

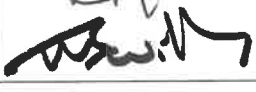



WHISTLEBLOWING POLICY

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PREPARED	Bathobile Sowazi Company Secretary		20/09/23
OWNED	Boitumelo Mosako Chief Executive Officer		20/09/23
RECOMMENDED	Prof. Mark Swilling Chairperson: Social & Ethics		20.9.23
APPROVED	Prof. Mark Swilling Chairman of the Board		20.9.23

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1. TABLE OF CONTENT

2. GLOSSARY AND ACRONYMS

Abbreviation / Term	Definition / Full Terminology
DBSA	Development Bank of Southern Africa, alternatively referred to as the Bank
CEO	Chief Executive Officer
Whistle blowing	An act of reporting irregular and/or criminal activities occurring in an organisation in accordance to this policy or through other external forums
Protected Disclosure	A disclosure made in good faith "in accordance with any procedure prescribed, or authorised by the employee's employer for reporting the impropriety concerned
Employee	Any permanent, fixed-term contractors, temporary or seconded staff member of the DBSA, and employees operating under Bank's agencies
Worker	Includes individuals who currently or previously worked for the Bank as Third Parties contracted, independent contractors and subcontractors, consultants, agents, non-executive directors and those rendering services to a client whilst being employed by temporary employment services (labour brokers)
Non-Executive Director	A board member that is not involved in the day to day management of the DBSA and is not in the full-time salaried employment of the DBSA.
Ethics	Beliefs of a person or an organisation in which they have an emotional investment either for or against something
Values	The right to obtain a benefit or other advantage from a property, business or other activity without any control thereof or attached responsibility for cost and damages or other losses incidental to such property, business or other activity
Integrity	The quality of being honest and having strong moral principles, uprightness, honesty and sincerity
Fraud	The unlawful and intentional making of a misrepresentation and/or omission which causes actual prejudice, or which is potentially prejudicial to another
Fraud Hotline	A warning system which enables employees and non-employees to anonymously report activities of wrongdoing that otherwise may go undetected
Corruption	According to the Prevention and Combating of Corrupt Activities Act (12 of 2004), is giving or offering to accept a gratification in return for granting certain favours. It is where someone gives or offers to give someone in a position of power, something to use his or her power illegally and unfairly to the advantage someone else. The person offering to give or do something is always guilty of corruption and both parties will be guilty of corruption if the offer is accepted
Misconduct	Wrongful, improper or unlawful conduct motivated by premeditated or intentional purpose or by obstinate indifference to the consequences of one's acts
Occupational Detriment	Includes disciplinary action, dismissal, suspension, demotion, harassment, bullying, intimidation, unilateral transfers and changes to employment conditions, refusal promotions or transfers, providing bad references, refusal to appoint to a position,

	threatening an Employee with any of the abovementioned actions, or any other adverse effect on their work security or employment
PDA	Protected Disclosures Act, Act 26 of 2000
PFMA	Public Finance Management Act
PRECCA	Prevention & Combatting of Corrupt Activities Act, Act 12 of 2004

3. INTRODUCTION

The DBSA strives to uphold the highest ethical standards in all its operations in building and maintaining a values-based ethical organisation.

In accordance to the Protected Disclosures Act, Act 26 of 2000 (PDA), this policy is designed to communicate the mechanisms for reporting irregularities and criminal offences occurring within the Bank, committed by either the employees/workers or employer.

4. POLICY OBJECTIVE / PURPOSE

The purpose of this policy is to:

- 4.1 Advance a culture of transparency which facilitates the disclosure of information by Employees and Workers relating to criminal and/or irregular conduct in the workplace in a responsible manner;
- 4.2 Emphasise DBSA's zero tolerance for criminal and irregular conduct including fraudulent and corrupt activities;
- 4.3 Provide procedures for whistle blowers to disclose improprieties in a responsible manner;
- 4.4 Confirm DBSA's commitment to protect and remedy Employees and Workers who act as whistleblowers of criminal and irregular conduct from occupational detriment; and
- 4.5 Eradicate criminal and irregular conduct in the DBSA.
- 4.6 Ensure that a whistleblowing process is fully embedded within the Bank, incorporating a reporting hotline and other reporting channels.

5. POLICY SCOPE

- 5.1 This policy applies to all Employees and Workers (including the Bank's Non-Executive Directors) of the DBSA and subsidiaries and other agency arrangements entered by the Bank.
- 5.2 The policy will not apply to personal grievances and misconduct, which will be dealt with under existing labour procedures on grievance as outlined in the DBSA Disciplinary Code and Procedure, Grievance Policy.
- 5.3 The policy applies to irregular and criminal conduct including, but not limited to:
 - a) Fraud, corruption, corporate crime and misconduct;
 - b) Financial misconduct;
 - c) Failure to comply with certain legal obligations;

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- d) Miscarriages of justice;
- e) Intimidation;
- f) Endangering of health or safety of individuals;
- g) Damage to the environment;
- h) Unfair discrimination as defined in the Employment Equity Act and the Promotion of Equality and Prevention of Unfair Discrimination Act;
- i) Contravention of the DBSA Code of Ethics; and
- j) Attempts to suppress or conceal any information relating to any of the above.

5.4 The “**occupational detriment**” from which the whistle blower is protected for reporting irregular and/or criminal conduct, covers instances when:

- a) Subjected to any disciplinary action;
- b) Dismissed, suspended, demoted, harassed, bullied or intimidated;
- c) Transferred against his or her will;
- d) Refused appointment of employment, transfer or promotion;
- e) Subjected to a term or condition of employment or retirement which is altered, to the workers’ disadvantage;
- f) Refused a reference, or being provided with an adverse reference, from his or her employer;
- g) Denied appointment to any employment, profession or office;
- h) Subjected to a civil claim arising from their breach of any confidentiality requirement through the disclosure of a criminal act or of a planned or current failure to comply with a law;
- i) Subjected to any unfair, unlawful or discriminatory treatment;
- j) Threatened with any of the actions mentioned above; or
- k) Otherwise adversely affected in respect of his or her employment, profession or office, including employment opportunities and work security.

6. POLICY STATEMENT

The Development Bank of Southern Africa is committed to the fight against fraud and corruption in its work environment whether the perpetrators are internal or external. The whistleblowing procedure is part of the Bank’s commitment to working towards a culture of integrity and transparency. The Bank will ensure that confidentiality is maintained, and that Employees and Workers are protected against occupational detriment for disclosing in good faith, information that might be in the Bank’s interest.

6.1 The legislative framework for protection for whistleblowers in South Africa is contained in:

6.1.1 The Constitution

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Section 9.1 states that "everyone is equal before the law and has the right to equal protection and benefit of the law";

Section 16.1 (b) states that "everyone has the right to freedom of expression, which includes freedom to receive or impart information or ideas"; and

Section 23.1 states that "everyone has the right to fair labour practices".

6.1.2 The main legislation relevant to whistleblowing is The Protected Disclosures Act of 2000, as amended in August 2017.

The Protected Disclosures Act (PDA), Act 26 of 2000, was enacted in February 2001, and amendments enacted in August 2017. It encourages a culture of good governance, accountability and transparency. Furthermore, it provides protection to Employees and Workers for disclosures made without malice and in good faith, in defined circumstances. The PDA must be read in conjunction with all other applicable legislation, procedures and protection to whistleblowers who disclose information regarding unlawful or irregular conduct by the Bank or fellow Employees. The PDA defines the relevant concepts and provides for both the avenues of reporting by whistle blowers and protection provided to whistle blowers. The Act applies to people in both the public and private sectors; however, while the PDA is aimed at employees, it excludes volunteers and independent contractors.

The main aim of the PDA is to protect whistle blowers from being subjected to occupational detriment in their work environment.

The protections offered under the PDA only apply where, first, it is determined that a disclosure was made and, second, that that disclosure is classified as a 'protected disclosure'. If the whistle blowers' employment contract or severance agreement contains a confidentiality clause, then this clause becomes void insofar as it conflicts with the PDA's protection.

The manner of a disclosure is irrelevant for the purposes of determining whether a disclosure was made. The definition of a disclosure, in section 1 of the PDA, relates only to the widely defined type of information disclosed.

6.1.3 The Labour Relations Act of 1995

The Labour Relations Act protects whistle blowers through three sections, namely sections 186 (2)(d) and 187(1)(h), which refer to unfair labour practice and unfair dismissal, and section 191 (3), which empowers an employee to refer a dispute concerning an unfair labour practice, if the employee has suffered occupational detriment by an employer who has breached section 3 of the PDA.

6.1.4 The Companies Act of 2008

The section of the Companies Act applicable to whistleblowing is Section 159, which protects a whistle bower in this context against any civil, criminal or administrative liability for a disclosure made in terms of the Companies Act.

Section 159 of the Companies Act provides that disclosures of illegal activity can be made to a broader category of people and entities than those listed under the PDA, being: the Companies and

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Intellectual Property Commission, the Companies Tribunal, the Takeover Regulation Panel, a regulatory authority, an exchange, a legal adviser, a director, prescribed officer, company secretary, auditor, board or committee of the company concerned.

Those who disclose information in terms of the Companies Act are given immunity from civil, criminal and administrative liability for that disclosure.

6.1.5 The Protection Against Harassment Act of 2011 (PAHA)

The PAHA is applicable and useful to whistle blowers who get harassed as a result of whistleblowing.

Harassment under the PAHA is defined as "directly or indirectly engaging in conduct that the harasser knows or ought to know causes harm or inspires the reasonable belief that harm may be caused to the complainant or a related person".

Under Section 2 of the PAHA, a citizen can get a protection order against a person harassing them. This is granted by the Magistrate's Court and prohibits the perpetrator from harassing the victim any further.

6.2 The Board approved a revised Code of Ethics in September 2017. According to section 16.1 of the Code, the Bank encourages Employees to apply internal mechanisms for reporting any malpractice. The Bank is fully committed to ensuring that those reporting improprieties are protected from any form of victimization, harassment or discrimination; and will investigate all reports of impropriety fairly, equally and in accordance with the law.

7. POLICY PRINCIPLES

Raising a concern:

- 7.1 Any Employee or Worker who has a reasonable belief that there is fraud, bribery, corruption, misconduct may raise a concern by using channels made available by the Bank. A concern may be disclosed openly, in person or anonymously. However, those disclosing are encouraged to declare their name for investigation purposes with an assurance of protection.
- 7.2 All concerns must be disclosed without malice, in good faith and not for personal gain. The Employee or Worker must reasonably believe that the information disclosed, and any allegations contained are substantially true.
- 7.3 When reporting a concern or an allegation it is vital that an Employee or Worker provides as much evidence as possible that will enable a thorough investigation to be conducted on the matter. Without substantive evidence, it may be challenging to pursue the alleged transgression to the fullest. However, this does not necessarily preclude an Employee or Worker from reporting a suspicion where they have reasonable belief of an impropriety or wrong doing.
- 7.4 The issues raised may relate to an executive, a manager, fellow Employee, a group of staff, supplier, client, contractor, consultant, director and any stakeholder that has vested interest. The report/disclosure should as far as possible identify a system or procedure in use, which may cause transgression of legal obligations.

7.5 If, in the course of investigations, any concern raised in relation to abovementioned irregularities appears to the investigator to relate more appropriately to a labour grievance or discipline, those procedures will be applied.

7.6 Investigation of disclosure

The following process in line with the PDA will be followed:

- 7.6.1 The nature of the matters reported will inform the investigation process. Certain matters will be dealt with in terms of the existing DBSA disciplinary procedures, whilst others may require the intervention of South African Police Service (SAPS) or other external authorities (inter alia) Lawyers, the Public Protector, Auditor General and South African Human Rights Commission, Financial Intelligence Centre and National Treasury for further investigation.
- 7.6.2 The Bank will decide how to respond in a responsible and appropriate manner under this policy. An investigation will be conducted in a responsible manner. An official written record will be kept at each stage of the procedure.
- 7.6.3 Upon receipt of the disclosure from the Anti-Corruption and Fraud Hotline, the CEO shall conduct an initial assessment to ascertain what action should be taken. This may involve an internal inquiry or a more formal investigation.
- 7.6.4 After receiving a protected disclosure, as soon as reasonably possible but within a period of 21 days after receiving the protected disclosure - decide whether or not to investigate the matter or refer the disclosure to another more appropriate person or body for investigation. The Employee or Worker will be informed whether further assistance may be required from him/her.
- 7.6.5 The Bank need not comply with the above if the identity and contact details of the whistleblower is not known; or need not advise an employee or worker of its decision on whether or not to investigate the relevant matter if "it is necessary to avoid prejudice to the prevention, detection or investigation of a criminal offence".
- 7.6.6 When an Employee or Worker raises a concern and has any personal interest in the matter, he/she will be requested to declare this from the onset. If the Employee's or Worker's concern falls within the labour grievance procedure, he/she will be advised.
- 7.6.7 If an investigation is considered necessary, the Chief Executive Officer will authorise an investigator (or investigative team). The investigator or investigative team will be Employee(s) with experience and specialist knowledge in the area of the disclosure.
- 7.6.8 In some cases and depending on the nature or complexity of the disclosure or investigation, the Bank may outsource the investigation to a reputable specialist firm.
- 7.6.9 All Employees of the Bank will be expected to co-operate fully with the investigation authorised by the CEO. The investigating team shall have unrestricted access to all information, documents or any records that the team, in its discretion, deems necessary for pursuing the investigation.
- 7.6.10 So far as is possible, the Bank will keep the whistle blower informed of the progress of the investigation, especially where the whistle blower has identified himself / herself. However, precaution will be exercised against updating the Employee or Worker with precise details /action being taken where this

could infringe a duty of confidentiality, care and safety owed by the Bank to someone else.

7.6.11 It is not normally appropriate to set a specific time frame for completion of investigations in advance, as the diverse nature of disclosures contemplated under the policy makes this impractical. This notwithstanding, the DBSA will endeavour to deal with all disclosures in a timely manner and with due regard to the rights of all individuals involved.

7.6.12 The Bank acknowledges that there may be matters that cannot be dealt with internally and in respect of which external authorities will need to be notified and become involved either during or after the Bank's investigation. The Bank will endeavour to inform the whistle blower if a referral to an external authority is considered or occurred, regarding the disclosure. In some cases, the Bank may need to make such a referral without the whistle blower's knowledge or consent if the Bank considers it appropriate.

7.6.13 With respect to whistleblowing, relating to the Chief Executive Officer and Non-Executive Director the matter will be escalated to the Chairperson of the Board. When the whistleblowing concerns the Chairperson of the Board, the matter will be dealt with in consultation with the Shareholder.

7.6.14 All concerns received through the independent Anti-Corruption and Fraud Hotline (whether investigated or not) must be reported to the Audit and Risk Committee, and Social and Ethics Committee.

7.7 Assurances to Whistleblowers

Employee's and Worker's Protection according to PDA

7.7.1 DBSA Management is committed to the application of this policy. Management will ensure that any Employee who makes a disclosure in the above-mentioned circumstances will not be subjected to occupational detriment for doing so.

7.7.2 The provided protection will apply when the whistle blower acts in good faith, not for personal gain, and must believe that the information is true.

7.7.3 The disclosure is protected even when it is made to the Legal Advisor; The Public Protector; Auditor General; South African Human Rights Commission; Commission for Gender Equality; Commission for the Promotion and Protection of Rights of Cultural, Religious & Linguistic Communities; Public Service Commission; and any prescribed Person.

7.7.4 The Employee and the Worker are protected against any civil and criminal claim by the Bank for breach of confidentiality if they disclose (i) a criminal offence; or (ii) information that shows or tends to show substantial contravention of, or failure to comply with the law which has occurred, is occurring or is likely to occur. They are further protected against any adverse effect in respect of the *retention or acquisition of contracts* to perform work or render services.

7.7.5 If an Employee or Worker raises a concern in good faith in terms of this policy, an Employee will not be at risk of losing his/her job or suffering any form of retribution as a result.

7.7.6 In the case of occupational detriment, the remedies include the payment by the Bank (jointly with their client if applicable) of compensation and damages.

7.7.7 Assurance is not extended to Employees and Workers who maliciously raise matters they know to be untrue. An Employee or Worker who does not act in good faith or who makes an allegation without

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having reasonable grounds for believing it to be substantially true, or who makes malicious or vexatious allegations, will be subject to disciplinary proceedings.

Employee’s and Worker’s Confidence

7.7.8 In view of the protection offered to an Employee or Worker raising a bona fide concern, it is preferable that the individual puts his/her name to the disclosure. The Bank will not tolerate the harassment or victimization of whistleblower raising a genuine concern.

7.7.9 However, the Bank recognizes that an Employee or Worker may nonetheless wish to raise a concern in confidence under this policy. If an Employee or Worker asks for the protection of his/her identity in keeping an Employee’s confidence, it will not be disclosed without the Employee’s consent. However, the same confidentiality is expected from an Employee and Worker regarding the matter.

7.7.10 If a situation arises where the Bank is not able to resolve the concern without revealing an Employee’s identity (for example where an Employee’s evidence is needed in court), the Bank will discuss with an Employee.

8. GOVERNANCE AND MANAGEMENT

Roles and Responsibilities:

8.1 The DBSA Board has the overall responsibility for the DBSA Whistle Blowing Policy as part of its overarching risk management oversight. Responsibility for reviewing and monitoring the implementation of this policy lies with the Audit and Risk Committee (ARC) and Social and Ethics Committee (SEC).

8.2 Management has a responsibility to facilitate the operation of the policy by fostering an environment that promotes transparency and trust to ensure that Employees feel comfortable and enabled to disclose misconduct without fear of reprisals in accordance with the principles of this policy.

8.3 Employees have an obligation of complying with the procedure to disclose any irregularity and provide substantial true information.

8.4 Employees are encouraged to contact the Company Secretary and/or Ethics Officer on any enquiries concerning the policy.

9. WHISTLEBLOWING PROCEDURE

9.1 Internal Whistle Blowing Procedure

Step 1: If an Employee or Worker has a concern about malpractice, he/she must raise it first with his/her line manager / supervisor. This may be done verbally or in writing.

Step 2: If an Employee or Worker is unable to raise the matter with his/her line manager / supervisor, for whatever reason, he/she must raise the matter with his/her Group Executive.

Step 3: If the above steps have been followed but the Employee and Worker still has concerns, or if he/she cannot discuss it with any of the above, the Employee and Worker must

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contact the Chief Risk Officer.

- 9.1.1 Should the Employee and Worker have exhausted these internal mechanisms or where he/she has substantial reason to believe that there would be conspiracy or that evidence will be destroyed or that the matter might not be handled properly, he/she may raise the matter in good faith with the Chief Executive Officer.
- 9.1.2 Should the Employee have a reason to believe that he/she is victimized because of reporting an alleged transgression; the matter should be raised with the Chief Executive Officer who will deal with the matter accordingly.
- 9.1.3 Should the concern relate to a Board Member, the matter must be raised with the Chairperson of the Board.
- 9.1.4 Notwithstanding the process above, Employees and Workers may also report a matter directly to the Ethics Office at ethics@dbsa.org or to the Company Secretary.

9.2 External Whistle Blowing Procedure: Anonymous Anti-Corruption and Fraud Hotline

- 9.2.1 While this policy provides the Employees and Workers with the assurances they need to disclose matters internally, they are also encouraged to report to the independent Whistle Blowing Anti-Corruption and Fraud Hotline than not reporting at all.
- 9.2.2 Provided the Employee or Worker is acting in good faith, he/she may anonymously report incidences of fraud and corruption using the independent Anti-Corruption and Fraud Hotline reporting facility through:
 - Toll Free: **0800 20 49 33**
 - Email: dbsa@whistleblowing.co.za
 - SMS: **33490**
 - Free Post: **PO Box 51006, Musgrave, 4062**

10. TRAINING AND AWARENESS

The Bank commits itself to encouraging a culture that promotes openness. This will be done by:

- i. Ensuring that this policy is made available to all Employees on the intranet.
- ii. Educating and training Employees on what constitutes irregular and criminal misconduct and its effect to the Bank.

Promoting awareness of standards of appropriate and accepted Employee conduct and establishing a common understanding of what is acceptable and what is unacceptable behaviour. This might help encourage people to report and may deter potential perpetrators before the fact.

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11. POLICY MONITORING AND REVIEW

The Corporate Secretariat will monitor the implementation of this policy. The policy shall be reviewed after every two years and when there is material change in line with the Policy Framework Document.

12. POLICY ENFORCEMENT AND SANCTIONS

- 12.1 Any violation of this policy by any person will subject such person to appropriate disciplinary action, which may include termination of employment or Worker's contract, or relevant civil action.
- 12.2 The Bank and its client are jointly and severely liable for instances where the Bank under the express or implied authority or with the knowledge of a client subjects an Employee or Worker to an occupational detriment.
- 12.3 It is a criminal offence for an Employee or Worker to disclose false information (or when they should reasonably have known that it was false) about the Bank with the intention of causing harm and placing the reputation of the Bank into disrepute. According to section 9B of the PDA, such an employee/worker is guilty of an offence and is liable on conviction to a fine or imprisonment of up to two years, or to both a fine and such imprisonment.

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