

## CODE OF CONDUCT

### PREAMBLE

SAPPMA (Southern African Plastic Pipe Manufacturers Association) is a voluntary self-regulating Association incorporated under the laws of South Africa as a Section 21 Company and represents plastics pipe manufacturers and other stakeholders in the value chain.

The members of SAPPMA agree to bind themselves to this Code of Conduct, the Memorandum of Incorporation and the production and marketing of highest quality products.

### OBJECTIVES OF THIS CODE

1. To ensure members only produce and market top quality products, fully compliant to all relevant standards and specifications
2. To promote and ensure ethical business activities in all areas of operation
3. To differentiate between quality producers and others

### OBJECTIVES OF THE ASSOCIATION

1. To promote and monitor the best possible quality of plastic pipe products produced, marketed and sold by its members
2. To promote ethical business activities in all areas of operation of member companies
3. To encourage compliance with the relevant national and international standards and specifications within the plastic pipe industry

4. To play a key role in upgrading and amending existing standards and specifications, or develop new standards applicable to the plastic pipe industry
5. To provide technical design information to the plastic pipe industry by way of consultations, conferences and technical literature
6. To work towards the long-term sustainability of the plastics pipe industry in Southern Africa
7. To act as a forum and voice for and within the plastic pipe industry

## **MEMBERS SHALL**

1. Be listed under the ISO 9001:2008 scheme, or at least pass a special SAPPMA systems audit. In any event should members work to achieve ISO 9001
2. Comply with all requirements of relevant national product standards that are recognized by the Association
3. Comply with all internal standards and requirements in addition to the above, which might be introduced into SAPPMA by mutual agreement
4. Not supply counterfeit products and pay due regard to trade mark, copyright, patent ownership and all other intellectual property rights
5. Maintain the highest ethical standards and refrain from negative marketing, misleading advertising or the spreading of rumours about competitors or their products
6. Comply with all national and local laws and regulations, including environmental laws or regulations
7. Refrain from any form of corruption with customers, suppliers, competitors, legal authorities and any other persons
8. Refrain from any anti-competitive behavior, including the fixing of prices or other trading conditions, the division of markets through the

- allocation of customers, suppliers, territories or types of goods, or collusive tendering
9. Maintain the highest ethical standards in all areas of operation
  10. Allow all SAPPMA factory audits, whether announced or unannounced, including sampling and testing of products
  11. Suspect quality encountered in the market should be factually brought to the attention of SAPPMA who will have supplied samples independently tested
  12. Pay the prescribed membership fees within the stipulated or agreed period, failing which action might be taken in terms of clause 1.5.4.2 of the SAPPMA MOI

## REGULATION

Any complaint that a SAPPMA member is in breach of this Code of Conduct shall be reported to the SAPPMA CEO for investigation. Non-compliance with this Code of Conduct may lead to expulsion from SAPPMA, as outlined below (refer to clause 1.5.4.2 of the SAPPMA MOI)

## DISCIPLINARY STEPS

If SAPPMA has information indicating the possibility of a member not complying with the Code of Conduct, SAPPMA shall be entitled in its sole and absolute discretion to take disciplinary action at such member. Examples of such non-compliance include but are not limited to:

1. Non-conformance of a sample or samples (raw material or finished product)
2. Unethical behaviour

3. Any other conduct that could be detrimental to the mission and position of SAPPMA and bring the good name and reputation of SAPPMA into disrepute
4. Conduct which is anti-competitive and/or conduct which amounts to a violation of any law
5. Any deviation from the Code of Conduct

The disciplinary procedure to be implemented by SAPPMA is as follows:

1. A letter or e-mail to the member:
  - (a) Setting out the alleged conduct in respect of which the member has transgressed the code of conduct, or of non-compliance
  - (b) Calling on the member to provide written reasons for the said conduct and to make any representations in regard thereto
  - (c) Requesting of the member to set out in detail the steps the member will take to rectify such conduct
2. The member will be afforded a period of 7 (seven) calendar days to send its response to the letter
3. On receipt of the response, SAPPMA shall determine in its sole and absolute discretion whether the response is satisfactory or not. In the event of SAPPMA deeming the response to be satisfactory, SAPPMA will inform the member thereof and the complaint will be considered closed
4. In the event of SAPPMA determining the response to be unsatisfactory for any reason whatsoever, the member will then be afforded a further 7 working days to supplement its initial response and which response is to set out a clear action plan as to how the conduct being the subject matter of the complaint will be dealt with and avoided in the future

5. If the response remains unsatisfactory and/or should the corrective measures in the response not be to the satisfaction of SAPPMA, SAPPMA may suspend the member for a period which SAPPMA deems appropriate, but not exceeding 6 months
6. After the expiry of the suspension, the member may apply to become a member of SAPPMA, based on proven rectification of the causes of the original conduct leading to the suspension and a signed written undertaking from the member that the said conduct will not occur again. The costs of any additional factory audits in such a case will be for the account of the member
7. Should there be a repetition of any misconduct by the same member, SAPPMA will be entitled to suspend the said member for a further period which SAPPMA in its sole discretion deems appropriate in the circumstances, not exceeding 12 months
8. During any period of suspension the member is not allowed to use the SAPPMA logo on new production. The status of membership will be made public on the SAPPMA website or any other marketing media applicable, and in respect of which the member will have no recourse of any nature against SAPPMA
9. An arbitration committee will oversee the process. The committee will be made up of 3 directors of SAPPMA, of which the CEO must be one. If there is a conflict of interest with any one of these directors, an independent substitute will be appointed
10. In the event of conduct which amounts to an intentional violation of the code of conduct or which SAPPMA deems so untenable so as to render the suspension of the member concerned inappropriate, SAPPMA may expel the said member on written notice confirming same.

**ANNEXURE A (ONLY APPLICABLE TO PIPE MANUFACTURERS)**

We manufacture the following products:

	Product	SANS/ISO Standard

1. We confirm that we are listed under the ISO 9001:2008 quality management system or alternatively, passed a SAPPMA systems audit and as such strives towards successful maintenance and improvement of these systems
2. As far as possible we will ensure that the CEO participate in the factory audits

3. We agree to conform to the latest issue of the SAPPMA 'Minimum Standards'
4. We acknowledge the SAPPMA Policy and Standard related to the use of regrind PE-HD material: 'SAPPMA Policy for the use of Recycled PE-HD material' and hereby confirm our acceptance and conformance to it
5. We only use virgin grade approved polymers and in terms of the relevant product standards no third party regrind PE-HD material. We also do not add any fillers
6. We confirm that we do not use heavy metal additives in the production of PVC pipe
7. We agree to allow a mass balance audit of polymer when requested by SAPPMA.
8. As senior managers of this company we carry full responsibility of the products manufactured and therefore endorse this quality statement by the inclusion of our signatures:

**BY SIGNING THIS DOCUMENT MEMBERS AGREE TO ABIDE BY ITS CONDITIONS**

Company Name \_\_\_\_\_

Signed at \_\_\_\_\_

Date \_\_\_\_\_

Signature \_\_\_\_\_

Name & Designation \_\_\_\_\_