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SUPPLY CHAIN DUE DILIGENCE FRAMEWORK

SUPPLY CHAIN DUE DILIGENCE FRAMEWORK

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1. INTRODUCTION

- 1.1 Supply chain is made up of interconnected parts of a whole, all of which add up to the finished services delivered to our firm's clients.
- 1.2 Before a client is serviced, a mandate is signed by such client and the relevant team in the firm is enabled. This involves: the matter being loaded onto digital systems supplied by certain service suppliers; a physical file is opened in folders supplied by a services supplier. Documents are printed and the client is emailed. The printer, paper and email server are supplied by service suppliers. In order for the firm to have received the client's instructions, a certain amount of marketing was done by the firm. The marketing services are delivered by service suppliers and certain costs are expended on such supply.
- 1.3 In order to ultimately deliver the legal services, various components enable the firm. These components are sourced from third parties who then eventually become suppliers to the firm. Once the service is delivered, the firm is paid the fee which in turn will be used to pay the suppliers of all the different components.
- 1.4 The above simple example is a good illustration of the different types of supply chain stakeholders involved with the firm:
 - 1.4.1 manufacturers of the applications, digital systems and physical components needed by the firm in order to do its administration;
 - 1.4.2 vendors, who buy and sell the components;
 - 1.4.3 transporters, or logistics providers, which move the components from warehouses to the suppliers and in turn, from the suppliers to the firm;
 - 1.4.4 supply chain managers, which ensure that operations run smoothly in everything from planning to sourcing the operational components, delivery, and returns;
 - 1.4.5 clients, who receive the legal services.
- 1.5 Companies, including firms in the legal industry are increasingly expected to exercise due diligence in the usage of components in the delivery of their services as sourcing of materials must now comply with international standards to minimize the risk of deforestation, conversion and human rights abuses in their operations and supply chains.
- 1.6 Supply chain due diligence is promoted through voluntary frameworks such as the United Nations Guiding Principles increasingly being incorporated into regularly mechanisms.
- 1.7 The Accountability Framework of the UN provides a reference for implementing environmental and human rights due diligence processes that can help the firm meet the market and client expectations.
- 1.8 The firm delivers legal services to its client base. It does not operate in the forestry or agricultural sectors and observes internal rules in respect of human rights due diligence.
- 1.9 The firm however recognises that its suppliers (of both goods and services) may perpetuate the lack of rules in respect of proper and sustainable supply practices and intends continuing the development of its own supplier due diligence framework herein contained.

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- 1.10 This supplier due diligence framework will be read together with the firm's Conflict of Interest Policy, the Code of Conduct Policy and the firm's Environmental and Social Responsibility Policy.

2. WHAT IS SUPPLY CHAIN DUE DILIGENCE?

- 2.1 Due diligence is a systematic and ongoing risk management process that enables companies to proactively address their environmental and human rights impacts and conduct their business in a responsible manner.
- 2.2 Previously, supply chain due diligence was pursued primarily in the context of human rights. The United Nations Guiding Principles on Business and Human Rights (UNGPs) were key to establishing the supply chain due diligence approach, with a focus on human rights due diligence (HRDD). Similar approaches have now been enshrined in the OECD Guidelines for Multinational Enterprises, the OECD Due Diligence Guidance for Responsible Business Conduct, and other international voluntary and regulatory instruments.
- 2.3 Human rights due diligence is commonly recognized to include the following five elements:
- 2.3.1 Embed responsible business conduct into company policies and management systems;
 - 2.3.2 Identify, assess, and prioritize risks as a result of business activities and relationship;
 - 2.3.3 Design and implement strategies to cease, prevent, mitigate, and address these risks, including through remediation;
 - 2.3.4 Track implementation and performance;
 - 2.3.5 Communicate about performance including actions taken, their effectiveness, and on-the-ground outcomes.
- 2.4 The firm's obligations regarding due diligence are increasingly being incorporated into government regulations to address both the environmental and human rights impacts of commodity supply chains.

3. WHAT'S THE DIFFERENCE BETWEEN VALUE CHAINS AND SUPPLY CHAINS?

- 3.1 A supply chain includes all the raw materials and components that are made into a product and distributed up the chain for usage by the firm. For instance, if one considers the masses of paper that the firm uses on a daily basis: the paper has to be sourced from raw materials, these raw materials are converted into paper at a factory, the factory will sell the paper in wholesale to a distributor who in turn will package the paper into reams which is then sold to retailers. It is at the retailer that the firm will acquire its quota of paper.
- 3.2 In contrast, a value chain encompasses all the individual steps that are taken for the firm to be able to deliver its services. That includes not only physical components but also various value-

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adding activities that might be classified as part of the “knowledge economy”—things such as innovation, design, marketing, and sales—and that lead to the development of a product ready for the firm to use in delivering its services to its clients.

4. WHAT IS SUPPLY CHAIN DISRUPTION?

- 4.1 When any link in a supply chain is not working optimally, you might say the supply chain has been disrupted.
- 4.2 Different issues can emerge. For example, an increase in inbound material costs because one material costs more this year than it did last year can have major implications on a firm’s cost structure.
- 4.3 Or labour market mismatches which can cause operational concerns. For instance, if transport companies are unable to find enough people who want to drive trucks to deliver goods throughout any part of the supply chain.
- 4.4 There are five areas in which supply chain vulnerabilities most often arise:
 - 4.4.1 planning and supplier networks;
 - 4.4.2 transportation and logistics systems;
 - 4.4.3 financial resiliency;
 - 4.4.4 product complexity;
 - 4.4.5 organizational maturity.
- 4.5 Research suggests that supply chain disruptions lasting in excess of one month or longer now occur every 3.7 years, on average. These disruptions can have a steep price: they cost the average organization 45 percent of annual profits over the course of a decade.

5. WHAT ARE SOME SUPPLY CHAIN RISKS?

- 5.1 Although the COVID-19 pandemic has delivered the biggest supply chain or value chain shock in recent memory, other examples abound.
- 5.2 The Russian invasion of Ukraine has led to the worst humanitarian crisis in Europe since World War II, as well as supply chain disruptions in critical sectors, including agriculture, automotive, energy, and food.
- 5.3 Changes in the environment and global economy have increased the frequency and magnitude of these shocks. For instance, the 2011 earthquake and tsunami in Japan shut down electronics factories, and 2017’s Hurricane Harvey disrupted US oil refineries and petrochemical plants, ultimately leading to shortages of some plastics and resins critical to different industries.
- 5.4 The main types of supply chain shocks can be categorised into four different types, based on their impact, lead time, and frequency of occurrence:

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- 5.4.1 *Unanticipated catastrophes.* These are historically remarkable events that *can't* be anticipated and lead to trillions of dollars in losses. Examples include extreme terrorism and a systemic cyberattack.
 - 5.4.2 *Foreseeable catastrophes.* Shocks in this category are of a similar magnitude to an unanticipated catastrophe but differ in that larger patterns and probabilities can guide general preparedness. Examples include financial crises and global military conflicts.
 - 5.4.3 *Unanticipated disruptions.* These are serious and costly events but are on a smaller scale than catastrophes. Examples include data breaches, product recalls, and industrial accidents.
 - 5.4.4 *Foreseeable disruptions.* Some disruptions can be spotted in advance of their arrival. Examples include China–US trade disputes and the United Kingdom's exit from the European Union.
- 5.5 Organizations often focus on managing the shocks that they see most often.
- 5.6 The COVID-19 pandemic is a reminder that while outliers are rare, organizations still need to consider such possibilities when making decisions and strategic moves. For most organizations, that will mean expanding supply chain executives' long-standing focus on cost (and capital usage), service, and quality to include three new priorities: resilience, agility and sustainability.

6. HOW DOES INFLATION AFFECT SUPPLY CHAINS?

- 6.1 Inflation can play a large role in supply chain challenges. When inflation occurs, costs for input materials (such as energy) can rise substantially, having negative effects on the firm's profits and losses.
- 6.2 One way to adjust is to increase prices (fairly) for clients. The firm should make more informed decisions by using an exposure matrix to assesses which categories of their service delivery components are exposed to market forces and whether the market is inflating or deflating.
- 6.3 Also, the firm is not necessarily at the mercy of suppliers that say they have to increase prices in an inflationary market. There are several strategies for negotiating such supplier demands.

7. WHAT IS SUPPLY CHAIN RESILIENCE?

- 7.1 Resilience refers to the ability to withstand, adapt, and thrive in the face of internal and external shocks—both known and unknown.
- 7.2 More specifically, operational resilience, which encompasses supply chains, is about the firm maintaining robust service delivery rates that can accommodate shifts in demand and cost and remain stable amid disruption, without letting quality slide.
- 7.3 When it comes to supply chain management, there are three steps that the firm can take to account for long-term uncertainty and possible upheaval:

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- 7.3.1 *Firefighting.* This refers to short-term, day-to-day actions that can help identify previously overlooked supply chain gaps. These tactics don't build resilience, however, so they should be used only in concert with more complex, long-term reforms.
- 7.3.2 *Integrating and streamlining operations.* Here, three actions can be critical to building resilient supply chains:
 - 7.3.2.1 creating a nerve centre to consolidate organizational responses;
 - 7.3.2.2 simulating and planning for extreme supply and demand disruptions;
 - 7.3.2.3 re-evaluating just-in-time inventory strategies.
- 7.3.3 *Achieving structural resilience.* Quick responses are easier to accomplish, but if long-term resilience is the goal, the following techniques can help:
 - 7.3.3.1 constructing a digital twin of the most critical parts of the supply chain, allowing for simulations and test cases;
 - 7.3.3.2 creating and testing "what if" scenarios;
 - 7.3.3.3 increasing data sharing with suppliers;
 - 7.3.3.4 considering ring-fencing a small part of the supply chain team.
- 7.4 Other factors, such as building transparency for multiple tiers of suppliers, will be crucial vis-à-vis supply chain risk management.
- 7.5 To take just one example, tapping into digital tools, building skills, and getting clear on processes could help the firm avoid a disaster from occurring if all its printers, for instance, pack up at the same time or where paper stores run so low that the secretaries are unable to prepare documents for the files.

8. HOW DO GREAT SUPPLY CHAIN ORGANIZATIONS WORK?

- 8.1 Supply chain management (and operations, more broadly) is now a CEO/Managing Director level concern. Some of the strategic operational questions that CEOs and Managing Directors have on their agenda include the following:
 - 8.1.1 Can we meet customer demand both today and tomorrow?
 - 8.1.2 Should we boost capacity to prepare for prolonged, rapid growth or reduce it to prepare for a slowdown?
 - 8.1.3 Where will we find workers who are skilled and digitally savvy?
 - 8.1.4 How do we decarbonize, minimize regulatory risk, and stay in business?

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- 8.2 Incremental efforts are not enough to capture the full potential and drilling down in the right supply chain structure and physical footprints is a critical starting point.
- 8.3 While it will take time to adapt supply or value chains (given challenges related to finding and qualifying alternative suppliers, negotiating prices and then ensure timeous supply from the new suppliers), taking a fresh look at networks and supply chain structures can help the firm move forward.
- 8.4 One of the solutions is usually to have services divided into several departments rather than allowing for all the firm’s departments to be serviced simultaneously. This could reduce the budgetary constraints in managing all the suppliers for the firm under one umbrella and at one time where instead the firm could analyse each department in the firm individually for needs and by doing so, could eliminate waste but also ensure that there is sufficient forward planning in the event of a critical supply chain disaster.
- 8.5 As part of the firm’s overall risk mitigation planning, Management must dedicate time to discuss the different choices of supply chain. A variety of organizational mechanisms can supplement structure and help lead to successful outcomes. The six top markers of great supply chain teams are:
- 8.5.1 end-to-end coordination;
 - 8.5.2 decision rights;
 - 8.5.3 performance metrics;
 - 8.5.4 social cohesion;
 - 8.5.5 career mobility;
 - 8.5.6 capability growth.

9. WHAT ABOUT DIGITAL SUPPLY CHAINS?

- 9.1 Very few establish law firms have fully digitized their end-to-end operations.
- 9.2 But digitization can indeed be feasible as a solution to operational challenges seen across many companies and industries.
- 9.3 Industry 4.0 or the Fourth Industrial Revolution (4IR), describes the impact that increased connectivity and automation have had on technology, industry, and society. In a survey of more than 400 global manufacturers, more than 90 percent of respondents said Industry 4.0 has helped them sustain their operations during the COVID-19 crisis. Over half said their digital transformations have been crucial to their pandemic responses.
- 9.4 Digitization, including advanced analytics, automation, and machine learning, can help operations become more productive, flexible, and geared for speed.
- 9.5 Such approaches have yielded real results for some leading organizations—for example, reducing inventory by 30 percent, lowering cost of quality by 50 percent and improving cash and productivity by 30 percent. Surveys also suggest that digitization and an embrace of Industry 4.0 technologies can boost eco-efficiency in supply chains.

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- 9.6 While some leading organizations have already realized value from digitization, others are lagging behind. Modernising supply chain IT—for instance, to improve demand forecasting and planning systems—can have a powerful effect. For organizations looking to step up on IT for supply chain planning, three steps can help:
- 9.6.1 Redesign processes;
 - 9.6.2 Select vendors;
 - 9.6.3 Create an implementation road map.
- 9.7 Cumulatively, these changes can have a significant impact, especially when they support a successful rollout of integrated business planning (IBP).
- 9.8 Compared with organizations that lack a well-functioning IBP process, the average mature IBP practitioner realizes soon enough that structuring the supply chain risks will benefit the firm in the long term.
- 9.9 Not all firms always have the full picture and the exercise of assessing the supply chain risks may seem unnecessary or like a waste of time. That is why digital becomes such an important part of the solution— this allows you an end-to-end picture. All legal practices, including the firm, must be able to see emerging risks further upstream and downstream than ever before. To get there, they must explore demand sensing, look at suppliers’ production schedules and logistics plans and use digital platforms to monitor need, usage and the supply risks of the specific components.

10. HOW DOES A SUPPLY CHAIN AFFECT SUSTAINABILITY?

- 10.1 Managing the firm’s environmental impact holistically can help in addressing environmental, social, and governance issues more broadly. And the first step is often to understand the potential impact of driving eco-efficiency.
- 10.2 Within supply or value chains, resource clean-sheeting can help in designing cost-effective, carbon abated products and components. Designers, engineers, and purchasers could use this approach to identify factors that affect costs and emissions for a given product or service along the entire value stream and throughout its life cycle.
- 10.3 Many South African companies are already thinking about how to decarbonize their supply chain, focusing on Scope 3 emissions—that is, emissions generated up - and downstream in the value chain. This category of emissions can account for 80 percent of many companies’ overall climate impact.

11. WHY SHOULD COMPANIES USE THE ACCOUNTABILITY FRAMEWORK AS A GUIDE TO EFFECTIVE DUE DILIGENCE?

- 11.1 Building on well-established Human Rights Due Diligence (“HRDD”) approaches, the UN’s Accountability Framework provides a detailed reference for implementing responsible supply

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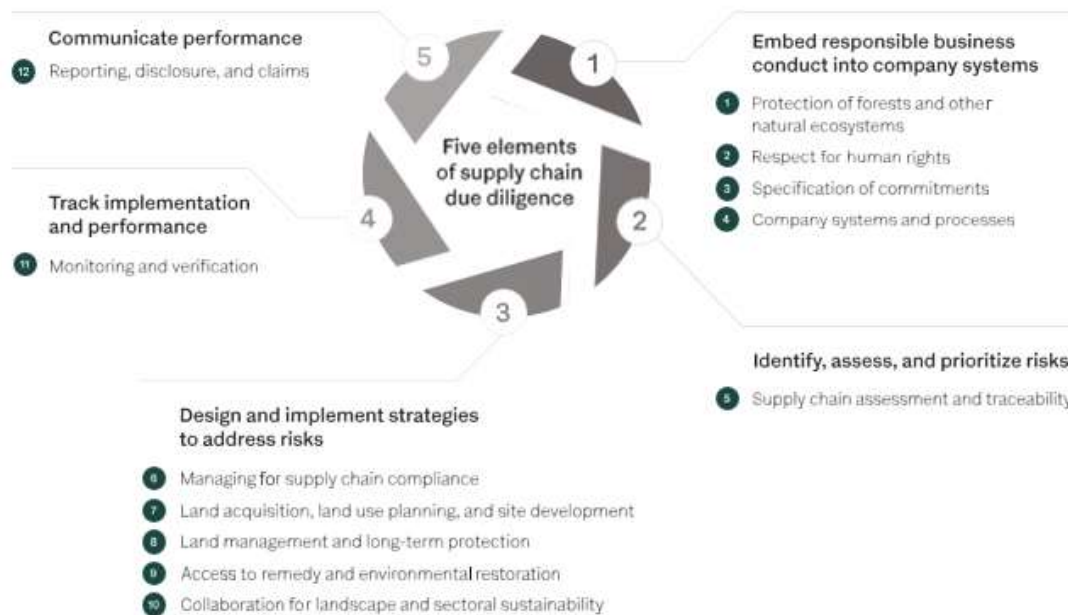
chains in the agriculture and forestry sectors, both of which may well affect the firm’s supplier chain.

- 11.2 There are several advantages to using the Accountability Framework to guide supply chain due diligence. These include:
- 11.2.1 Environment and human rights: The Framework addresses both environmental and human rights risks in an integrated manner. Following this approach can help companies to improve efficiency and avoid siloed actions, given that environmental and human rights issues are frequently linked and that both must be addressed through effective company policies, systems, and supply chain management processes.
 - 11.2.2 A recognized and accepted approach: The Framework is a consensus-based guideline that has been widely applied in nearly all major forest-risk soft commodity sectors. It thus supports companies to apply due diligence in a manner consistent with the prevailing expectations of market actors, civil society, and other stakeholders. It also supports companies to act in concert, using a standardized approach to enable business-to-business compatibility.
 - 11.2.3 Interoperable with existing systems: Many monitoring tools, reporting systems, and standards/guidelines (e.g., certification programmes) that companies may use to implement supply chain due diligence are well-aligned with the Accountability Framework, providing an ‘umbrella’ approach that helps align action company-wide.
 - 11.2.4 Universally applicable: The Framework is applicable globally and for all agricultural and forestry commodities, while also aligning with context-specific guidelines. This provides coherence across an entire company, supported by necessary levels of detail for different commodities, origins, and types of suppliers.
 - 11.2.5 Attuned to the value chain: Recognizing the roles of different supply chain actors in effective due diligence, the Framework provides differentiated guidance per type of actor within an overall logic of end-to-end compliance and risk mitigation in multi-level supply chains.

<p>12. HOW CAN THE FIRM USE THE ACCOUNTABILITY FRAMEWORK AS AN ENVIRONMENTAL AND HUMAN RIGHTS DUE DILIGENCE TOOL?</p>
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- 12.1 The Accountability Framework’s 12 Core Principles map well onto the five standard elements of the due diligence process.
- 12.2 They elaborate on these general elements with specific guidance, definitions, and implementation tools to help companies practically apply the due diligence approach in the context of their business. Below is an overview of how companies can use the Framework to guide their work on each element of the due diligence process

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12.3 Embed responsible business conduct into the firm’s policies and management systems:

- 12.3.1 A foundational expectation for due diligence is to set clear company policies and embed these in business management systems.
- 12.3.2 The Accountability Framework’s Core Principles 1-3 outline good practice for companies to establish responsible supply chain policies.
- 12.3.3 Core Principle 1 specifies the main elements to include in commitments to deforestation-free and conversion-free supply chains, including cutoff dates and definitions of all key terms (such as natural forest, deforestation, and conversion). Use of these definitions avoids ambiguity and provides a single coherent approach for an entire company, since the definitions apply globally and for all soft commodity sectors.
- 12.3.4 Additional guidance explains how to interpret and apply these definitions in different contexts.
- 12.3.5 The Framework’s Core Principle 2 outlines the elements of a strong company policy to respect internationally recognized human rights. These include the rights of indigenous peoples and local communities (IPLC) and their specific right to free, prior, and informed consent (FPIC). They also include the rights of all workers under the ILO fundamental conventions as well as the right to a living wage.
- 12.3.6 Effective due diligence requires considering risks and impacts across the firm’s entire set of operations and supply chains. Consistent with this expectation, the Framework’s Core Principle 3 outlines how companies should specify their policy scope. Recognizing that it

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may take time for companies to fulfil commitments while still needing to demonstrate accountability, this section of the Framework also describes how time-bound action plans and milestones can be used to monitor and report on progress.

12.3.7 To guide the embedding of commitments into company operations, the Framework's Core Principle 4 specifies key elements of internal management systems, senior leadership accountability, and other operational mechanisms that help integrate policy commitments into company processes and practices. The Framework also details good practices for establishing and operating company grievance mechanisms. Grievance mechanisms are an essential instrument for both detecting and addressing risks and impacts in a firm's operations and supply chains.

12.4 Identify, assess, and prioritize risks to human rights and to the environment as a result of business activities and relationships:

12.4.1 Identification of the firm's risks requires combining information on the firm's operations and supply base with data on risk profiles of specific operations, suppliers, and areas of origin. In this regard, supply chain mapping and traceability are fundamental components of supply chain due diligence, yet the firm is often unclear about how much traceability is enough in a given context. To support the firm in answering this question, the Framework's Core Principle 5 provides guidance on the needed level of traceability for different supply chain actors in different contexts, and the multiple ways in which this may be achieved.

12.4.2 Core Principle 5 and its associated guidance also provide criteria for effective risk assessment, including the information that should be gathered and analysed as part of the supply chain mapping, assessment, and prioritization process.

12.4.3 Guidance is also provided on how to assess compliance with applicable law in relation to all environmental and human rights risks as part of the risk assessment process.

12.5 Design and implement strategies to cease, prevent, mitigate, and address risks, including through remediation:

12.5.1 The actions taken to respond to environmental and social risks will vary based on the company's supply chain position.

12.5.2 For upstream companies that own or manage land, the Accountability Framework's Core Principles 7 and 8 provide guidance on land acquisition, land management, and responsible production that support long-term protection of forests and ecosystems while safeguarding the rights of indigenous peoples and local communities.

12.5.3 And the Framework's Operational Guidance on Workers' Rights provides detail on implementing company obligations to respect human rights in the workplace.

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- 12.5.4 For downstream buyers sourcing commodities from suppliers, the Framework's Core Principle 6 outlines the key elements of supplier management systems to assess and manage risk upstream to the supply base level.
 - 12.5.5 Consistent with the due diligence approach of addressing risks and supporting improvement, the Framework advises the firm in most cases to engage suppliers to address outstanding instances of non-compliance, rather than immediately divesting from riskier areas as a means to quickly 'clean' their supply chains.
 - 12.5.6 However, the exclusion of persistently or severely non-compliant suppliers is warranted in some cases. The Framework provides criteria and considerations to help the firm choose the best course of action in each given case to mitigate existing risk and prevent future negative impacts.
 - 12.5.7 Effective mitigation sometimes requires taking action to remediate past environmental or human rights harms while preventing new harms.
 - 12.5.8 The Framework's Core Principle 9 and associated guidance outlines good practice for remedy in the case of adverse impacts to human rights as well as effective restoration and/or compensation in the case of environmental harms including deforestation and conversion. Grievance mechanisms are one important tool for identifying remediation needs, planning appropriate remediation actions together with affected parties, and tracking progress toward resolving risks and impacts.
 - 12.5.9 Since deforestation, ecosystem conversion, and human rights impacts are not always fully within a company's control, effective prevention and mitigation strategies sometimes require a company to engage beyond its direct operations and supply chains.
 - 12.5.10 Recognizing this need, the Framework's Core Principle 10 elaborates actions that companies can take at the landscape and sectoral levels in partnership with other organizations, to address risk associated with their business. Such actions are integral to the due diligence process, not separate from it.
- 12.6 Track implementation and performance:
- 12.6.1 The Accountability Framework's Core Principle 11 defines the key elements associated with monitoring and verification of progress toward, or fulfilment of, environmental protection and human rights obligations. Guidance is provided on different methods for monitoring environmental and social outcomes at the supply-base level, based on the firm's supply chain position.
 - 12.6.2 For the firm's downstream in the supply chain, this includes monitoring key attributes of suppliers and their own due diligence systems. The Framework also provides an indicative set of monitoring metrics and criteria for effective use of independent verification.

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13. PERFORMANCE MONITORING

- 13.1 The Managing Director of the firm must appoint a Supply Risk Manager who will be tasked to establish and implement an internal monitoring system. This appointment will be made within 90-calender days from implementation of this framework document.
- 13.2 The Supply Risk Manager will apply the AFI principles described above in order to determine, on the basis of a retrospective analysis, whether the authorised supply chain management processes were followed and whether the objectives of this Framework document were achieved.
- 13.3 Performance management shall accordingly be characterised by a monitoring process and retrospective analysis to determine whether:
- 13.3.1 value for money has been attained;
 - 13.3.2 proper processes of onboarding suppliers were followed;
 - 13.3.3 desired objectives have been achieved;
 - 13.3.4 there is an opportunity to improve the process;
 - 13.3.5 suppliers have been assessed and what the criterion for assessment is; and
 - 13.3.6 whether there has been deviation from procedures and, if so, what the reasons for that deviation are.

14. ETHICAL STANDARDS

- 14.1 The firm's Code of Conduct and Conflict of Interest Policies must be applied by Management of the firm and all employees in the supply chain management system of the firm in order to promote:
- 14.1.1 mutual trust and respect; and
 - 14.1.2 an environment where business can be conducted with integrity and in a fair and reasonable manner.
- 14.2 An employee or other role player involved in the implementation of this Framework document:
- 14.2.1 must treat all providers and potential providers equitably;
 - 14.2.2 may not use his or her position for private gain or to improperly benefit another person;
 - 14.2.3 may not accept any reward, gift, favour, hospitality or other benefit directly or indirectly, including to any close family member, partner or associate of that person other than what is allowed in the Conflict of Interest Policy;
 - 14.2.4 notwithstanding clause 14.2.3. must declare to the Supply Risk Manager the details of any reward, gift, favour, hospitality or other benefit promised, offered or granted to that person or to any close family member, partner or associate of that person;

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- 14.2.5 must declare to the Supply Risk Manager the details of any private or business interest which that person, or any close family member, partner or associate, may have in any proposed procurement or disposal process of, or in any award of a contract by the firm;
 - 14.2.6 must immediately withdraw from participating in any manner whatsoever in a procurement or disposal process or in the award of a contract in which that person, or any close family member, partner or associate, has any private or business interest;
 - 14.2.7 must be scrupulous in his or her use of property belonging to the firm;
 - 14.2.8 must assist the accounting officer in combating fraud, corruption, favouritism and unfair and irregular practices in the supply chain management system; and
 - 14.2.9 must report to the accounting officer any alleged irregular conduct in the supply chain management system which that person may become aware of, including:
 - 14.2.9.1.1 any alleged fraud, corruption, favouritism or unfair conduct;
 - 14.2.9.1.2 any alleged contravention of clause 13 above; or
 - 14.2.9.1.3 any alleged breach of this code of ethical standards.
- 14.3 Declarations in terms of clauses 14.2.4 to 14.2.9:
- 14.3.1 must be recorded in a register, which the accounting officer must keep for this purpose;
 - 14.3.2 by the accounting officer must be made to the mayor of the municipality who must ensure that such declarations are recorded in the register.

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DEFINITIONS:

AFI: means Accountability Framework Initiative which is a roadmap for achieving ethical supply chains that protect forests, natural ecosystems, and human rights. The Framework gives consensus-based guidelines for companies in the agriculture and forestry sectors. [Home - Accountability Framework \(accountability-framework.org\)](https://www.accountability-framework.org/)

4IR or Industry 4.0 or the Fourth Industrial Revolution: is a neologism describing rapid technical advancement in the 21st century. The term was popularised in 2016 by Klaus Schwab, the World Economic Forum founder and executive chairman who asserts that these developments represent a significant shift in industrial capitalism. A part of this phase of industrial change is the joining of technologies like artificial intelligence, gene editing to advanced robotics that blur the lines between the physical, digital, and biological worlds. Throughout this, fundamental shifts are taking place in how the global production and supply network operates through ongoing automation of traditional manufacturing and industrial practices, using modern smart technology, large-scale machine-to-machine communication (M2M), and the Internet of Things (IoT). This integration results in increasing automation, improving communication and self-monitoring, and the use of smart machines that can analyse and diagnose issues without the need for human intervention. [4IR.pdf \(thedtic.gov.za\)](#)

FPIC: means the IPLC's specific right to free, prior, and informed consent

HRDD: means Human Rights Due Diligence;

IPLC: means indigenous peoples and local communities (IPLC)

THE FIRM: means BEKKER BRINK & BRINK INCORPORATED, Registration number 1994/009663/21 situated at ABSA Building, 2nd Floor, 60 Church Street, Ermelo, 2351.