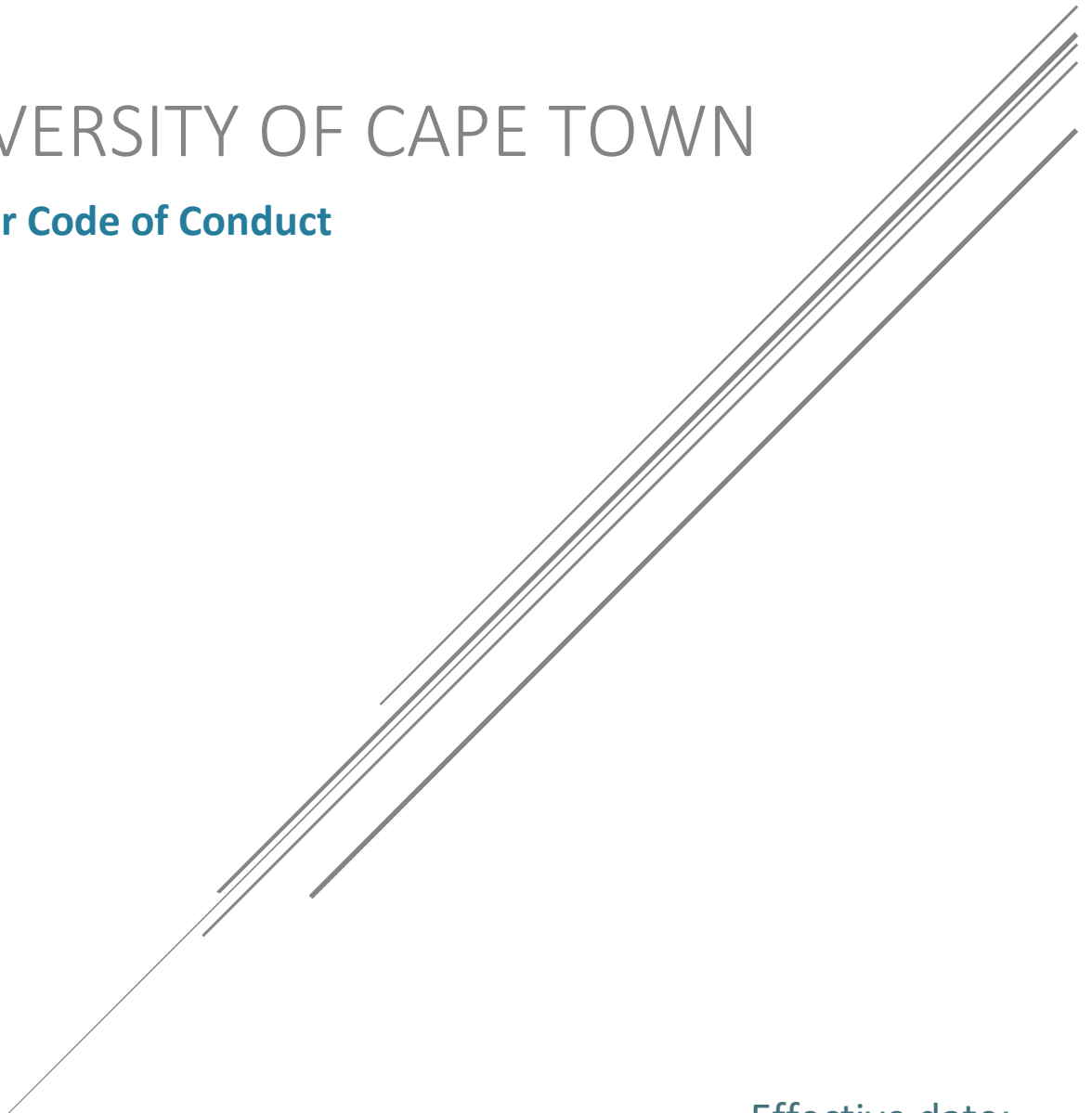




UNIVERSITY OF CAPE TOWN

Supplier Code of Conduct



Effective date:
1 June 2019

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Supplier Code of Conduct

1 PURPOSE

The University takes pride in its reputation for integrity and the success that its reputation enables. The Supplier Code of Conduct (the “Code”) is an extension of our Corporate Business Principles and the foundation of our Responsible Sourcing program and to build and maintain it is vital to our success and reputation.

2 APPLICABILITY AND SCOPE

The Code has been developed to publically declare what the University regards as morally or ethically acceptable behavior from current and future vendors, suppliers, contractors, consultants, agents (and their employees, be they temporary, permanent or on contract) and other providers of goods and services (our “Suppliers”) and sets out the ethical values, standards, principles and guidelines which bind Suppliers in their dealings with the University.

It is the Supplier’s responsibility to disseminate, educate and exercise diligence in verifying compliance to this Code and the pillars of the Code to its employees, agents, suppliers and sub tier suppliers of goods and services.

Suppliers are required to take steps to ensure that the Code is communicated throughout their organizations.

2.1 OWNERSHIP

Procurement Services; in consultation with Governance, Risk and Assurance Function will be responsible for the management and the enforcement of this Code with Suppliers to ensure that internal and external ethics performance is aligned around the same ethical standards.

2.2 COMMUNICATION, TRAINING AND AWARENESS

Procurement Services will communicate and promote the Code internally and externally to relevant stakeholders. Suppliers are encouraged to take all reasonable endeavours to promote this Code to their suppliers and sub-contractors. In addition, Governance, Risk and Assurance and Suppliers will ensure that all relevant people are provided with appropriate training and guidance to support the Code.

2.3 APPLICATION

- I. This Code is applied for the purpose of conducting business in an ethically responsible manner.
- II. Procurement Services will work collaboratively with its Suppliers in the implementation of this Code, which may include audits and site visits to assess performance against this Code.

- III. Suppliers are required to comply with this Code, all relevant laws, regulations and standards in all of the countries in which they operate.
- IV. Suppliers may be asked to provide the University with reasonable access to all relevant information and premises for the purposes of assessing performance against this Code and local laws and regulations.

2.4 CORRECTIVE ACTION

- I. Suppliers are required to identify, correct and monitor the continued compliance of any activities that fall below the standards of this Code.
- II. Suppliers shall immediately report to the University any breaches of this Code and together agree on a schedule for corrective action.
- III. Any breach of the Code may lead to termination of the contract / business relationship by the University, provided that the University may in its absolute discretion permit the supplier to take such corrective measures as required by the University within a particular timeframe as set by the University.

2.5 MONITORING AND REPORTING

The University and its Suppliers will use their reasonable endeavours to provide employees and other stakeholders with a confidential means to report any actual or potential breach of this Code,

For purposes of reporting the University Whistle-blower Service Hotline number namely 0800 650 000 should be utilized. This is in addition to any reporting structure in place at Suppliers.

Risk and Assurance Function will monitor the Whistle-blower Service.

3 COMPLIANCE

The University expects the Supplier to adhere to all applicable laws and regulations and in particular for the pillars detailed herein, and strive to comply with international and industry standards and best practices.

The Code should be read and comply with other policies and procedures of the University. It is standard practice at the University to take disciplinary action against employees who fail to follow these standards, policies and processes, or who disregards the University rules.

The University recognizes that local laws and regulations may in some instances be less restrictive than the provisions of this Code. In such instances Suppliers are expected to comply with this Code. If local laws and regulations are more restrictive than this Code, then Suppliers are expected to comply with applicable local laws and regulations.

The Supplier will comply with all local laws as well as international laws where applicable, relating to human rights, labour, employee health and safety and wages, anti-corruption and environment, specifically including the Labour Relations Act 66 of 1995, Occupational Health and Safety Assessment Series (OHSAS) 18001 and 10 principles set out in the United Nations Global Compact Principles.

The University regards any contravention of this Code as a serious matter which could result in the termination of the business relationship and even possibly the institution of civil or criminal proceedings. Deviations of the Code will only be accepted if acceptance or permission is granted in writing by a member of the University's Executive Committee.

The University requires Suppliers to share its commitment to and compliance with the following minimum standards / pillars:

3.1 COMPETITION LAW

Competition laws ensure that companies compete to acquire business by offering lower prices, innovative products and better service and not interfering with market forces of supply and demand.

The University requires that all suppliers conduct their business in full compliance with all applicable laws intended to promote free and fair competition, including but not limited to the Consumer Protection Act 68 of 2008 and the Competition Act 89 of 1998, and do not enter into prohibited agreements or practices, formal or informal, such as price fixing, market sharing bid rigging, collusion and "kickbacks".

3.2 PRIVACY - CONFIDENTIAL AND PROPRIETARY INFORMATION

The University respects privacy and requires Suppliers to also respect privacy of data subjects.

Suppliers will:

- I. collect, uses, hold and otherwise process personal data / information responsibly, lawfully.
- II. collect personal data / information in an open and transparent fashion and provide fair and reasonable choices on its collection and use.
- III. apply applicable privacy management measures and monitor compliance with privacy commitment.
- IV. build privacy and security into the design of products and services; and
- V. employ appropriate safeguards to protect personal data against unauthorized use or disclosure.
- VI. not use for their own purposes or disclose to any third party the University's intellectual property, trade secrets or other confidential proprietary or sensitive information without the prior written consent of the University.
- VII. disclose the University's information to persons within the Supplier organisation strictly on a "need to know" or "need to use" basis.

3.3 ETHICAL DEALINGS

The University seeks to deal with Suppliers honestly and ethically and will give all potential Suppliers fair and reasonable consideration. Decisions will be based on objective criteria such as price, quality, BBBEE status, service capability, reliability and integrity.

The giving and receiving of any kickbacks, bribes, or similar payments of any sort is prohibited. The University's employees may not receive any commissions, money or item of value other than regular remuneration and incentives as provided in their terms of employment, either directly or indirectly, for negotiating, procuring, recommending or aiding in any transaction or

service entered into on behalf of the University, nor are they entitled to any direct or indirect financial interest in such transactions or agreements.

Suppliers are required to demonstrate the same high ethical standards and to conduct business with integrity and fairness. The University as a good corporate citizen is committed to comply with the Prevention and Combatting of Corrupt Activities Act 12 of 2004 (PVAA). It is therefore important to the University that Suppliers and / or any 3rd parties appointed by the Supplier, align their business practices and comply with this act.

3.4 ANTI-BRIBERY

The University's internal policies and anti-bribery laws prohibit the University and its employees from giving or accepting money or other inappropriate enticements, directly or indirectly to coerce or persuade the awarding of a business opportunity to the University or the Supplier, as the case may be.

Suppliers may not, in their business relationship with the University, act in any way, that violates the University's policy or anti-bribery laws. Suppliers must also ensure that where the University is involved in the supply chain that their suppliers do not engage in the giving or receiving of bribes, kickbacks, or other similar improper or unlawful payments.

3.5 GIFTS

Suppliers should be aware that it is not permissible for the University employees to give or receive gifts, hospitality or favours that could influence any business decision or that which creates the appearance of influencing such decision.

As a guideline it is recommended that Suppliers will therefore not provide gifts, hospitality or favours to any University employee, their family members or friends than the following;

- I. Promotional material and reasonable business entertainment such as business breakfasts, lunches, cocktail parties or dinners;
- II. Personal hospitality to events such as sporting events or theatres, provided that travel and accommodation costs are not included;
- III. Business conferences and/or seminars provided that travel and accommodation costs are not included;
- IV. Gifts of a value of R500.00 and less.

A general guideline for evaluating whether a business courtesy is appropriate is whether public disclosure would be embarrassing to the Supplier and / or the University.

3.6 CONFLICT OF INTEREST

The Supplier must report to the University any situation that may appear as a conflict of interest, and disclose to the University if any University employee, employee family member or professional under contract with the University may have an interest of any kind in the supplier's business or any kind of economic ties with the supplier. A conflict of interest arises when the personal interests of the University employee could be seen to have the potential to interfere with their objectivity in performing their duties or exercising their judgment on behalf of the University.

3.7 HEALTH AND SAFETY

- I. Suppliers who do business with the University are required to provide a safe and healthy work environment for all their employees and shall comply with all statutory health and safety legislation such as: Acts, Regulations, Notices and South African National Standards in the absence of the said Acts, Regulations and Notices. In addition, suppliers shall comply with all local health and safety laws and regulations where and when applicable in the execution of any University related activities, be it goods or services.
- II. Compliance to the Compensation Occupational Injuries and Diseases Act (COID) requirement, shall be the continued submission of a VALID Letter of Good Standing from the Compensation Commissioner as stipulated in Section IX of the COID Act as long as the contract agreement is in place.
- III. In addition, any supplier employee or representative providing on-site services at the University is required to adhere to the University's health and safety standards and rules. Compliance to the University's Health and Safety requirements shall be the signing of the Agreement on Occupational Health and Safety in terms of Section 37(2) of the Occupational Health and Safety Act 85 of 1993 as amended".

Compliance to the "Agreement on Occupational Health and Safety in terms of Section 37(2) of the Occupational Health and Safety Act 85 of 1993 as amended" and Compliance to the University's Compensation Occupational Injuries and Diseases Act (COID) requirement shall be the submission of a VALID Letter of Good Standing from the Workmen's Compensation Commissioner as stipulated in Section IX of the COID Act is mandatory.

- IV. It is recommended that the Supplier should have a Health and Safety Policy.

3.8 INTERNATIONAL TRADE REGULATIONS

The University Suppliers must adhere to all the applicable trade and import regulations that apply to their activities.

3.9 PROHIBITED TRANSACTIONS WITH CERTAIN COUNTRIES AND PERSONS

Compliance with economic and trade sanctions and embargo programs requires careful monitoring of, and sometimes prohibitions on, transactions involving target countries and regimes and target individuals, entities, vessels, and aircraft (for example, terrorists, proliferators of weapons of mass destruction and narcotics traffickers).

To ensure compliance with such restrictions, Suppliers may not engage in any transaction or conduct that directly or indirectly involves embargoed countries, companies or individuals.

Where a Supplier is aware of any transaction which may contravene economic and trade sanctions and embargo programs, then the Supplier must inform the University Whistle-Blower Service on the Hotline number 0800 650 000.

3.10 HUMAN RIGHTS AND LABOUR PRACTICES

The University expects the Suppliers to respect all human rights, including labour rights throughout their business activities.

The University is committed to fair labour practices in the workplace and expects its Suppliers to take appropriate steps to ensure that they and their suppliers subscribe to the same principles and practices, which include, but are not limited to;

- I. Support and respect the protection of internationally proclaimed human rights;
- II. Make sure that they are not complicit in human rights abuses;
- III. Not use any forms of forced and compulsory labour nor require any worker whether local or foreign to remain in employment for any period of time against his or her will;
- IV. The provision of equal opportunities and a prohibition of all forms of unfair discrimination. Examples of discrimination include, but are not limited to, discrimination based on race, tribe, colour, age, disability, religion, sex, marital status, pregnancy (except where required by applicable laws or regulations or prudent for workplace safety) and any other characteristic protected by local law, as applicable;
- V. Treat employees, Supplier and University employees, with respect and dignity and ensure workers are not subjected to any form of physical, sexual, psychological or other form of harassment or abuse in the workplace;
- VI. A prohibition of the use of child labour, a child being any person younger than 16 years of age;
- VII. The recognition of the right of employees to freedom of association, organization and collective bargaining, within the provisions of the Labour Relations Act 66 of 1995;
- VIII. Ensure that a formal process is in place whereby workers are free to express their views about their workplace conditions without fear of retribution or losing their jobs;
- IX. Respect for the privacy and property of all Supplier and University employees.

3.11 WAGES AND BENEFITS

- I. The Supplier's employees must be provided with wages and benefits that, at a minimum, comply with national laws or industry standards whichever is higher.
- II. Suppliers will ensure that all statutory deductions as required under any local laws from time to time are complied with.
- III. Suppliers will ensure that working hours as provided for in any employment legislations or regulations in force from time to time, or in any collective bargaining agreement entered into with the employee's trade union are observed.

3.12 WHISTLE BLOWING AND GRIEVANCE MECHANISMS

It is recommended that the Supplier shall have systems and procedures in place enabling anonymous grievances, reporting and management and take appropriate actions in a confidential manner.

3.13 PROTECTING THE ENVIRONMENT

The University Suppliers shall comply with all the applicable environmental laws and regulations.

3.14 ORIGIN

The Supplier shall be capable to disclose all the potential sources of primary origins (country of origin) associated with deliveries made. The University reserves the right to ask the Supplier to

create full supply chain mapping back to origin to facilitate assessment of upstream supply chain compliance.

3.15 SUSTAINABILITY AND THE COMMUNITY

The University is committed to the principle of sustainable development, by which is meant striking an optimal balance between economic, environmental and social development and will strive to innovate and adopt best practice, working in consultation with its stakeholders. The University recognizes the need for sustainability to;

- I. Minimize consumption of natural resources and waste generation;
- II. Minimize the impact of operations on the environment; and
- III. Encourage the development and diffusion of environmentally friendly technologies; and
- IV. Maximize re-use and recycling where possible; and
- V. The reduction of its carbon footprint and auditable waste management should be in line with acceptable standards; and
- VI. All the applicable laws and regulations related to hazardous materials, chemicals and substances shall be strictly followed; and
- VII. Comply with material restrictions and product safety requirements set by applicable laws and regulations; and
- VIII. Optimise consumption of natural resources, including energy and water; and
- IX. Implement sound measures to prevent pollution and air emissions; and
- X. Engage with communities and invest in society in a way that makes effective use of resources including the support for charitable organisations;

and encourages Suppliers to share its commitment to sustainability and the community.

3.16 PURCHASE ORDER

Suppliers need to ensure that they receive a purchase order from the University / Department, for all orders placed, before delivery of the order to the University. Non-compliance may result in non-payment.

3.17 LICENCES AND RETURNS

The Supplier will be required to obtain and renew, and submit returns, in accordance with any law or regulations all permits, licences, returns and authorisations required for it to carry out its business.

3.18 TAXATION, FINANCIAL INTEGRITY AND RETENTION OF RECORDS

- I. Suppliers will comply with all local tax laws.
- II. Suppliers will be required to maintain accurate and reliable financial and business records and shall not have any false or inaccurate accounting books or records related to the University for any reason. Suppliers shall maintain all business records at the minimum in compliance with the provisions outlined by the South African Revenue Tax Authority (SARS) or local revenue authorities from time to time.
- III. When any government investigation or audit is pending or ongoing then Suppliers will not destroy any relevant records until the matter has been investigated and closed.

- IV. Suppliers are required to ensure a secure and accessible manner for the storage of all records in accordance with the retention periods of applicable legislation.

3.19 REPORTING VIOLATIONS – COMMUNICATION CHANNELS

- I. The University as a responsible corporate citizen, supports and fosters a culture of zero-tolerance towards corruption, fraud, crime, and misconduct. It is therefore the duty of every Supplier, its employees, representatives, sub-contractors and third parties with whom the University conducts business to disclose information relating to fraudulent conduct, unethical behavior, crime and misconduct.
- II. The Supplier shall report any suspected violations of regulations, laws and this Code to the University / Department contact person, or it can be reported confidentially using one of the available channels provided by the University.

4 BRAND MATTERS

4.1 BRAND DAMAGE

Suppliers should with their best endeavours always act in such a manner that they not directly / indirectly damage the University's brand through the execution of their conduct.

4.2 NAME USAGE

The University names, trademarks and brands shall not be used by a Supplier under any circumstances unless specifically authorized by the University. Any request to use the University name, brand, and any depiction of the logo must be formally cleared with the University's Marketing and Communication Department.

5 CONTINUOUS IMPROVEMENT

The University recognizes that reaching the standards established in this Code is a dynamic process and encourages suppliers to continuously improve their operations.

6 VARIATION

The University reserves the right to vary this Code at any time.

7 CONCLUSION

Acknowledgement of the Code is a pre requisite in every University contract for supply. Through the acceptance of the Code the Supplier commits that all its operations are subject to the provisions contained in this Code. This Code, or the demonstration of its compliance, does not create any third-party beneficiary rights for the Supplier. The standards of the Code are in addition to, and not in lieu of, provisions of any legal agreement or contract between suppliers and the University.

Should a conflict exist between the Code and any applicable contract regarding the subject matter of the Code, the Code shall prevail. Where there is no conflict but the Code sets a higher standard, then the Code shall be applied.

Suppliers Acknowledgement:

We the undersigned hereby confirm that –

- We have received and taken due note of the contents of the University's Supplier Code of Conduct,
- We are aware of all relevant laws and regulations of the countries in which our company operates,
- We will report to the University any case of violations of the Code,
- We will inform all our employees / subcontractors and 3rd parties of the content of the University Code, and that we will ensure that they also comply with the provisions incorporated therein.

We hereby authorise the University or its nominated specialist to carry out audits, at reasonable times and on reasonable notice, at our premises and the business premises of our subcontractors to verify compliance with the University's Code content.

Name of Company: _____

Name and Title: _____

Company / Business Registration Number: _____

Signature: _____

Company Stamp / Seal: _____

Date: _____

Place: _____