 Eskom	Policy	
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Title: **Code of Ethics
'The Way' Policy**

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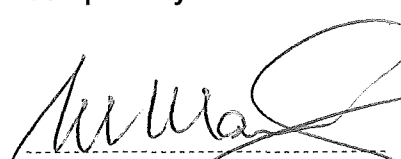
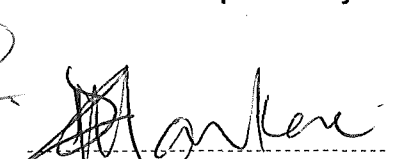

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1. Introduction

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, its subsidiaries (Eskom), and suppliers.

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 guiding principles for the interaction with all stakeholders.

Eskom commits itself to upholding its values and ethical standards and demonstrating this commitment to all stakeholders. Therefore, Eskom's directors and employees are required to apply the Code in their day-to-day activities.

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 is a policy of the Eskom Holdings Limited SOC which forms part of the Legislative and Policy Framework. The Code should be read together with other applicable codes and standards Eskom policies and legislation as defined in the Legislative and Policy Framework. Any contravention of the Code and applicable Eskom policies may result in disciplinary action.

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:

ZERO HARM - Protecting the Eskom Way	<p>We support a safe and healthy work environment for our stakeholders.</p> <p>We uphold the ethical application of the safety, health (including employee wellness) 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>
INTEGRITY – Acting the Eskom Way	<p>We are consistent in being honest, trustworthy, fair and transparent.</p>
INNOVATION – Thinking the Eskom Way	<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>
SINOBU – Caring the Eskom Way	<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, cronyism, 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>
CUSTOMER SATISFACTION – Serving the Eskom Way	<p>We are passionate and committed to service delivery of the highest standard for all our stakeholders.</p> <p>We focus on understanding our internal and external customers' needs and expectations, to offer timely, reliable, and quality service.</p> <p>We encourage customer feedback, both positive and negative, to improve our service.</p>
EXCELLENCE - Working the Eskom Way	<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 all violations.</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 Informative

- a) Eskom Ethics Risk Assessment 2022/2023
- b) ISO 9001 Quality Management Systems.

3.2.2 Normative

- a) The Constitution of the Republic of South Africa Act, (No. 108 of 1996)
- b) Basic Conditions of Employment Act, (No. 75 of 1997)
- c) Labour Relations Act, (No. 66 of 1995)
- d) Employment Equity Act, (No. 55 of 1998)
- e) The Companies Act, (No. 71 of 2008)
- f) Disciplinary Code Standard (32-1112)
- g) Conflict of Interest Policy, 32-173
- h) The King IV Report on Governance for South Africa 2016 (King IV)
- i) Public Finance Management Act 1 of 1999
- j) Private work Policy, 32-1186
- k) Procurement and Supply Chain Management Policy, 32-1033
- l) Whistle-blowing Policy, 32-250
- m) Grievance Procedure, 32-1114
- n) Safety, Health, Environment Quality (SHEQ)Policy (32-727)
- o) Security Vetting Policy, 32-0122M
- p) Fraud Prevention Policy, 32-689

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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 close associates:** individuals that are closely connected to employees. It may be a friend, a colleague, a business associate, or someone you know through general social contacts.
- 3.3.4 Cronyism:** Refers to when people in power or authority use their influence to favour their friends or associates.
- 3.3.5 Director(s):** Director means a member of the board of Eskom Holdings SOC Limited, or a board of its subsidiary, and includes a person occupying the position of a director, by whatever name designated, or a prescribed officer.
- 3.3.6 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.
- 3.3.7 Eskom:** Eskom means Eskom Holdings SOC Limited and its subsidiaries.
- 3.3.8 Ethics:** Ethics refers to the process of considering what is right for the self and others, so that I can do what is right for all. Doing what is right, is also interpreted as doing what is good, or ensuring that I do no harm. In the context of the organisation, ethics refers to ethical values applied to decision -making, conduct and the relationship between the organisation, its stakeholders, and the broader society.
- 3.3.9 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.
- 3.3.10 Legislative Framework:** is the legislative and regulatory framework from time to time in force which relates to and affects the Company including the Companies Act; the PFMA; the National Treasury Regulations; the enabling legislation, National Energy Regulation Act, National Electricity Act, the National Nuclear Regulator legislation and regulations and any and every other law which relates to and affects the Company.

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- 3.3.11 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.
- 3.3.12 Policy Framework:** is any Company directive, guideline, framework, or policy, in force from time to time concerning and affecting the Company and its subsidiaries and the relationship between the Shareholder, the Company and the Board which comprise, without limitation, the Strategic Intent Statement; the Shareholder's compact, the SMF, governance codes of good practice and protocols and the DoA.
- 3.3.13 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. Behaviour and work execution by employees meet the performance and ethical standards as set by their professions.
- 3.3.12 Relative:** A relative in this context is someone who is related through blood, marriage or adoption and means husband/wife, life-partner, son/daughter, legally adopted children, legally fostered children, stepchildren and children-in-law, a parent, adoptive parent, stepparent and parent-in-law, a grandparent, brother/sister, step-and half-brother/sister and brother-/sister-in-law, grandchild, uncle, and aunt.
- 3.3.14 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.
- 3.3.15 Stakeholders:** Are groups or individuals that can reasonably be expected to be significantly affected by the organisation's business activities, outputs or outcomes or whose actions can reasonably be expected to significantly affect the ability of the organisation to create value over time. Internal stakeholders include the Board, management, employees, and the Shareholder. External stakeholders include trade unions, civil society organisations, government, customers, and consumers.
- 3.3.16 Shareholder:** Shareholder for Eskom wholly owned Subsidiary means Eskom. Ultimate Shareholder means Eskom's Shareholder, being the Government of South Africa represented by the designated Minister.
- 3.3.17 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.
- 3.3.18 Third party contractor:** is an individual contracted to an Eskom Supplier providing labour related services to Eskom on behalf of a Supplier.

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3.3.19 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
EXCO	Executive Management Committee
GE	Group Executive

3.5 Roles and Responsibilities

3.5.1 Directors and Employees' Responsibilities:

Eskom is committed to the highest ethical standards and principles in all Eskom business and requires the same from Eskom directors and 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, fixed term contractors, learners and others acting for Eskom. As an Eskom director and employee, you must:

- 3.5.1.1 Ensure that you are familiar with the Code, and ethics-related policies, and that you receive proper training.
- 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 Ask for advice if you have questions or concerns- (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 t.

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3.5.1.5 Use the appropriate channels to report unethical behaviour, crime, and any other irregularities. 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 on identifying and navigating ethical dilemmas.
- c. guide staff members to behave in accordance with the Code.
- d. identify ethics risks in your business activities, and establish ways to mitigate these risks, and to address potential contraventions of the Code.
- e. take appropriate action to correct behavioural deviations, and
- f. 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 made aware of this policy, and ethics related policies and procedures, 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).*

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 and the mandatory ethics e learning. 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:

- a. addressing ethics issues and concerns, and/or

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- b. reporting unethical behaviour and violations of the law and policies, so that incidents can be investigated, and appropriate action be taken.
- c. ensure that disciplinary action is instituted against employees where evidence of non-compliance exists.

3.5.2.6 Managers and supervisors may not, under any circumstances, intimidate and 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, the relevant responsible managers in procurement and supply chain as well as the contracts management functions are required to ensure that suppliers including third party contractors (*as defined in this document*) receive all ethics related policies that they are required to comply with.

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. The Ethics office will also continuously monitor and assess the effectiveness of the training.

3.5.3.5 Apart from directors and 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 Internal Audit Department by:

- a) providing an assurance function that the respective Group/Divisions and subsidiaries are complying with legislation, policies, and procedures of the organisation and that the organisational values are lived within the workplace.

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3.5.3.7 Forensic Department by:

- a) investigating and reporting on ethics matters referred to them by the Ethics Office, and making recommendation to management that disciplinary action is instituted against employees where evidence of non-compliance exists. 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.

3.5.3.8 Employee Relations by:

- a) 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 in the Office of the Company Secretary. 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 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.

3.7 Communication

The Ethics Office shall communicate the Code through the following platforms:

- a) Eskom intranet
- b) Ethics awareness programmes
- c) induction of new employees
- d) Ethics training sessions

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4. 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 considers changes in the organisational structure
August 24	3	Periodic review to incorporate ethics risks identified during the Ethics Risk Assessment (2022)

5. Development Team

Office of the Company Secretary Governance and Ethics Department.

6. Acknowledgements

- Eskom boards of directors (including subsidiaries)
- Eskom Executive Management
- Ethics coordinators

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