



ESOR POLICIES AND PROCEDURES

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Revision History

Date of Change	Responsible	Summary of Change
19/03/2014	CFO	Clarified para 14.6



ESOR LIMITED
(REGISTRATION NO: 1994/000732/06)
(“the Company”)

CODE OF CONDUCT AND ETHICS

1 INTRODUCTION

At Esor we believe that integrity and good conduct are the foundation of our business, and we are committed to conducting business ethically and legally throughout our multi-national organisation. Esor people are expected to uphold the highest ethical and business standards no matter where in the world business takes them, even if maintaining high ethical standards results in a loss of business.

2 VALUES

The core values of Esor are:

- Unity
- Integrity
- Commitment
- Accountability

3 PURPOSE

The purpose of this Code of Ethics (“the Code”) is to commit the Company, its associates and its employees to the highest standards of ethical conduct.

4 COMMITMENT

4.1 The Company and its associates and business partners (“the Group”), including its employees, commit itself to maintaining in all its activities the highest standards of competence, integrity and ethical behaviour, thereby ensuring that its reputation is beyond reproach.

4.2 The Group is committed to free, fair and transparent business competition and is equally committed to competing ethically and in compliance with the laws that foster and facilitate competition in the marketplace.

- 4.3 The Group is committed to being a law-abiding entity in all aspects of its business.
- 4.4 The Code has received the total commitment of the board and senior management of the Company who recognises their responsibility to provide ethical leadership in the exercise of their duties.
- 4.5 The Code represents a non-negotiable commitment to doing the right thing.

5 APPLICATION OF THE CODE

- 5.1 The Code is applicable to the Group and every employee of the Group shares the joint responsibility for supporting and upholding the Code.
- 5.3 Internal operations and associates will be free to implement their own unique codes of ethics, should they so wish, but such codes will at all times be subject to the Code. In the event of any conflict, the content of this Code will prevail.
- 5.4 Difficulties experienced with the application and/or interpretation of the Code should be referred to the company secretary of the Company.

6 CUSTOMERS

The Group is committed to -

- 6.1 in line with sound business principles, provide to all of its customers a market-driven service in accordance with agreed specifications and delivery times, at market-related prices,
- 6.2 provide to all of its customers excellent customer care and support,
- 6.3 not make any unlawful, improper or other kind of questionable payments to customers or related parties and to secure work on the merits of price, quality and service; and
- 6.4 to maintain, in respect of all its products and services, world-class quality management systems and programmes.

7 SUPPLIERS

- 7.1 The Group is committed to afford suppliers of goods, services and capital fair opportunity to compete for the Group's business on the grounds of capability, competitive pricing, quality and service.
- 7.2 All the Group's dealings with suppliers, potential suppliers and financial institutions will be conducted in accordance with transparent sourcing policies and ethical procurement practices, based on the Group's procurement policies.

8 GOVERNMENT RELATIONS AND POLITICAL ACTIVITIES

- 8.1 The Group recognises a government of South Africa that has been democratically elected, and will support such a government in the performance of its duties and responsibilities, as required by the Constitution and other relevant legislation.
- 8.2 The Group reserves the right to make its position known to, or to engage with government structures on any issue that affects the Group or any of its stakeholders. Such engagement will always be conducted in the spirit of transparency.
- 8.3 No employee, including any member of top or senior management, has the right to allow their party-political preferences to influence their dealings with government officials.
- 8.4 The Group will not give support – financially or otherwise – to political parties or their representatives.
- 8.5 No employee may be reimbursed for participation in a political event or for any political contribution.
- 8.6 The Group respects the participation of employees in the political process of the country, as well as the right to their privacy with regards to their political preferences.

9 EMPLOYMENT PRACTICES

- 9.1 The Company is committed to fair and equitable employment and advancement opportunities for all people, regardless of race, creed or gender, and maintains equitable development programmes.
- 9.2 Selection of employees for positions at all operations within the Company is based on employment equity policies, job requirements, qualifications, experience, prior learning and potential.
- 9.3 The Company is committed to open and fair collective bargaining processes when dealing with trade unions.

10 TRANSFORMATION

- 10.1 As an organisation primarily based in South Africa, the Group acknowledges the importance of total commitment to transformation and empowerment in all aspects of its business.
- 10.2 Transformation initiatives include:
- ownership structures in line with the relevant best practice codes on broad based black economic empowerment;

- a recruitment policy based on the objective to employ the best professional and support staff who are representative of the racial, gender and cultural diversity of the people of South Africa;
- procurement policies that meet the transformation and empowerment goals set by the relevant guidelines on broad based black economic empowerment;
- skills development programmes that focus on the development of previously disadvantaged individuals in the employment of the Group; and
- social responsibility initiatives primarily aimed at the upliftment and education of previously disadvantaged individuals and communities.

11 OCCUPATIONAL HEALTH, SAFETY AND ENVIRONMENT

11.1 The Group is committed to –

- achieving high standards of environmental care and to providing a safe and healthy workplace for employees, contractors and other affected persons;
- implementing internationally accepted safety, occupational health and environmental management systems;
- complying with all applicable legislation as a minimum requirement and implementing programmes and processes to achieve greater protection, where appropriate;
- conserving natural resources and reducing the environmental burden of waste generation and emissions to the air, water and land through strategies focusing on reducing, re-using, recycling and safe deposit of waste; and
- applying continuous improvement methodologies to develop environmentally compatible processes which do not create unmanageable safety or health risks.

11.2 It is the duty of every manager and supervisor to take all reasonable practical measures and precautions to prevent health risks or injury to employees and others and it is equally the personal duty of each employee to do everything to avoid health risks and injury to himself or herself and to others.

12 COMMUNITY

12.1 The Group is committed to promote the quality of life of the communities in which it is involved.

12.2 The Group therefore accepts its social responsibility to the upliftment and welfare of these communities.

13 BOARD OF DIRECTORS AND MANAGEMENT

Management, including the board of directors, shall in relation to the business of the Group act prudently, honestly and in good faith, and in particular shall:

- 13.1 act within their powers and in the interests and for the benefit of the Group;
- 13.2 carry out their duties with the skill and care to be expected from persons of their knowledge and experience;
- 13.3 develop and exercise their own judgement;
- 13.4 ensure that effective systems of internal control are in place with the objective of achieving:
 - integrity of financial statements;
 - safeguarding and verification of assets;
 - detection and minimisation of risk relating to fraud, potential liability, loss and material misstatement; and
 - compliance with all applicable laws and regulations.

14 PERSONAL CONDUCT

- 14.1 Illegal acts by employees shall not be tolerated or condoned and shall be dealt with in accordance with existing disciplinary codes and the laws of the country.
- 14.2 Unethical payments or business transactions made or received, or participation in activities such as fraud, money laundering or bribery will under no circumstances be tolerated or condoned.
- 14.3 As a general guideline, no employee shall, apart from normal remuneration or benefits in terms of Group policies, use any Group resources for personal benefit or procure or receive directly or indirectly any monetary gain, inducement, commission or gift in respect of or in the course of his or her employment.
- 14.4 No improper use will be made of any Group assets or resources, including time.
- 14.5 Any conflict or potential conflict between the interests of the Group and that of the employee will be immediately disclosed to management.
- 14.6 No employee shall accept or retain for personal benefit or for the benefit of others, in respect of or in the course of his or her employment, any non-monetary gift, gain, benefit or entertainment, except items for normal advertising purposes or of insignificant value, unless reported to and approved of by his or her supervisor.
- 14.7 Business courtesies shall only be extended or given to outside parties in line with relevant policies or, in the absence of such policies, with management's consent.

- 14.8 No employee shall, without prior written permission from his or her employer company, perform any work or service for remuneration of any kind outside the scope of his or her employment; or act as a director, shareholder, partner, consultant or agent of any external undertaking, or actively participate in activities which could be in conflict with the interests of the Group.
- 14.9 All employees shall respect and not make improper use of any confidential and privileged information of the Group and shall not act on such information for personal gain.
- 14.10 No employee shall comment unfavourably on the products, management or operations of competitors.
- 14.11 No employee shall become actively involved in party politics during official working hours without the prior written consent of his or her employer company, and through such involvement become controversial to the detriment or embarrassment of the Group.
- 14.12 Employees are encouraged to behave in his or her personal life in a way that will result in him or her being able to conduct himself or herself with dignity, integrity and credibility within and on behalf of any Group company.
- 14.13 Employees shall not misuse their positions and/or the purchasing power of the Group to obtain goods, materials or services for personal use or benefit on terms that are not available to the general public or to all Group employees.
- 14.14 Employees shall respect the dignity, rights and cultural differences of other individuals and shall maintain interpersonal relationships with due regard to race, religion, national origin, gender, age, physical handicap or personal affiliation. Harassment and intimidation of any kind will not be tolerated.

**AS APPROVED BY THE BOARD OF DIRECTORS OF ESOR LIMITED
MARCH 2014**

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