

EFRC HOLDINGS GROUP
ANTI-MONEY LAUNDERING (AML), BRIBERY & CORRUPTION POLICY

POLICY OVERVIEW:

The EFRC Holdings Group is determined to maintain its reputation as an employer that upholds ethical and moral standards and laws and regulations of the Republic of South Africa.

Fraud, money laundering, corruption, bribery, or abuse of position for personal gain, wherever it may occur or whether in any way affiliated to or with the EFRC Holdings Group's activities will not be allowed and a zero tolerance shall be maintained.

SCOPE:

These guidelines shall apply to all employees of the EFRC Holdings Group, including executive and non-executive directors of the Group, individuals and organisations who include, potential employees or applicants for job vacancies, customers, suppliers, service providers and any third parties who have a business relationship or wish to have such relationship with the company.

DEFINITIONS AND APPLICABLE CONDUCT:

Money-Laundering is the practice of giving semblance of the legality to goods or money arising from criminal activities and or involves the cleaning up money that has, for some reason, been obtained illegally. Money laundering occurs in many ways which may include.

- Participation in an organized criminal group and racketeering
- Trafficking in human beings and goods
- Sexual exploitation
- Fraud and swindling
- Counterfeiting and piracy of products
- Environmental crimes and offences

Fraud is an intentional deception or trickery deliberately practiced to secure unfair or unlawful gain.

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Corruption is wrongdoing on the part of an authority or powerful party through means that are illegitimate, immoral, or incompatible with ethical standards. Corruption often results from patronage and is associated with bribery.

Bribery is the act of taking or receiving something with the intention of influencing the recipient in some way favorable to the party providing the bribe. It may be in the form of money or favor given or promised to influence the judgment or conduct of a person in a position of trust. Integrity and zero-tolerance of bribery are fundamental and non-negotiable.

Offering, giving, soliciting or acceptance of an inducement or reward which may improperly influence the action of any person will not be tolerated.

Requesting and or obtaining of any form of assistance from EFRC Holdings, EFRC, EPA and EFRC Agri Operations affiliated individuals and or organisations including employees or individuals connected to the business will not be tolerated. Such assistance or requests will include but is not limited to free items, donations, samples, loans, discounts, preferential treatment, or any other form of assistance for personal benefit or gain and will not be tolerated.

Theft is the act of stealing, an unauthorized taking, keeping, or using of another's property without their consent for personal gain.

Redundant or Unused Items - is material or equipment which is of no possible use to the company whether in its usable or unusable form remains company property. Disposal or doing away with, of any redundant material must be authorised by management.

Management will issue a signed Redundant Material Gate Pass slip, detailing the item and quantities authorised to leave company premises and this should be handed to security personnel when the redundant material leaves company premises. Any employee found with or in possession of any redundant material without approval or consent from Executive Management will be in breach of this policy and will be dealt with as per the company disciplinary code in place.

Damage to; or Theft of Personal Belongings – The EFRC Holdings Group will not be liable or accept liability for personal belongings that has been lost due to theft or damaged during employment and it is the responsibility of the employees to safeguard their personal belongings. Employees must take reasonable steps to ensure that their property is in a safe place to minimise the element of loss due to theft or damage. The company has provided drawers and other lockable cabinets for administration staff,

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lockers for factory staff and factory staff must supply their own locks to ensure that their belongings are safe.

Management would like to encourage all employees to be vigilant in safeguarding their valuables to eliminate loss of their personal property due to theft.

Gifts – The EFRC Holdings Group abides to the following guidelines in relation to gifts given to the company or employees of the company: Gifts (defined as items given without the expectation of receiving anything in return) If any form of a gift (food or material gift) is offered to employees of the EFRC Holdings Group, they must report this directly to Senior Management.

This practice is not permissible; it is customary to see these gifts as a bribe to retain business. There may be occasions when to refuse a gift may cause offence. In these circumstances and those where a gift cannot be returned or refused, the gift should be accepted and then surrendered to the Senior Management. These gifts will be recorded in a gift register kept by the Head of Finance and will be added in the lucky draw box for the end of year gifts.

Employees are expected to uphold the integrity of the Company in the highest manner when conducting business operations of EFRC Holdings Group with outside organizations and individuals. Employees are expected not to compromise business transactions in exchange for personal gifts. In general, employees cannot accept gifts from outside sources for personal benefit.

Donations and Sponsorship - the EFRC Holdings Group does from time to time make donations to worthy causes or as part of its corporate social responsibility program and donations may only be made in accordance with the program without the expectation of unjust gains in this process.

Politically exposed persons (“PEPs”) - PEPs are individuals who are or has in the past been entrusted with prominent public functions in a particular country, are considered high-risk, which necessitates the need for enhanced due diligence when dealing with them.

OUR COMMITMENT TO BUSINESS ETHICS INCLUDING COMPLIANCE TO THE EFRC HOLDINGS GROUP ANTI-MONEY LAUNDERING, BRIBERY AND CORRUPTION POLICY:

- The EFRC Group commits to a zero-tolerance against fraud, money laundering, theft, corruption, or any similar illegal behaviour.

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- The EFRC Holdings Group conducts business ethically without bribery, corruption, or any type of unethical or fraudulent business practice, in line with the business ethics policy which has been communicated to all employees, appropriate parties, including all suppliers.
- Our business ethics policy is regularly updated and includes applicable business integrity controls, e.g., anti-bribery, export controls, sanctions, anti-trust, data privacy, money laundering, gifts and hospitality, conflicts of interest, product quality and safety and reporting of concerns.
- Management ensures awareness and compliance of any applicable laws, their end client's business ethics standards / code requirements and have a system in place to monitor performance against these.
- A senior member/s of management has been appointed, in writing, to be responsible for compliance with the business ethics policies and procedures.
- There is a transparent system in place for confidentially reporting and dealing with unethical business ethics without fear of reprisals towards the reporter and the procedure and channels are communicated to employees, suppliers, and clients.
- There is a disciplinary code and procedure which is applicable to all, irrespective of seniority, that ensures that anyone found in breach of policy or guilty of misconduct are subject to reprimand and sanction commensurate with the offence.
- All staff whose job roles carry a higher level of risk around ethical business practice e.g., finance, HR, sales, purchasing, logistics are trained on what action to take in the event of an issue arising in their area.
- Management manages and mitigates all conflicts or perceived conflicts of interest. Conflict of interest will be avoided, and employees will share and declare any information that may cause a conflict of interest. Where it is not possible to avoid a conflict of interest, the potential conflict of interest shall be appropriately managed.

REPORTING PROCEDURES IN PLACE:

Management of the EFRC Holdings Group maintain an open-door policy for any individual or employee that has a concern or issue that they would like management to know of, discussed or investigated to come forward and be heard.

In situations where employees are unsure about approaching management, they can make use of a suggestion box that is conveniently located in the staff canteen for all employees that would like to inform the management of any acts of money laundering, bribery, corruption, and fraud of which they might know.

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The suggestion box is always locked, keys and all information is viewed and managed as highly confidential by senior management. Management will investigate and strive to address all issues raised by employees through the suggestion box.

Management also encourages *whistleblowing* which is the disclosure of information about a perceived wrongdoing in the organisation, or the risk thereof, to individuals in senior management positions or law enforcement agencies.

The company has provided emergency numbers and senior management contact numbers on all notice boards for employees to easily access and make use of such information to alert responsible individuals of any information or events that affect the organisation which also includes money laundering, bribery, corruption, and fraud.

All employees together with the management are expected to be vigilant and to play an active part in the prevention of corruption, fraud, theft, money laundering, and bribery activities. To have a high level of awareness among staff with regards to anti-corruption, bribery, money, theft, and money laundering, regular training and awareness sessions will be extended to all in the workplace.

Violation of these guidelines will lead to disciplinary action being raised against the offender and consequences might lead up to a dismissal.

Reporting structure managed by Independent Party - Deloitte Tip-offs Anonymous:

All employees have a duty to immediately report any suspicious activity or act of criminality in breach to the Anti-Money Laundering (AML), Bribery & Corruption policy as set out below.	
FreeCall RSA:	0800 600 595
E-mail:	EFRC@tip-offs.com
FreeFax:	0800 00 77 88
Website:	www.tip-offs.com
FreePost:	KZN 138 Umhlanga Rocks 4320

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