

TELKOM SUPPLIER'S CODE OF CONDUCT

1. GENERAL

- a. This Code is applicable to all Telkom Suppliers, Service Providers, Contractors and Consultants (hereinafter referred to as "Supplier" or "Suppliers") and their employees (be they temporary, permanent or on contract) and sub-contractors. Telkom requires all Suppliers to conduct their business dealings with Telkom on an ethical basis and in compliance with this Code and applicable legislation.
- b. Telkom recognises that local laws 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 are more restrictive than this Code, then Suppliers are expected to comply with applicable local laws.
- c. This Code sets out the standards to be achieved by our Suppliers. The principle of continuous improvement applies to all aspects of this Code and Telkom will work collaboratively with our Suppliers on the implementation of this Code.
- d. Telkom will publicly report on the implementation of, and compliance with this Code.
- e. As one of the largest corporate buyers of goods and services in South Africa, Telkom deals with thousands of Suppliers and spends billions of Rand a year on all commodities. The way that Telkom selects and works with Suppliers is extremely important to our business and reputation as a Company that values honesty and integrity. Under no circumstances should the Company be seen as favouring any Supplier or of being subjective in our purchasing decisions. We require from our Suppliers to maintain the highest standards of honesty and integrity.
- f. Practising sound business principles means ensuring that, the focus is on maintaining and/or improving Telkom's efficiency, reducing and minimising costs, and improving the quality of products and services. Meeting the highest standards of integrity means following to the letter the policies, procedures, processes and work instructions in place to regulate Telkom's relationships with Suppliers.
- g. It is standard practice at Telkom to take disciplinary action against employees who fail to follow these standards, policies and processes, or who disregards Company rules.

2. APPLICABILITY AND SCOPE

2.1 Ownership

Procurement Services; in consultation with Corporate Governance will be responsible for the management and 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 Supplier Code of Conduct 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, Procurement Services and Suppliers will ensure that all relevant people are provided with appropriate training and guidance to support the Code.

2.3 Application

- a. Suppliers are required to comply with this Code, all relevant laws, regulations and standards in all of the countries in which they operate.
- b. This Code is applied for the purposes of conducting business in an ethically responsible manner.
- c. 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.
- d. Suppliers will be asked to provide Telkom with reasonable access to all relevant information and premises for the purposes of assessing performance against this Code and local laws.

2.4 Corrective action

- a. Suppliers are required to identify, correct and monitor the continued compliance of any activities that fall below the standards of this Code.
- b. Suppliers shall immediately report to Telkom any breaches of this Code and together agree on a schedule for corrective action.
- c. Any violations of this Code which result in proven fraudulent, corrupt or an illegal activity on the part of the Suppliers against Telkom and/or its subsidiaries will result in the termination of their contracts with Telkom, as well as suspension from the Telkom data base and if material/ serious breaches persist, the termination of all other business relationship with the supplier concerned.
- d. Any violations of this Code which result in fraudulent, corrupt or an illegal activity on the part of the Suppliers against a 3rd party may result in the termination of their contracts with Telkom, as well as suspension from the Telkom data base and if material/ serious breaches persist, the termination of all other business relationship with the supplier concerned.

2.5 Monitoring and reporting

- a. Telkom 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.
- b. For purposes of reporting the Telkom Crime Hotline number namely 0800 124 000 should be utilized, or the matter can be reported to Telkom's Ethics Office at ethics@telkom.co.za. This is in addition to any reporting structure in place at Suppliers.

- c. Corporate Governance will monitor the implementation of this Code by Procurement Services.

3. DEFINITIONS, ABBREVIATIONS AND ACRONYMS

3.1 Definitions

	Definition
Code	means this Supplier Code of Conduct
Company	means Telkom SA SOC Limited
Supplier	means a supplier of goods and/or services to Telkom which includes consultants, suppliers, service providers, vendors, etc.
Telkom	means Telkom SA SOC Ltd, a listed company duly incorporated under the laws of South Africa listed on the JSE with registration number 1991/005476/06, with registered address at 152 Johannes Ramokhoase Street, Pretoria, 0002, South Africa.

4. LAWS AND REGULATIONS

All Suppliers and their employees, representatives, and subcontractors shall comply with all applicable legislation, codes and regulations.

5. RESPONSIBLE PERSONS AND DUTIES

In particular, Suppliers should comply with the following:

5.1 Relations with competitors

Suppliers will be required to comply with the Consumer Protection Act 68 of 2008 and the Competition Act 89 of 1998 and will not engage in any anticompetitive and/or restrictive trade practises. Suppliers will at all times act in a manner that will uphold and encourage healthy competition.

5.2 Prevention of Corrupt Activities, Conflicts of Interest, Gifts and other Courtesies

5.2.1 Prevention of Corrupt Activities

- a. Telkom promotes an organizational culture that is committed to the highest level of honesty and ethical dealings and will not tolerate any fraud, theft or corrupt activities.
- b. Telkom as a good corporate citizen is committed to comply with the Prevention and Combatting of Corrupt Activities Act 12 of 2004 (PCAA). It is therefore important to Telkom that Supplier and/ or any 3rd parties appointed by the Supplier align their business practices and comply with this Act.
- c. Suppliers shall not make or offer bribes or payments in the form of money or value to any Telkom employee or any other person for the purpose of obtaining or retaining business with Telkom.

5.2.2 Gifts and other business courtesies

- a. Suppliers should not offer any extravagant (meaning above the value of R10 000.00) gifts, courtesies, preferential treatment or favour to any particular Telkom employee. A general guideline for evaluating whether a business courtesy is appropriate is whether public disclosure would be embarrassing to the Supplier and/or Telkom.
- b. Telkom employees should at all times adhere to Telkom's Gift Policy (TKG-000147) when receiving gifts from Suppliers. Telkom employees may not solicit gifts from Suppliers.

5.2.3 Conflicts of Interest

No Supplier shall enter into a financial or any other relationship with an Employee that creates a conflict of interest for Telkom. A conflict of interest arises when the personal interests of the Telkom employee could be seen to have the potential to interfere with their objectivity in performing their duties or exercising their judgment on behalf of Telkom.

5.3 Employment Relations

The Supplier will comply with all local laws as well as international laws where applicable, relating to labour, employee health and safety and wages, specifically including the Labour Relations Act 66 of 1995.

5.3.1 Child Labour

Suppliers and their subcontractors will not employ children, a child being any person below the age of 16 years.

5.3.2 Forced Labour, Disciplinary Practices and Elimination of Discrimination

Suppliers will:

- a. Not use forced labour nor require any worker whether local or foreign to remain in employment for any period of time against his or her will.
- b. Treat workers with respect and dignity and ensure workers are not subjected to any form of physical, sexual, psychological or other form of harassment or abuse.
- c. 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.
- d. Not negatively discriminate against any employee. Examples of discrimination include but are not limited to discrimination based on race, tribe, colour, 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.

5.3.3 Freedom of Association

Suppliers will allow and respect their employees' right to form or join trade unions of their own choosing and to bargain collectively, within the provisions of the Labour Relations Act 66 of 1995.

5.3.4 Wages and benefits

- a. Suppliers will meet minimum wage requirements and will ensure that all statutory deductions as required under any local laws from time to time are complied with.
- b. 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.

5.3.5 Health and Safety

- a. Suppliers 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 Telkom related activities, be it goods or services.
- b. 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 or agreement is in place.
- c. Compliance to Telkom'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 Telkom'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.

- d. The Supplier should have a health and safety policy.

5.4 Environmental Matters and the Community

- a. Suppliers shall comply with all local environmental 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 environmental laws and regulations where and when applicable in the execution of any Telkom related activities, be it goods or services.
- b. Telkom requires of its Suppliers to play an important role in improving and promoting a clean environment by expedient use of environmentally friendly raw materials during product manufacture or service provisioning. The reduction of

its carbon footprint and auditable waste management by Suppliers should be in line with acceptable standards. The Supplier shall have an Environmental Policy.

- c. Telkom requires its Suppliers to maintain a strong commitment to responsible environmental management, waste minimisation, reduction of climate change impacts and sustainable water, refrigerant gases and energy management.
- d. Telkom requires its Suppliers to be environmentally responsible and ethical in the manufacturing of goods, including the components used in the manufacturing of goods.
- e. Suppliers shall engage with communities and invest in society in a way that makes effective use of resources including the support for charitable organisations.

5.5 Compliance and implementation

5.5.1 Licences and Returns

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

5.5.2 Taxation, Financial Integrity and Retention Of Records

- a. Suppliers will comply with all local tax laws.
- b. 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 Telkom 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.
- c. 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.
- d. 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.

6. BRAND MATTERS

6.1 Name Usage

The Telkom name and brand shall not be used by a Supplier under any circumstances unless specifically authorised by Telkom. Any request to use the Telkom name, brand, and any depiction of the logo must be cleared through a formal approval process by Procurement Services.

6.2 Brand damage

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

7. DUTY TO REPORT

- a. Telkom as a responsible corporate citizen, has a zero-tolerance policy towards corruption, fraud, crime and misconduct. It is therefore the duty of every Supplier its employees, representatives, sub-contractors and third parties with whom Telkom conducts business to disclose information relating to fraudulent conduct, unethical behaviour, crime and misconduct
- b. Matters can be reported to the Telkom Crime Hotline at 0800 124 000 or by contacting Telkom's Ethics Office at ethics@telkom.co.za.

8. VARIATION

Telkom reserves the right to vary this Code at any time.

9. CONCLUSION

This Code constitutes the entire understanding between the parties and supersedes any prior written or oral agreement or understanding with respect to the subject matter hereof.