

# Shoprite Group

## Supplier Code of Conduct

### Document Properties

<b>Entity</b>	Shoprite Holdings Limited ("Shoprite Holdings") and all its subsidiaries, (also referred to as the "Shoprite Group" or "Group" or "Shoprite").
<b>Document name</b>	Supplier Code of Conduct
<b>Applicability</b>	This Code of Conduct is applicable to all existing and potential Shoprite Group third party trade and non-trade suppliers (irrespective of products, goods or services), their subcontractors, inclusive of directors, management and employees, as well as joint venture partners, agents, representatives, consultants and all other third-party companies that comprise the Shoprite Group's value and supply chain in all the countries the Group trades in.
<b>Policy owner</b>	Ownership of the Supplier Code of Conduct vests in the Directors and Management of the Shoprite Group, who are mutually responsible for implementation of the Code of Conduct.  Group Compliance assists the Directors and Management to implement the Supplier Code of Conduct and monitor compliance. Any non-compliance is reported to the Management Risk Forum ("MRF") and escalated to the Shoprite Holdings Audit and Risk and Social & Ethics Committees where applicable.
<b>Document path</b>	Intranet
<b>Classification</b>	Internal and External
<b>Related documents</b>	Supplier Onboarding document, Master Agreement, Supplier Terms and Conditions, Trade Terms and other Addendums, as applicable.

### Version Control

Date	New / Adjustment	Authors	Version
5 August 2020	New	Group Risk and Compliance	V1
November 2023	Minor amendments	Group Compliance	V2
11 April 2024	Removed referral to internal policies	Group Compliance	V2.1

### Internal Reviewers

Name	Department	Function/Role	Version
Pieter du Preez, Rene Langenhoven & Pieter Immelman	Company Secretarial, Legal & Internal Audit	Company Secretary, Senior Legal Advisor and Group Internal Audit Executive	V1
Marie van Heerden	Group Compliance	Group Compliance Manager	V2
Marie van Heerden	Group Compliance	Group Compliance Manager	V2.1

### Annual Review and Approvals

Date Approved	Approved By	Version
6 October 2020	Management Risk Forum	V1
8 April 2024	Pieter du Preez	V2
11 April 2024	Pieter du Preez	V2.1

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## **1. OUR PURPOSE AND VALUES**

The Shoprite Group is Africa's largest fast-moving consumer goods retailer. Our customers are at the heart of what we do and the reason for our business. Our purpose is to provide them access to affordable products wherever they are.

To achieve what we set out to do, we stay focused on pioneering access to the most affordable goods and services, creating economic opportunity, protecting our Planet. Our values guide our behaviour to fulfil our purpose and they define how we do business.

### **1.1 DOING THE RIGHT THING: excellence, integrity and care**

We aim to put our customers first. We do this through excellent service. Our employees are empowered to ensure that our customers leave our stores happy.

Integrity is of utmost importance. We strive to treat everyone with respect. We are accountable for our actions and we behave in an ethical way to build trust with our stakeholders.

We #ActforChange beyond our own doors. Through job creation, affordable products, hunger relief and other programmes, we work to create shared value for our communities.

### **1.2 SAVING TO SHARE: efficiency and commitment**

We focus relentlessly on keeping costs low and aim to become more efficient. We know where and how every Rand is spent and our business and operational processes are set up to manage the use of resources by reducing waste and minimising harm to the natural environment.

We help where we can. We have a specific focus on food security. When we have surplus food or resources, we distribute it to people and organisations in need.

### **1.3 DEVELOPING LOCAL: growth, opportunity and transformation**

We invest in our people. We also aim to transform our business, develop our peoples' careers and promote from within. We believe that if we invest in our people, they will invest in us.

Our scale and effective supply chains create opportunities for local and small suppliers. Where we can, we procure and support them, providing access to our markets and helping them to grow and thrive.

We embrace economic transformation through job creation, skills and career development, local sourcing and social upliftment.

## **2. OUR COMMITMENT**

2.1 To achieve our strategic objectives, we need to harmonise and balance our financial-, intellectual-, human-, manufactured-, natural- and social capital, our stakeholder relationships and value creation in our supply chain.

2.2 In doing so we are committed to ensuring that we:

- operate in a way that respects both human and workers' rights as entrenched in our Human Rights Policy;
- maintain a safe work and trading environment;
- uphold applicable labour and employment laws, as well as any other laws and regulations applicable to our business, including the South African principles of Broad-Based Black Economic Empowerment ("B-BBEE") as set out in the Department of

Trade, Industry and Competition (“DTIC”) B-BBEE Codes of Good Practice;

- are guided by government policy in the countries in which we trade;
- consider the United Nations sanction lists in our country sourcing strategy.

2.3 We protect the environment for future generations and are fully committed to and have embedded the ethical trading fundamentals embodied in the United Nations Global Compact principles into our business, namely:

2.3.1 Human Rights to:

- support and respect the protection of internationally proclaimed human rights; and
- make sure that we are not complicit in human rights abuses.

2.3.2 Labour to:

- uphold the freedom of association and the effective recognition of the right to collective bargaining;
- eliminate all forms of forced, bonded and compulsory labour;
- prohibit oppressive \*child labour;
- eliminate all forms of discrimination in respect of employment and occupation;
- provide working conditions that are safe and hygienic;
- pay no less than the minimum prescribed wage; and
- ensure that working hours are not excessive.

2.3.3 Environment to:

- support a precautionary approach to environmental challenges;
- undertake initiatives to promote greater environmental responsibility;
- encourage the development and diffusion of environmentally friendly technologies;
- comply with all applicable environmental laws;
- commit to environmental efficiency and improvement over time; and
- promote animal welfare by the minimising any potential harm to animals.

2.3.4 Anti-Corruption

We work against corruption in all its forms, including extortion and bribery.

Our third-party suppliers, service providers and business partners, whatever their location, play a critical role in this regard. We partner with suppliers who share our values and who are equally committed to conducting their businesses responsibly, honestly, transparently, legally, ethically and sustainably. Our collective and shared values together with ongoing collaboration enables us to continuously provide our customers with consistently high-quality products, goods and services.

Our values and standards are not negotiable and is part of who we are.

### **3. OUR ASK FROM OUR SUPPLIERS**

We invite all our new and existing suppliers, and your suppliers (our secondary suppliers), to join us on this exciting journey, to bring about lasting positive sustainable change, gain the mutual beneficial rewards from embracing and living our values and achieving the highest ethical standards, as set out in our Supplier Code of Conduct, by complying with the following:

### 3.1 Human Rights

Suppliers shall comply with all applicable laws, including the ten principles of the United Nations Global Compact.

Suppliers shall ensure that they promote equal human rights and refrain from discrimination, differential treatment and harassment of any sort.

### 3.2 Employment and Labour

Suppliers shall ensure that they:

- create equal opportunities for their employees and adhere to the provisions of Employment and Labour Laws;
- eliminate all forms of discrimination in respect of employment and occupation;
- pay their employees fairly and adhere to the provisions of Remuneration Laws any union agreements or industry standards;
- recognise and respect their employees' rights under the Employment and Labour Laws;
- uphold the freedom of association and the effective recognition of the right to collective bargaining;
- provide working conditions that are safe and hygienic;
- eliminate all forms of forced, bonded and compulsory labour; and
- refrain from any oppressive child labour practices.

### 3.3 Environmental

Suppliers shall ensure compliance with all applicable environmental laws, regulations and standards.

Suppliers shall strive to implement and maintain environmental policies with the aim to conduct their actions in an environmentally responsible way and to be transparent and accountable for their environmental performance.

### 3.4 Bribery & Corruption

Suppliers shall at all times adhere to the principles of Anti-Bribery and Corruption and all applicable laws governing this topic, including the United Nations Global Compact Principle 10.

Suppliers shall, where Shoprite engages in the supply chain, ensure that their suppliers (secondary suppliers) do not commit any act of bribery or corruption, be it the giving or receiving of bribes, kickbacks, facilitation payments or other unlawful payments.

### 3.5 Competition Law

Suppliers shall conduct their business in accordance with all applicable laws and regulations which are intended to promote free and fair competition and shall refrain from entering prohibited practices, arrangements or agreements, be it formal or informal, such as collusion, price fixing or market sharing.

### 3.6 Business Continuity and Disaster Management Planning

Suppliers shall be geared for any unforeseen disruption of its business and/or operations (e.g., natural disasters, terrorism, software viruses, pandemics, etc.). This expressly includes disaster recovery plans aimed at protecting its employees, the business and the environment.

### 3.7 Confidential and Proprietary Information

Suppliers shall refrain from sharing and/or disclosing any proprietary and/or confidential information, intellectual property and/or trade secrets of the Shoprite Group, unless authorised to do so in writing or as may be required, by law.

Suppliers shall adhere to all laws governing the protection, transfer, storage, access and destruction of personal information in conformity with the privacy legislation of the countries in which they operate. Please refer to the [Shoprite Group's Data Privacy Statement](#).

### 3.8 Gifts

Suppliers shall refrain from offering and/or providing gifts, services, benefits, entertainment, hospitality or favours to any employee in the Shoprite Group, their family members or friends in order to influence a business decision.

### 3.9 Conflicts of Interest

Suppliers shall immediately notify Shoprite in writing of all potential and actual conflicts of interest it is aware of, in any business dealings it may have with the Shoprite Group as well as report on how the conflict will be removed.

In addition, Suppliers shall also inform Shoprite of any new or change in circumstances which is or may be perceived as being a conflict of interest as soon as such conflict arises and advise on how the conflict will be removed.

### 3.10 Tax compliance

Suppliers shall ensure they are fully compliant with all applicable tax laws and regulations in the countries in which they operate.

Suppliers shall ensure that adequate and effective controls are implemented, and audited, to minimise the risk of tax evasion or the facilitation thereof.

### 3.11 Sanctions

Suppliers shall ensure that they comply with any and all sanction regimes (UN, USA, UK) that affect business. These include sanctions against individuals, legal entities and countries.

Suppliers shall at all times ensure that they have sufficient controls in place to limit their risk of breaching any sanctions (e.g., sanction screening) and that they create awareness and train their employees to ensure that they fully understand these controls as well as the consequences when breaching any sanctions.

### 3.12 Illicit Trade

Suppliers shall refrain from engaging or supporting unlawful trading and will ensure there are sufficient controls in place to prevent illicit trade.

### 3.13 Compliance with laws

Suppliers shall ensure that they comply with all applicable laws and regulations governing the countries in which they operate.

Suppliers shall notify Shoprite in writing and within a reasonable period of time of any significant legal action brought against them, albeit civil or criminal and will also notify Shoprite of any penalties or administrative sanctions imposed by a Regulator against them.

It is the responsibility of a supplier to ensure it is in possession of the required licenses,

approvals, registrations etc. required for conducting its business.

#### 3.14 International Trade Regulations

Suppliers shall ensure they adhere to all trade and import regulations that apply to their respective businesses.

#### 3.15 Health and Safety

Suppliers shall ensure that they provide a safe and healthy working environment to their employees and that they comply with all the relevant occupational health and safety laws and regulations at all times.

#### 3.16 Animal Welfare

Suppliers are expected to apply all reasonable efforts to ensure that animals under their care (or the care of their subcontractors and other supply chain partners) are treated in a humane manner by minimising any potential harm or stress to animals.

#### 3.17 Broad-based Black Economic Empowerment

Suppliers must annually provide a copy of their valid BBBEE certificate or affidavit (for small or medium suppliers who qualify for the stipulated threshold according to the BBBEE Act). Documents should be emailed to: [beecertificates@shoprite.co.za](mailto:beecertificates@shoprite.co.za).

### **4. INSPECTIONS AND DOCUMENTATION**

Suppliers are expected to perform periodic assessments of their facilities and operations, and those of their subcontractors and/or other supply chain partners that provide goods or services to the Shoprite Group to ensure compliance with these Principles and local legislation.

Suppliers may be required to agree to annual on-site inspections by a Shoprite representative or designated independent third party to evaluate facilities and operations, and those of its subcontractors and/or other supply chain partners, to the extent applicable. Suppliers must keep documents and records to ensure compliance with local laws and to enable Shoprite or its designated independent third party to monitor compliance with these Principles.

### **5. REPORTING**

It is the responsibility of the Supplier to ensure that Shoprite is made aware of instances where their employees or any part of their business has acted outside the scope of this Supplier Code of Conduct. The Supplier shall inform the relevant relationship manager of Shoprite as soon as this comes to their attention and that the Supplier undertakes to address any internal issues with the relevant employee(s) and/or part of their business and will advise the relationship manager once this has been resolved.

### **6. BREACH**

If a Supplier violates this Code the Group reserves the right, in its sole discretion, to terminate its business relationship with the Supplier. Alternatively, the Group may request the Supplier to implement immediate corrective measures.

All Suppliers and employees of the Group should report any conduct that is inconsistent with the letter and spirit of this Code. The Group will ensure that safe and effectively managed processes are in place for employees and suppliers to report unethical conduct.

Suppliers may elect to contact the Group Compliance Manager at [groupcompliance@shoprite.co.za](mailto:groupcompliance@shoprite.co.za) or to provide such information on an anonymous basis via the Group's anonymous tip-off line at 0800 11 88 79.

## **7. ACKNOWLEDGEMENT BY SUPPLIERS**

This Supplier Code of Conduct forms part of the terms and conditions between your organisation and the Shoprite Group. By signing this Code of Conduct, you warrant that you are duly authorised to do so and agree to be bound by these requirements, notwithstanding anything to the contrary which may be contained in any contractual arrangement between the Shoprite Group and your organisation.

Entity Registered Name	
Entity Trading Name	
Registration Number	
Name of Signatory	
Designation of Signatory	
Signature	
Date	

All our suppliers are bound by this Code of Conduct. Suppliers are required to take the necessary steps to ensure that the Code of Conduct is communicated throughout their organisations. Suppliers providing our own brand products will be regularly audited to ensure adherence to our codes and to improve outcomes over time.