

ANTI-BRIBERY & CORRUPTION POLICY

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2. GLOSSARY AND ACRONYMS

PRECCA – The Prevention and Combating of Corrupt Activities Act, 12 of 2004.

Representatives – DBSA's business associates, contractors, consultants, third party service providers or any other person associated with or acting on behalf of the DBSA.

Third Party – any individual or organisation the DBSA as an organisation and/or its employees performs outsourced work for the DBSA. It includes, but not limited to, existing or potential – customers, supplier, consultants, agents, brokers, donation or sponsorship beneficiaries, advisers, and public officials.

3. INTRODUCTION

An Anti-Bribery and Corruption Policy sends an essential signal to the DBSA's employees, clients, vendors, suppliers, agents, and other business partners that the DBSA has zero-tolerance towards bribery and corruption.

This Anti-Bribery and Corruption Policy reiterates the DBSA's zero-tolerance commitment to comply with and to conduct its business in accordance with applicable anti-bribery and anti-corruption laws, and to use its affiliates, directors, employees, contractors and third party service providers to behave accordingly.

It sets a broad framework approach to DBSA's Anti-Bribery and Corruption and must be read in conjunction with the internal ethics policies, such as DBSA Code of Ethics, Gift and Hospitality Policy and Fraud Prevention Plan, and any relevant legislation.

In furtherance of this commitment, the DBSA will comply with the South African anti-corruption legislation - Prevention and Combating of Corrupt Activities Act, 12 of 2004 (PRECCA).

4. POLICY OBJECTIVE / PURPOSE

The primary objectives of this policy is to:

- 4.1 Set out the principles, behaviour and standards for preventing bribery and corruption of those working for the DBSA or with the DBSA in observing and upholding the DBSA's position on bribery and corruption.
- 4.2 Provide a summary of the Code of Ethics and various DBSA policies that are relevant, in whole or in part, to address anti bribery and corruption requirements in the DBSA.
- 4.3 Protect the DBSA against possible penalties and repercussions resulting from acts of bribery and corruption or being associated with such behaviour.

5. POLICY SCOPE

- 5.1 This policy applies to all DBSA's employees (permanent, fixed-term or temporary), directors, officers and all those acting for or on behalf of the DBSA.

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- 5.2 The policy reflects the standards to which the DBSA expects its business associates, contractors, consultants, third party service providers to uphold, wherever they are located.
- 5.3 Agents, representatives and intermediaries who act on behalf of the DBSA, anywhere in the world, must comply with the DBSA's Code of Ethics and this policy.

6. POLICY PRINCIPLES

- 6.1 The DBSA's Board of Directors sets the tone of the policy and senior management should regularly communicate the policy and reiterate the principles in internal meetings with staff, as well as external meetings, with clients and business partners for instance.
- 6.2 Management should ensure that all employees and contractors are familiar with this policy and subsequent applicable amendments as they are updated from time to time and communicated via the DBSA's intranet, namely, DBConnect, on OnBase and DBSA website.
- 6.3 It is the responsibility of all employees and contractors to familiarise themselves with and observe the requirements contained in this policy in conjunction with all other policies that govern conduct at the DBSA.
- 6.4 All employees or contractors have a duty of care to the DBSA and should at any time disclose non-compliance with the policy without fear of victimisation. In addition, the DBSA will take action for any derivative misconduct.
- 6.5 Breach of this policy will result in disciplinary action. Breach of the laws in relation to this policy could also result in civil or criminal proceedings. In relation to non-DBSA employees, e.g. independent contractors and service providers' failure to comply with this policy will result in the notification to the service provider and/or any applicable authority to take appropriate remedial action for the expenses incurred. Service providers will be at risk of having their contract terminated and will be reported.
- 6.6 Where employees are unsure whether a particular act constitutes bribery or corruption, or if you have any queries, these should be raised with your line manager or Ethics Officer. Suppliers can raise queries to supply chain officer or Ethics Officer.

7. POLICY STATEMENT

- 7.1 The DBSA is committed to conducting business transparently, honestly, with integrity and to the highest ethical standards. Therefore, it is important that the DBSA complies with and conducts its business in accordance with applicable anti-bribery and anti-corruption laws (ABC laws). This policy should be read in conjunction with the DBSA's Code of Ethics, Gift and Hospitality and relevant legislation.
- 7.2 **The DBSA is further committed to:**
 - 7.2.1 upholding ABC laws that apply to the DBSA , including PRECCA;
 - 7.2.2 not offering bribes or condoning the offering of bribes on the DBSA's behalf;
 - 7.2.3 not accepting bribes, or agreeing to them being accepted on the DBSA's behalf;

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- 7.2.4 maintaining accurate books and records;
 - 7.2.5 ensuring that the DBSA's representatives are aware of and abide by its values and policies;
 - 7.2.6 avoiding doing business with or affiliating the DBSA with others who do not accept the DBSA's values and policies and who may harm the DBSA's reputation; and
 - 7.2.7 ongoing monitoring of and auditing compliance with these principles.
- 7.3 The DBSA will abide by the Prevention and Combatting of Corrupt Activities Act, 12 of 2004 (PRECCA) and laws countering bribery and corruption in all of the jurisdictions in which the DBSA operates or conduct business. This includes, and is not confined to, those countries where the DBSA operates.
- 7.4 It should be noted that in relation to any DBSA employee who has been involved in an act of bribery whilst conducting business on behalf of the DBSA in a jurisdiction whereby there are no anti-bribery and anti-corruption laws, the DBSA's ABC policy and PRECCA will apply.
- 7.5 Although penalties may differ across the different jurisdictions in which the DBSA operates, bribery and corruption (or even the perception or an allegation):
- 7.5.1 will damage the reputation of the DBSA; and/or
 - 7.5.2 could cost the DBSA significant amounts of money both in respect of potential fines and time spent in dealing with such issues and may lead to serious penalties on individual members of the DBSA including imprisonment and fines, or even forfeiture of critical exploration or operating licenses and permits.
- 7.6 Applicable Legislation - the Prevention and Combating of Corrupt Activities Act, 12 of 2004 (PRECCA)**
- 7.6.1 Under PRECCA, the general crime of corruption occurs when someone (the "offeror") (A) gives (or offers to give) someone in a position of power (B) something to use their power, illegally and unfairly, for the advantage of the offeror, or someone not directly involved. Someone who solicits a bribe is also guilty of corruption, even if the offer is turned down.
 - 7.6.2 The act does not necessarily have to involve money-exchanging hands. Gifts, entertainment, property, employment, influence of a vote (e.g. in a tender process), discounts or release from a loan are also perceived as gratification under the PRECCA.
 - 7.6.3 PRECCA provides for extraterritorial jurisdiction. This means that even if an act of corruption was committed outside of South Africa, a court in South Africa will have a jurisdiction over the offence, as long as certain conditions are met. The person to be charged must be a South African citizen and must ordinarily reside in South Africa, or must be a legal entity incorporated in South Africa.
 - 7.6.4 PRECCA also requires all people in authority in both the public and private sectors to report corruption of R100, 000.00 or more, to the police. Failure to report corruption is a criminal offence.
 - 7.6.5 PRECCA imposes hefty penalties (fines and prison terms) for people who are convicted of corrupt activities. If convicted in the High Court, the guilty party can receive up to life

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imprisonment. If convicted in a Regional Magistrate's court, the guilty party can receive a sentence of up to 18 years in prison, whilst a prison sentence of up to five years can be imposed if convicted in the District Magistrate's Court.

7.7 What is Bribery?

- 7.7.1 Bribery is the most common form of corruption and can be broadly defined as the offering, promising, giving, accepting or soliciting of both pecuniary and non-pecuniary undue advantage as an inducement or reward for an action which is illegal or a breach of trust.
- 7.7.2 Bribery usually involves giving or offering money, a gift or something else of value to someone in business or government in order to obtain or retain a commercial advantage or to induce or reward the recipient for acting improperly or where it would be improper for the recipient to accept the benefit.
- 7.7.3 Bribery can also occur where the offer or giving of a bribe is made by or through a third party.
- 7.7.4 Both the giving and receiving of bribes is prohibited in most jurisdictions. Bribes often involve monetary payments (or the promise of payments), but can include other benefits or advantages. **Examples of bribes may include the following, amongst others:**
- 7.7.4.1 lavish gifts, entertainment, hospitality or travel expenses, particularly where they are disproportionate, frequent or provided in the context of ongoing business negotiations;
 - 7.7.4.2 cash payments by employees or third persons, such as consortium members, introducers, contractors or consultants;
 - 7.7.4.3 sharing of confidential information;
 - 7.7.4.4 positions on Boards;
 - 7.7.4.5 the uncompensated use of the company services, facilities or property;
 - 7.7.4.6 loans, loan guarantees or other extensions of credit;
 - 7.7.4.7 providing a subcontract to a person connected to someone involved in awarding the main contract;
 - 7.7.4.8 engaging a local company owned by or offering an educational scholarship to a member of a family of a potential customer / public or government official;
 - 7.7.4.9 political or charitable donations made to a third party linked to, or at the request of, someone with whom the DBSA does business;
 - 7.7.4.10 clothes or jewellery for the recipient and/or recipient's spouse, paid holidays, gifts of the briber's inventory or services, such as the construction of a home or home improvements by a contractor, sexual favours, or hidden interests in companies;
 - 7.7.4.11 benefits such as the provision of internship or work experience, whether paid or unpaid.
- 7.7.5 Bribery can be direct (e.g. you give a bribe to someone) or indirect (e.g. you get someone else to give a bribe to another person).

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- 7.7.6 It is irrelevant whether the bribe was accepted or not, merely offering the bribe is usually sufficient for an offence to be committed.
- 7.7.7 Facilitation payments often referred to informally as “grease payments”, are unofficial payments made with the purpose of expediting or facilitating the performance by a public official of a routine government action to which the payer is legally entitled. In short, they are used to persuade public officials to carry out a task they are already obligated to do. For example, provision of a visa, licenses or permits or customs clearance.
- 7.7.8 Facilitation payments feed a culture of corruption, which creates an unstable operating environment for the organisation.
- 7.7.9 Duress payments are payments made by the DBSA’s representatives in circumstances where they cannot avoid paying a bribe or facilitation payment due to a threat on their lives, health, security or freedom. Payments made for these purposes and under circumstances of duress will not be considered as bribes by the DBSA and would trigger the defense of duress.

7.8 WHAT IS STRICTLY PROHIBITED?

- 7.8.1 It is not permitted for an employee (or someone acting on DBSA’s behalf) to:
- 7.8.1.1 give, promise to give, or offer, a payment, loan, reward, gift or entertainment, to any Third Party with the expectation or hope that a business advantage will be received, or to reward a business advantage already given.
 - 7.8.1.2 give, promise to give, or offer, a payment, loan, reward, gift or entertainment to a Public Official, or any Third Party to “facilitate” or expedite a routine procedure. The prohibition applies the same when the Third Party solicits bribes from DBSA representatives;
 - 7.8.1.3 threaten or retaliate against any person who has refused to commit a bribery offence or who has raised concerns under this ABC Policy; or
 - 7.8.1.4 engage in any activity that might lead to a breach of this ABC Policy.
- 7.8.2 It is not permitted for the DBSA employee or someone acting on DBSA’s behalf to falsify the DBSA’s books and records for the purpose of bribery or of hiding bribery. Specifically, an employee cannot:
- 7.8.2.1 maintain off-books accounts;
 - 7.8.2.2 fail to record or inadequately record transactions;
 - 7.8.2.3 record non-existent expenditures;
 - 7.8.2.4 inaccurately identify liabilities;
 - 7.8.2.5 knowingly use false documents; or
 - 7.8.2.6 destroy accounting books and records.

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7.8.3 In addition to the rules on specific issues set out below under 'Procedures', representatives must consider the following questions before giving or offering something in the course of acting on behalf of, or in association with, the DBSA. If the answer to any of the questions below is "Yes" or "I do not know", then what you are doing could be, or could be viewed as, a bribe and you should speak to the Ethics Officer:

Checklist 1: Rules on Determining What is Prohibited

- Am I doing this to try to improperly influence a decision someone is going to make?
- Do I feel that I cannot openly/transparently record this in the DBSA's books and records?
- Does the person who I am giving or offering this to want it to be kept a secret?
- If this became public information, could it harm the reputation of the DBSA?
- If the other person accepts this, will they feel obligated to do something in return?
- Is this against the law?

8. PROCEDURES

8.1 Duress Payments

The DBSA's representatives should not refuse to make a duress payment if the situation so arises, but should follow the following steps when confronted with such threats:

Checklist 2: Addressing Duress Payments

- Your safety as the DBSA's representative is paramount.
- Do not to refuse to make a payment if faced with a threat of, or fear of, violence or loss of liberty.
- Employees to report incidents immediately to senior management.
- Senior management, in turn, should consider reporting incidents to relevant law enforcement authorities.
- Duress payments must be accurately reflected in the DBSA's books and records.

8.2 Facilitation Payments and Kickbacks

8.2.1 The DBSA and its ABC Policy strictly do not permit the making of facilitation payments and/or kickbacks of any kind.

8.2.2 All DBSA's representatives must avoid any activity that might lead to, or suggest, that a facilitation payment or kickback will be made by or on behalf of the DBSA.

Checklist 3: Handling of Facilitation Payments and Kickbacks

- When asked to make a payment on behalf of the DBSA, always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided.
- Always obtain a receipt, which details the reason for the payment and evidences that the payment went directly to the appropriate payee who provided the goods and services.
- Raise any suspicions, concerns or queries regarding a payment with the Ethics Officer.

8.3 Investment Activities

- 8.3.1 In terms of its investment activities, the DBSA shall not enter into any transaction where there is information that a potential client has been implicated in fraud, bribery or corruption or has been cited in sanctions or debarment lists; subject to 8.3.6.
- 8.3.2 All persons in the employment of the DBSA shall report any suspicious activities or allegations of fraud, bribery or corruption relating to the current or potential projects funded by the DBSA.
- 8.3.3 Reporting to be directed to Internal Audit. All reports shall be treated as confidential. Where there are existing funded projects these will also be brought to the attention of Internal Audit.
- 8.3.4 There may be instances where there are allegations against a business or client or related party, but there is no substantive information supporting it. In that instance, an investigation should be conducted still, in order to determine whether to proceed or not with the transaction. Furthermore, there would be a duty to conduct an enhanced due diligence as per the provisions of the Risk Management and Compliance Programme Policy of the DBSA

8.3.5 Dealing with Findings

- 8.3.5.1 The Investment Committee shall review the report and recommendations on the report and make a decision on the matter unless such decision falls within the mandated authority of the BCIC, in which case the Investment Committee shall make recommendation to the BCIC for final decision on the matter.
- 8.3.5.2 The following factors should be taken into account:
- Severity and characteristics of the conduct;
 - Degree of involvement and whether the involvement was active or passive;
 - Magnitude of losses that may occur or has occurred;
 - Past conduct in relation to fraud, bribery and corruption;
 - Mitigating circumstances, including extent of cooperation;
 - If applicable, periods of suspension/debarment already imposed, including cross-debarments by other multilaterals;
 - Any other factors that the committee may deem relevant.

8.3.6 Rehabilitation, Sanctions and Associated Debarment Periods and Cooling-off Periods

The DBSA may apply the following:

- 8.3.6.1 If this is a new client or service provider, the committee may decide, given the reputational risk involved, not to continue with the business.
- 8.3.6.2 If the party has paid a fine or other agreed remediation in terms of a regulatory framework, continue to do business.

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- 8.3.6.3 The party has taken voluntary corrective action, the DBSA may continue to do business while monitoring.
- 8.3.6.4 If the client has gone through the Early Review Stage and Appraisal stages and only then information became known about alleged wrongdoing, the IC or BCIC in terms of its' delegation may decide, whether to proceed based on the outcome of the report and the risks associated with continuing with the transaction.

8.4 Gifts, Entertainment and Hospitality

- 8.4.1 For the purpose of this ABC Policy, gifts, entertainment and hospitality means anything of value. Anon-exhaustive list would include tickets to a sporting/cultural event, gift certificates, prizes, discounts, loans, travel expenses, stocks or other securities and use of facilities.
- 8.4.2 The giving of gifts, entertainment and hospitality can play an important role in building and facilitating business relationships, in keeping with customary business practice and in accordance with all applicable laws. However, the giving of some gifts, entertainment and hospitality can create improper influence and in some instances be viewed as bribes. This can damage the DBSA's reputation and potentially break the law.
- 8.4.3 Distinguishing between a genuine gift and a bribe can be difficult and representatives must exercise care when offering and/or receiving gifts, entertainment and hospitality.
- 8.4.4 The DBSA's rules on gifts, entertainment and hospitality extends to third parties or any persons performing services on behalf of the DBSA.
- 8.4.5 Representatives of the DBSA must not request, accept, offer or provide gifts, entertainment and hospitality designed to induce, support or reward improper conduct including in connection with any business or anticipated future business involving the DBSA. For example, where they might be seen to compromise the receiver's judgement and integrity.
- 8.4.6 The above requirement in section 8.4.3 extends to the provision or acceptance of gifts, entertainment and hospitality through any third parties or to or by members of the family of a representative of an actual or potential customer.
- 8.4.7 In addition, the DBSA representatives must not provide gifts, entertainment and hospitality or any advantages to potential customers or government officials at their own expense. This section must be read in conjunction with the DBSAs Gift and Hospitality Policy.

Checklist 4: Rules on Gifts, Entertainment and Hospitality

- Determine in all circumstances if the gift(s) or entertainment or hospitality is **Reasonable and Justifiable**, rather than lavish and extraordinary.
- Consider the **Proportionality and Motivation / Intention** behind the gift, entertainment, or hospitality always; and nothing should be specifically expected or demanded in return.
- Bear in mind the **Frequency and Appropriateness of Timing** when gifts, entertainment and hospitality are offered and/or accepted. This should not be done at the time when business decisions concerning the DBSA, such as during a tendering process, a licensing award or a contract renewal.
- Be aware of the geographical location in which the organisation is operating. The practice of giving gifts, entertainment and hospitality can vary greatly between countries and often depends on the local laws and customs.

■ Comply with the monetary limits on gifts, entertainment and hospitality that employees can offer and/or receive, as per the DBSA Gifts and Hospitality Policy. Values exceeding the limit should be subject to management approval. Unexpected gifts or gifts that exceed the approval limits, you may be required to return it or surrender it to the DBSA which might consider giving it to charity if it is not considered appropriate to retain it.

■ Do not use cash as a form of gift, entertainment, hospitality, as it greatly increases the risk of it being viewed as bribery and not a legitimate and fair business practice.

■ For transparency, ensure that all gifts, entertainment and hospitality expenses are recorded accurately in the online central gift register.

■ Be alert to the nature of the recipients, especially if they are public officials. The kind of gift, entertainment and hospitality to public officials may lead to improper influence or the appearance of improper influence can be viewed as bribes.

■ As the representative of the DBSA, to determine whether the giving and/or receiving of gifts, entertainment and hospitality is reasonable and legitimate is "how would it look if these details were on the front page of a newspaper?" If you would not want such details publicized, then there is probably something wrong.

8.5 Agents, Representatives, Intermediaries and Other Third Parties

- 8.5.1 The DBSA could be held criminally liable for the acts of the agents, representatives and other intermediaries who are involved in bribery when they are acting on its behalf.
- 8.5.2 Before engaging a third party, you should consider whether the use of such a person is necessary; whether the proposed person is appropriate for the role (including the reference of their expertise and any possible conflict of interest); and whether the proposed remuneration is appropriate. Business units are responsible for following the third party processes, including assessing risk level and applying the relevant procedures prior and during appointment.
- 8.5.3 Agents, representatives and intermediaries engaged to represent the DBSA's interests must comply with the DBSA Code of Ethics, including anti-bribery provisions.
- 8.5.4 Management is responsible for ensuring that the DBSA's expectations in this regard are communicated to and followed by such persons/entities, and that appropriate contractual protections and safeguards are in place where necessary. Anti-bribery wording for representative agreements is available from Legal.
- 8.5.5 Thorough due diligence must be undertaken before engaging any agent, representative or intermediary, which may include commissioning third-party risk assessments in high-risk areas. In particular, one needs to ascertain the following:
- who they are (including ultimate owners of the organisation);
 - what their business history is (including whether there has ever been any allegation or report of their involvement in any wrongful business conduct); and
 - for whom they have previously worked. Appropriate references must always be obtained.
- 8.5.6 Business units shall be responsible for ensuring that commissions and other payments to any agents, representatives or intermediaries under an approved intermediary (or equivalent)

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agreement are properly recorded, approved and paid in accordance with the agreement and any other legal requirements.

- 8.5.7 All payments to agent, representative or intermediary must be made by direct bank transfer (*not* to any third party) into the country in which the agent, representative or intermediary has its principal place of business or performs substantial services on behalf of the DBSA. Any request for a payment to a third party of a commission, service fee, other fees in a manner that is not in accordance with this policy is strictly prohibited.

8.6 Dealing With Governments

- 8.6.1 Examples of government and public officials include:

8.6.1.1 Anyone holding a legislative, administrative or judicial position, including government ministers, elected representatives of national, regional or local assemblies, officials of a political party, civil servants, magistrates or judges;

8.6.1.2 An employee, officer, agent or other person acting in an official capacity for a government, government department, government or public agency, public enterprise, or commercial enterprise owned in whole or in part by a government; and

8.6.1.3 An employee, officer, agent or person acting in an official capacity for a public international organisation.

- 8.6.2 Although many countries punish both public and private sector bribery and corruption, the rules applicable to the public sector tend to be stricter. While the principles of this policy apply to dealings across both the public and private sectors, particular care is required in relation to any dealings with governments, government agencies, or government owned or controlled businesses; particularly where a contract is already held with the relevant government or government entity and/or you are pitching for business from that government or government entity.

- 8.6.3 The DBSA prohibits the provision of money, gifts, entertainment, hospitality or anything else of value to any government or public officials for the purpose of influencing such officials in order to obtain or retain business, or a business or commercial advantage, or otherwise in relation to decisions that may be seen as beneficial to the DBSA's business interests.

- 8.6.4 Approval from the Line Manager is required prior to offering a gift, entertainment or hospitality to any government or public officials in relation to:

8.6.4.1 Paying or reimbursing travel, hospitality or entertainment expenses (e.g. airfares, meals or hotel bills);

8.6.4.2 Making gifts; and

8.6.4.3 Making charitable contributions.

- 8.6.5 All gifts, entertainment and hospitality to government and public officials, other than nominal exceptions referred to in all the gifts, entertainment and hospitality section should also be recorded on the local online gift register.

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8.7 Charitable Donations and Sponsorships

- 8.7.1 The DBSA believes in contributing to the communities in which it does business and permits reasonable donations to charities from the DBSA's funds. However, the DBSA must be certain that charitable donations cannot be perceived as an attempt to buy influence for the benefit of the DBSA or in any other way as being improper, and on a worst-case basis are not disguised unlawful payments to private individuals or public officials in violation of anti-corruption laws.
- 8.7.2 Care, through conducting due diligence on the third party, should be taken to ensure that charity/sponsorship is legitimate and that any donation/sponsorship is not diverted to other beneficiaries. No charitable donation should therefore be made or agreed without prior approval of the CEO.
- 8.7.3 This ABC Policy provides the DBSA with auditing rights on charitable donations.

Checklist 5: Avoiding Bribes Disguised as Charitable Donations / Sponsorships

- Donations should never be made if there is a suggestion or perception that a benefit will be given to the DBSA in return for the donation.
- Verify that the donation is not prohibited under the local law and ensure compliance with any disclosure or threshold requirements.
- The annual plan for charities receiving corporate donations should be pre-approved by the CEO. Approval of donations should be made in writing and accurately recorded in the DBSA's accounts.
- Donations should not be made in cash or paid directly to individual or their DBSA accounts.
- To ensure Transparency, donations should be publicly disclosed, e.g. on the DBSA's website and its integrated annual report.
- Follow up measures should be undertaken to ensure the donation is being used for its intended purpose. Where relevant, on-site checks could be applied in cases where the donation is made to support a physical project.

8.8 Political Donations

It is the policy of the DBSA not to make any political donations as an organisation.

Employees who choose to make such payments from their own money, should do so not with a view to influence a third party for the benefit of the DBSA in any way that might give the impression that such influence was intended.

8.9 Third Party Bribery Solicitation

This refers to when DBSA employees and representatives are confronted with bribe demands by third parties. DBSA representatives must familiarise themselves with the level of solicitation risks certain countries, projects and/or sector pose to the DBSA, and respond to such through the provisions of this ABC Policy.

Third parties can also act as sales agents, distributors, consultants or joint venture partners. Business relationships with unethical third parties will both undermine the DBSA's ABC Policy and

cause reputational and financial damage. Furthermore, the DBSA could be held liable for the illegal acts of third parties.

8.10 Internships / Work Experience

The provision of an internship or work experience, whether paid or unpaid, may be perceived as a benefit (and potentially an improper one) to a third party. Prior-approval by Human Capital must be obtained for all internships offered by the business.

No offer should be made for any internship or work experience without first seeking the necessary approvals as set above. Any requests received for internships or work experience must be referred to the Human Capital Division.

9. GOVERNANCE AND MANAGEMENT

9.1 Compliance and Oversight

- 9.1.1 All employees and/or representatives must ensure that they have read, understood and comply with this ABC Policy.
- 9.1.2 The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all employees and/or representatives. All employees and/or representatives are required to avoid any activity that might lead to, or suggest a breach of this policy.
- 9.1.3 The DBSA Board, through its delegation to the Social & Ethics Committee, is responsible for oversight and enforcement of this ABC Policy, with senior and middle management responsible for ensuring its implementation.
- 9.1.4 The Ethics Officer is responsible for the administration of this ABC Policy.
- 9.1.5 Employees who are in the front-line of confronting bribery risks must be engaged. All employees whose day-to-day activities may be affected by this ABC Policy will receive appropriate training within a reasonable time after commencing employment and will acknowledge that they have received a copy of this policy and will comply with the policy and all associated laws and procedures.
- 9.1.6 Adherence to this ABC Policy will be subject to regular review by internal audit.
- 9.1.7 Adequate financial and human resources should be provided for the implementation of this ABC Policy.

9.2 Record Keeping

- 9.2.1 The DBSA must keep financial records and have appropriate internal controls in place which will evidence the business rationale for any payment made to third parties.
- 9.2.2 Employees and/or representatives must ensure that all expense claims relating to gifts, hospitality, entertainment or expenses incurred are submitted in accordance with the DBSA's expense policy and specifically record the reason for the expenditure.

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- 9.2.3 All accounts, invoices and other similar documents and records relating to dealings with third parties should be prepared and maintained with strict accuracy and completeness. No amounts must be kept “off-book” to facilitate or conceal improper payments.

10. POLICY MONITORING AND REVIEW

- 10.1 The Ethics Officer will monitor the effectiveness and review the implementation of this ABC Policy, regularly considering its suitability, adequacy and effectiveness. Any improvements identified will be effected promptly.
- 10.2 Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective in countering bribery and corruption.
- 10.3 The Ethics Officer will report regularly on compliance to this policy to the Social & Ethics Committee.
- 10.4 All employees and/or representatives are responsible for the effective implementation of the provisions of ABC Policy and should ensure they use it to disclose any suspected danger or wrongdoing.
- 10.5 This ABC Policy will be reviewed at least every two years or as and when there are material amendments in the legislation and best practices.

11. POLICY ENFORCEMENT AND SANCTIONS

11.1 Raising and/or Reporting a Concern Internally

- 11.1.1 All the DBSA employees and/or representatives are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. If you are unsure whether a particular act constitutes bribery or corruption, or if you have any other queries, these should be raised with the Ethics Officer.
- 11.1.2 All the DBSA employees are required to assist in tackling fraud, corruption, and other malpractice within the organisation. If you are aware of, or suspect that bribery may be taking place with the DBSA, you should report suspicions to an appropriate person, or raise the issue anonymously through the whistleblowing channels.
- 11.1.3 It is inappropriate to disclose concerns outside the DBSA or to a third party before the DBSA has had an opportunity to deal with the issue. Thus, representatives are encouraged to directly report the concern through the correct channels. Alternatively, representatives are welcome to use the whistleblowing facility available in the DBSA, should they desire to remain anonymous.

11.2 Protection and Reporting Violations

- 11.2.1 Representatives who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are often worried about possible repercussions. The DBSA encourages openness and will support anyone who raises genuine concerns in good faith under this ABC Policy, even if they turn out to be mistaken.
- 11.2.2 The DBSA is committed to ensuring no one suffers any detrimental treatment as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their

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suspicion that an actual or potential bribery or other corruption offence has occurred, or may occur in the future. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If you believe you suffered any such treatment, you should inform the Ethics Officer immediately. If the matter is not remedied, as an employee you should raise it with the CEO. Concerns may also be raised by representatives through alternate channels including an independently operated whistleblowing anonymous hotline, or Ethics Desk.

- 11.2.3 No employee will suffer if the DBSA loses business as a consequence of his/her refusal to pay bribes or engage in corrupt activities.
- 11.2.4 It is important that you advise the Ethics Officer promptly if you or another representative are offered a bribe by a Third Party, or are asked to make one, suspect that this may happen in future; or believe that you or another representative are a victim of another form of unlawful activity when acting on behalf of, in association with, the DBSA.

11.3 Investigations

- 11.3.1 In addition to regular audits to verify compliance with relevant anti-corruption laws and more broadly with this policy and other DBSA policies, practices and procedures, there may be individual instances in which the DBSA wishes to investigate a specific issue or allegation. In these events, an audit or investigation of records, books and accounts may be performed to prevent and detect violations of anti-corruption laws and procedures to ensure compliance with this ABC Policy and other DBSA's policies, practices and procedures.
- 11.3.2 While performing such an audit or investigation, the investigating team may seek the assistance of any DBSA personnel, and is authorised to retain accounting firms, external lawyers, or others, as deemed appropriate at the discretion of the investigative team. All personnel have a duty to comply with such requests for assistance.

11.4 Sanctions

- 11.4.1 Given the serious nature of a breach, the failure of the above-mentioned stakeholders to comply with this policy, whether intentionally or by an act of negligence, may lead to disciplinary action being taken that could result in outright dismissal.
- 11.4.2 Any DBSA employee who breaches this policy will face disciplinary action in accordance to the DBSA's Disciplinary Code, which could result in dismissal for gross misconduct.
- 11.4.3 The DBSA reserves its right to terminate contractual relationships with representatives if they breach this ABC Policy.

11.5 Training, Communication, Engagement of Third Parties and Due Diligence

- 11.5.1 Training on this ABC Policy forms part of the induction process for all new employees and Third Parties. All existing employees will receive regular, relevant training on how to implement and adhere to this policy.
- 11.5.2 The DBSA's robust approach against bribery and corruption must be communicated to all Third Parties as the onset of the DBSA's business relationship with them and as appropriate thereafter. The DBSA has adopted a Corporate Standard on Anti-Bribery and Anti-Corruption (ABC) Third Party Due Diligence, which sets out the procedures for conducting due diligence in respect of such Third Parties.

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12. REFERENCES AND RELATED POLICIES

- DBSA Code of Ethics
- DBSA Fraud Prevention Plan
- DBSA Gift and Hospitality Policy
- Whistleblowing Policy
- PRECCA
- OECD Anti-Bribery Policy and Compliance Guidance for African Companies
- African Union Sanctions

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13. APPENDICES

13.1

Potential Risk Scenarios: “Red Flags”

The following is a list of possible red flags that may arise during the course of any representative working for, on behalf of or in association with the DBSA, and which may raise concerns under various anti-bribery and anti-corruption laws. The list is not intended to be exhaustive and is for illustrative purposes only. If you encounter any of these red flags while working for, on behalf of or in association with the DBSA, you must promptly report them to the Ethics Officer or, alternatively, via the DBSA's confidential whistleblowing hotline outlined in the Code of Ethics and Whistleblowing Policy:

- 1.1 you become aware that a Third Party engages in, or has been accused of engaging in, improper business practices;
- 1.2 you learn that a Third Party has a reputation for paying bribes, or requiring that bribes are paid to them;
- 1.3 a Third Party:
 - 1.3.1 insists on receiving a commission or fee payment before committing to sign a contract with the DBSA, or carrying out a government function or process for the DBSA;
 - 1.3.2 requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;
 - 1.3.3 requests that payment is made to a country or geographic location different from where the Third Party resides or conducts business;
 - 1.3.4 requests an unexpected additional fee or commission to “facilitate” a service;
 - 1.3.5 demands lavish entertainment or gifts before commencing or continuing negotiations or discussions on a matter;
 - 1.3.6 requests that a payment is made to “overlook” potential legal violations;
 - 1.3.7 requests that you provide employment or some other advantage to a friend or relative;
- 1.4 you learn that a colleague has been taking out a particular Public Official for very expensive and frequent meals;
- 1.5 you receive an invoice from a Third Party that appears to be non-standard or customized;
- 1.6 you notice that the DBSA has been invoiced for a commission or fee payment that appears large given the service stated to have been provided; or
- 1.7 a Third Party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to the DBSA.

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