

# NEDLAC CODE OF ETHICS

National Economic Development  
and Labour Council





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## 1. DEFINITIONS

<b>Code of Ethics</b>	Means the Nedlac Code of Ethics contained in this document
<b>Conflict of Interest</b>	means a situation in which an individual exploits a relationship for personal or pecuniary benefit; and means a situation in which an individual exploits a relationship for a personal or individual business interest.
<b>Convenor</b>	Means the person designated by each constituency in each chamber in terms of section 6.2.2 (f) of the Nedlac constitution.
<b>Constituency</b>	means organised business, or organised labour, or the government or organisations of community and development interests
<b>Constitution / Nedlac Constitution</b>	means the Nedlac constitution as provided for in section 4 of the Nedlac Act (Act 35 of 1994)
<b>Council</b>	means the Nedlac Council, established in terms of section 3 of the constitution.
<b>Executive Director</b>	means the executive director appointed by the executive council of Nedlac to head the secretariat, accountable to the executive council and management committee, in terms of sections 17.2 and 17.3 of the constitution.
<b>Immediate Family</b>	means a Member's spouse, permanent companion or dependents
<b>The Minister</b>	means the Minister of Employment and Labour
<b>Nedlac</b>	means the National Economic, Development and Labour Council, established in terms of the Nedlac Act (Act 35 of 1994).
<b>Nedlac Act</b>	means the National Economic, Development and Labour Council Act (Act 35 of 1994)
<b>Overall Convenor</b>	means the overall convenor appointed by each of the constituencies from their members on the executive council, in terms of section 6.6 of the constitution.
<b>Party to the Council</b>	means any organisation which has members representing it on the Council



<b>Public</b>	The citizens of South Africa
<b>Representative / Constituency Representative</b>	means the representative of any of the Nedlac constituencies
<b>Scope</b>	means the scope of this Code of Ethics.
<b>Secretariat</b>	means the secretariat appointed by the Council in terms of section 7 of the constitution to perform its administrative work.
<b>Spouse</b>	means a partner in any marriage.
<b>Staff</b>	means employees employed by Nedlac to perform the work of the Nedlac Secretariat

## 2. SCOPE OF THE CODE OF ETHICS

The Nedlac Code of Ethics<sup>1</sup> applies to the entire Nedlac Council, established in terms of Section 3 of the Nedlac Constitution. The Code of Ethics defines Nedlac's values-based behaviours and regulates the conduct of the constituencies and the secretariat, across all the governance structures<sup>2</sup>.

Nedlac is committed to the highest standards of personal and professional integrity and ethical conduct. This Code is based on the Public Service Code of Conduct<sup>3</sup> and the King Codes<sup>4</sup> on Corporate Governance<sup>5</sup>.

## 3. NEDLAC VALUES

Nedlac's vision is to promote national economic growth, greater social equity and participation through social dialogue. The Nedlac Act requires Nedlac to be accountable and transparent, to

<sup>1</sup>King IV explains the governance of ethics as the role of the governing body in ensuring that the ethical culture within the organisation is aligned to the tone set by the governing body through the implementation of appropriate policies and practices.

<sup>2</sup> The Nedlac Constitution: 5. Powers of the executive council: The specific powers of the executive council shall be:  
i. to develop codes of conduct to regulate the conduct of members and representatives (Nedlac Constitution)

<sup>3</sup> Public Service Regulations (2016) Code of Conduct for Public Servants

<sup>4</sup> <https://assets.kpmg/content/dam/kpmg/za/pdf/2016/11/King-IV-Summary-Guide.pdf>

<sup>5</sup> King Report and King Code, defines corporate governance as "the exercise of ethical and effective leadership by the governing body".



promote partnerships, and to encourage problem-solving and consensus-seeking. Nedlac's mission is to enable socio-economic development in South Africa.

At Nedlac honesty and integrity are paramount. Fraud and corruption are not tolerated. This is essential for maintaining Nedlac's reputation as an ethical and trustworthy organisation. To achieve this, the following values guides all the work at Nedlac:

### 3.1 Accountability<sup>6</sup>

Nedlac is accountable to the public to spend public funds honestly, efficiently and only for its intended purpose. Nedlac representatives and staff understand their responsibilities and accept accountability for their performance and their actions. Representatives are accountable to their respective constituencies to represent their mandate. The secretariat is accountable to the Executive Council, for supporting the work of the Nedlac.

### 3.2 Transparency<sup>7</sup>

The work of Nedlac is conducted in an open, transparent and inclusive manner. Transparency is critical for trust and credibility in Nedlac.

### 3.3 Integrity<sup>8</sup> and Ethical Conduct<sup>9</sup>

Nedlac subscribes to the highest standards of integrity and ethical conduct. These standards are reinforced in Nedlac's policies, systems and processes to ensure ethical conduct at all times.

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<sup>6</sup> Performance of official duties:

14. An employee shall—

(f) be honest and accountable in dealing with public funds and use the State's property and other resources effectively, efficiently, and only for authorised official purposes;

Public Service Regulations (2016) Code of Conduct for Public Servants

<sup>7</sup> Performance of official duties:

14. An employee shall—

(j) promote sound, efficient, effective, transparent and accountable administration;

Public Service Regulations (2016) Code of Conduct for Public Servants

<sup>8</sup> Integrity and Independence:

Board Members must be able to act in a manner that maintains their integrity and independence, and is responsive to the interests and needs of the public, (King IV)

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<sup>9</sup> Ethics and conduct:

91. Members of the SMS shall—

(a) display the highest possible standards of ethical conduct;

(b) set an example to those employees reporting to them and maintain high levels of professionalism and integrity in their interaction with political office-bearers and the public;

Public Service Regulations (2016) Code of Conduct for Public Servants



### 3.4 A Spirit of Partnership<sup>10</sup>

Nedlac brings together different constituencies with unique positions, priorities and mandates. These constituencies come together in a spirit of partnership to resolve their differences in the interest of the country. Despite these differences, Nedlac's work is conducted with professionalism and respect.

### 3.5 Problem-solving and Consensus-seeking<sup>11</sup>

Each constituency brings their unique perspective to Nedlac on critical issues facing the country. Nedlac's role is to seek consensus positions and find joint solutions, which all the constituencies can agree to.

## 4. THE WORK ENVIRONMENT

Nedlac is committed to providing a safe and inclusive work environment, free of discrimination and harassment. Nedlac is a space where individuals feel productive and creative, and have the space to be innovative and speak freely.

### 4.1 Performance of Duties

4.1.1 Nedlac representatives and staff must:

- a) act with honesty and integrity to deliver on their duties;
- b) comply with all laws, Nedlac policies, founding documents and protocols;
- c) treat each other with respect, professionalism and tolerance;
- d) protect the reputation of Nedlac in how they discharge their duties; and
- b) maintain a professional work environment.

4.1.2 Staff must:

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<sup>10</sup> NEDLAC'S MODUS OPERANDI:

Nedlac conducts its business by using one, or all, of the following methods:

- Negotiating formal consensus-based agreements on economic and social policy issues;
- Facilitating consultations that seek consensus on proposed government policy and legislation prior to it being tabled for negotiation or implementation;
- Conducting information-sharing sessions and social dialogues on social and economic policies and the progress of implementation thereof;
- Supporting research that guides the formulation and implementation of social and economic policy;
- Monitoring the implementation of agreements reached at Nedlac; and
- Resolving socio-economic disputes in terms of section 77 of the Labour Relations Act (LRA).

<sup>11</sup> NEDLAC'S MODUS OPERANDI



- a) abide by their employment contract conditions and performance targets; and
- b) support the work of the executive council diligently.

4.1.3 Representatives must:

- a) prepare diligently for all Nedlac meetings; and
- b) obtain mandated positions from their constituencies timeously, when required.

## 4.2 Equal opportunity

4.2.1 Nedlac supports employment equity and no discrimination.

4.2.2 Nedlac respects and treats people equally, despite their background, identities and abilities.

4.2.3 Nedlac is empowering and developmental in its approach, to address the historical disempowerment of people and groups.

4.2.4 Nedlac complies with employment equity and black economic empowerment legislation and regulation.

## 4.3 Discrimination and harassment

4.3.1 Personal insults and verbal attacks are not tolerated. This includes harassment, exclusionary behavior, threats, insubordination, discriminatory jokes and language, personal insults, the use of racist or sexist terms and unwelcome sexual attention.

4.3.3 Nedlac promotes the use of non-discriminatory language that does not reinforce gender and race stereotypes.

## 4.4 Health and Safety Policies

4.4.1 Nedlac complies with and exceeds the obligations of labour, environmental and health and safety laws and regulations.

4.4.2 Nedlac continuously reviews and updates internal policies governing the work environment, to be a model of best practice.



## 4.5 Privacy and Confidentiality<sup>12</sup>

### 4.5.1 Staff must:

- a) treat all Nedlac matters, discussions and documents as confidential; and
- b) treat all Nedlac procurement processes as confidential, until official announcements are made public.

### 4.5.2 Representatives:

- a) Can share Nedlac information and documents within their constituency, for the purpose of consultation, seeking a mandate and reporting back; and
- b) must not divulge Nedlac matters, discussions and documents to third parties outside of their constituency.

### 4.5.3 Constituencies must not:

- a) use information acquired within Nedlac to pursue their constituency interests outside of Nedlac, especially if these actions go against the values of consensus-seeking and problem-solving; and
- b) use information received within Nedlac, against other constituencies in court, in the media or any other public domain.

## 4.6 Communication with the Media and the Public

4.6.1 Representatives and staff may only speak to the public in line with the approved Communication Protocol.

4.6.2 In all other instances, only the Executive Director and the official spokesperson of Nedlac may speak to the media or the public on behalf of Nedlac.

4.6.3. Any public or media requests for information must be reported and referred to the Executive Director and / or the official spokesperson of Nedlac.

## 4.7 Attendance and Punctuality

4.7.1 Representatives and staff must:

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<sup>12</sup> Any person who discloses any confidential information re financial or business affairs of a person, business, firm or the State – is guilty of an offence, If found guilty – fine of R1000. (Section 11, Offences, Nedlac Act)





- a) respect and honour others' time by attending all accepted meetings and by being punctual; and
- b) communicate timeously, preferably in advance, if due to exceptional circumstances they cannot attend meetings or are running late.

## **5. PROTECTING ORGANISATIONAL ASSETS**

### **5.1 Use of Nedlac Resources**

#### **5.1.1 Representatives and staff must:**

- a) protect organisational assets and resources, including financial, physical, intellectual, electronic and digital;
- b) be honest and accountable when dealing with Nedlac funds, assets and other resources; and
- c) not use Nedlac resources for private business activities.

### **5.2 Intellectual Property**

5.2.1 The Intellectual Property of Nedlac has been developed and paid for using public funds and thus will be considered to be public property in the public domain.

5.2.1 All constituencies will have free and open access to any Intellectual Property developed by Nedlac.

### **5.3 Security of Information and Technology<sup>13</sup>**

5.3.1 Nedlac must take all necessary measures to protect the security of its communication, information and technology systems, as well as its online information.

5.3.2 Representatives and staff must exercise care and caution to adhere to Nedlac's IT security policies and protocols and protect Nedlac's online information.

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<sup>13</sup> King IV requires the deliberate separation of technology and information, when protecting communication and information technology systems. It also demands a greater level of IT risk awareness at director level in organisations.



## 6. CONFLICTS OF INTEREST

### 6.1 Improper Influence and Bribery

#### 6.1.1 Representatives and staff must:

- a) avoid relationships where attempts at improper influence and bribery are being made;
- b) be aware of attempts to sway their ability to make objective and fair decisions; and
- c) refuse all gifts or benefits when offered as bribes, or when it represents a conflict of interest.

### 6.2 Gifts, Benefits and Entertainment

6.2.1 Nedlac allows gifts, benefits and entertainment under the value of R500.00, where stakeholders recognise gratitude on special occasions.

#### 6.2.2 Representatives and staff must:

- a) never use their official position to obtain private gifts, benefits or entertainment, during the performance of her or his official duties; and
- b) always disclose gifts received in the **Nedlac Gifts Register**. The following details shall be recorded:
  - i. A description, value and source of a gift, including hospitality intended as a gift in kind;
  - ii. The relationship between the giver and recipient; and
  - iii. The relationship between the giver and Nedlac.

### 6.3 Declarations of Interests and Relationships

#### 6.3.1 Nedlac representatives and staff must:

- a) disclose all their personal relationships and business interests, which could cause a conflict of interest with the work of Nedlac, in a **Declaration of Interests Register**;
- b) include details of family and friendship relationships with suppliers, share-holdings, income-generating assets, trusts, directorships, partnerships, and remunerated work outside of their formal employment; and
- c) notify their constituency convenor about the conflict of interest and recuse him/herself from the matter under discussion.



- 6.3.2 The discretion regarding potential conflict of interests lies with the organisation and not with the individual. This means that it is not up to the individual to exercise their discretion concerning a possible conflict of interest. They have an obligation to declare all potential conflict of interests and let the constituency decide.
- 6.3.3 Nedlac will, at the beginning of every meeting, ask for a disclosure of interests by all participants, related to the agenda items.

## **7. NEDLACS ETHICS COMMITTEE**

### **7.1 Monitoring and Enforcement**

- 7.1.1 Nedlac must monitor adherence to ethical practices through robust internal and external audit controls and oversight.
- 7.1.2 A Nedlac Ethics Committee will be established to investigate and recommend consequences for transgressions to the Code of Ethics.
- 7.1.3 The Ethics Committee will be made up of Human Resource and Remuneration Committee members, excluding the Executive Director.
- 7.1.4 The processes and procedures of the Ethics Committee will be clearly defined in a terms of reference document.
- 7.1.5 The Ethics Committee will report the outcome of any investigations referred to in 7.1.2. to the Nedlac Audit and Risk Committee.
- 7.1.6 Staff and representatives must notify the Ethics Committee, in writing of:
- a) any fraud, corruption, nepotism, maladministration and any other act which constitutes an offence;
  - b) any attempts of improper influence and bribery being made; and
  - c) any suspicions of improper conduct which is prejudicial to the mission and values of Nedlac.

### **7.2 Consequences for Non-compliance**

- 7.2.1 The Ethics Committee will recommend consequences for misconduct and non-compliance by staff and representatives.
- 7.2.2 Nedlac staff will be disciplined in line with the Nedlac Human Resource Policy.



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## REFERENCES AND END NOTES

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