the perception of a conflict can be just as damaging to ECDC reputation as an actual conflict.



14.2.5 **Outside employment or other business arrangements**

Employees have a primary legal duty to advance the ECDC's interests, and their energies must be focused in this area. Outside employment or other external business arrangements must not interfere with this obligation. Employees may never be in a situation where they are receiving compensation from a supplier or external business entity with which they are conducting business on behalf of the ECDC. If employees are invited to hold an external directorship, they must first obtain prior approval from the CEO of the ECDC.

14.2.6 **ECDC provides a safe workplace**

The ECDC will comply with all regulatory requirements regarding health, safety and protection of the environment. The employee must abide by all safety rules and practices and to take the necessary precautions to protect him/herself and co-workers. For everyone's safety, employees must immediately report accidents and unsafe practices or conditions to their immediate supervisors.

This includes reporting to work free from the influence of any illegal or controlled substance (except medically prescribed drugs) that could prevent one from conducting work activities safely and effectively. The ECDC prohibits the manufacture, distribution, sale, purchase, transfer, possession, or use of illegal drugs in the workplace.

14.2.7 **Respecting each other's privacy**

The ECDC maintains only those employee personnel and medical records necessary for business, legal or contractual purposes. Access to those records and the information contained in them will be limited to those with a need to know for a legitimate business purpose. Every employee has the right to see his or her own personnel record. Similarly, every employee is required to safeguard the privacy of other employees. The ECDC will comply with all applicable laws regulating the disclosure of personal information.

Employees are not entitled to an expectation of privacy with respect to the ECDC information technology resources. Employees must be sure they read and understand the ECDC's Electronic Mail Management Policy. All computer data created, received, or transmitted using the ECDC information technology resources is the property of the ECDC and is not to be considered the private information of the user. The ECDC reserves the right to examine all data for any reason and without notice, for example, when violations of this Code or other policies are suspected.

By using the ECDC's information technology resources, you consent to this monitoring and interception. When warranted, such data will be disclosed to appropriate law enforcement agencies.

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14.3 ECDC'S RELATIONSHIP WITH ITS BUSINESS PARTNERS

- 14.3.1 The ECDC strictly prohibits bribes, kickbacks or any other form of improper payment, direct or indirect, to any representative of government, trade union, customer, business partner or supplier in order to obtain a contract, or some other commercial benefit or government action. The ECDC also strictly prohibits any employee from engaging in any form of corruption or from accepting such payments from anyone.

All statements made in support of the ECDC services and investments should be true and supported by documentation.

14.3.2 GIFTS, FAVOURS AND BUSINESS ENTERTAINMENT

The purpose of business gifts and entertainment in a commercial setting is to create goodwill and sound working relationships, not to gain unfair advantage with suppliers or business partners. Reasonable business entertainment and customer gifts of nominal value (not more than R500) are permitted, including traditional promotional events, as long as what is offered is consistent with usual business practice, cannot be construed as a bribe or a payoff, is not in violation of any law and would not embarrass the ECDC or individual if disclosed publicly.

- 14.3.3 The acceptance of gifts of nominal value must be recorded as follows:

14.3.3.1. Employees must declare all business courtesies in excess of R500 by completing the appropriate form (See Annexure B8 in section B of the Manual)

14.3.3.2. Completed forms are to be submitted to the ECDC's CFO Office.

14.4 RELATIONSHIP WITH GOVERNMENT

The ECDC prohibits the payment of bribes to ECDC employees and any other Government officials. 'Government officials' are defined as employees of any government – be it national, provincial or local, even low-ranking employees or employees of government-controlled or parastatal entities. It is the employee's obligation to understand whether someone they deal with is a government official. When in doubt, consult the CEO.

14.5 RELATIONSHIP WITH SUPPLIERS

- 14.5.1 The ECDC suppliers are partners in delivery. The high calibre of the materials, goods and services they provide is linked directly to the quality, reliability, value and prompt delivery to our customers and therefore to customer satisfaction.

14.5.2 Suppliers are treated honestly and fairly.

14.5.3 Suppliers paid fairly and market value for their products and services.

14.5.4 ECDC will award business based on its' supplier's ability to meet ECDC's needs and commitments, their service, integrity and compliance, their high standards for quality and delivery and their prices.



- 14.5.5 ECDC will provide the same information and instructions to each competing supplier for a proposed purchase.
- 14.5.6 ECDC will not reproduce software that is licensed to it by a supplier nor will ECDC incorporate it into their own internally developed software unless ECDC is expressly permitted to do so by license.
- 14.5.7 ECDC will observe obligations of confidentiality and non-disclosure of confidential information and trade secrets of its suppliers.

14.6 RELATIONSHIP WITH OTHERS

- 14.6.1 As a good corporate citizen within the community, the ECDC abides by the law, supports civic organisations, encourages employee involvement in worthwhile causes and conserves nature's valuable resources.
- 14.6.2 Employees have a responsibility to protect the environment for future generations. They should strive to conserve and protect natural resources, encourage environmental values and practices, effectively manage solid waste, and ensure accountability procedures for all ECDC operations.
- 14.6.3 The ECDC will identify, control and endeavour to minimise the use of hazardous materials, and will endeavour to reduce wastes.
- 14.6.4 The ECDC will conduct prevention and control programs to safeguard employees and the public and will review the effectiveness of these programs through its assurance process, environmental audit and other systems.

14.7 CONFLICT OF INTEREST

A conflict of interest between ECDC and employees including all stakeholders shall lead to a number of potential risks. The employee's choice, judgement, decision or action relative to one interest may be unduly influenced by another interest. Competing interests undermine the employee's impartiality and compromise the performance of his/her workplace duties or limit the employee's ability to meet the responsibilities of his/her role as an employee at ECDC. Employee and stakeholder behaviour that constitute or give rise to a conflict with the ECDC interests will not be tolerated and will be addressed decisively.

The following behaviours are prohibited:

- 14.7.1 Accepting a loan from a current stakeholder or supplier;
- 14.7.2 Owning a financial interest in, or serving in a business capacity with an outside enterprise that does or wishes to do business with the ECDC;
- 14.7.3 Serving as an intermediary for the benefit of a third party in transactions involving the ECDC
- 14.7.4 Using confidential ECDC information or other corporate assets for personal profit.



- 14.7.5 Conducting business for another business during normal working hours without prior approval.
- 14.7.6 Using ECDC property to conduct business for another business and doing business on behalf of the ECDC with organisations that employ family members or, in which such individuals have an interest.
- 14.7.7 ECDC employees and stakeholders may not own, either directly or indirectly, an interest in any business entity that does or seeks to do business with the ECDC without the written permission of the CEO.
- 14.7.8 ECDC Employees and stakeholders need to be aware that many different types of conflicts of interest can exist and employees should make every effort to avoid such situations. Employees also need to remember that the perception of a conflict can be just as damaging to ECDC reputation as an actual conflict
- 14.7.9 ECDC employees influencing ECDC tender processes so that their family member and friends are awarded ECDC contracts and using their ECDC position to benefit their private interests. Employees must withdraw from procurement processes if they have an interest in the contract being awarded. (Refer to Annexure A below for additional examples of conflict of interest).

14.8 REPORTING CONCERNS

- 14.8.1 Each employee must comply with the letter and spirit of this Code, and with the policies and procedures of the ECDC, and must communicate any suspected violations promptly.
- 14.8.2 Any person who retaliates against such reporting employee shall be subject to disciplinary action.
- 14.8.3 It is important for employees to know that whistle-blowers are protected in South Africa in terms of the Protected Disclosures Act. In terms of this Act an employee may disclose unlawful and irregular conduct without fear of reprisals.
- 14.8.4 A conflict of interest between ECDC and employees including all stakeholders shall lead to a number of potential risks. The employee's choice, judgement, decision or action relative to one interest may be unduly influenced by another interest. Competing interests undermine the employee's impartiality and compromise the performance of his/her workplace duties or limit the employee's ability to meet the responsibilities of his/her role as an employee at ECDC. Employee and stakeholder behaviour that constitute or give rise to a conflict with the ECDC interests will not be tolerated and will be addressed decisively.
- 14.8.5 The following behaviours are prohibited:

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- 14.8.5.1 Accepting a loan from a current stakeholder or supplier.
- 14.8.5.2 Owning a financial interest in, or serving in a business capacity with an outside enterprise that does or wishes to do business with the ECDC.
- 14.8.5.3 Serving as an intermediary for the benefit of a third party in transactions involving the ECDC.
- 14.8.5.4 Using confidential ECDC information or other corporate assets for personal profit.
- 14.8.5.5 Conducting business for another business during normal working hours without prior approval.
- 14.8.5.6 Using ECDC property to conduct business for another business and doing business on behalf of the ECDC with organisations that employ family members or, in which such individuals have an interest.
- 14.8.5.7 ECDC employees and stakeholders may not own, either directly or indirectly, an interest in any business entity that does or seeks to do business with the ECDC without the written permission of the CEO.
- 14.8.5.8 ECDC Employees and stakeholders need to be aware that many different types of conflicts of interest can exist and employees should make every effort to avoid such situations. Employees also need to remember that the perception of a conflict can be just as damaging to ECDC reputation as an actual conflict.
- 14.8.5.9 ECDC employees influencing ECDC tender processes so that their family member and friends are awarded ECDC contracts and using their ECDC position to benefit their private interests. Employees must withdraw from procurement processes if they have an interest in the contract being awarded. (Refer to Annexure A below for additional examples of conflict of interest).

14.9 CONCLUSION

In terms of the LRA the employer has an obligation to communicate its rules/policies and standards to employees. Failure to do so would mean that no one can be disciplined for any transgression. On completion of the policies, the employer must communicate with an employee in a language that he/she understands. Employees need to be guided through the policies for understanding.

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Annexure A

ADDITIONAL EXAMPLES OF CONFLICT OF INTEREST

Conflicts of interest are not always obvious. A conflict of interest is any situation that might cause an impartial observer to reasonably question whether your actions are influenced by considerations of "Private interest can include financial interests, interests related to your personal relationships, or interests related to your other outside activities. The following are some questions that may be helpful to you in deciding whether you have a conflict or a potential conflict of interests:

Are you involved in any processes at ECDC by which your position or the position of someone with whom you have a close relationship might be affected?	Examples of this would include a relative applying for a job when you are involved in the hiring process; having a close family member register in a course you are supposed to teach.
Are you involved in any external organisations whose interests might conflict with those of ECDC?	Examples of this would include an organisation offering a competitive program to ECDC or a company that is directly competing for funding with the ECDC.
Do you or someone with whom you have a close relationship stand to gain or lose financially by the actions of ECDC that you can or might appear to be able to influence?	Example would include interests of you or family members in partnerships or corporations that may provide property or services to ECDC or to any entity ECDC controls or paid for out of a research grant that you control or paid for out of a research grant that you control; owning property or being aware of a person with whom you have a close relationship owning property that ECDC might purchase.
Apart from your salary, do you stand to gain financially from your work at ECDC?	Examples of where this might cause a conflict would be if you wanted to use the results of work done by your graduate students in a business that you owned or if you require students to buy a book which pays you a royalty. It is not a conflict of interest to participate in salary negotiations or in situation in which you are simply advancing the interests of your unit.

