

# RESPONSIBLE CORPORATE CITIZEN

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# CONTENTS

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Contents ..... 2

1. Acronyms ..... 3

2. King IV Principle 3 ..... 3

3. Definition of Corporate Citizen..... 3

4. King IV prescriptions ..... 3

5. King IV recommendations ..... 3

6. HWSETA as a responsible corporate citizen ..... 4

7. Four main strands to HWSETA Corporate Social Responsibility activities ..... 4

7.1. Environmental Sustainability Initiatives ..... 4

7.2. Direct Philanthropic Giving ..... 4

7.3. Ethical Business Practices..... 5

7.4. Focus on Economic Responsibility..... 5

Annexure A..... 7

1. CSR activities completed in 2019/20 ..... 7

2. CSR planned activities for 2019/20 ..... 7



## 1. ACRONYMS

HWSETA – Health and Welfare Sector Education and Training Authority

PFMA – Public Finance Management Act

CSR – Corporate Social Responsibility

## 2. KING IV PRINCIPLE 3

The Accounting Authority should ensure that the HWSETA is and is seen to be a responsible corporate citizen.

## 3. DEFINITION OF CORPORATE CITIZEN

Corporate Citizenship is a recognition that an organisation, has social, cultural and environmental responsibilities to the community in which it seeks a licence to operate, as well as economic and financial ones to its immediate stakeholders.

## 4. KING IV PRESCRIPTIONS

King IV prescribes several recommended practices in order to foster responsible corporate citizenship — these include:

- Recommending who is responsible for corporate citizenship, and how corporate citizenship it is to be managed by the organisation;
- Ensuring that the organisation's responsible corporate citizenship efforts fall in line with the Constitution of South Africa (including the Bill of Rights), the law, leading standards and adherence to its own codes of conduct and policies;
- Oversight of the organisation's core purpose and values;
- Oversight of the organisation's strategy and conduct, thereby ensuring that these are congruent with being a good corporate citizen;
- Oversight and regular monitoring of the outcomes of an organisation's activities and outputs as they relate to the organisation's responsible corporate citizenship status.

## 5. KING IV RECOMMENDATIONS

King IV recommends that business activities and outputs be performed against measures and targets that have been agreed upon by management in the following areas:

- **The workplace:** including employment equity, fair remuneration, safety, health and dignity of employees;
- **The economy:** including economic transformation, prevention, detection, response to fraud, corruption and a transparent, responsible tax policy;

- **Society:** including public health and safety, consumer protection, community development and the protection of human rights; and
- **The environment:** including responsibilities in relevant to pollution, waste disposal and the protection of biodiversity.

## 6. HWSETA AS A RESPONSIBLE CORPORATE CITIZEN

The HWSETA is committed to ethical and sustainable business practices. This means we take account of our social, economic and environmental impact.

## 7. FOUR MAIN STRANDS TO HWSETA CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

### 7.1. ENVIRONMENTAL SUSTAINABILITY INITIATIVES

Environmental sustainability initiatives enacted by businesses generally focus on two main areas: limiting pollution and reducing greenhouse gases. As the awareness of environmental issues grows, businesses that take steps to reduce air, land and water pollution can increase their standing as good corporate citizens while also benefiting society as a whole. A variety of steps are undertaken to reduce its carbon footprint, including the installation of energy efficient systems, reducing paper usage and developing platforms that allow employees to start and finish work at different times.

**HWSETA's response:** The HWSETA has moved onto the ERP System which will ensure a significant move to a paperless system. Waste paper is removed from the premises and recycled. Flexi time for staff is in place where start times are from 7:30 to 8:30, and end times are 15H30 to 17H00. The Landlord has been approached to ensure that energy efficient lighting is installed at the HWSETA.

### 7.2. DIRECT PHILANTHROPIC GIVING

Philanthropic initiatives include the donation of time, money or resources to charities and organisations at local, national or international levels. These donations can be directed to a variety of worthy causes including human rights, national disaster relief, clothing and stationary for school children and education programs in under-privileged communities.

**HWSETA's response:** The HWSETA has a Corporate Social Responsibility Policy directing the HWSETA. See Annexure A.

### 7.3. ETHICAL BUSINESS PRACTICES

The primary focus on ethics is to provide fair labour practices for business and employees as well as suppliers. Fair business practices for employees include equal pay for equal work and living wage compensation initiatives. Ethical labour practices for suppliers include the use of products that have been certified as meeting fair trade standards.

**HWSETA's response:** The HWSETA has zero tolerance for fraud and corruption. The HWSETA Board and Executives have signed a commitment to ethical leadership.

The Executive Management governs the ethics of the organisation in a way that supports the establishment of an ethical culture. An Ethics Guideline has been developed and communicated via the HWSETA website. The following are the values of the HWSETA that we espouse to:

- Service Excellence
- Transformation
- Transparency
- Integrity
- Respect
- Fairness
- Accountability

An anonymous hot line has been established by the HWSETA to report any unethical or corrupt practices. All tipoffs are followed up on. The number is 62 with two in progress of being investigated.

### 7.4. FOCUS ON ECONOMIC RESPONSIBILITY

Economic responsibility focuses on practices that facilitate the long-term growth of the business, while also meeting the standards set for ethical, environmental and philanthropic practices. By balancing economic decisions with their overall effects on society, businesses can improve their operations while also engaging in sustainable practices. An example of economic responsibility adherence to laws and regulations such as the PFMA.

**HWSETA's response:**

The Executive Management governs compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisations being ethical and a good corporate citizen. The Executive Management ensures that there is an effective control environment, and that these support the integrity of information for external decision-making and of the organisation's external reports.

## ANNEXURE A

Annual CSR projects are recommended by the Corporate Services Executive Manager and approved by the CEO with budget provision

### 1. CSR ACTIVITIES COMPLETED IN 2019/20

Initiative	Description
Uniform Handover	A disadvantaged school in the Eastern Cape was identified by a stakeholder and the HWSETA provided uniforms for 75 learners
Dear African Girl Journal	The HWSETA sponsored the print and distribution of 200 journals for disadvantaged girls from impoverished areas in South Africa

### 2. CSR PLANNED ACTIVITIES FOR 2019/20

Initiative	Description
Wheelchair handover	Donating a specialised wheelchair to a five year old child in rural Eastern Cape
PAD initiative	Distribution of reusable sanitary towels for disadvantaged girls