Fraud, Theft and Corruption Prevention Policy and Procedure

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DOCUMENT HISTORY

REVIEW HISTORY

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APPROVALS

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Executive Committee	Recommend approval		
Audit, Risk and Compliance	Support approval		
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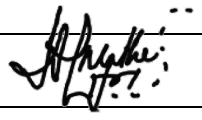
Board	Approval		27 August 2025

GLOSSARY OF TERMS

Term	Meaning
Board	Board of Directors of Wescoal
CEO	Chief Executive Officer
CIPC	Companies and Intellectual Property Commission
CPA	Criminal Procedures Act, no 51 of 1977
Companies Act	Companies Act, No 71 of 2008
Employees	Includes all those employed by Salungano Group regardless of the type of employment i.e. full time, part time, internship etc.
PDA	Protected Disclosures Act, no 26 of 2000
POCA	Prevention of Organised Crime Act, No 121 of 1998
Policy	Fraud and Corruption Prevention Policy
PRECCA	Prevention and Combating of Corrupt Practices Act, no 12 of 2004
Salungano Group	Salungano, its subsidiaries and associated companies
SAPS	South African Police Service
Stakeholders	Includes customers, contractors, suppliers and other service providers, members of the general public

1. PURPOSE

Salungano has adopted a zero-tolerance stance to fraud, corruption and other financial misconduct and is committed to ethical business practices. The purpose of this policy is to clearly set out Salungano's approach to managing the risk of fraud, theft, and corruption in the organisation, and to define responsibilities and outline reporting lines to ensure an effective and timely response within Salungano in the event of suspected fraud.

The policy is designed to foster an organisational culture that prioritises trust, transparency, and accountability considering best practice principles including the Organisation for Economic Co-operation and Development (OECD) guidance on anti-corruption.

2. OVERACHING POLICY STATEMENT

This policy explicitly details Salungano's proactive strategy for managing the risks associated with fraud, corruption, and other financial misconduct. This commitment begins at the highest echelons of leadership, where a clear and unwavering message of ethical conduct is established and consistently reinforced throughout the organisation. This foundational principle, often referred to as "tone from the top," is paramount, as ethical leadership serves as the bedrock upon which a robust and effective integrity framework is built. This policy is a practical manifestation of Salungano's dedication to these values.

3. LEGAL FRAMEWORK AND COMPLIANCE

This policy is established to align with and give effect to various legislative requirements pertinent to fraud and corruption within South Africa. Its adherence to these legal frameworks reinforces existing Salungano policies and procedures, establishing a robust compliance environment.

Key legislative frameworks and internal policies that inform and are supported by this policy include, but are not limited to:

- The Prevention and Combating of Corrupt Activities Act (PRECCA)
- The Protected Disclosures Act (PDA)
- The Criminal Procedure Act (CPA)
- The Companies Act
- The Prevention of Organised Crime Act (POCA)

- The King IV Code on Corporate Governance
- Salungano's Code of Ethics

While the OECD guidance on anti-corruption is non-legally binding, its principles are designed to complement and enhance existing legal requirements, fostering a more robust and comprehensive compliance framework.

4. SCOPE

The provisions of this policy extend to all stakeholders within Salungano. This comprehensive application includes all employees, irrespective of their type of employment (e.g., full-time, part-time, interns and contractors), as well as suppliers and vendors engaged with the company.

This means that disciplinary action, and where appropriate, criminal prosecution and civil action for recovery of losses, will be pursued against any individual found to have committed misconduct, regardless of their position within the company or the financial amount involved.

5. UNDERSTANDING FRAUD, THEFT AND CORRUPTION

To ensure a clear and shared understanding across all stakeholders, Salungano provides specific definitions for key terms related to misconduct:

5.1 **Fraud -** This is the unlawful and intentional making of a misrepresentation (written words, spoken words or conduct) which causes actual prejudice, or which is potentially prejudicial to another. Fraud has the following elements:

5.1.1 The act, that is the making of misrepresentation (or the distortion of the truth)

5.1.2 A causal link between the making of misrepresentation and the prejudice

5.1.3 Unlawfulness

5.1.4 Prejudice or potential prejudice

5.1.5 Intention

5.2 **Theft -** This is defined as the unlawful and intentional misappropriation of another's property, or property in their lawful possession, with the intention to permanently deprive the owner of its rights. Practical examples include:

5.2.1 Taking an advance for an official trip, but not going on the trip, then utilising the advance for personal use,

5.2.2 Personal purchases – the purchase of supplies by Salungano staff for own use using Salungano funds,

5.2.3 Theft of company assets such as products, cables, fuel, or even company work time for personal interests.

5.3 **Corruption** - Corruption occurs when an individual directly or indirectly offers, accepts, or agrees to accept any form of "gratification" to illegally or unfairly use their position or influence for an undue advantage. This includes actions that are illegal, dishonest, unauthorised, incomplete, biased, or involve the misuse or sale of information acquired through official duties, abuse of authority, breach of trust, or violation of a legal duty to achieve an unjustified result.

5.4 **Gratification** - This term refers to the "something of value" or kickbacks offered or accepted in corrupt practices. It can take many forms, including money, donations, fees, rewards, status, property, the avoidance of a loss, privileges, or discounts.

5.5 **Other examples of misconduct** include the following:

5.5.1 Forging or presenting forged documents.

5.5.2 Diverting company funds, whether resulting in actual or potential prejudice to Salungano.

5.5.3 Improperly disclosing confidential company information.

5.5.4 Assisting in transactions involving the proceeds of criminal activity or transactions intended to defraud.

5.5.5 Undisclosed personal connections with suppliers or partners that benefit the employee or disadvantage Salungano.

5.5.6 Submitting false claims, such as those related to death, disability, medical expenses, or vehicle incidents.

5.5.7 Abusing, destroying, or removing company facilities, records, or equipment to conceal fraudulent activities.

5.5.8 Engaging in blackmail, secret commissions, or extortion while performing duties for Salungano.

5.5.9 Deliberately omitting or refusing to report or act upon becoming aware of any irregular or dishonest conduct.

5.5.10 Engaging in undisclosed conflicts of interest.

5.5.11 Unlawful enrichment or "living above their means" without legitimate explanation

6. CONFLICTS OF INTEREST

A conflict of interest arises when a Salungano employee, by virtue of their position, has a duty to act solely in the best interests of the company, but their personal or financial interests could potentially prevent them from exercising this duty objectively, or improperly influence their decisions. The types of conflict of interest include:

6.1.1 **Time Conflict -** Occurs when an employee's external commitments or interests prevent them from dedicating the necessary time and effort to their duties at Salungano.

6.1.2 **Resource Conflict -** Arises when an employee's external interests lead them to excessively use company resources (e.g., equipment, facilities, information) for purposes unrelated to Salungano business.

6.1.3 **Objectivity Conflict -** Exists when an employee's personal stake (e.g., ownership, shares, or significant gifts/hospitality) in a company that partners with or supplies to Salungano could compromise their ability to make objective decisions in Salungano's best interest.

6.1.4 **Relationship Conflict** - Occurs when a close family relationship (spouse, partner, parents, children, or siblings), whether with someone outside Salungano or employed within the company, could prevent an employee from making objective decisions and acting solely in Salungano's best interest.

Salungano's policy is to proactively manage potential conflicts of interest. Employees are expected to avoid any actual or perceived conflicts whenever possible. **If avoiding a conflict is not feasible, the employee has a mandatory responsibility to proactively declare the potential conflict.** Following declaration, appropriate steps will be taken to mitigate the associated risks.

6.2 **Responsibility to Declare -** All employees are required to declare all outside positions or employment, outside directorships, financial interests, and any other business interests using the template in Annexure A.

- These declarations must be made at least on an annual basis, and on an ad-hoc basis, when such interests or conflicts arise.
- Employees are to use the official Declaration of Interest form for this purpose, submitting it to their Line Manager for discussion and signature, who then forwards it to the CRO Unit for central registry and updating

This approach to conflicts of interest aligns with the OECD's emphasis on addressing specific risk areas and implementing robust internal controls, fostering transparency and preventing situations that could lead to corruption.

7. ROLES AND REPSONSIBILITIES

One of the most important elements of effective fraud risk management is the tone at the top of the organisation. The King IV Code on Corporate Governance brings to the fore the role of ethical and effective leadership. It states that leadership should individually and collectively cultivate integrity, competence, responsibility, accountability, fairness and transparency in their conduct.

Managing the risk of fraud, corruption, theft, and other financial misconduct is not the sole responsibility of a single department or individual; it is a collective responsibility shared by all Salungano employees and stakeholders. This principle underscores that integrity is woven into the fabric of the entire organisation, and compliance is a duty incumbent upon individuals at every level.

7.1 Salungano Board and Management Responsibilities

7.1.1 Setting the right tone on the importance of ethics and ethical behaviour in the strategy and operations of Salungano.

7.1.2 Treating fraud, theft and corruption as a strategic risk and adopting a proactive strategy for risk mitigation.

7.1.3 Assuming the overall responsibility for fraud risk management and therefore ensuring that all Stakeholders, including Employees, are protected from fraud.

7.1.4 Ensuring the establishment and enforcement of anti-fraud policies and procedures.

7.1.5 Mandate the operational responsibility for fraud risk management to a risk function / role.

7.1.6 Management must ensure that effective controls are in place to assist with the prevention, detection, and investigation of possible unethical conduct.

7.1.7 It is Management's responsibility to ensure that all employees are made aware of their responsibilities in terms of this Policy.

7.1.8 Management must provide timeous and unrestricted access to all Salungano’s functions, records, property, and staff during an investigation.

7.1.9 It is the responsibility of managers to protect employees (and former employees) who report fraud, corruption, theft, or other financial misconduct in good faith from retaliation.

7.1.10 Management must escalate all allegations of fraud, theft, and corruption reported to them as per section 10.

7.1.11 In the event of reports or allegations of misconduct, Management must direct all queries by the press to the CRO and Executive: Corporate Services, and refrain from speaking about the allegations

without proper authorisation.

7.2 **Compliance Risk Officer (CRO)**

7.2.1 Must develop and implement a proactive fraud and corruption prevention plan to ensure that fraud, theft and corruption risks are proactively managed.

7.2.2 The CRO is responsible for assessing fraud and corruption-related risks on an annual basis as per the approved Enterprise Risk Management Policy.

7.2.3 The CRO is responsible for conducting fraud, theft, corruption and ethics training in the organisation.

7.2.4 The CRO is responsible for regular liaison with business to ensure the embedding of fraud risk management initiatives and providing a single/holistic view of fraud risk management at Salungano.

7.2.5 The CRO is responsible for conducting proactive conflict of interest checks between employees, vendors/trading partners, and clients.

7.2.6 The CRO is responsible for the review and investigation of any reported incidents of fraud, corruption and financial misconduct as per section 10.

7.2.7 The CRO must ensure that all preliminary reviews and investigations are conducted in a fair and transparent manner as per section 10.2 and 10.3.

7.2.8 The CRO must ensure that all investigations are treated confidentially.

7.2.9 The CRO must report on findings of preliminary reviews and investigations as per section 10.2 and 10.3.

7.3 **Employee Responsibility**

7.3.1 It is the responsibility of all employees to familiarise themselves with the ethical standards of Salungano, and with the policies applicable to them, and to adhere to these standards and policies. This includes, but is not restricted to, Salungano's Code of Ethics, Fraud and Corruption Prevention Policy, Procurement Policies, Human Resources policies, and the IT Security Policy.

7.3.2 Employees must declare any potential conflicts of interest, gifts, and hospitality on an annual and an ad hoc (whenever the need arises) basis in an accurate, complete, and timely fashion (see Annexure A).

7.3.3 On becoming aware of potential fraud, theft, corruption, or associated internal irregularities, Employees must report their suspicions in good faith, using the channels described under section 9 in this Policy. This includes the reporting of:

- Actual and suspected incidents of fraud, corruption theft or other financial misconduct.
- The failure to disclose a conflict of interest as required.

- The failure to disclose a gift as required.
- Any victimisation or harassment in conflict with this Policy.
- Any unauthorised access, interception or interference with electronic data under Salungano's control.

7.3.4 All employees are obliged to co-operate fully with investigations in terms of this policy.

7.3.5 All employees must provide any required records, documentation and unrestricted access to people and information at any time when required during an investigation.

7.3.6 Employees should approach their line managers or the CRO in instances where they require guidance on what unethical conduct is.

7.3.7 Employees must direct all queries by the press, relating to allegations of fraud and/or corruption to the CRO and Executive: Corporate Services and refrain from speaking about the allegations without proper authorisation.

8. FRAUD, THEFT AND CORRUPTION PREVENTION CONTROLS

Effective prevention is the cornerstone of Salungano's anti-corruption strategy, focusing on building a culture where misconduct is deterred before it occurs.

8.1 **Risk Assessment and continuous review -** Conducting regular, comprehensive risk assessments to identify, evaluate, and prioritise specific fraud and corruption risks pertinent to the company's operations, its geographical location, and the sector.

8.2 **Robust Internal Controls -** Basic internal controls that will assist in the mitigation of identified fraud risks include the following (but not limited to):

8.2.1 **Transaction-level approval procedures -** Ensuring that all transactions adhere to prescribed delegations of authority and approved policies and procedures.

8.2.2 **Security measures -** Implementing robust security protocols to limit access to assets and systems to authorised employees only, with regular monitoring to detect any unauthorised attempts.

8.2.3 **Arithmetic and accounting controls -** This involves rigorous checks for arithmetical accuracy of records, meticulous maintenance and checking of totals, regular reconciliations, and diligent accounting for all documents.

8.2.4 **Supervision -** Consistent supervision of day-to-day transactions and their subsequent review.

8.2.5 **Segregation of duties -** Implementing clear separation of responsibilities to prevent any single individual from having control over an entire process, thereby reducing opportunities for fraud.

8.2.6 **Regular communication to staff -** Communication sent to staff outlining the importance of

complying with policies and procedures and the implications for non-compliance by employees.

8.3 **Training and Awareness Programs -** Salungano invests in continuous education to embed ethical conduct throughout the organisation.

8.3.1 **Ethics Training -** Regular ethics training is provided to all employees, both during their induction and on an annual basis. The purpose of this training is to integrate high ethical, moral, and legal standards into all Salungano strategies and operations, ensuring a consistent commitment to integrity.

8.3.2 **Fraud Awareness Training -** General fraud and corruption awareness training is provided to all employees during induction and annually.

- Focused fraud risk training is conducted in specific areas of the business identified as high-risk, or as and when new risk exposures are identified through assessments or investigations.

8.3.3 **Ongoing Awareness** - All managers bear the responsibility for fostering ongoing awareness among their respective teams, ensuring that discussions around ethical conduct and fraud prevention remain a constant part of the work environment.

8.4 **Pre-Employment Screening -** Salungano conducts thorough pre-employment screening for all potential employees regardless of their level (including those acting in specific positions, interns, temporary, and contract workers), thereby reducing the risk of fraud within the recruitment, selection, and appointment processes.

8.5 **Managing Conflicts of Interest, Gifts, and Outside Work -** Salungano has clear guidelines for managing potential areas of conflict that could compromise integrity.

8.5.1 **Conflict of Interests and Financial Interests -** All employees are required to disclose any potential conflicts of interest and financial interests annually and as they arise. This includes declaring memberships in entities where they serve as sole proprietors, directors, partners, members, or trustees, and any additional income received from these entities.

8.5.2 **Gifts and Entertainment** - All employees are required to disclose any gifts and entertainment received from Salungano stakeholders, trading partners, or other associated entities, if the total value exceeds R500.00.

8.5.3 **Outside Remunerative Work** - Employees are required to disclose any employment or remunerative work undertaken outside of Salungano employment on an annual basis. Any application for outside work is assessed by the relevant Executive to determine if it could reasonably interfere with or impede the effective and efficient performance of the employee's

functions, considering the nature and extent of the work, time required, and the employee's performance record.

8.6 **Third-Party Due Diligence and Engagement -** The company conducts properly documented, risk-based due diligence when engaging and overseeing business partners, including contractors, suppliers, and consultants.

8.6.1 **Blacklisting corrupt trading partners, suppliers and directors -** Salungano will blacklist on an internal register all trading partners and suppliers found to have acted unethically/fraudulently in their dealings with Salungano. The backlist will be circulated to procurement to ensure no further dealings with such trading partners.

8.7 **Incentives for Ethical Conduct -** Beyond deterrents and controls, Salungano understands the importance of fostering a positive environment that encourages ethical behaviour. The company will implement appropriate measures to encourage and provide positive support for the observance of its ethics and compliance programs at all levels. This includes recognising and rewarding ethical leadership and consistent adherence to policy standards.

9. FRAUD, THEFT AND CORRUPTION DETECTION CONTROLS

Effective detection and clear reporting mechanisms are critical for minimising losses and ensuring accountability within Salungano. Salungano is committed to the effective and swift detection of fraud to minimise potential financial and reputational losses. Detection of misconduct may occur through various integrated mechanisms:

9.1 E**mployee and Line Management Vigilance** – Encourage a culture of alertness where employees and their managers are vigilant in identifying and questioning suspicious activities.

9.2 **Internal Audit Function -** The Internal Audit function will conduct both planned and surprise fraud audits. These audits are strategically determined based on key fraud risk areas identified through risk assessments, recent risk exposures, and findings from previous forensic investigations.

9.3 **Post-Transaction Fraud Reviews -** A systematic review of transactions after they have been processed and completed will be conducted regularly to deter a staff member who would otherwise be motivated to engage in fraud and corruption.

9.4 **Control Effectiveness Reviews -** Following any reported incident of fraud, corruption, theft, or irregularity,

management immediately reviews and, where possible, improves the effectiveness of the breached controls.

9.4.1 Internal Audit will then conduct control effectiveness reviews to ensure the implemented controls are robust and effective in preventing similar future irregularities.

9.5 **Forensic Data Analytics -** Given the volume of data generated daily, forensic data analysis may be done to identify anomalies, trends, and risk indicators within large datasets of transactions. For example, payroll and vendor payment databases can be compared against public records (like CIPC) to identify potential undeclared conflicts of interest or suspicious transactions.

9.6 **Anonymous Whistleblowing Reports -** A dedicated whistleblowing facility is recognised as one of the most effective tools for detecting fraud within an organisation. Employees and other parties are actively encouraged to report their suspicions of fraud without fear of reprisal. **Hotline Number: 0800 11 36 30**

9.7 **Protection of Whistleblowers -** Salungano is steadfast in its commitment to protecting individuals who report unlawful, irregular, or unethical conduct in good faith. In accordance with the Protected Disclosures Act (PDA), commonly known as the Whistleblowers Act, no person will suffer any penalty, reprisal, or occupational detriment for making such a disclosure.

9.7.1 An employee/former employee or third party reporting unlawful, irregular and unethical conduct (relating to or made against any employee) will be protected by the PDA if such disclosure is made in good faith, and the employee will therefore not be subjected to any reprisal.

9.7.2 An employee/former employee or third party making a false or “mala fide” disclosure will not be protected by the Act and will be subjected to the normal disciplinary proceedings.

9.7.3 Reporting actual or suspected misconduct in "good faith" means that the person disclosing information has a reasonable belief that what they are disclosing is true, and has used the internal channels available to disclose first before using external reporting channels.

9.7.4 To protect themselves, the integrity of the investigation, and those who have been accused, an employee/former employee or third party who have reported actual or suspected misconduct must refrain from discussing the allegation with other staff members or peers, except where such discussion is required as part of the preliminary or eventual investigation.

Table 1: Reporting Channels for Suspected Misconduct

Type of Incident/Concern	Primary Reporting Channel	Alternative Channel (if Primary is involved or uncomfortable)	Whistleblowing Hotline (for anonymity/confidentiality)
Fraud, Corruption, Financial Misconduct	Direct Line Manager	Relevant General Manager or Line Executive	**Hotline Number**: 0800 11 36 30

Type of Incident/Concern	Primary Reporting Channel	Alternative Channel (if Primary is involved or uncomfortable)	Whistleblowing Hotline (for anonymity/confidentiality)
		Compliance Risk Officer (if Executive is involved/uncomfortable)	information@whistleblowing.co.za
		CEO (if Compliance Risk Officer is involved)	
		Audit Risk and Compliance Committee Chairperson (if CEO is involved)	
Theft & Security-Related Breaches	Group Safety Health and Environment	Follow same escalation protocol as above if Group SHE is involved or uncomfortable	**Hotline Number**: 0800 11 36 30 information@whistleblowing.co.za

10. FRAUD, THEFT AND CORRUPTION INVESTIGACTION AND RESPONSE PROCEDURES

Salungano is committed to a fair, thorough, and timely investigation process for all allegations of misconduct.

10.1 **Initial Assessment and Categorisation -** All reports of alleged misconduct should be reported to either the Line Manager, General Manager, Line Executive, CRO, CEO or ARC Chairperson per the above Table 1 guidance.

10.1.1 The CRO is responsible for properly categorising and documenting the alleged incident. Incidents are classified as security-related, human resources-related, or fraud-related (which includes corruption and other financial misconduct).

- **Critical incidents -** Are those affecting employees at Manager level and above, or those that could potentially have a negative legal, reputational, or material financial impact on the company.
- **Normal incidents -** All other reports are classified deemed not critical

10.1.2 Once categorised, reports are directed to the appropriate department for investigation:

- **Security-related incidents** to Group Safety Health and Environment
- **HR-related incidents** (e.g., discrimination, sexual harassment) to the GM: HR
- **Fraud-related incidents** (including corruption and other financial misconduct) to the CRO

10.1.3 Incidents of fraud can also be reported through the Whistleblowing mechanism made available by Compliance Risk Officer, details of which are described above under section 9.6.

10.2 **Preliminary Review -** For allegations categorised as fraud-related, the CRO or their delegate will conduct a preliminary review. This review is typically concluded within 30 days after the receipt of the report or

allegation. The preliminary review involves:

10.2.1 Consultation with the relevant General Manager and/or Executive regarding the report received.

10.2.2 Determining whether there is material evidence to suggest that the alleged fraud or corruption may have indeed occurred.

10.2.3 Collecting sufficient initial evidence to support the need for a full investigation.

10.2.4 A report on the preliminary findings is then issued to relevant parties. This initial phase ensures that reports are taken seriously and promptly assessed.

10.3 **Full Investigation -** If a preliminary review indicates that an allegation has merit, a full investigation will be initiated. The immediate priorities of any full investigation are the preservation of evidence and the containment of any further financial or operational loss.

10.3.1 **Conduct and Principles -** Investigations must be conducted in accordance with acceptable practices and all applicable legal requirements, ensuring paramount independence and objectivity throughout the process.

10.3.2 **Activities -** A full investigation may include a range of activities such as:

- Interviewing relevant internal and external witnesses and obtaining statements, reviewing and collating documentary evidence
- Forensic examination of computer evidence
- Examination of telephone records
- Inquiries from banks and other financial institutions (subject to appropriate approvals or court orders)
- Data search and seizure, tracing of funds, assets, or goods, and other forensic information gathering activities.

10.3.3 **Confidentiality -** All information relating to an investigation is treated with the strictest confidence. Progress with investigations is handled confidentially by the CRO, relevant Executive, Executive: Corporate Services, CEO, Audit, Risk and Compliance Committee, and the Board (where applicable).

- Information is not disclosed or discussed with any person(s) other than those who have a legitimate right to such information, which is crucial to avoid harming the reputations of suspected employees who may later be found innocent.
- All reports classified as “critical” will be investigated by the CRO or allocated to an external independent investigating party but under the guidance of the CERA.

10.3.4 **Recommendations -** The CRO, in consultation with the Executive: Corporate Services, will recommend to the relevant Executive the provisional withdrawal of authority, powers, or physical/electronic assets of involved employees pending the outcome of the investigation, for purposes of mitigating further loss and preserving evidence integrity.

- The CRO, in consultation with the CEO and Executive: Corporate Services, may recommend the suspension of employee (s) involved in alleged fraud or corruption pending the outcome of the investigation, in accordance with Salungano's HR policies.

10.3.5 **Report -** The investigation concludes with the issuance of a comprehensive report by the person(s) tasked with the investigation. This report is issued only to those persons who require it to implement appropriate action.

10.3.6 **Use of External Forensic Investigators -** Salungano may not always possess the internal capacity or specialised expertise required for complex investigations, the CRO will, in consultation with the CEO, constitute a panel of external forensic investigators and consultants with relevant skills and experience.

11. ADDRESSING MISCONDUCT AND RECOVERING LOSSES

Salungano is committed to holding individuals accountable for misconduct and recovering losses incurred due to fraudulent or corrupt activities.

11.1 **Disciplinary Action -** If misconduct is confirmed through the investigation process, appropriate disciplinary action will be taken within a reasonable period after the discovery of the alleged misconduct, following the procedures set out in Salungano's Human Resources Policy. This commitment to accountability applies rigorously, regardless of the amount of money involved, the length of service of the employee, their position held within the company, or any personal circumstances.

11.2 **External Reporting to Authorities -** Criminal cases will be reported to the South African Police Service (SAPS) where appropriate and in compliance with relevant legislation. The CRO, or delegated investigating party, is responsible for reporting criminal cases resulting from a breach of this policy to the SAPS and will assist them in carrying out their responsibilities.

11.2.1 This will be done in compliance with the requirements of PRECCA. Where the amount involved in an incident of fraud, theft, corruption, extortion, and forgery exceeds R100 000, the CRO is compelled to report the incident to the SAPS.

11.2.2 Where appropriate, information about perpetrators may also be communicated to the Asset Forfeiture Unit, which possesses statutory powers for confiscating personal assets acquired from the proceeds of crime under POCA.

11.2.3 Salungano's internal processes do not, in any way, relieve an individual from their reporting obligations under any statutory legislation e.g., POCA.

11.3 **Recovery of Financial Losses -** Notwithstanding the outcome of any criminal proceedings, civil action will be instituted to recover any funds lost due to misconduct.

11.3.1 Salungano will first attempt to recover costs from the person responsible for the fraud by requesting direct payment for the losses suffered. The company will also consider recovering losses from an employee's accrued benefits, such as their provident fund or leave pay due.

11.3.2 Should these options fail, Salungano will institute civil action to recover the loss. For substantial losses, the CRO may obtain legal advice on the most viable options for recovery. The CRO will also use their discretion to determine the viability and potential benefit of recovering financial losses on a case-by-case basis.

11.4 **Remedial Action and Control Assessment -** Based on the findings and recommendations of the investigation report issued, a decision will be made on the appropriate remedial action. This could include, but is not limited to:

11.4.1 Disciplinary action within a reasonable period, recovering financial losses (including through civil action), laying criminal charges with the SAPS, or

11.4.2 Any other relevant law enforcement agency and instituting any other appropriate legal remedy available.

11.4.3 Once an investigation is concluded, the case must be documented in an organisational "fraud database" to enable accurate reporting and disclosure.

11.4.4 A control assessment will follow all investigations to facilitate organisational learning and to ensure that any control deficiencies have been corrected.

12. POLICY MAINTENANCE AND REVIEW

To ensure continued relevance, effectiveness, and alignment with evolving best practices in anti-corruption, as well as any changes in legal and regulatory requirements, this Policy will be reviewed on an annual basis.

Approved by the Board of Directors of Salungano, on recommendation of the Audit, Risk and Compliance Committee, on 27 August 2025.

CHAIRMAN OF THE BOARD

SALUNGANO GROUP LIMITED

ANNEXURE A - DECLARATION OF INTEREST TEMPLATE

(Electronic form is based on template)

SALUNGANO HOLDINGS

DISCLOSURE OF INTEREST INFORMATION TEMPLATE

DISCLOSURE:

PLEASE PROVIDE ACCURATE AND COMPLETE DETAILS RELATING TO PERSONAL, FINANCIAL OR BUSINESS INTERESTS:

NAME OF EMPLOYEE: _____

EMPLOYEE NUMBER: _____

1. **DO YOU HOLD ANY OUTSIDE POSITIONS, E.G., ADDITIONAL EMPLOYMENT OR OUTSIDE DIRECTORSHIPS?**

   YES NO

IF YES, PLEASE PROVIDE THE FOLLOWING INFORMATION:

ORGANISATION / INSTITUTION / COMPANY: _____

POSITION HELD: _____

DESCRIPTION OF INVOLVEMENT: _____

2. DO YOU HAVE ANY FINANCIAL OR BUSINESS INTERESTS IN COMPANIES THAT (POTENTIALLY) PARTNER WITH OR COMPETE AGAINST SALUNGANO?

YES NO

IF YES, PLEASE PROVIDE THE FOLLOWING INFORMATION:

ORGANISATION / INSTITUTION / COMPANY: _____

RELATION OF COMPANY TO SALUNGANO: _____

NATURE OF INTEREST (E.G. SHARES OR OWNERSHIP): _____

VALUE OF SHARES: _____

3. DOES YOUR SPOUSE, PARTNER, CLOSE FAMILY MEMBER, OR CLOSE FRIEND HAVE INTERESTS IN SALUNGANO SUPPLIERS OR SERVICE PROVIDERS OR ANY COMPANY THAT HAS DEALING WITH SALUNGANO (OR ARE THEY EMPLOYED BY ANY SUCH BUSINESS)?

YES NO

IF YES, PLEASE PROVIDE THE FOLLOWING INFORMATION:

NAME OF RELATION: _____

NATURE OF RELATIONSHIP (E.G. SPOUSE, DAUGHTER, FATHER): _____

TYPE OF INTEREST OR EMPLOYMENT OF RELATION: _____

4. IS YOUR SPOUSE, PARTNER, OR CLOSE FAMILY MEMBER EMPLOYED BY SALUNGANO?

YES NO

IF YES, PLEASE PROVIDE THE FOLLOWING INFORMATION:

NAME OF RELATION: _____

POSITION AT SALUNGANO: _____

PLEASE HAND IN THIS DECLARATION TO YOUR LINE MANAGER.

EMPLOYEE SIGNATURE: _____

NAME OF LINE MANAGER: _____

SIGNATURE OF LINE MANAGER: _____

BUSINESS UNIT: _____DATE:_____