

 <b>Eskom</b>	<b>Policy</b>	
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'The Way' Policy**

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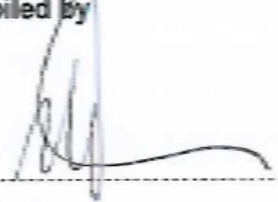


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## **1. Introduction**

The Code of Ethics 'The Way' outlines and provides for the ethical standards and behaviour that are required of all directors and employees of Eskom Holdings SOC Limited and its subsidiaries (Eskom).

## **2. Policy Content**

### **2.1 Policy Statement**

#### **The Way – Living the Eskom Values through the Code of Ethics**

The Eskom Code of Ethics: 'The Way', reflects the organisation's commitment to the highest ethical standards and principles in all Eskom business. It not only describes the acceptable behaviour and attitudes that are essential in living the Eskom values of Zero Harm, Integrity, Innovation, Sinobuntu, Customer Satisfaction and Excellence (ZIISCE), but it also establishes the foundation for the interaction of Eskom's Board of Directors and employees with colleagues, customers, suppliers, shareholders, the environment, the public and other stakeholders.

The Code shows the Eskom board members and employees (hereafter referred to as "we") the way "The Eskom Way" as a clear direction to ensure that we walk the talk.

Eskom commits itself to upholding its values and ethical standards and demonstrating this commitment to all its stakeholders. Therefore, Eskom's directors and employees are required to apply the Code in their day-to-day activities, especially if there are no rules governing the decisions.

Adhering to this Code is not optional; it is the way we do business at Eskom. This way, we will be role models for each other and Eskom, in turn, will be a role model amongst its peers.

The Code should be read together with other Eskom policies and legislation. Any contravention of the Code and applicable Eskom policies may result in disciplinary action, which is transparent, just and equal for all.

It is a duty of every director and employee to address and or report any unethical behaviour or non-compliance with this Code. Eskom will make every effort to protect anyone who reports suspected violations of the Code, against any form of victimisation or occupational detriment.

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## 2.2 Policy Principles

Together, we will build an ethical Eskom.

We, as the Eskom Board, Executive Management Committee and all Eskom employees commit to the following Eskom core values:

<b>ZERO HARM - Protecting the Eskom Way</b>	<p>We support a safe and healthy work environment for our employees.</p> <p>We support a safe and healthy environment for our customers, suppliers, our country and its people.</p> <p>We comply with the safety, health and environmental legislation and ensure that the necessary Eskom policies are developed, implemented and monitored.</p> <p>We strive to continuously improve our impact on the environment.</p>
<b>INTEGRITY – Acting the Eskom Way</b>	<p>We are honest.</p> <p>We are trustworthy.</p> <p>We are fair.</p> <p>We are transparent.</p>
<b>INNOVATION – Thinking the Eskom Way</b>	<p>We continuously think of and implement new, ethical ways that will improve processes, service delivery, and satisfying our internal and external customers' needs.</p> <p>We continuously strive to find creative, ethical solutions when dealing with business challenges.</p> <p>We openly communicate our goals and successes in order to attract new ideas and talented individuals.</p>
<b>SINOBUNTU – Caring the Eskom Way</b>	<p>We show that we care by leading by example and providing each other with direction, support and a workplace which is free of sexual harassment, discrimination, nepotism and favouritism.</p> <p>We appreciate and value the diversity of our workforce and the uniqueness of each employee.</p> <p>We respect Eskom and our stakeholders' assets by using them for the purpose that they are intended; and not to gain personally through the abuse of assets and resources.</p>
<b>CUSTOMER SATISFACTION – Serving the Eskom Way</b>	<p>We are passionate and committed to service delivery of the highest standard for both our internal and external customers.</p> <p>We focus on understanding our internal and external customers' needs and expectations, in order to offer timely, reliable and quality service.</p> <p>We encourage customer feedback, both positive and negative, to improve our service.</p>
<b>EXCELLENCE - Working the Eskom Way</b>	<p>We perform our duties with care and dedication.</p> <p>We pay attention to detail, delivering what is expected on time, and giving our best every day.</p> <p>We take responsibility for our actions by holding ourselves accountable for what we say and do.</p> <p>We protect confidential information, and only share it with those who are authorised to have access.</p> <p>We report unethical behaviour in the workplace, and effectively address violations of the law, policies and procedures.</p>

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### 3. Supporting Clauses

#### 3.1 Scope

##### 3.1.1 Purpose

The Code of Ethics explains what behaviour is acceptable within Eskom and highlights how the Eskom values should be lived within the workplace.

##### 3.1.2 Applicability

The Code shall apply throughout Eskom Holdings SOC Limited Divisions and its Subsidiaries, including the Eskom Board and Subsidiary Boards.

#### 3.2 Normative/Informative References

Parties using this document shall apply the most recent edition of the documents listed in the following paragraphs.

##### 3.2.1 Normative

- a) Ethics climate survey report (2005/2006)
- b) Disciplinary Code 32-1112.

##### 3.2.2 Informative

- a) Conflict of Interest Policy, 32-173
- b) The Constitution of the Republic of South Africa
- c) Basic Conditions of Employment Act
- d) Labour Relations Act
- e) Employment Equity Act
- f) The King Report on Governance for South Africa 2009 (King III)
- g) The Companies Act (No. 71 of 2008)
- h) Procurement and Supply Chain Management Policy, 32 1033
- i) Whistle-blowing Policy, 32-250
- j) Grievance Procedure 32-1114.

#### 3.3 Definitions

**3.3.1 Public domain:** Published in any public forum without constraints (either enforced by law, or discretionary).

**3.3.2 Code of Ethics:** A Code of Ethics is similar to an agreement on the standards for behaviour, which should be applied in the workplace. It sets the standard of behaviour within the organisation, and guides employees in making ethical decisions.

**3.3.3 Director(s):** Director means a member of the board of Eskom Holdings SOC Limited, or a board of its subsidiary, or an alternate director of such board and includes a person occupying the position of a director or alternate director, by whatever name designated, or a prescribed officer; or a person who is a member of

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a committee of the board or of the audit committee, irrespective of whether or not the person is also a member of such board.

**3.3.4 Employees:** Also referred to as staff members. These include individuals employed by Eskom Holdings SOC Limited and Eskom Subsidiaries on a permanent basis, contract labour, temporary employees, part-time employees, casual employees, occasional employees, learners and others acting for Eskom or its Subsidiaries.

**3.3.5 Eskom:** Eskom means Eskom Holdings SOC Limited and its Subsidiaries.

**3.3.6 Ethics:** Ethics refers to the process of distinguishing between what is right and wrong in my interaction with others, so that I can do what is right. Doing what is right, is also interpreted as doing what is good, or ensuring that I do no harm.

**3.3.7 Favoritism:** Favouritism refers to the practice of showing favour to, or giving preference to some person or group, to the detriment or expense of another person or group that is entitled to equal treatment or opportunity. This action normally entails discriminating against another person or group. Within Eskom, each person should be valued as an individual and as an important member of the team, and therefore favouritism will not be condoned.

**3.3.8 Nepotism:** Nepotism is a specific form of favouritism. It entails showing favour or preference towards relatives based upon that relationship, rather than on an objective evaluation of ability or suitability. For example, offering employment to a relative, despite the fact that there are others who are better qualified and willing to perform the job, would be considered a form of nepotism, which is not allowed in Eskom.

**3.3.9 Professionalism:** In Eskom, directors and employees demonstrate professionalism by paying attention to detail, demonstrating expertise in their fields, behaving above reproach and giving their best to Eskom at all times.

**3.3.10 Relative:** A relative in this context is someone who is related through blood, marriage or adoption.

**3.3.11 Respect:** Respect is demonstrated when you show consideration for, or appreciation of someone or something. For example, appreciating your colleagues and staff members; or being considerate towards your customers' needs and expectations. When you show respect, you treat others in the same manner in which you want them to treat you. You treat others' assets in the same way in which you expect others to treat your personal assets.

**3.3.12 Stakeholders:** Broadly defined, stakeholders refer to any group, individual, or thing (e.g. environment) that can affect, or is affected by, the achievement of the organisation's objectives. Eskom's stakeholders include its shareholder, its Board of Directors, its employees, its customers, its suppliers, the public, the environment and the communities in which it operates.

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**3.3.13 Suppliers:** Supplier means any person or entity that does business with *Eskom* or tenders to do business with Eskom, or is registered on Eskom's supplier database, such as consultants, contractors, sub-contractors, and providers of goods and services.

**3.3.14 Values:** Values refer to core beliefs, which define what one believes in and what is important. Values influence behaviour and motivate decisions. Values do not only apply to individuals but also to organisations.

Eskom's core values are referred to as 'ZIISCE' and are: Zero Harm, Integrity, Innovation, Sinobuntu, Customer Satisfaction and Excellence. These values describe what is important to the organisation, what it stands for and what it believes in, and are defined as follows:

- **Zero Harm – Protecting the Eskom Way**
- **Integrity – Acting the Eskom way**
- **Innovation – Thinking the Eskom way**
- **Sinobuntu – Caring the Eskom Way**
- **Customer Satisfaction – Serving the Eskom way**
- **Excellence – Working the Eskom way**

## 3.4 Abbreviations

Abbreviation	Explanation
BU	Business Unit
CE	Chief Executive
DE	Divisional Executive
EDC	Eskom Documentation Centre
EXCO	Executive Management Committee
GE	Group executive

## 3.5 Roles and Responsibilities

### 3.5.1 Employee Responsibilities:

Eskom is committed to the highest ethical standards and principles in all Eskom business, and requires the same from Eskom employees in fulfilling their Eskom responsibilities. Compliance with the Code and ethics-related policies is therefore required of Eskom directors and employees, which include contract labour, temporary employees, part-time employees, casual employees, occasional employees, learners and others acting for Eskom.

**3.5.1.1** Ensure that you are familiar with the Code, and ethics-related policies, and that you receive proper training on these.

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**3.5.1.2** Use the Code to guide your decisions, especially when you are in doubt, or if there are no rules or policies that address the specific situation.

**3.5.1.3** If you have questions or concerns, ask for advice. (Refer 'Finding your way')

**3.5.1.4** Request detailed information from managers, supervisors and policy custodians regarding policies and procedures affecting your work, and ensure that you understand and comply with these.

**3.5.1.5** Use the appropriate channels to report unethical behaviour, crime, irregularities and grievances. Eskom will protect employees who have reported suspected illegal activities and violations of the policy, against any form of victimisation or occupational detriment, and will make every effort to protect the confidentiality of anyone reporting a breach. (*Refer to the Whistle blowing Policy*)

### **3.5.2 Managerial Responsibilities:**

In addition to their general rights and responsibilities as employees of Eskom, managers and supervisors have additional responsibilities resulting from their seniority and the nature of their managerial/supervisory duties:

#### **3.5.2.1 Managers and supervisors are required to:**

- a. make a personal commitment to act in accordance with the Code, communicate this commitment to staff members, and lead by example;
- b. guide staff members to behave in accordance with the Code;
- c. identify ethics risks in your business activities, and establish ways to mitigate these risks, and to address potential contraventions of the Code;
- d. take appropriate action to correct behavioural deviations, and
- e. enforce disciplinary action when appropriate.

#### **3.5.2.2 Managers and supervisors are required to ensure that their staff members, including temporary employees and contract workers in the department:**

- a. are in possession of the Code, and/or the Quick reference guide '*How to find the Way*';
- b. are sensitised to the policy, and ethics related policies, through staff dialogue sessions facilitated by managers and supervisors. Employees need to know how to apply the Code of Ethics and ethical standards in their specific work environments. (*Presentation material is available from the ethics website and ethics office*).

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**3.5.2.3 Managers and supervisors are accountable for** ensuring that all new employees and temporary or contract workers attend their Group/Division's induction programme, as well as formal ethics training workshops. The Ethics Office should be contacted to provide ad hoc ethics training on request.

**3.5.2.4 Managers and supervisors are required to** give their staff members opportunities to discuss ethics issues and concerns both formally (e.g. staff meetings) and informally (one-to-one meetings). It is recommended that 'ethics' is a standing agenda item for staff meetings, so as to encourage ethics dialogue.

**3.5.2.5 Managers and supervisors are required to** assist staff members in:

- addressing ethics issues and concerns, and/or
- reporting unethical behaviour and violations of the law and policies, so that incidents can be investigated and appropriate action be taken.

**3.5.2.6 Managers and supervisors may not,** under any circumstances, victimize staff members who report unethical behaviour, and/or violations of the law and policies.

### **3.5.3 Other Role Players' Responsibilities:**

**3.5.3.1** Human Resource practitioners are required to ensure that new employees receive the policy brochure (formal one-pager available from the Ethics Office and ethics website) as part of the sign-on documentation that is given to them on the first day of employment. New employees must also be registered to attend an induction programme within one month of joining Eskom.

**3.5.3.2** All individuals acting on behalf of Eskom must be made aware of, and are expected to adhere to, Eskom's standards of conduct. Therefore, Procurement and Supply chain departments are required to ensure that suppliers (*as defined in this document*) receive the policy brochure (*formal one-pager available from the ethics website*) as part of the contract documentation received from Eskom.

**3.5.3.3** The Code will be available to customers and other organisations on request. These requests must be referred to the Ethics Office.

**3.5.3.4** The Ethics Office will develop ethics training material and presentations, which will be published on the Ethics website (*Eskom intranet*). Managers, supervisors, communication practitioners, trainers and ethics co-ordinators are required to access this information in order to ensure on-going ethics awareness and training within their respective working environments.

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**3.5.3.5** Apart from employee commitment to ethical behaviour, and the role that managers and supervisors play in instilling an ethical culture through ethics awareness, communication, training and disciplinary action for non-compliance, the functions mentioned below are responsible for further entrenching an ethical culture within the organisation.

**3.5.3.6 Assurance and Forensic Department by:**

- a) providing an assurance function that the respective Group/Divisions subsidiaries are complying with legislation, policies and procedures of the organisation and that the organisational values are lived within the workplace;
- b) monitoring ethics training and awareness;
- c) investigating and reporting on ethics matters referred to them by the Ethics Office, and ensuring that disciplinary action is instituted against employees where evidence of non-compliance exists. Assurance and Forensics Department is also accountable for the confidential, externally managed, toll-free whistle blowing/hot line (0800-11-27-22), the investigation of incidents reported to them through various channels, and for maintaining accurate statistics on crime and irregularities within the organisation, and reporting these to EXCO and the Eskom Board.

**3.5.3.7 Employee Relations by:**

ensuring that grievances are effectively addressed and disciplinary action is taken against employees in terms of Eskom's processes.

**3.6 Process for Monitoring**

The Code will primarily be monitored and maintained by the Ethics Office within Regulation and Legal Division. The Ethics Office's role is to regularly review and monitor that the Code remains relevant and to assist the organisation with the effective implementation thereof.

The Group/Divisional Executives are accountable for compliance with the Code within their respective Groups and or Divisions with the support of the ethics co-ordinators within the Groups/Divisions.

The Regulation and Legal Division shall be assisted by other role players reflected under paragraph 3.5 above.

**4. Acceptance**

This document has been seen and accepted by: EXCO.

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## 5. Revisions

Date	Rev.	Remarks
July 2001	0	A directive with reference number ESKADABK8 was registered on the Eskom Documentation Centre database. No formal document was submitted for publication.
September 2006	0	A policy was put together to replace ESKADABK8. The policy was allocated with reference number 32-173 and formatted in compliance with the Eskom documentation requirements.
November 2010	1	The policy was revised to align with the new Companies Act and the King Report on Corporate Governance for 2009, and also to incorporate specific requirements from Board and feedback from ethics co-ordinators and key stakeholders within the organisation
July 2014	2	Periodic review that takes into account changes in the organisational structure

## 6. Development Team

The following people were involved in the development of this document:  
The Code of Ethics was developed by the Ethics Office, with inputs from the key role-players listed in item 7 below.

## 7. Acknowledgements

- Eskom Board of directors;
- Eskom executive management committee members;
- Eskom employees through the ethics climate survey (2005/2006);
- Eskom customers and suppliers through the ethics climate survey (2005/2006)
- Managerial employees' input into the draft Code of Ethics;
- Organised Labour through the Central Consultative Forum; and
- Ethics co-ordinators within the respective Divisions.
- Language Services Team.

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