

Fact Sheet

Building Trust, One Ethical Supplier at a Time

Overview & Mission

Corruption and unethical behaviour hinder economic growth, weaken public institutions, and erode trust in governance. They also deepen inequality by disrupting service delivery and infringing on human rights

From state capture and tender fraud to bribery and nepotism, unethical practices have had a profound impact on the country's socio-economic landscape. The UN estimates that corruption and illicit financial flows cost the global economy about \$3.6 trillion annually.

The National Business Initiative (NBI), in partnership with GIZ through the Transparency, Integrity and Accountability Programme (TIP), have launched the Ethics Coalition for Business (EC4B): Ethical Supplier Project.

The mission is to build trust, foster accountability, and promote ethical business practices across the private sector and SMMEs. The initiative supports responsible business through capacity building, meaningful dialogue, and thought leadership.

Rooted in the belief that **business cannot thrive in a failing and unethical society**, the project seeks to empower SMMEs to participate in ethical procurement, support economic inclusion for the marginalised, and help foster a culture of integrity. The EC4B objectives align with the NACS strategic pillars.

The National Anti-Corruption Strategy (NACS) Strategic Pillars are as follows:

1. **Citizen Participation**
2. **Transparent Governance**
3. **Ethical Leadership**
4. **Whistleblowing Culture**
5. **Skilled Professionals**
6. **Sectorial Protection**



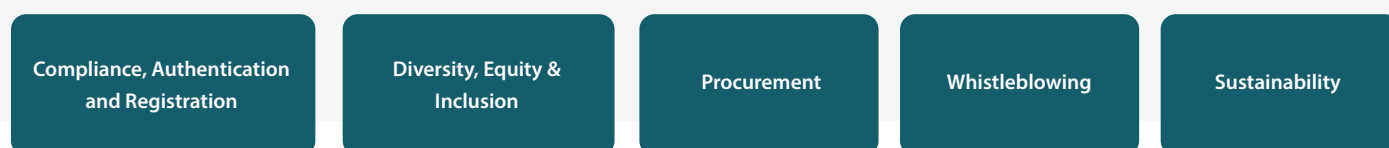
Also Aligned with the following SDG Goals



The Ethical Supplier Project Roadmap and Key Milestones



The project delivers a **"Tips & Tales"** guide and the **Ethical Supplier e-learning** platform- tools designed to enhance SMME capabilities in ethical, inclusive, and sustainable business practices, in line with the following key capacity-building indicators:



Key Insights: Ethical Perspectives on South Africa's SMME Ecosystem – Regional Survey and Focus Group Findings

Core Challenges Found From The SMME's

- **Complex Compliance:** Regulatory processes are costly, inconsistent, and time-consuming.
- **Unfair Procurement:** Tenders favour well-connected firms; small and unknown businesses face red tape, corruption, and payment delays.
- **Sustainability Shortfalls:** Ethical practices take a backseat due to short-term contracts and lack of financial support.
- **DEI Exclusion:** Women, youth, and disabled entrepreneurs struggle with access to finance, networks, and procurement opportunities.
- **Whistleblowing Risks:** Fear of retaliation, lack of trust, and weak protection discourage reporting unethical practices.

Cross-Cutting Themes

- Systemic inefficiencies hinder ethical operations for **SMME's**.
- Financial and informational barriers dominate.
- Policies exist, but implementation is weak.
- High demand from **SMMEs** for ethical reform and support from both private sector and Government



Recommendations at a Glance

- **Streamline Compliance:** Simplify and digitize processes, offer subsidies for certification costs, Improve access to legal and technical support for SMME'S
- **Improve Procurement:** Publish transparent evaluation criteria. Launch a real-time, centralized tender platform.
- **Advance DEI :** Sustain targeted funding for women, youth, and disabled entrepreneurs.
- **Strengthen Whistleblowing:** Guarantee anonymity and legal protection.
- **Support Sustainability** awareness and understanding for SMME's

Based on these findings, we have developed three key project outputs designed to both raise the awareness and importance of ethical behaviour and strengthening SMME capacity building.

01

The Tips and Tails Guide: A simple and practical guideline document that explores various real-life scenarios, key concepts, and common issues that SMMEs often encounter. This resource is tailored to help SMMEs better understand and navigate challenges related to ethics, compliance, and responsible business practices in their day-to-day operations.

02

The Ethical Supplier Digital Platform: Using technology to advance knowledge sharing and sustainable practices by bringing the **Tips and Tails Guide** to life through an interactive and user-friendly digital experience.

03

The Integrity Talks podcast series dedicated to insightful conversations on ethics, transparency, and responsible business practices, featuring voices from industry leaders, SMMEs, and change-makers.

Call to Action:

We all have a role to play in building a more ethical economy

As a **society**, the steps towards building an ethical society requires a shift in behavior and an awareness of unethical practice.

As **SMMEs**, you form the backbone of the economy. By operating ethically, you set the standard for fairness, transparency, and accountability across industries.

As **the private sector**, you need to create an enabling environment for ethics and **integrity to thrive**.

The government sets standards, promotes responsible procurement, and supports transparency, fair labour, and sustainability.

Join the NBI in fostering an ethical environment through collaboration and sustainable practices. Support a just and inclusive economy by committing to ethical business practices, tackling corruption, and uplifting SMMEs through transparency and accountability.

Some of our work from the Building Trust and Accountability Pathway mainly addressing Corporate Corruption in South Africa includes: The EOH Experience Report, Ethical Leadership, and the Anti-Corruption Course (ELAC), and our resources and commitment to transparency, integrity, and responsible leadership in business.

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