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**About SAFCOL:**

SAFCOL (South African Forestry Company SOC Limited) is a state-owned forestry company listed as a Schedule 2 major public entity in terms of the Public Finance Management Act 1 of 1999 as amended. It was established in 1992 following the promulgation of the Management of State Forest Act 128 of 1992 to promote the development in the long term of the forestry industry according to accepted commercial management practice in South Africa.

It also has operations in Mozambique through an interest held by its wholly-owned subsidiary Komatiland Forest (Pty) Ltd in Industrias Florestais De Manica Sarl (“**IFLOMA**”)

**Our Vision:**


A leader in sustainable forests and commercial forest products.

**Our Mission:**

- Growing our business in the forestry value chain,
- Maximising stakeholder value through strategic partnerships,
- Facilitating sustainable economic transformation of the forestry industry and thereby uplifting communities, and
- Maintaining practices that are economically viable, environmentally acceptable, and socially beneficial.

**Our Values:**

- We respect and value our employees.
- We are passionate about our forests and our communities.
- We conduct ourselves with honesty and integrity.
- We strive for excellence and innovation in our business.
- We strive for customer satisfaction.

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**1. PURPOSE**

SAFCOL 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 business principles and the foundation of our responsible practices throughout our supply chain and sourcing activities. This Supplier Code of Conduct should be read and comply with SAFCOL Code of Conduct.

**2. SCOPE**

It is essential that our employees conduct themselves with integrity at all times in full compliance with the laws and regulations that govern our business activities. To that end, SAFCOL has adopted a Code of Conduct which applies to all SAFCOL employees, directors and officers. The Code of Conduct is an extension of our values and reflects our commitment to ethical business practices and regulatory compliance.


SAFCOL expects that its suppliers will share and embrace the letter and spirit of our commitment to integrity and ethical behaviour. By “supplier” we mean any company or individual that provides goods or services to SAFCOL, and its subsidiaries, or indirectly to any of its clients.

**3. REFERENCES**

SAFCOL’s Code of Conduct is the main constitution that describes SAFCOL’s commitment to ethical conduct.

Other related policies and guidelines include:

- Anti-Fraud and Corruption policy;
- Declaration of Interest guide;
- Ethics Policy;
- Ethics Framework;
- Supply Chain Management Policy;
- Whistle-blowing policy; and

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- Environmental policy.

#### 4. POLICY

SAFCOL has always been committed to doing business with integrity and proper regard for ethical business practices. Our commitment to doing business ethically is unwavering.

SAFCOL understands that suppliers are independent entities, but the business practices, conduct and actions of a supplier may significantly impact and/or reflect upon SAFCOL, our reputation and our brand, which is one of our most important assets. In light hereof, SAFCOL expects all suppliers and their employees, agents, and subcontractors (their representatives) to adhere to the SAFCOL Code of Conduct while they are conducting business with and/or on behalf of SAFCOL.


All suppliers should educate their representatives to ensure that they understand and comply with the Code. This Code of Conduct is maintained on our public website at [www.safcol.co.za](http://www.safcol.co.za)

#### **Application of this Supplier Code of Conduct:**

SAFCOL seeks to work with its suppliers to meet and exceed minimum standards as outlined in this Code and continuously strives to improve the standard of its business practices. By “supplier” we mean any company or individual that provides goods or services including construction works to SAFCOL, its subsidiaries, or indirectly to any of its clients. Where the Code refers to workers, it includes employees, contractors, and temporary staff of the supplier and its related entities.

The expectations outlined in the Code are not intended to supersede or alter the supplier’s regulatory and contractual obligations. SAFCOL expects all existing and new suppliers to commit to the Code. Suppliers should check their respective contracts, agreements, and purchase orders as they may contain additional obligations or higher standards than those set out in this code.

By acceptance of this Code, the supplier commits that all existing and future agreements and business relationships with SAFCOL will be subject to the provision contained herein.

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## A. BUSINESS INTEGRITY, ETHICS AND CONDUCT

### Compliance with Applicable Laws and Regulations:

All SAFCOL suppliers and their representatives will conduct their business activities, including relationships and practices, in full compliance with applicable laws and regulations while conducting business with and/or on behalf of SAFCOL.

### Anti-Bribery and Corruption:

SAFCOL has always been committed to doing business on an ethical and sound basis and is committed to complying fully with local and global anti-bribery and corruption laws as well as continuously conducting its business with integrity and with proper regard to ethical business practices.

Suppliers must not engage in, either directly or indirectly, corruption such as bribery or any other form of improper or unlawful payment under any circumstances including financial fraud, money laundering, collusive activities and extortion or facilitation payments.

A bribe is usually defined as the giving or receiving of a “thing of value” to corruptly influence the actions of another, most commonly to influence a contract award or the execution of a contract.

To report any suspected fraud, corruption and other unethical behaviour, contact the SAFCOL tip-offs Anonymous reporting hotline facility through the following details:

Tollfree Number: 0800 007 498


Email: [safcol@whistleblowing.co.za](mailto:safcol@whistleblowing.co.za)

Tollfree Fax: 0800 212 689 (SA only)

Postal: PO Box 51006, Musgrave, 4062

SMS: 33490

Online: [www.whistleblowing.co.za](http://www.whistleblowing.co.za)

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**Professional Conduct:**

Suppliers are expected to conduct themselves in a manner that is fair, professional and that will not bring SAFCOL into disrepute.


**Confidentiality:**

Suppliers must not improperly use any private, confidential, or commercially sensitive information in their possession relating to or in connection with its dealings with SAFCOL.

**Thing of value:**

The “thing of value” need not be money, and often is not. Any tangible benefit given or received with corrupt intent can be a bribe. Bribes can include but are not limited to:

- gifts, paid travel and entertainment;
- “loans,” whether or not repaid;
- leasing vehicles for the benefit of an employee, his or her relatives etc.
- employment of the employee’s relatives, friends, acquaintances at the request or direction of the SAFCOL employee;
- payment of educational expenses and scholarships for the children of SAFCOL employees;
- gifts by contractors of their inventory or services, e.g., improving the house of an SAFCOL employee;
- “donations to social programmes” at the direction of the SAFCOL employee;
- subsidising rents or mortgages of the SAFCOL employee; or
- direct cash payments to SAFCOL employees.

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No supplier or associated person may directly or indirectly bribe a SAFCOL employee or any third party. Similarly, no supplier or associated person may receive anything of value in exchange for performing their duties disloyally or illegally. Any demand for, or offer of, a bribe must be rejected immediately and reported to SAFCOL.

In addition, suppliers will be honest, direct, and truthful in their discussions with regulatory agency representatives and government officials and conduct their business in full compliance with competition laws.

**Business Practices:**

SAFCOL suppliers and their representatives shall conduct their business interactions and activities with integrity and in accordance with their obligations under their specific agreements with SAFCOL. In addition to those obligations, all suppliers shall, without limitation:

- Honestly and accurately record and report all business information and comply with all applicable laws regarding their completion and accuracy.
- Create, retain, and dispose of business records in full compliance with all applicable legal and regulatory requirements.
- Protect and responsibly use both the physical and intellectual assets of SAFCOL, including its property, data and equipment when authorised by SAFCOL to use such assets.
- Use SAFCOL provided information technology and systems (including email) only for authorised SAFCOL business-related purposes. SAFCOL strictly prohibits suppliers and their representatives from using SAFCOL provided technology and systems to create, access, store, print, solicit or send any material that is intimidating, harassing, threatening, abusive, sexually explicit, or otherwise offensive or inappropriate and/or send false, derogatory, or malicious communications using SAFCOL provided information assets and systems.

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- Comply with intellectual property ownership rights of SAFCOL and others including but not limited to copyrights, patents, trademarks, and trade secrets. Use software, hardware, and content only in accordance with their associated license or terms of use.
- Not speak to the press or use SAFCOL in any of its promotional items, unless expressly authorised in writing to do so by SAFCOL.

**B. CONFLICT OF INTEREST, GIFTS, BENEFITS AND HOSPITALITY**


**Transparency and Gift Giving:**

The solicitation or acceptance of any gifts, favours, gratuities, or benefits by a SAFCOL employee is prohibited. SAFCOL employees are prohibited from seeking or accepting anything of value in their capacity as SAFCOL employees. They are prohibited from using or attempting to use their position to obtain for themselves, their families or others unwarranted privileges that are not properly available to similarly situated individuals.

**Conflict of Interest:**

Suppliers and their representatives shall avoid the appearance of or actual improprieties or conflicts of interest. Suppliers or their representatives shall not deal directly with any SAFCOL employee whose spouse, domestic partner, or other family member or relative holds a financial interest in the supplier. Dealing directly with in the course of negotiating the supplier agreement or performing the supplier’s obligations with a spouse, domestic partner or other family member or relative who is employed by SAFCOL is also prohibited.

SAFCOL expects all suppliers and their representatives to disclose any present or past relationship or relationships that may come into existence after the establishment of a contractual relationship with SAFCOL as between themselves and SAFCOL employees that would be construed as a conflict.

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## C. CORPORATE GOVERNANCE

### Non-Solicitation:

If, during the term of any contract between SAFCOL and the supplier and for a period of one year thereafter (collectively the “non-solicitation period”) the supplier directly or indirectly, individually or on behalf of any other person or company aids or endeavours or induces any of SAFCOL’s employees to leave their employment with SAFCOL in order to accept employment with the supplier or any of its affiliates, the supplier shall pay to SAFCOL an amount equal to the product of the employee’s actual monthly salary multiplied by three (3).

### Communication and Whistleblowing:

SAFCOL suppliers and/or their representatives are encouraged to raise any queries, concerns, and complaints regarding any illegal, non-compliant, fraudulent, or unethical behaviour by reporting same through SAFCOL’s ethics line ([ethics@safcol.co.za](mailto:ethics@safcol.co.za)) or other reporting mechanisms mentioned above, and available on our public website. Please also refer to section A above for more details on whistleblowing.

SAFCOL will not tolerate any retribution or retaliation taken against any individual who has in good faith sought out advice or has reported questionable behaviour or a possible violation.

### Books and Records:


Suppliers are expected to keep accurate accounting records and maintain supporting documents to describe and reflect the true nature of underlying transactions.

## D. HUMAN RIGHTS AND LABOUR STANDARDS

### Human Rights:

SAFCOL embraces clear standards on employees’ and human rights. SAFCOL expects its suppliers to share its commitment to human rights and equal opportunity in the workplace. SAFCOL suppliers shall conduct their employment practices in full compliance with applicable laws and regulations, and shall, without limitation:



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- Co-operate with SAFCOL commitment to a workforce free of harassment and unlawful discrimination. SAFCOL believes that supplier companies should not engage in discrimination in hiring, compensation, access to training, promotion, termination, or retirement based on religion, age, disability, gender, marital status, sexual orientation, union membership, political affiliation or any other category protected by applicable law.
- Comply in all respects with the Employment Equity Act, in line with SAFCOL's commitment to redress the racial makeup of the South African economy.
- Prohibit the use, possession, distribution, and sale of illegal drugs while on SAFCOL property.
- Use only voluntary labour and the supplier shall not utilise child employees.
- Keep employee records in accordance with laws and regulations.

**Working Hours:**


The supplier will ensure that fair wages will be paid in line with normal practice for the industry and market. The supplier must ensure that its employees work in compliance with all applicable laws and mandatory industry standards pertaining to the number of hours and days worked.

**Compensation:**

The supplier's employees must be provided with wages and benefits that comply with applicable laws and binding collective agreements, including those pertaining to overtime work.

**Freedom of Association and Collective Bargaining:**

Suppliers are expected to freely allow workers to associate with others, form and join (or refrain from joining) industrial organisations or associations of their choice and bargain collectively, or engage in any lawful industrial activity without interference, discrimination, retaliation, or harassment.

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**E. HEALTH AND SAFETY**

**Workplace Environment:**

The supplier shall provide employees with safe and healthy working conditions. As a minimum, potable drinking water, adequate sanitation, fire exits and essential safety equipment, access to emergency medical care, appropriately lit and equipped workstations must be provided. In addition, facilities must be constructed and maintained in accordance with the standards set by applicable codes and regulations.

**F. ENVIRONMENTAL MANAGEMENT**

**Sustainability:**


The supplier must operate with care for the environment and ensure compliance with all applicable laws and regulations where the products or services are manufactured or delivered. SAFCOL expects its suppliers to share the same social responsibility of growing business in a sustainable fashion.

**G. AUDIT AND TERMINATION OF THE SUPPLY AGREEMENT**

SAFCOL reserves the right to verify the suppliers’ compliance with this Code. In case SAFCOL becomes aware of any actions or conditions not in compliance with this Code, SAFCOL reserves the right to demand corrective measures.

It is the responsibility of the supplier to ensure that its representatives understand and comply with the provisions of this Code and inform SAFCOL if any situation develops that causes the supplier to operate in violation of the code set forth in this document. SAFCOL suppliers are expected to self-monitor their compliance with the Code.

In addition to any other rights SAFCOL may have under its supplier agreement, SAFCOL may request the immediate removal of any representative who behaves in a manner that is unlawful or inconsistent with this Code.

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SAFCOL reserves the right to terminate an agreement with any supplier who does not comply with the Code.

**Supplier name (entity name):** \_\_\_\_\_

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Designation of authorised signatory of the supplier**