

IMPARTIALITY POLICY

1. INTRODUCTION

This document outlines the Impartiality Policies and Procedures for Harvest BEE Verifications (Pty) Ltd and specifies the steps that should be applied to all existing and new employees for maintaining credibility in the verification process and confidence in the decisions of the committee members, analysts and staff members to:

- a) assure fairness and impartiality in decision-making;
- b) act impartially and avoid the appearance of impropriety.

2. POLICY STATEMENT

Harvest BEE Verifications (Pty) Ltd is committed to impartiality in its BEE Verification Activities and provides a framework in which staff can operate objectively in a professional and ethical manner, to disclose real or perceived conflicts of interest, and to recuse themselves from discussions or decisions related to real or perceived conflicts of interest.

PROCEDURE:

3.1 Management of Impartiality

Harvest BEE Verifications (Pty) Ltd has a publicly available statement on www.harvestbee.co.za on our commitment to impartiality that states commitment to impartiality in its BEE Verification activities.

Harvest BEE Verifications (Pty) Ltd can demonstrate its commitment to impartiality through its top management structure enforced through the **Structural Requirements Policy – HBVPOL008**.

On an annual basis on the 1st December, a **Declaration of Impartiality – HBVFORM024** and **Declaration of Personal Interest – HBVFORM001** are circulated by the HR Manager to all senior executives, management (Managing Director, Directors, Verification Manager, Business Developer and Committee Members) and employees who are required to declare all possible relationships that may affect their impartiality including direct financial interests or a material indirect financial interest. Declarations include but are not limited to any personal or family business interests or relations that might render them impartial to any current and potential Harvest BEE Verifications (Pty) Ltd business activities.

All Declarations of Impartiality and Personal Interests are kept on file by the HR Manager with the Employee Files of each senior executive, manager and employees and are always available to the various committees on request to the HR Manager.

Harvest BEE Verifications/ Verification Management System /HBVPOL012_Impartiality Policy					
Document Number	HBVPOL012	Prepared by	Adele Mudau	Authorised by	Martin Mulalo Mudau
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Prior to appointment on a verification assignment, all members of the Verification Team will be required to complete a **Declaration of Conflict of Interest (HBVFORM005)**. This form must be completed by each member in their own capacity. The Declaration cannot be completed on behalf of a Team Member.

Any conflicts recorded in **Declaration of Conflict of Interest (HBVFORM005)** will be updated on the **Conflict of Interest Declaration Register – HBVFORM051** by the HR Manager.

Harvest BEE Verifications (Pty) Ltd does not provide consultancy and will ensure that it does not provide a consulting service as defined in SANAS R47-02. Harvest BEE Verifications (Pty) Ltd does not provide any services which could be misconstrued as consultancy – this is ensured through staff training and measured entity communication as well as in Harvest BEE Verifications (Pty) Ltd **Management System Policy Manual – HBVPOL005**.

Harvest Verification Team will be required to declare any Conflict of Interest which requires them declare if they have done any consultancy work for the ME in the two years preceding the verification.

Harvest BEE Verifications (Pty) Ltd does not state or imply that that BEE verification would be simpler, faster or less expensive if a specified BEE Consultancy is used. In the event a measured entity is advised it needs consulting the measured entity is directed to the Association of B-BBEE Professionals (ABP) website (https://www.abp.org.za/?page_id=131) in order to find a BEE Consultant. Harvest BEE Verifications does not have any referral agreements in place with consultancy bodies.

Harvest BEE Verifications (Pty) Ltd takes care to ensure that Complaints and Appeals are handled in an independent, impartial manner through the selection of an independent investigation team (ref Procedure in **HBVPOL029 – Complaints Policy** and **Complaints Procedure (HBVPROC021)**, and **HBVPOL028 – Appeals Policy** and **Appeals Procedure – HBVPROC021**). Committees members are selected with care (see **HBVPOL009 – Committees Policy and Procedure**) to ensure a balance of interests and that there be no pressures that could compromise impartiality.

3.2 Related bodies and relationships assessment

Related Body	Nature of Relationship	Perceived Conflict	Reason/Action
Harvest Chartered Accountants	Have the same Shareholders and Directorship. Provide each other with soft loan arrangement at no interest.	YES	As a matter of policy Harvest BEE Verifications (Pty) Ltd does not and will not provide any verification services to Harvest Chartered Accountants.

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Eris Property	Eris Property are our Landlords	YES	Our relationship with Eris Property is purely based on fair and transparent business to business fundamentals. Harvest BEE may not engage Eris Property as our client for verification.
Courier Guy	They are our preferred delivery service.	NO	Our relationship with Courier Guy is purely based on fair and transparent business to business fundamentals. An online system is used, with no particular contact person known. No relationship exists. Because we believe that we have a professional relationship that is market driven, we will engage The Courier Guy as our client for the verification process in future.
Pick n Pay	They provide our office consumables and stationery.	NO	Our relationship is purely based on fair and transparent business to business fundamentals. An online system is used, with no particular contact person known. No relationship exists.
Telkom	They are our suppliers for communication lines.	NO	Our relationship is purely based on fair and transparent business to business fundamentals. An online system is used, with no particular contact person known. No relationship exists.
PayProp Storage Genie	They provide us with secure storage space.	NO	Our relationship is purely based on fair and transparent business to business fundamentals. An online system is used, with no particular contact person known. No relationship exists.

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Harvest Office Technologies	I.T Support Service Provider Have the same Shareholders and Directorship.	YES	As a matter of policy Harvest BEE Verifications (Pty) Ltd does not and will not provide any verification services to Harvest Office Technologies.
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An update of the List of related bodies is documented on the **Related Bodies Register – HBVFORM008**; this form will be updated and amended with the new list annually during the Management Review process. Any new supplier, contractor, service provider, partner will be updated on the **Related Bodies Register (HBVFORM008)** by the Managing Director.

In situations where a Related Body Applies for Verification and Harvest BEE Verifications (Pty) Ltd after reviewed the risk and relation decides to accept the engagement, an authorized representative of the Related Body will be asked to sign an **Independence and Impartiality Special Declaration – HBVFORM010**, before a **Verification Proposal – HBVFORM033** is sent to the measured Entity.

Harvest BEE shall furthermore ensure the appearance of impartiality and segregation from its Related Bodies to the public to ensure confidence so that no joint advertising or marketing of either entity, or any individual marketing gives the impression that they are linked in any way.

3.3 Potential Conflicts of Interest and undue pressure

Threat type	Description of potential threat	Actions
Self-interest threats	Possibility of our Staff or Directors being offered a role or directorship in the Measured Entity. Performing a Verification on a related party.	Our staff will not assume any position in a Measured Entity, while in our employ. Harvest BEE Verifications (Pty) Ltd will only accept engagements of a Measured Entity where the existence of a relationship is in the normal business parameters.
Self-review threats	Providing consultancy and Verification to the same Measured Entity. The Analyst responsible for the verification is also responsible for reviewing and issuing the certificates.	Harvest BEE Verifications (Pty) Ltd does not provide any Consultancy service and ensures establishment and implementation of the policy to this effect. Segregation of Duties is an important facet of our verification in eliminating Self-reviews
Familiarity threats	Failure to evaluate client documents for stated assertions, due to perceived trust and understanding	Verification staff are required to exercise a high degree of professional Skepticism and complete

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	of the client. Accepting a statement from the Measured Entity that nothing has changed since the last verification.	evidence of the review for each engagement. Review of the procedures performed on the Measured Entity's file by the Manager.
Intimidation threats	Verification Analysis being asked to turn a blind eye on certain misrepresentations by a senior staff member. Verification analyst could be offered a bribe to ignore certain assertions so as to improve the Measured Entity Score.	Every verification procedure performed should be documented and referenced to the source documents. Verification Staff are encouraged to bring to managements' attention any bribe offers. Harvest BEE Verifications (Pty) Ltd will treat these offers as criminal offences and report them to SANAS & the DTI. During recruitment, training and performance, staff integrity assessment is a critical element

Verification Analysts sign the **Declaration of Impartiality – HBVFORM024** form prior to any engagement so as to make sure there is no potential for conflict with respect to that engagement. Should there be any potential for conflict not previously declared by the employee, the employee should complete and return **Declaration of Personal Interests – HBVFORM001** to the HR Manager.

Continuous training of verification personnel on ethics and codes of good practices will ensure that they are kept aware of and are encouraged to avoid situations that could result in undue pressure on them. Verification Analysts are encouraged to report any offers of gifts or money to management as they are perceived criminal offences (bribery & corruption) if accepted by the employee. The Verification Administrator carefully plans and schedules Verification engagements to ensure that there is an even distribution of work load among verification personnel.

3.4 Risk Assessment and Evaluation:

Harvest BEE Verifications (Pty) Ltd will conduct an All Risk Assessment and evaluation every Six months from date of last review recorded on **HBVFORM004 – Risk Assessment Checklist**. If new areas of potential risk are identified on **HBVPROC002 – Liability & Financing Risk Management Procedure** they will be updated after this assessment. Between the scheduled six-month Assessments and Evaluation, Harvest BEE Verifications (Pty) Ltd will perform unplanned and sporadic Risk Assessments so as to give an insight on the effectiveness of mitigating measures already put in place and identify potential risky areas before it's too

late. The Risk Assessments will be performed by the Executive Committee of Harvest BEE Verifications (Pty) Ltd.

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3.5 Individuals representing Harvest BEE Verifications (Pty) Ltd must not participate in any decision-making capacity if they:

- i. Have or have had a close, active association with an enterprise or entity that is being considered for official verification by Harvest BEE Verifications (Pty) Ltd. Close, active association includes, but is not limited to:
 - Current or past employment as faculty, staff, or consultant by the enterprise or institution
 - An enterprise or institution where a close, family relative is an employee; or
 - An unpaid official relationship with an enterprise, e.g., membership on the enterprise’s board or industry advisory board.
 - a close, active association with an enterprise;
 - a financial, or personal interest;
- ii. A record of real or perceived conflicts of interest will be maintained on the **HBVFORM051_Conflict of Interest Declaration Register** for all those involved in the verification process. Each individual will be provided with a copy of this record annually for the purpose of updating this record. Copies of the conflict of interest records will be provided to the individuals responsible for selection of verification team leaders and verification analysts.
- iii. All individuals representing Harvest BEE Verifications (Pty) Ltd must sign a **HBVFORM024_Declaration of Impartiality** and **HBVFORM001_Declaration of Personal Interests** indicating that they have read and understand these policies.
- iv. The names of individuals who have recused themselves during a meeting for conflicts of interest will be recorded by the chairperson in the minutes.

3.6 Specific Engagement Impartiality Management

Prior to the appointment of verification team member(s) to an engagement, covered in **HBVPOL025_Verification Engagement Policy** which outlines the procedures for each verification engagement, every team member has to sign **HBVFORM024_Declaration of Impartiality**. This is circulated by the Verification Manager and filed in the measured entity file.

This form must be signed by each verification engagement team member to ensure that conflicts of interest do not exist so as not to influence adversely the business activities of Harvest BEE Verifications (Pty) Ltd.

The signed **HBVFORM024_Declaration of Impartiality** is filed into the measured entity's folder, following the procedures for **HBVPOL006_Maintenance of Records on BEE Verified Clients Procedure**, to ensure that records of verification team's declarations have been kept on file for record-keeping purposes.

If a member of the verification team has declared a conflict of interest the team member will be removed from the specific measured entity engagement team and this conflict recorded in the measured entity’s folder. A copy of this form will be kept in the individuals’ employee file.

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It is the responsibility of the Verification Manager to ensure all prospective engagement team members have signed a Declaration of Impartiality prior to being assigned to the measured entity.

Related Policies, Procedures and Forms:

- HBVPOL008_Structural Requirements Policy
- HBVFORM024_Declaration of Impartiality
- HBVFORM051_Conflict of Interest Declaration Register
- HBVPOL005_Management System Policy Manual
- HBVPOL029_Complaints Policy
- HBVPOL028_Appeals Policy
- HBVPROC020_Appeals Procedure
- HBVPROC021_Complaint Procedure
- HBVPOL009_Committees Policy and Procedures
- HBVFORM008_Related HBV-Bodies Register
- HBVFORM010_Independence and Impartiality Special Declaration
- HBVFORM033_Verification Proposal
- HBVPOL019_Document Control Policy
- HBVFORM004_Risk Assessment Checklist
- HBVPROC002_Liability & Financing Risk Management Procedure
- HBVPOL025_Verification Engagement Policy

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