



*foundation* **RURAL ENERGY SERVICES**

## **Code of Conduct and Business Ethics**





## Message from the Board of FRES

Foundation Rural Energy Services (FRES) conducts its business with integrity and honesty, in full compliance with applicable laws and ethical standards. This Code of Conduct and Business Ethics reflects FRES's core values and provides guidance to employees and other stakeholders on important ethical issues in a business environment.

We have a zero-tolerance policy on any dishonest or unethical behavior. All employees, suppliers, contractors and other stakeholders are expected to observe this Code when conducting business for or with FRES, irrespective of the country in which you may be located.

If you have information about behavior in breach of this Code by FRES employees or other stakeholders please report it promptly. A report can be e-mailed directly to the FRES Company Confidant (FCC). The FCC is a FRES Board member in the Netherlands. Email address: [FCC@fres.nl](mailto:FCC@fres.nl)

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Wim Plaizier, president of FRES , on behalf of the FRES Board



## 1 Introduction

The FRES Code of Conduct and Business Ethics (the “Code”) is a document in which FRES publicly declares what it regards as morally or ethically acceptable behavior for its employees, suppliers and other stakeholders in a business environment.

FRES is committed to high ethical standards of business practices and undertakes to conduct its business honestly and with integrity.

The Code is binding on all employees in the FRES group of companies worldwide.

If employees are uncertain about the application or interpretation of the Code they should raise the issue(s) with their manager, who, if uncertain, should seek advice from the Director of FRES.

A report can also be e-mailed directly to the FRES Company Confidant (FCC) at [FCC@fres.nl](mailto:FCC@fres.nl). Any employee of our group is entitled to e-mail a report.

## 2 Compliance with laws, regulations and standards

FRES complies with all laws, regulations and applicable standards (“laws”) in all jurisdictions in which it operates, and to the extent that this Code may conflict with any laws in any jurisdiction, the laws of such jurisdiction will take precedence.

FRES will not tolerate any violation of applicable laws, by any employee. If anyone becomes aware of a breach of any law it should be reported to the FCC.

## 3 Illegal, unethical and otherwise unacceptable behavior

FRES maintains a zero tolerance approach to fraud, corruption, theft and other similar illegal or unethical behavior and employees are prohibited from participating in or condoning such behavior. All employees must ensure that their conduct cannot be interpreted as being illegal or unethical and if anyone becomes aware of such behavior it must be reported to the FCC.

Employees keep themselves from any undesirable or unethical form of business activity on FRES premises, including gambling, money lending and loan sharking.

## 4 Conflict of interest

A conflict of interest occurs when an individual’s personal interest or the personal interest of the individual’s family or friends may, direct or indirect, possibly interfere in any way with the performance of his / her duties or with the best interest of FRES. Employees must not use their positions or knowledge gained through their employment with FRES for private or personal advantage (actual or potential) in a manner such that a conflict or a perception of a conflict arises between FRES’s interests and their personal interests.

All employees are required to complete and sign a Declaration of Interest form promptly after acquiring in any manner an interest of any nature in any external business, trust or other profit making activity,



and an updated declaration annually thereafter. Any disclosure of interest form must be referred to the local Director. The form is available from the local Human Resources department.

A Disclosure of Interest, even if approved, does **not** authorize any employee to engage in behavior which conflicts with the interest of FRES.

#### 4.1 Relationships with customers and suppliers

Employees must ensure that they maintain their independence and are seen to be independent from any person, or business that has or may have a contractual relationship with FRES. Where an employee deals directly with a customer or supplier, they must not engage in any private financial relationship with that customer or supplier or any of its owners, shareholders, employees, partners or members.

Employees shall not invest or acquire any financial interest for their own account in any business, or with any of the owners, shareholders, directors, partners or members of any such business, which has or may have a commercial relationship of any value with FRES, other than normal share dealings through a recognized stock exchange.

If it is an Employee's spouse, friend or next of kin who is involved in any activities or interests of a customer or supplier, this is also considered a conflict of interest. Employees are expected to inform the local Director, as soon as such conflict of interest has come to their knowledge.

#### 4.2 Remuneration

Employees may not receive any commissions, money, gifts or item of value other than regular remuneration and incentives as provided in their terms of employment, either directly or indirectly, for negotiating, procuring, recommending or aiding in any transaction entered into on behalf of FRES, nor shall they have any direct or indirect financial interest in such transactions.

FRES specifically prohibits the acceptance of kickbacks and no secret commissions from any supplier or other party.

#### 4.3 Outside employment, directorships and activities

FRES employees may not without written consent:

- a) take up employment in any outside company, close corporation or other entity;
- b) take up any interest in a close corporation or shares in a private company;
- c) accept an activity of any outside company; or
- d) take up interests in any company where such holding exceeds more than 1% of the market capitalisation; without first making full disclosure of all facts and obtaining prior written permission from the relevant local Director who shall forward a copy of such written permission to the Director of FRES.

Employees may not participate as presenters in any external business seminars or conferences without the written permission of the local Director. The local Director discusses more strategic presentations with the Director of FRES before granting permission.

Employees may not carry on part time businesses such as the selling of personal items and foodstuffs on FRES premises other than during lunch time.



## 5 Company funds and property

FRES does not approve of the giving of any gifts or the making of any payment in any kind to influence acts or decisions relating to FRES's business. No employee of FRES may offer, promise or authorize any unlawful or improper payment of any kind, whilst knowing that such payment is intended or perceived as a bribe or unethical inducement in an attempt to coerce or persuade any entity or individual into awarding a business opportunity to FRES.

Employees must at all times ensure that FRES's funds and property are used for legitimate Company business purposes and must at all times follow prescribed procedures for recording, handling and protecting such.

Where an employee's position requires Company funds to be spent, it is the individual's responsibility to exercise good judgment on FRES's behalf and to ensure that appropriate value is received by FRES for such expenditure. If employees become aware of any evidence that FRES's funds or property may have been used fraudulently or improperly, they shall immediately advise the FCC. Failure by an employee to report abuse of funds or property will result in disciplinary action being taken against him / her.

Employees may not purchase goods and/or services for personal use with FRES funds.

Any inventions, copyrights, patents or other intellectual property, which may arise out of the employment with FRES and/or use of FRES facilities, will automatically become the property of FRES without exception.

Any use of company funds, property, equipment or benefits which result in a private benefit, which has not already been subject to fringe benefit taxation must be declared to the local financial manager for determination as to whether fringe benefit tax should be levied upon the use of such funds, property and/or equipment. Examples of such benefits would be company provided accommodation, entertainment and clothing, other than personal protective clothing and equipment.

## 6 Confidentiality

Employees may not, unless obliged by applicable law, divulge FRES's confidential information to any external person or body unless authorized to do so. Confidential information includes, but is not limited to, methods, processes, computer software, documents, information on customers including customer lists or leads, programs, trade secrets and technical information. These restrictions shall apply during and after the employee's employment with FRES.

All company records designated as "Restricted, Confidential or Secret" may not be published, disseminated or in any way be made available to outside parties.

Employees may not, unless otherwise authorised:

- a) record meetings or discussions;
- b) photostat or otherwise copy any records and/or property other than in the ordinary course and scope of their employment;
- c) remove or take with them any company information, documents or records whether in hard or soft copies on or in contemplation of termination of their services with FRES; or
- d) use company assets for non-company related purposes.



Employees who have access to FRES records containing personal employment identification, medical and psychological information about FRES employees and co-workers must at all times ensure that these records and the information contained therein are adequately safeguarded and are not misused nor improperly disclosed.

## 7 Company records

Accurate and reliable records are required to manage FRES's business effectively and to meet its corporate governance requirements. The integrity of FRES's records depends on the validity, accuracy and completeness of information entered into FRES's books of account and other records. Records must therefore be developed and maintained with accuracy, truthfulness and diligence and in accordance with group, divisional and operational policies and guidelines.

Any making or completion of false or misleading business records or issuance of misleading information of any nature is a criminal offence and FRES will report such offence to the police or other relevant authority if it comes to its knowledge.

## 8 Company communication

Company information will be disclosed to the public, investors, analysts and the media only after approval by the local Director in order to avoid inappropriate publicity and to ensure that every person with an interest in FRES or its affairs will have equal access to information. The local Director discusses more strategic presentations with the Director of FRES before granting permission.

Electronic media and other communication and information services provided by FRES (such as computers, tablets, mobile phones, smart phones, e-mail, telephones, voicemail, fax machines and the Internet) are FRES property, and their purpose is to facilitate FRES business. Specifically, electronic media and services are not to be used for knowingly transmitting, retrieving or storage of any communications which are:

- a) of a discriminatory or harassing nature;
- b) derogatory to any individual or group;
- c) obscene or pornographic;
- d) defamatory or threatening in nature;
- e) "Chain Letters";
- f) intended for any illegal purpose;
- g) in contravention of a FRES policy and/or standard;
- h) contrary to FRES's interest; or
- i) used in the furtherance of any personal or business activity or interest of any person, entity or enterprise other than the company such as soliciting funds, collecting signatures, conducting membership drives, distributing literature or gifts, and selling merchandise or services.

FRES reserves the right to access, monitor, review and disclose any information transmitted, received or stored, using FRES's electronic equipment or other communication and information services, to the extent necessary to ensure that electronic media and services are not excessively used for personal purposes and that their use is in compliance with the law and this Code. Any actions taken by FRES in this regard shall comply with relevant legislation.



All employees must be aware that anything they post on Social media – privately or in the context of their work – may or will be traced back to FRES. Good behavior on Social media is essential.

## 9 Company workplace

All employees shall act responsibly whilst on company premises.

Employees are not allowed to engage in physical contact that would in any way be deemed inappropriate on or off company premises during working hours and also while in company uniform. Employees may not bring alcohol onto company premises without the prior written consent of the appropriate authority.

FRES:

- a) does not tolerate inhumane treatment of employees and is committed to the adoption of fair labor practices in the workplace and to provide equal opportunities for all;
- b) prohibits discrimination against any individual or section of the community on the grounds of sex, age, sexual orientation, disability, race, color, nationality, ethnic heritage and/or practices, religion and/or beliefs, marital status, and/or any other inappropriate criterion or circumstance. This applies to recruitment practices as well as the way in which FRES manages relationships with employees, service providers and across the business in which FRES invests;
- c) does not tolerate any form of sexual harassment or bullying; if incidents of this kind would occur in situations and/or locations where FRES is represented, FRES will take strict disciplinary actions;
- d) prohibits the use of child labor;
- e) recognizes the right of employees to freedom of association;
- f) respects the privacy of all employees and will safeguard the confidentiality of employee information;
- g) will provide employees with equal opportunities to enhance their skills and capabilities, enabling them to develop fulfilling careers and to maximize their contribution to business and will reward employees fairly based on qualifications and performance without discrimination on the basis of age, color, creed, disability, ethnic origin, gender, marital or family status, religion or sexual orientation. In addition, all promotions and recognition will be based purely on merit; and
- h) discourages the employment of family members and/or relatives and prohibits same where the family member and/or relatives would report directly to another family member and/or relative, or where family members and/or relatives would be working within the same department.

### 9.1 Health & Safety

All management is accountable for safety, health and environmental issues and for the allocation of adequate financial and human resources within their operations to address these matters.

FRES shall:

- a) create and maintain a safe and healthy workplace through the design of the work environment, the planning and performance of work, the provision and use of necessary equipment, tools and procedures, the appropriate training and the ongoing identification and mitigation of risk present in the work place; and



- b) take appropriate measures to ensure that employees refrain from using any illegal drugs or alcohol or other intoxicating substance in the work environment which could affect their work performance and pose a risk to the health and safety of themselves and others.

## 10 Donations, sponsorship, charities, political and religious groups

- a) Donations to charities, educational institutions, sports clubs / teams must be approved by the local Director. All other donations must be referred to the FRES board through the Liaison Officer for approval.
- b) Donations of any nature to political parties are prohibited.
- c) Any invitations to serve in a charitable, political and/or religious group where there is a view that such invitation was extended because of the person's employment with FRES, must be disclosed and the taking of such office approved by the local Director.
- d) The local Director discusses more strategic donations through the Director of FRES with the FRES Board before granting permission.

## 11 Competition

The purpose of Competition legislation is to preserve and promote competition in a free market system. It is FRES's policy to always strictly comply with these laws.

All FRES employees are prohibited from entering into prohibited agreements or practices, formal or informal, with competitors, suppliers or customers such as price fixing, market sharing (e.g. the allocation of customers, territories or contractors), bid rigging, collusion and "kickbacks". In addition, FRES does not employ illegal or otherwise improper means to obtain information from competitors and employees are prohibited from offering bribes or gifts in exchange for information, soliciting confidential information from competitor's ex-employees whether employed at FRES or elsewhere, or misrepresenting FRES in order to convince any other party to divulge restricted information to FRES.

## 12 Sustainability

FRES is committed to the principle of sustainable development, by which is meant striking an optimal balance between economic, environmental and social development and will strive to innovate and adopt best practice, working in consultation with stakeholders.

FRES accordingly recognizes the need to:

- a) minimize consumption of natural resources and waste generation;
- b) minimize the impact of operations on the environment; and
- c) maximize recycling where possible.

### 12.1 Recycling

FRES is committed to recycling and is not only involved in it as part of its varied operations but encourages a mind-set of recycling. All employees are expected to embrace recycling opportunities in the workplace.





## 12.2 The environment

FRES is committed to operating with due regard to the environment. As such it is committed to complying with all reporting requirements laid down in all Environmental laws and relevant standards and guidelines. FRES acknowledges that its activities have an effect on the environment. To manage its obligations, FRES undertakes to:

- a) understand the environmental impact of its activities and treat it as an integral factor in all decisions;
- b) make the principles of sustainable development a fundamental part of FRES's business strategies and day-to-day operations;
- c) implement and maintain environmental policies to ensure that its actions are carried out in an environmentally responsible way;
- d) be transparent about and accountable for its environmental performance; and
- e) avoid doing business with third parties who conduct their business in an environmentally irresponsible manner.

## 12.3 Social responsibility

FRES's conducts its business in a socially responsible manner and shall make every effort to:

- a) support health, education and environmental initiatives undertaken by the FRES companies;
- b) support and work with voluntary and charitable organizations that respond to community needs in order to solve community problems;
- c) encourage, support and seek partnerships with organizations which benefit from FRES's assistance whether they be schools or social service organizations; and
- d) give preference to business partners who conduct their business in accordance with FRES's ethics.

It is FRES's policy to succeed based on its products, services and effects and not as a result of any illegal or unethical practice taken at the expense of its customers, suppliers or competitors.

## 12.4 Human rights

FRES supports the protection and furtherance of human rights and confirms its commitment thereto by designing, implementing and managing policies and procedures in support thereof.

## 12.5 Cultural sensitivity

As representatives of FRES, all employees should be aware, when dealing with business partners in Africa and other countries and/or when visiting other countries privately that their behavior or the behavior of their family members is a reflection of FRES and are therefore expected to familiarize themselves with the norms, laws and customs of the respective countries and abide thereby.

# 13 Relationships with governments

FRES respects the authority of the governments in the countries in which it conducts its business. It is imperative that employees maintain an honest, transparent and ethical relationship with all governments, their agencies, officials and personnel. When providing company information to



representatives of government, employees must ensure that such information is accurate, comprehensive and complies with the relevant laws and regulations in such jurisdictions. All employees are required to consult the Director of FRES for assistance prior to taking any action which is or could be perceived to be non-compliant with such laws or regulations.

## 14 General

- a) Authority to approve any activity contained in this Code may not be delegated.
- b) In the event of loss of property, fraud, theft or destruction, a defalcation report must be completed and sent to the Local Director.

## 15 Violations of the Code

FRES regards any violation of this Code as a serious matter which must be dealt with immediately. At the same time, any suspected or alleged contravention under investigation will be treated with the utmost confidentiality.

Violations of the Code may result in disciplinary action, including the termination of employment. Certain breaches of the Code, i.e. those relating to sexual harassment, non-compliance with competition rules, theft, fraud defalcation and misappropriation of property, cash and/or services may also result in civil or criminal proceedings.

## 16 Whistle-blowing

Any person who knows about or suspects a violation of this Code must immediately report the matter to the FRES Company Confidant at [FCC@fres.nl](mailto:FCC@fres.nl)