

03 Governance

Social and Ethics Committee Report to shareholders

Ethics

The Board has a duty to ensure that Huger is governed ethically and effectively, in a manner which promotes an ethical culture across the Group. In implementing its strategic and operational objectives, the Group should be seen to be a responsible corporate citizen.

Huger has revised its Code of Ethics to align with the increased size of the business and to position it for further expansion, particularly with regard to and increased number of employees. The key principles set out in the Code of Ethics include:

- We shall comply with the laws of the countries and industries in which we operate
- We shall demonstrate integrity and professionalism in everything we do
- We shall maintain a zero tolerance outlook to fraud and corruption, both internally and externally
- We shall maintain accurate financial records
- We shall use Company resources responsibly
- We shall show mutual respect for and tolerance of others
- We shall provide a safe working environment for our employees
- We shall respect the privacy of others and the confidentiality of the information to which we are privy
- We shall be accountable for our actions
- We are committed to building long term relationships with all of our stakeholders
- We shall exhibit responsible corporate citizenship
- We shall avoid conflict of interest where possible
- We shall strive not to have a negative impact on the natural world around us

Anti-racism

The Board has approved a policy specifically focused on creating awareness in support of anti-racism at Huger. The directors and employees are expected to be accountable for their actions and realise that any racist remarks or actions will have serious consequences. The Group acknowledges that it is operating in a multi-cultural working environment and a key value is to respect all.

Huger encourages directors and employees to recognise the need to respect the feelings, wishes, or rights of others no matter their race, gender, ethnic or social origin, religion, colour, sexual orientation, disability, conscience, belief, culture, or language preference. Huger is committed to upholding all the rights of our Constitution and the guidelines in this policy.

Non-discrimination

The Board has approved a policy specifically focussed on creating awareness in support of non-discrimination. All directors and employees contribute to the creation of a discrimination free and inclusive workplace and a healthy workplace culture. The Group is an equal opportunity employer. At all stages of the employment relationship, employees will be treated on their merit and value according to how well they perform their duties.

The Board believes that all directors and employees should be able to work in an environment free from discrimination, victimisation, sexual harassment, vilification and the seeking of unnecessary information on which discrimination might be based. The Group considers these behaviours unacceptable and will not be tolerated.

Social Media

The Board has approved a policy to regulate and monitor directors' and employees' use of social media platforms. The Board recognises that social media is a place where people exchange information, opinions and experiences to learn, to develop and to have fun. Whether directors or employees are handling a corporate account or use an account of their own, they should remain positive and productive. This policy provides practical advice to avoid issues that might arise through the careless use of social media in the workplace.

The Board acknowledges and is aware that the use of social media offers an untapped source of business and marketing opportunities for the Group. However, the Board has also recognised that various risks are associated with the use of social media platforms for the Group as well as for its directors and employees.

Transformation

During the reporting period, Huger implemented its B-BBEE Compliance Plan with the aim of bringing its major subsidiary companies into compliance with the ICT Sector Charter. Huger continues to focus on being a proactive contributor to good corporate citizenship.

During the reporting period, the Group concluded two empowerment transactions in terms of which it sold a controlling stake in two of its subsidiary companies to a B-BBEE partner. These companies are now positioned to become enterprise development and supplier development entities the Group and external customers. The Board is confident that these entities will create value for the Group and its B-BBEE partner.

In addition, both Huger Connect and Huger Telecom made progress in their targets to become compliant with the ICT Sector Charter. Both subsidiary companies will be reassessed following the finalisation of the annual financial statements. It is anticipated that while Huger Telecom will not have reached a compliant status at this assessment, Huger Connect will have achieved compliance at a commercially acceptable level.

Steve Tredoux

Chairman of the Social and Ethics Committee