

# CODE OF ETHICS

FOR



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## A message from Pick n Pay's Chief Executive Officer

Dear Colleagues

Pick n Pay places great emphasis on social responsibility. The way in which we conduct ourselves in the running of our business should be as ethical as our contribution to society. The set of values to which we prescribe has been detailed in this policy document and should be used as a standard for all our business partners.

We wish to build and maintain mutually beneficial relationships with all our stakeholders, whether employees, customers, suppliers, shareholders, franchisees or the communities in which our businesses are situated.

This policy document is intended to raise ethical awareness. It contains ethics for everyday events that occur in the business. It should help to assure customers, suppliers, stakeholders and competitors of the integrity of the Pick n Pay business ethic, and give them confidence in their dealings with the company. It is not intended to be a detailed description of behaviour norms.

All people to whom this Code of Ethics applies shall observe their ethical obligations in such a way as to carry on business by fair commercial competitive practices, and without causing harm.

## INTRODUCTION

Pick n Pay is committed to dealing with legal entities that apply ethical and legal employment practices, as well as sustainable environmental practices, during the course of its business interactions, which may include sourcing, franchising and commercial operations.

Pick n Pay, as a socially responsible organisation, is required to ensure that our business partners adhere to certain minimum standards. This has become increasingly necessary as Pick n Pay expands its operations into countries beyond South Africa. These standards ensure that employees are managed in a socially responsible fashion, and that our impact on the environment is minimised.

This Code of Ethical Conduct ("Code of Ethics") is binding as a minimum standard on all business partners of Pick n Pay, irrespective of whether they are located in South Africa

or around the world. In addition, our Business Partners are expected to ensure that all of its sub-contractors or secondary suppliers comply with this Code.

All business partners of Pick n Pay will be assessed against the standards of the Code. Please note that Pick n Pay takes compliance with the Code very seriously.

#### **HOW TO USE THIS DOCUMENT:**

PART 1        Sets out the fundamental principles of Pick n Pay

PART 2        Consists of a Code of Conduct for Business Partners of Pick n Pay.

Business partners are encouraged to read Part 2 so as to be aware of the standards of conduct and ethics that are required from Pick n Pay's employees.

PART 3        Consists of a Code of Ethics for employees of Pick n Pay

# PART 1

## PICK N PAY'S FUNDAMENTAL PRINCIPLES

### **Our core principles**

The core principles that constitute Pick n Pay's business activities include:

- Maintaining abiding values, in spite of business practices changing with time.
- Fostering respect for individuals, not as a strategic advantage, but because it is morally correct.
- Acknowledging the difference between timeless principles and daily business practices.
- Sticking to values – even if this appears to put us at a competitive disadvantage.

### **Four legs of the table**

This principle follows a simple analogy: The business is essentially likened to a table supported by four legs, on top of which the consumer is positioned. Each leg is required to be equally strong so that the table may remain balanced and upright. The four legs comprise:

- Administration
- Merchandise
- Promotion and social responsibility
- People

Each leg is equally important to the success and continued sustainability of the business. Each requires, and continues to receive, equal focus and management support.

### **Sustainable business**

For over four decades we have built a truly sustainable business. The growth and success of Pick n Pay is attributable to two fundamental principles:

- An unwavering belief in consumer sovereignty.

- The application of the “four legs of the table” principle.

These principles were put into practice at the foundation stages of the Company, and continue to be the cornerstone of the business.

### **Building of sustainable communities**

Sustainability in a business has an important role to play in the building of sustainable communities – a responsibility Pick n Pay embraces wholeheartedly. It is not simply a philanthropic way of thinking, it is an act of enlightened self-interest. We believe that the more economic freedom that exists within South African society, the more scope there will be for growth in the retail market. We continue to uphold this principle that businesses must work together with communities in order to help them secure economic security and social wellbeing of generations to come.

## **MISSION AND VISION**

### **Our mission statement**

We serve

With our hearts we create a great place to be

With our minds we create an excellent place to shop

### **Our core values**

We are passionate about our customers and will fight for their rights

We care for, and respect each other

We foster personal growth and opportunity

We nurture leadership and vision, and reward innovation

We live by honesty and integrity

We support and participate in our communities

We take individual responsibility

We are all accountable

### **Our stakeholder pledge**

For our employees:

We will ensure compensation, working conditions, benefits, job security, opportunity and personal recognition remain among the best in the food retail industry.

For our customers:

We will ensure that products made available to customers represent a combination of quality, price and service; and through efficient selling practices we will ensure Pick n Pay remains the first choice for consumers.

For South Africa and our communities:

We will give back to the communities in which we operate through an investment in education and literacy programmes, housing, self-help schemes, child welfare, parent support groups, feeding schemes, relief programmes, cultural projects, sport development and environmental initiatives.

For our suppliers:

We will establish and maintain efficient and fair business practices for our mutual benefit and to encourage the development and marketing of products in response to consumer needs and environmental imperatives.

For our shareholders:

We will operate our business at a profit that represents an attractive return on investment, as well as provide funds for the future growth and safety of the organization to ensure our company remains a sound investment.

## **Integrity in doing good business**

The spirit that guides the Company and gives it its unique character is driven by the values and principles that inspired Raymond Ackerman to establish Pick n Pay in 1967. Despite changing times, new developments, improved technology and radical strategies, his philosophy of “doing good is good business” remains at the core of Pick n Pay’s policies.

Our position with regards the following issues:

### **Fair competition**

Employees shall not:

- Make false allegations relating to Pick n Pay's competitors or their products;
- Damage competitors, other than by accepted commercial competitive practice;
- Acquire confidential information of a competitor by espionage, the subordinating of the competitors' employees or any other improper means.

### **Environmental responsibility**

It is the intention of this code to contribute to the building of a sustainable society and environment. Steps must be taken to minimise any negative impact on the environment that may result from the processes and operations of the business. Business partners must comply with all local laws regarding environmental standards and also promote animal welfare by minimising any potential harm, stress or pain to animals. Business partners should take proactive steps to systematically reduce and remove unduly destructive environmental impacts and prevent degradation of the environment by:

- Reducing dependency on substances and activities that are harmful to people and the environment;
- Conserving water;
- Saving energy;
- Minimising waste;
- Using natural resources as efficiently as possible;

- Integrating environmental considerations into decision-making at all levels.

The provisions of any local environmental legislation must be adhered to.

### **Health and Safety for employees and customers<sup>1</sup>**

Pick n Pay is committed to sound health, safety and environmental management practices. As a retail business we carry the responsibility to:

- Provide our customers with a safe place in which to shop;
- Safeguard the company's employees;
- Safeguard the company assets;
- Provide a healthy climate in which employees can work;
- Ensure that all practical steps are taken to prevent the contamination of the food product;
- Strive to create an environment to produce, store and distribute food in a safe environment;
- Pay due regard to environmental and public health considerations.

Pick n Pay strives to meet or exceed applicable health and safety, and applicable environmental laws, regulations and orders of the responsible governmental authorities and standards. Pick n Pay operates and is committed to the responsible management of its activities and continuous improvement in health and safety performance.

### **Communications on Behalf of Company (PR, media, speeches, articles)<sup>2</sup>**

Pick n Pay has a media policy to which all employees must abide. The CEO designates certain spokespeople who can speak directly to the media. No un-authorized person is entitled to speak on behalf of the company.

### **Restrictive trade practices**

Pick n Pay will not participate in any activity intended to restrict trade or promote any refusal to conduct business with customers or suppliers where such a refusal would be

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<sup>1</sup> Please refer to Occupational health and safety policy and procedures and food safety policies and procedures

<sup>2</sup> Please refer to Information policy

in breach of applicable law. All agents that represent Pick n Pay must comply with this policy as well.

### **Anti-Child labour<sup>3</sup>**

Pick n Pay does not support child labour practices. Employment of children under the age of 15 years is prohibited (or a person who falls below the local legal minimum working age, if this is older than 15). All Pick n Pay suppliers must adhere to this policy. Business partners must ensure that they do not recruit or utilize child labour, and it is their responsibility to ensure that the employee's age is correctly established and recorded.

### **Anti-Corruption**

Pick n Pay shall neither give nor accept secret profits or bribes, nor be involved in any other corrupt or illegal benefits for the purpose of influencing an official act or decision in order to obtain or retain business or secure an improper advantage. As a South African based company, we are bound to, and comply with, the laws of South Africa, specifically The Prevention and Combating of Corrupt Activities Act No.12 of 2004 (PCCA) in this regard.

### **Protecting company privacy<sup>4</sup>**

All Pick n Pay employees are expected to:

- Not divulge confidential information of Pick n Pay to its competitors or otherwise make improper use of such information;
- Not use information which is not yet available to the public for their own gain and observe the company's rules, as well as the country's laws and regulations, on insider trading;

## **INTEGRITY IN SUPPORTING COMMUNITIES**

### **Social Responsibility**

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<sup>3</sup> Please refer to the HR employment policy

<sup>4</sup> Please refer to Information policy

We are a truly South African company and have always strived to operate in the best interest of our people and our communities. Social responsibility is one of Pick n Pay's 'four legs of the table'; it is at the foundation of good business and Pick n Pay's corporate philosophy. For us, social responsibility has always meant giving back to society and the communities in which we operate. This has encompassed a range of activities, from lobbying for consumer rights through to working at a local level to uplift communities and individuals. Our community engagement encourages financial empowerment and independence through business development. This focus is part of a broader commitment to socio-economic transformation in South Africa. Investing in communities contributes to social capital by facilitating economic independence and co-operation to achieve shared developmental aims. We work with communities through the Ackerman Pick n Pay Foundations, and through corporate social responsibility investment managers in our regional offices. This investment is co-ordinated nationally, while funds are allocated regionally, in line with a centralised social investment strategy.

### **Customer Service**

Our customer service philosophy is: "treat the customer like a queen and she will make you a king". All Pick n Pay employees are expected to serve customers regardless of which level of the organisation they occupy. Our key principles of good customer service:

- We go out of our way to understand and satisfy our customers' needs;
- We keep our customers informed;
- We build relationships with our customers at all times;
- We listen to our customers and respond quickly to queries.

All Pick n Pay employees shall at all times:

- Market the products of Pick n Pay accurately to customers;
- Disclose all relevant information regarding our products, which customers cannot reasonably learn for themselves;
- Package the products in a manner that is not misleading and at least meets the customer's reasonable expectations;
- Make known any standard of quality, which is higher than the customary standard;

- Provide customers with a ready means of lodging complaints about the quality of our products or service;
- Provide a guarantee that all products that don't conform to the standards of Pick n Pay, are replaced at no additional cost to the customer;
- Not knowingly supply or display defective or dangerous products;
- Respect the confidentiality of sensitive customer information.

## **PART 2**

### **CODE OF CONDUCT FOR BUSINESS PARTNERS OF PICK N PAY**

#### **Scope of the code**

This Code applies to both permanent and temporary employees of the business partner. The business partner is expected to abide by all labour and social security laws and regulations governing employment, and to not avoid such laws and regulations through excessive labour broking, sub-contracting, apprenticeship schemes and the like.

Business partners must ensure, when delivering goods or services to Pick n Pay, that they engage only with ethical and legal partners in any sub-contracting or secondary supplier relationships.

#### **Child labour**

Employment of children under the age of 15 years is prohibited (or a person who falls below the local legal minimum working age, if this is older than 15). Business partners must also ensure that employees under the age of 18 do not perform potentially hazardous work.

Business partners must ensure that they do not recruit or utilize child labour, and that the employee's age is correctly established and recorded.

Where an employer already employs child labour, it must enable such child to stop work whilst ensuring the continued well-being of the child. In addition it should ensure that such child attains quality education until no longer a child.

#### **Forced labour**

Use of forced, bonded or involuntary prison labour is prohibited. All employees must be free to leave their employment on reasonable notice.

Employees should be able to leave employment for other opportunities, due notice being given.

## **Health and Safety**

Business partners must provide a safe place of work and comply with all local laws relating to health and safety in the workplace. To ensure health and safety in the workplace, there must be written guidelines, regular training and monitoring by management to ensure compliance.

## **Wages, hours of work and entitlements**

Business partners are required to adhere to local laws on conditions of employment, including where applicable, laws governing minimum wages. Where no minimum wage is stipulated, a reasonable wage must be paid. Business partners are required to comply with local laws regarding hours of work, rest periods, overtime payment and leave periods, including maternity leave.

Business partners are required to ensure that employees received no less than the minimum wage where these are prescribed, whether by sector or by country. If there is no legislated minimum wage, employees must be reasonably remunerated, i.e. they must be able to afford basic needs and provide for some discretionary income. Employees must be promptly paid.

## **Discrimination**

There must be no discrimination on any basis which is not job related or in accordance with a legal affirmative action process, including but not limited to discrimination on the basis of race, age, religion, political affiliation, caste, disability or sex, whether or not this relates to an employee or an applicant for employment.

### **Freedom of association and the right to collective bargaining**

Business partners must respect the right of employees to join legal associations of their choice and to bargain collectively.

Employees should be free to associate with trade unions of their choice and may not be discriminated against as a result of their involvement in lawful trade union activities.

## **Harsh or cruel treatment**

Business partners must ensure that any form of physical or mental abuse, harassment, punishment, or the threat of these forms of abuse, is prohibited in the work place.

In the event of misconduct, any disciplinary action must be lawful and fair, and a proper record should be kept for each employee. Disciplinary action cannot include physical abuse, corporal punishment, cruel treatment or punishment. Fines or deductions from salary are prohibited unless this is permitted by law and agreed to by the employee.

## **Environment**

Steps must be taken to minimise any negative impact on the environment which may result from the processes and operations of the business. Business partners must comply with all local laws regarding environmental standards. Business partners must promote animal welfare by minimising any potential harm, stress or pain to animals.

It is the intention of this code to contribute to the building of a sustainable society and environment. Business partners should take proactive steps to systematically reduce and remove environmental impacts and prevent degradation of the environment.

Business Partners are expected to:

- Reduce dependency on substances and activities that are harmful to people and the environment;
- Improve environmental performance on a continuous basis;
- Minimise waste;
- Use natural resources as efficiently as possible; and
- Integrate environmental considerations into decision-making at all levels.

The provisions of any local environmental legislation must be adhered to.

Cruel treatment of animals is not permitted. Any business partner that has animals in the workplace or employee living areas, or that utilises animals in the production or development of product process, is required to ensure that animals are properly cared for and fed. Business partners must endeavour to minimise any harm, pain or stress to animals.

# **PART 3**

## **CODE OF ETHICS FOR EMPLOYEES OF PICK N PAY**

### **APPLICATION AND GENERAL OBLIGATION OF CODE OF ETHICS**

#### Application of Ethics

The Pick n Pay Code of Ethics shall apply to all Pick n Pay employees as defined in this document, together with supporting human resources company policies. Other stakeholder groups who have business relationships with the company, such as our franchisees, suppliers and business partners, should be encouraged to enjoy support from and adhere to the company's Code of Ethics.

#### **General Obligations of Employees**

All employees shall be responsible for the observance of the Code of Ethics as detailed in this document and policies of the company. Any infringement by employees of the Code of Ethics stated will constitute a breach of policy. Such instances will be handled according to our normal internal disciplinary procedures, as aligned with the labour laws of South Africa, which may be corrective or punitive, and which could result in dismissal from the company.

#### **Obligations of Pick n Pay Management**

All managers are responsible to uphold the Pick n Pay Code of Ethics and to communicate the Code of Ethics to all employees. Operational supervision in the business must always be aligned with the Code of Ethics, and the company's policies and procedures, which are available for viewing by employees on the company intranet.

In the event of an allegation of ethical misconduct, management and human resources must investigate the allegation in light of the company's Code of Ethics, policies, values and guiding principles. Business policies are informed by our Code of Ethics.

Management will ensure that no-one is victimised for raising an allegation of ethical misconduct or participating in proceedings relating to an alleged breach of the Code of Ethics. Whistle-blowing is encouraged.

However, employees who abuse the Code of Ethics by manufacturing allegations against fellow employees or stakeholders will be in turn be subject to disciplinary procedures for material breach of the Code of Ethics.

Management will be required to never cover up or ignore any Code of Ethics misconduct.

### **Reporting ethical concerns**

All code of ethical conduct issues can be raised with the manager of the division or relevant Head of Department or raised with HR. Currently, the company does not have an office dedicated only to Code of Ethics issues. At the moment, all Code of Ethics issues shall be addressed by the Pick n Pay HR division who exercise confidentiality in handling employee relations matters.

Pick n Pay HR Code of Ethics contact details

Human resource – Code of Ethics office: 011 856 7720

Email: [ethics@pnp.co.za](mailto:ethics@pnp.co.za)

Website: [www.picknpay.co.za/code](http://www.picknpay.co.za/code) of ethics

Fax: 011 856 8720

## **INTEGRITY IN THE WORKPLACE**

Use of Pick n Pay resources and assets<sup>5</sup>:

- All Pick n Pay employees are responsible for maintaining property entrusted under their control, and should take steps to protect it from theft, damage and misuse.
  
- Employees are allowed reasonable personal use of facilities such as e-mail and internet, but such privileges should not be abused. As guidance for what may be considered unreasonable personal use, the following guidelines are provided. Please note this is not an exhaustive list:
  - As far as possible, employees should avoid using e-mail for sending or receiving personal messages containing large attachments, or junk mail.
  - Sending or receiving chain mail is prohibited.
  - No employee should access or distribute any material that could offend others (e.g. pornographic material or material that could incite racial hatred or any form of discrimination).
  - Any involvement in activities such as computer hacking and willful virus transmission is prohibited.

Please note: Pick n Pay has the right to monitor communication tool use including computer software and hardware, email and voicemail (Communications Systems), internet and intranet and property.

- The following ethical conduct is expected for all employees  
Employees shall:
  - Not permit any wastage of the assets of Pick n Pay;
  - Handle all equipment with due care and skill;
  - Take due care to ensure that for all assets of the company, the maximum economic life is attained, where applicable;
  - Carry out their duties with the skill and care to be expected from a person of their knowledge and experience, exercise sound judgment and act in the best interests of the company;

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<sup>5</sup> For more information please refer to Information policies on intranet

- Avoid waste of Pick n Pay's resources, including time;
- Report any harmful activity observed at the workplace.

### **Conflicts of Interest<sup>6</sup>**

All employees are expected to devote their time, attention and abilities to the performance of their duties during normal working hours. Therefore, Pick n Pay employees may not without prior approval of Pick n Pay management, engage in any practices or pursue any private activities which conflict in any way with Pick n Pay's operations. Conflicts of interests are as stated but not limited to the below issues:

Gifts, Entertainment, Gratuities, Favours and Other Items of Value to/from Customers, Suppliers, Vendors, Contractors, Government Employees<sup>7</sup>

Subject to a few exceptions that are set out below:

- Employees may not accept gifts or gratuities from any of our stakeholders for work performed by the employee at work.
- No transactions are allowed which result in personal benefit to an employee of Pick n Pay as a result of a business relationship.
- No personal gifts of any sort, including Christmas presents, may be accepted. This includes gift and theatre vouchers or any cash equivalents, but excludes low value inscribed items such as diaries and occasional boxes of confectionery given to a department rather than to an individual, and intended primarily for non-management staff. The only exception to this is merchandise samples which are given to an employee for business purposes.

Subject to a few exceptions that are set out below, the following types of gifts are allowed:

- Tickets for sport events but not supplier sponsored travelling to such events;
- All personal gifts, received either at home or at work;
- Gifts delivered by a supplier/contractor/stakeholder to a hotel room to "welcome" the Pick n Pay employee on arrival (this does not include the standard courtesies extended by the hotel policy);

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<sup>6</sup> Please refer to code of employment and HR policies

<sup>7</sup> Please refer to the Gift from inside and outside policy

- Services provided by a supplier/contractor/stakeholder at nil or reduced cost (e.g. garment alterations, building/maintenance work) whether at home or at work;
- Payment by suppliers to subsidise Pick n Pay's departmental events (e.g. Christmas parties);
- All merchandise samples given for personal use, unless required for a bona fide business purpose (e.g. wearer/tasting trials).

If a supplier sends such a gift to a member of staff, the General Manager of the relevant division, or in the case of general managers and above, their immediate superior, should be informed. Any of the following should be done:

- The gift should be returned to the supplier with a letter explaining our company Code of Ethics;
- Any gift which cannot be returned (e.g. perishables) should be disposed of at the General Manager's discretion (for example, shared between junior staff within the group or given to charity). In these cases, the supplier should also be informed, by letter, of our action.

It is customary to tip waiters and for waiters to accept tips. No other employee will be allowed to accept tips/change from customers. Catering staff need approval from the relevant General Manager to accept gratuities/ small gifts.

Gifts from customers to cashiers require the prior approval of the store management. If the goods are stocked by the company, the manager must also sign the articles. The monetary value cannot be loaded onto gift cards or Smart Shopper cards etc.

Free merchandise may under no circumstances be accepted from suppliers by employees.

No property of any supplier or vendor, whether it is for display or competition purposes, may be removed from the store, given as a donation to a charity or given to an employee as a gift without written consent from the relevant General Manager.

The following exceptions to the above are permitted

- Low value "promotional" gifts (e.g. calendars, diaries) inscribed with the donor's name;
- In cases of prolonged absence from work for e.g. sickness or the birth of a child, traditional gifts (i.e. flowers, fruit, confectionery) of a reasonable value can be given; and
- "Departmental" gifts of a reasonable value, intended to be shared by employees in a particular division (e.g. confectionery).

### **Gifts from Personal Friendships**

It is recognised that where a business relationship has developed into a personal friendship, which exists outside the working environment, then personal presents are likely to be exchanged (e.g. birthdays, Christmas, retirements). This is permissible provided that gifts are paid for by the individual, not the "supplier" company, and the Pick n Pay employee informs their General Manager (or in the case of executives and above, their immediate superior).

### **Customer, Supplier, and Vendor Relationships**

Pick n Pay employees shall ensure good buying practices with suppliers of Pick n Pay, and in particular shall (subject to a few exceptions that are set out below):

- Inform Pick n Pay management of a customer, supplier or vendor bribes or attempted bribe;
- Terminate dealings with any suppliers who bribe Pick n Pay employees;
- Ensure that no bribery is paid to personnel of a supplier;
- Not take part in any travel or accommodation offered by suppliers on behalf of the company;
- Only accept entertainment from a supplier when the supplier is present as host and if it is within the bounds of accepted business hospitality;
- Work closely with suppliers, building mutually profitable long term loyal relationships;
- Ensure that supplier relationships are the property of the company and not of an individual employee;
- Only deal with suppliers who are committed to the same standards of quality and who share similar business values and philosophies as our own;

- Ensure that our relationship with suppliers is based on honesty, integrity and fair trading;
- Ensure that supplier personnel are treated with respect and dignity

Exceptions: the following may be accepted:

- Genuine business travel expenses where the supplier has experienced problems and requires our assistance to solve them. In these exceptional cases, prior agreement must be sought from the appropriate member of the Group Executive.
- Entertainment at which the donor is present and which is within the bounds of accepted business hospitality.

### **Personal relationship with other employees**

It is recognised that where there is a family, romantic or dating relationship amongst employees, there may be a disruption of workplace productivity. Therefore no Pick n Pay employee may supervise, directly or indirectly, any family members or any employee with whom you date or are romantically involved.

Employees have the responsibility to avoid relationships at all times that involve possible and actual conflicts that may affect the best interests of Pick n Pay's operations.

### **Financial investments**

All Pick n Pay employees must ensure that personal financial activities do not conflict with company responsibilities. Employees shall not:

- Receive compensation from a competitor or supplier who is directly and/or indirectly involved with Pick n Pay;
- Receive personal financial compensation from a vendor or competitor particularly where there is a direct or indirect involvement with Pick n Pay;
- Use Pick n Pay financial information for personal gain.

Pick n Pay employees are entitled to have financial interests in outside ventures, provided there is no direct conflict of interest with Pick n Pay. Active involvement of any form in an outside venture must be declared in writing to the General Manager / relevant

member of the Group Executive, so that any conflict of interest can be avoided. Most importantly, interests may not take up time that the employee would normally devote to the company's affairs.

Where an employee is not personally involved in an outside venture but where he/she has close relatives or friends involved in business dealings with the company, alternatively, conflicting with the interests of the company, this must also be declared in writing to the General Manager / relevant member of the Group Executive, to avoid any conflict of interests.

Employees are required to disclose:

- Ownership of shares and any other form of business involvement aligned to the retail industry;
- Ownership of businesses that are directly or indirectly doing business with Pick n Pay.

The respective head of department together with HR will decide whether or not a conflict or potential conflict exists, and if so, how it should be handled.

### **Financial integrity**

Pick n Pay requires all employees to report accurate and honest information to all our stakeholders on the performance and prospects of the company. Under no circumstance shall Pick n Pay's financial and non-financial records be fabricated. Therefore, records shall be furnished, as required, to Pick n Pay's internal or external auditor for verification and monitoring in relation to the performance of the company.

Under no circumstances shall Pick n Pay employees falsify financial records.

All employees shall:

- Ensure Pick n Pay's compliance with its debt obligations;
- Not apply funds acquired from a lender to a purpose contrary to any agreement with the lender;
- Manage Pick n Pay in a way that unjustifiably increases the risk to creditors of Pick n Pay;

- Report honestly to its creditors on the financial position of Pick n Pay;
- Have regard to the interests of creditors when requesting an extension of time in which to pay;
- Inform the creditor concerned of any inability by Pick n Pay to meet any obligations.

### **Whistle blowing**

Employees who come forward to report violations of the company's Code of Ethics may disclose the issue to their respective managers, or directly approach the HR department. Victimization of employees who raise concerns about misconduct in good faith will not be tolerated. Pick n Pay will protect the rights of all parties implicated.

### **Code of conduct**

It is the responsibility of all Pick n Pay employees to maintain a working environment that will promote a productive and respectful climate. One of our core values is to respect and treat our stakeholders and employees with dignity regardless of culture, gender and other differences.

Employees shall:

- Be ambassadors for the company;
- Deal courteously with fellow employees, having due regard to cultural sensitivities and individual dignity;
- Give due attention to the company training programmes and development programmes aimed at improvement of self and fellow employees;
- Provide safe working conditions, including adequate machinery and equipment and competent supervision;
- Not use profane and offensive language when addressing all our stakeholders;
- Not use inappropriate gestures or threats of violence
- Not discriminate on any ground which does not affect the carrying out of the duties of the employee;
- Comply with the laws governing labour relations, conditions of employment and the Bill of Rights;
- Not intimidate a fellow employee, and recognise a fellow employees' rights to freedom of association;

- Not make a false accusation against a fellow employee;
- Not carry on the business of Pick n Pay negligently or recklessly.

### **Substance abuse (alcohol, drugs)**

Pick n Pay upholds safe and healthy workplace standards. Disciplinary actions will be taken for employees who:

- Are in possession of illegal drugs and alcoholic beverages at work;
- Are under the influence of illegal drugs and alcohol on company time or while on duty at company sponsored events.

### **Discrimination<sup>8</sup>**

Pick n Pay recognises the richness and diversity of South Africa's population, and values the contribution that everyone can make to developing a company that is committed to a high quality of service delivery.

There must be no discrimination on any basis which is not job related or in accordance with a legal affirmative action process, including but not limited to discrimination on the basis of race, age, religion, political affiliation, caste, disability or sex, whether or not this relates to an employee or an applicant for employment. Management and the HR department shall strive to ensure that there is no discrimination in recruitment, compensation, access to training, promotion, demotion, or dismissal, unless such discrimination is based on a genuine occupational requirement or a legislative affirmative action programme. Pick n Pay strives to provide an environment free of discrimination to our employees, customers and suppliers.

### **Harassment**

At Pick n Pay, any harassment that violates the rights of a person and constitutes a barrier to equity in the workplace will not be tolerated. All employees at Pick n Pay are expected to treat with the utmost respect and dignity other employees and all stakeholders with whom they interact. Harassment of any form will not be tolerated and will result in disciplinary action.

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<sup>8</sup> Please refer to the employment equity policy

## **Sexual harassment**<sup>9</sup>

Sexual harassment is a form of unfair discrimination with reference to gender, sex, and or sexual orientation (see the definition of “unfair discrimination” in the Employment Equity Act). Everyone in the company's employ has a duty to help prevent sexual harassment from taking place by ensuring that his/her behaviour does not cause offence and by discouraging unacceptable behaviour by others. Pick n Pay will take disciplinary actions against such unfair discrimination.

Examples of sexual harassment include:

- Conduct of a sexual nature that can be physical, visual, verbal and non-verbal, offensive remarks, sexual related jokes and insults, graphic comments about a person's body in his/her presence or to him/her, inappropriate enquiries about a person's sex life, wolf whistling;
- Physical conduct ranging from touching to sexual assault and rape including threat of assault and rape, as well as strip search by or in the presence of a person of the opposite sex;

Sexual favouritism is also subject to disciplinary action. Sexual favouritism includes those employees who have achieved promotions, salary increases, favourable merit reviews and the like, through offering or responding to any individual's sexual advances.

## **Employee remuneration**

The company is committed to a fair, equitable and competitive payment/salary structure covering all applicable laws and regulations of the country. It is Pick n Pay's responsibility to ensure that conditions of employment, contracts of employment and fringe benefits are job, grade and market-related, and take into consideration the needs and circumstances of the company and its employees.

## **Political Contributions**

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<sup>9</sup> Please refer to the sexual harassment policy

Management recognises that employees may wish to form associations. On request, the company criteria for the granting of recognition will be made available to any organisation, association or trade union that represents company employees. However, participation in politics during work time is prohibited. Pick n Pay employees can make lawful contributions to political activities in their personal capacity and on their own time. No employee can use their job title or company affiliation in connection with political activities unless pre-authorised in writing by the executive management of the company.

No employee shall make political contribution using company funds or property, services or other assets without prior approval of the Pick n Pay Group Chairman or CEO.