



Stefanutti Stocks

Anti-Bribery & Corruption Policy

REFERENCES

Competition Law Policy	SSH/CRP/PLY005
Code of Business Ethics and Conduct Policy	SSH/CRP/PLY006
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1. INTRODUCTION

- 1.1 Stefanutti Stocks Holdings Limited, including all its Subsidiaries, Related and Interrelated companies and Joint Ventures (“the group”) is committed to ethical business practices and corporate responsibility. The group recognises the imperative of compliance with its statutory and regulatory compliance obligations including those that arise under the Prevention and Combating of Corrupt Activities Act, No. 12 of 2004, and the Prevention of Organised Crime Act, No. 121 of 1998. As a reputable entity operating within South Africa’s legal framework, the group understands that adherence to these laws is not only a legal requirement but also a moral obligation essential for upholding the integrity of its operations and contributing to the broader societal good.
- 1.2 In today’s global business landscape, where the risks of corruption and organised crime loom large, the group acknowledges the critical role of regulatory compliance in mitigating such threats. Corruption, in its various forms, poses significant risks to businesses, ranging from reputational damage and financial losses to legal sanctions and exclusion from markets.
- 1.3 The group also recognises that it is essential that it safeguards its operations against the malicious influence of organised criminal networks. The increase of organised crime activities, including drug trafficking, money laundering, and extortion, presents a tangible risk
- 1.4 The group’s commitment to compliance with the Prevention and Combating of Corrupt Activities Act and the Prevention of Organised Crime Act underscores its dedication to operating with integrity, accountability, and respect for the rule of law. By upholding these principles, the group not only fulfils its legal obligations but also reinforces its position as a responsible corporate citizen committed to driving sustainable growth and fostering trust among its stakeholders.

2. SCOPE AND APPLICATION

- 2.1 This Anti-Bribery and Corruption Policy applies to all aspects of the group operations and extends, without limitation, to the following:
- 2.1.1 Employees: All full-time, part-time, and temporary employees at every level and grade.
 - 2.1.2 Directors and Officers: Members of the Board of Directors and company officers.
 - 2.1.3 Trainees, Volunteers, and Interns: Individuals working with the company on a non-permanent basis.
 - 2.1.4 Agents and Representatives: Persons or entities acting on behalf of the group.
 - 2.1.5 Joint Ventures and Partnerships: Any joint venture or partnership arrangement.
 - 2.1.6 Subsidiaries and Affiliates: All wholly or partially owned subsidiaries and affiliated companies.
- 2.2 The policy is applicable wherever the group operates, ensuring that the company’s commitment to preventing and combating bribery and corruption is upheld globally.



3. LEGAL FRAMEWORK

- 3.1 The group’s Anti-Bribery and Corruption Policy is firmly rooted in South African legislation, specifically the Prevention and Combating of Corrupt Activities Act (“PCCAA”) and the Prevention of Organised Crime Act (“POCA”).
- 3.2 The PCCAA is designed to combat corruption across both public and private sectors. It criminalizes various activities such as bribery, fraud, theft, extortion, and undue influence. The legislation mandates the reporting of corruption-related offenses above a certain threshold and imposes severe penalties for violations. Individuals or entities involved in corrupt activities face significant legal consequences, including fines and imprisonment. The PCCAA also imposes obligations on individuals in positions of authority to report corrupt activities to the authorities, emphasizing accountability and transparency.

3.3 Similarly, the POCA aims to tackle organised crime, money laundering, and criminal gang activities. It criminalises activities related to organised crime and money laundering, including the acquisition, possession, or use of proceeds from unlawful activities. POCA also addresses the management and control of criminal enterprises. We are required to implement measures to detect and prevent money laundering and other organised criminal activities. Non-compliance with POCA can result in severe penalties, including asset forfeiture, highlighting the importance of robust anti-money laundering measures.

3.4 Definitions

What follows are categories of conduct which have been criminalised under the referenced legislation. It is accordingly very important that you familiarise yourself with the associated definitions:



3.4.1 **Bribery:** The offering, giving, receiving, or soliciting of anything of value to influence the actions of an official or other person in a position of trust. This includes cash, gifts, favours, entertainment, or other advantages.



3.4.2 **Corruption:** Dishonest or fraudulent conduct by those in power, typically involving bribery. This includes acts of extortion, fraud, collusion, or misuse of public office for private gain.



3.4.3 **Facilitation Payments:** Any payments made to secure or expedite any public or private sector actions, such as issuing permits or licenses, supplying information or awarding tender and projects. These are illegal under this policy.



3.4.4 **Kickbacks:** Payments made in return for a business favour or advantage. These can occur in procurement processes, awarding of contracts, or any situation where an advantage is exchanged for payment.



3.4.5 **Money Laundering:** The process of concealing or disguising the origins of money obtained through illegal activities to make it appear legitimate. This includes the placement, layering, and integration of illicit funds into the financial system.

4. Integration and Compliance



4.1 The group is committed to fostering a culture of compliance. To uphold this commitment, the company implements the following measures:

4.1.1 **Training and Awareness:** Regular training sessions are conducted to ensure all employees are well-versed in the legal requirements and their responsibilities.

4.1.2 **Reporting Mechanisms:** Clear channels are established for reporting suspected corrupt activities or instances of organised crime. These include internal reporting lines and mandatory external reporting to authorities as required by the PCCAA.

4.1.3 **Monitoring and Auditing:** To maintain compliance with the policy and legal requirements, the group conducts regular audits.

4.1.4 **Disciplinary Actions:** the group does not tolerate corruption. Any apparent violations of the anti-bribery and corruption policy or relevant laws will be investigated and where appropriate will result in disciplinary action. This may include termination of employment and, if warranted, legal proceedings. Such measures underscore the seriousness with which the group regards its commitment to ethical conduct and legal compliance.

5. ROLES AND RESPONSIBILITIES UNDER THE ANTI-BRIBERY AND CORRUPTION POLICY

5.1 Board of Directors



- 5.1.1 **Oversight and Governance:** Ensure the group's commitment to anti-bribery and corruption is upheld through effective governance structures.
- 5.1.2 **Policy Approval:** Review and approve the Anti-Bribery and Corruption Policy, ensuring it meets legal and ethical standards.
- 5.1.3 **Monitoring Compliance:** Oversee the implementation of the policy and monitor compliance through regular reports and audits.
- 5.1.4 **Strategic Leadership:** Lead by example, promoting a culture of integrity and ethical behaviour throughout the group.

5.2 Executive Committee



- 5.2.1 **Policy Implementation:** Ensure the effective implementation of the policy across all departments and operations.
- 5.2.2 **Resource Allocation:** Provide necessary resources for training, monitoring, and enforcement of the policy.
- 5.2.3 **Communication:** Clearly communicate the company's anti-bribery and corruption stance to all employees and stakeholders.
- 5.2.4 **Risk Management:** Identify and mitigate risks related to bribery and corruption and integrate these efforts into overall risk management strategies.

5.3 Group Risk Officer

- 5.3.1 **Policy Administration:** Administer and enforce the Anti-Bribery and Corruption Policy.
- 5.3.2 **Training and Awareness:** Develop and deliver training programs to ensure all employees understand their responsibilities under the policy.
- 5.3.3 **Reporting and Investigations:** Establish and manage reporting channels for suspected bribery and corruption and conduct investigations into reported incidents. Conduct regular reviews to ensure compliance with the policy and report findings to senior management and the board.

5.4 Discipline Managing Directors, Operational Directors, Managers and Supervisors

- 5.4.1 **Day-to-Day Compliance:** Ensure that all activities within their disciplines and operations comply with the Anti-Bribery and Corruption Policy.
- 5.4.2 **Training Participation:** Participate in and promote regular training sessions for their disciplines and operations.
- 5.4.3 **Monitoring and Reporting:** Monitor for any signs of bribery or corruption within their disciplines and operations and report any suspicions or incidents to the Compliance Officer.
- 5.4.4 **Support and Guidance:** Provide support and guidance to employees on compliance with the policy.

5.5 Employees

- 5.5.1 Adherence to Policy: Comply with the Anti-Bribery and Corruption Policy in all business activities.
- 5.5.2 Reporting: Report any suspected or actual bribery or corruption incidents through established channels.
- 5.5.3 Training Participation: Attend training sessions and stay informed about the policy and related procedures.
- 5.5.4 Ethical Conduct: Conduct themselves with integrity and avoid any actions that could be perceived as corrupt or unethical.

6. Responsibilities for Reporting Potential Illegal Activities

6.1 When potential illegal activities are detected within the group, a clear protocol is in place to address them effectively:



6.1.1 Immediate Reporting: All employees, especially those in leadership positions, are required to promptly report any suspicion or knowledge of bribery, corruption, or related offenses. Reports should be directed to the Risk Officer, or through the anonymous whistleblowing channel, ensuring confidentiality and protection for whistleblowers.



6.1.2 Mandatory External Reporting: In accordance with the PCCAA, any individual in a position of authority who becomes aware of conduct that may amount to corruption that involves an amount of R100,000 or more should inform the Group Risk Officer. If the conduct in question is established to be corruption that meets the reportable threshold, the conduct must be reported to the South African Police Service (SAPS). This requirement underscores the company's commitment to cooperation with law enforcement authorities in combating corruption.



6.1.3 Documentation: the group emphasises the importance of maintaining detailed records of any reports made regarding suspected illegal activities. This documentation ensures transparency and accountability in the reporting process, facilitating thorough investigation and appropriate action in line with legal and ethical standards. The Group Risk Officer will be the owner of these documents.

7. CONSEQUENCES OF NON-COMPLIANCE

7.1 Non-compliance with the Anti-Bribery and Corruption Policy within the group carries serious consequences, including:

- 7.1.1 Internal Sanctions: The company imposes disciplinary actions for violations, which may include termination of employment or engagement. Such measures underscore the importance of adherence to ethical standards and serve as a deterrent against unethical behaviour.
- 7.1.2 Legal Consequences: Failure to comply with the policy may lead to legal action PCCAA, POCA, and Competition Act. Individuals found guilty of offenses could face fines and imprisonment, highlighting the severity of engaging in corrupt activities.
- 7.1.3 Reputational Damage: Non-compliance with anti-bribery and corruption standards can inflict significant harm on the company's reputation. This damage extends beyond financial implications, affecting business relationships and eroding stakeholder trust. Maintaining a strong reputation for ethical conduct is essential for sustaining long-term success and fostering trust among stakeholders.

8. COMPLIANCE AND MONITORING



- 8.1 To uphold standards of ethical conduct and mitigate risks, the group adopts a comprehensive approach to compliance and monitoring.
- 8.1.1 **Training and Awareness:** All employees will undergo regular training sessions covering anti-bribery and corruption laws, as well as the company's policy in this regard. These training programs will be regularly updated to reflect changes in legislation and evolving best practices, ensuring that employees stay informed and equipped to uphold ethical standards.
- 8.1.2 **Audits and Reviews:** Regular internal audits will be conducted to assess compliance with the anti-bribery and corruption policy and to identify potential areas of risk. Additionally, the policy will undergo annual reviews by the compliance officer to assess its effectiveness and alignment with legal requirements and industry best practices, ensuring ongoing improvement and adaptation to changing circumstances.
- 8.1.3 **Record-Keeping:** the group emphasises the importance of accurate and detailed record-keeping. Comprehensive documentation of all transactions, including gifts and hospitality, need to be maintained to promote transparency and accountability. Furthermore, these records need to be retained in accordance with our legal and regulatory obligations.

9. POLICY REVIEW

- 9.1 This policy will be reviewed annually by the compliance officer to ensure its effectiveness and alignment with legal requirements and best practices. Amendments will be made as necessary to address new risks or changes in the business environment.