



THE SPAR GROUP LIMITED

Reg. No. 1967/001572/06

("the Company" or "SPAR")

ANTI-BRIBERY AND CORRUPTION POLICY

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1. **INTRODUCTION**

The SPAR Group Limited (“SPAR”) and its subsidiaries (“the Group”) is committed to conducting its business in accordance with all applicable laws and regulatory requirements in the jurisdictions within which it operates. SPAR strives to operate in accordance with the highest levels of integrity and good governance.

The primary objective of this policy is to articulate and direct the Group’s approach to anti-bribery and anti-corruption in support of the Group’s responsible corporate citizenship. It is a criminal offence to offer or accept a bribe or be party to corruption. SPAR therefore seeks to prevent all instances of bribery and corruption within the organisation.

2. **POLICY STATEMENT**

SPAR is committed to conducting business in accordance with the highest ethical standards and prohibits all forms of fraud, bribery and corruption.

SPAR commits to:

- Zero-tolerance against fraud, theft, corruption or any similar illegal behavior
- Comply with all applicable anti-bribery and anti-corruption laws, regulations, rules and codes of conduct in the jurisdictions in which it carries out operations
- Conduct business transparently and in an honest and ethical manner
- Embed a risk-based compliance framework and process in daily activities
- Continuously monitor the regulatory environment and to implement appropriate responses to changes and developments.

SPAR is committed to prevailing codes of best practice and supports the Organisation for Economic Co-operation and Development (OECD) Anti-Bribery Convention, to which South Africa is a signatory.

3. **SCOPE**

This policy applies to all employees (which includes permanent employees, temporary employees, interns and management), executive and non-executive directors of SPAR and any of its subsidiaries, affiliated third parties (including but not limited to contractors, consultants, service providers and outsourced employees), or any person who represents the Group in any way and is remunerated for their services.

This policy is to be read in conjunction with SPAR’s Code of Ethics, Fraud Prevention Policy and Whistleblowing Policy.

4. **FRAUD, BRIBERY AND CORRUPTION**

Fraud is defined as the unlawful and intentional making of a misrepresentation which causes actual and or potential prejudice to another.

Corruption is broadly defined as accepting, giving or offering any gratification to influence someone's actions in a dishonest, biased or illegal manner. There are four main ways in which corruption can occur, such as misusing or selling information, abusing a position of authority, breaching trust or violating rules and inducing unjustified results.¹

Bribery is a form of corruption and refers to the giving and receiving of a reward in return for granting of certain favours. The reward may take many forms such as money, gifts, promotion, prevention of a loss, paying off a loan, inflated commission and various other favours which may be offered.²

Any person who commits an act of bribery and/or corruption is guilty of a criminal offence.

5. POLICY PRINCIPLES

The following principles that were established in the SPAR Group Code of Ethics forms the basis of SPAR's operating standards and procedures. All SPAR employees and representatives must comply to these principles.

5.1. Principle 1: Upholding integrity

The most effective way to combat bribery is to ensure that all SPAR employees and representatives act with integrity. Integrity goes beyond complying with the law and policies, to having strong moral principles. Strong moral principles demand that we are firstly true to ourselves and totally honest and consistent in our dealings with our colleagues, business partners, customers and the company. Accordingly, representatives must:

- Be honest and transparent in all business dealings
- Put the interests of the group above their personal interest
- Declare and avoid both actual and perceived conflicts of interest, which may pose an anti-bribery and anti-corruption risk
- Act responsibly and prudently when giving and receiving gifts and hospitality
- Prevent and report criminal and other unethical activities and
- Declare and act responsibly when engaging in outside work and political activities
- Refrain from active and passive bribery
- Specifically refrain from active bribery involving local or foreign public officials

5.2. Principle 2: Maintaining and sharing accurate information

Accurate and accessible financial statements and records must be kept and maintained. False or misleading entries, undisclosed or unrecorded funds or assets are prohibited. All transactions that are processed on SPAR's systems must be accurate and can be adequately explained. Accounting policies which prohibit inadequately identified transaction and provide adequate controls must be implemented. Mischaracterising of bribes in accounting records is expressly prohibited. Such mischaracterisation includes:

- Concealment of bribes in invoicing and financial statements

¹ Chapter 2, part 1 of PRECCA

² South African legislation does not specifically define bribery, but it does define corruption in such a way that it includes bribery as a form of corruption.

- Commissions used to conceal bribes
- Omission of payments
- Formal processes and procedures that were not followed

5.3. Principle 3: Engaging in free and fair competition

SPAR supports free and fair competition and does not tolerate price-fixing or other anti-competitive activities. All issues relating to competitors must be dealt with in an honest and professional manner.

5.4. Principle 4: Responsible corporate citizenship

SPAR acknowledges that it is part of a larger society and therefore has a responsibility to demonstrate care and diligence to that society by upholding all laws, applicable rules and standards and only pursuing business practices that are economically, socially and environmentally sustainable.

5.5. Principle 5: Combatting unethical and criminal activities

SPAR stands against all forms of unethical and criminal activities. Such activities contradict SPAR's values and principles and action will be taken against any person involved in these behaviours.

5.6. Principle 6: Avoiding conflicts of interest

Actual or potential conflicts of interest involving close relatives and associates must be avoided. A conflict of interest exists when personal or professional interests or activities affect the ability to make clear and objective decisions in the best interest of the company. The Conflicts of Interest Policy must be followed by disclosing personal interests and recusal from situations where personal interests could influence decisions

5.7. Principle 7: Accepting gifts responsibly

Accepting gifts can create the impression that SPAR might participate in improper business dealings. The acceptance of cash as a gift is expressly prohibited and the Gifts, Entertainment & Hospitality Policy must be followed.

5.8. Principle 8: Fair procurement practices

Suppliers are selected based on best value for the goods and services required in accordance with the Procurement Policy and in terms of the overall strategic objectives of the Group, with conflicts of interest managed and disclosed in accordance with the Conflict of Interest Policy. Contracts awarded to related parties are subjected to frequent and rigorous review.

Business dealings with suppliers and customers are always conducted in an atmosphere of trust and mutual respect and in keeping with irreproachable business standards and professional ethics.

6. REPORTING OF INCIDENTS

Whistleblowing is a powerful tool for all stakeholders and employees to responsibility and safely report corrupt, unlawful, unethical or irregular conduct that they become aware of. Employees must take a stand against bribery and corruption, and not fear that they will receive punishment if they do. SPAR is committed to ensuring that no employee suffers any Occupational Determent as a result of reporting a genuine concern in good faith.

Choosing to ignore incidents of bribery and corruption could itself constitute an offence under applicable legislation. If employees are in doubt as to whether an incident constitutes bribery or corruption, they must seek advice from the Group Company Secretary, the Group Sustainability Executive, the Group Risk Manager or the Head of Legal. If any person becomes aware of a circumstance or action that violates or appears to violate this policy, they are encouraged to follow the processes set out in the Whistleblowing Policy and Framework.

Employees and representatives should report concerns of possible or actual violation of the anti-corruption and anti-bribery laws or of this policy when they have knowledge of or when they suspect bribery or corrupt activities. Examples of red flags that may indicate corrupt behaviour can be found in annexure A.

The Prevention and Combating of Corrupt Activities Act obliges SPAR to report any corrupt activities such as theft, fraud, extortion, bribery or uttering a forged document, involving R100 000 or more to the South African Police Services.³

7. ADMINISTRATION OF THIS POLICY

The custodian of this policy is the Group Secretariat Department who will be responsible for the administration, revision, interpretation and application of this policy, which will be reviewed triennially or as and when required.

Any alternation of this policy is subject to approval by the Board/Social and Ethics Committee.

This policy was approved by the Board on 27 November 2024 and becomes effective immediately on approval.

³ Section 34 of PRECCA

Annexure A

The red flags below can be used to assist in the detection of bribery and corruption. Matching one or more of these red flags may serve as an indicator of bribery and corruption, but would require further investigation. The list is not exhaustive but merely serve to provide a guide of potential red flags.

I. Red flags: General indicators

- Unexplained cash deposits into accounts of local prominent influential persons (PIPs) or foreign prominent public officials (PPOs), collectively referred to as PEPs.
- Manipulation of procurement thresholds.
- Purchase of unnecessary or inappropriate items or the purchase of items which are charged outside of market related costs.
- Unusually high number of contracts awarded to one company.
- Winning bid without meeting tender requirements or where there are inconsistencies in bid proposals.
- Payment advances to employees or third parties, particularly pressure to receive the payments urgently or ahead of schedule.
- Refusal to properly document expenses, unrecorded, or incorrectly recorded transactions and other failures to follow accounting procedures/policies.
- Invoices vaguely describe the services provided or lack detail (e.g., “services rendered” or “miscellaneous”).
- Refusal to accept anti-bribery and anti-corruption or audit clauses in contracts.
- Refusal to divulge the identity of beneficial owners, directors, officers, or other principals.
- Compensation arrangement is based on a success fee or bonus; or unusual bonuses for foreign operating managers.
- Request for payments in third countries or through third parties or shell companies, particularly requests for payment in a jurisdiction outside home country that has no relationship to the transaction, or the entities involved in the transaction, or when the requested country is an offshore financial centre.
- Request for payments in cash, cash equivalent, or bearer instruments or other anonymous payments.
- Losing bidders sought to be hired as agents or subcontractors.
- Failure to cooperate with the due diligence investigation or refusal to answer questions or make representations and warranties.

- Party has a poor business reputation or a reputation for unethical conduct, including reports of suspicious, unethical, or unlawful conduct about the party, its sub-agents or its employees.
- Party makes large or frequent political contributions, makes references to political or charitable donations as a way of influencing official action.
- Utilisation of family members to launder funds.
- Off-market trade that showed as high-day one profit and loss

II. Red flags: When dealing with associated persons

- The associated person insists on operating in anonymity.
- Inappropriate payment requests, e.g. requests for indirect payments made payable in a country other than one where the associated person operates, or to a separate entity.
- Due diligence identifies significant past allegations or incidents of corruption or illegality.
- There are persons involved in the transaction who have no substantive commercial role.
- The associated person objects to reasonable clauses in the contract regarding compliance with antibribery laws or other applicable laws.
- The associated person does not reside or have a significant business presence in the country where the customer or project is located.
- Due diligence reveals the associated party is a shell company or has some other unorthodox corporate structure (e.g. a trust without information about the economic beneficiary).
- The associated person will not reveal its beneficial ownership or is unwilling to provide documentary proof of ownership if asked.
- The only qualification the associated person brings to the venture is influence over public officials, or the associated person claims that they can help secure a contract because they know 'the right people'.
- The associated person's skills do not align with the job requirement.
- The associated person requests an increase in an agreed commission for the third party to 'take care' of some people;
- circumvent a known requirement, cut some red tape or make a facilitation payment; and
- to account for expenditure they must incur to obtain or retain business or a business advantage.
- Relocation of third party/supplier/contractor/agents to countries with higher bribery risk.

- Requests for once-off or unusually high commissions or fees on payments.
- Over-invoicing/use of non-standard invoices.
- Large/frequent fourth-quarter adjustments to contractual payments by associated persons.
- Reluctance or inability to provide information requested in full and in a timely manner.
- Exclusive dealings by an employee with a single supplier/contractor/agent (associated person).
- Unexplained reasoning provided by business areas for changes.
- Multiple changes to vendor banking details.