







**TRANSNET**





# Transnet Group

## Anti-Fraud & Corruption Policy



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Policy Owner	Executive Manager: Investigations and FRM
Signature	
Policy Sponsor	Group Chief of Security
Signature	 A. Govind
Date Approved	13/01/2022

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Recommended by Policy Owner and Policy Sponsor:

I hereby acknowledge that a search has been conducted and that the Policy is not duplicated or in conflict with any other Transnet Policies.

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**Final Approval**

**Board of Directors**

**Name of Committee**

28 September 2021

**Date Approved**

### Summary of Version Control

Version Number	Effective Date	Summary of Changes
1	1 March 2017	First Adoption of policy
2	April 2021	The amendment of the definition of an <i>Economic Crime</i> to include that it may be committed by individuals or a group of individuals
		1.2 The inclusion of reference to the National Anti-Corruption strategy
		1.3.1 Reference to the following of a whole of government approach
		The Inclusion that the policy will apply to Consultants, Contractors, Suppliers, Business Partners, Agents and any other entities conducting business with Transnet
		The inclusion that a Fraud Risk Management Framework will be developed and implemented to assist in identifying risks, preventing risks, detecting risks and reducing opportunities to commit <i>fraud, corruption</i> and/or other <i>economic crimes</i>
		The inclusion of the definition of a <i>Business</i>
		The amendment of the definition of an <i>Agent</i>
		The amendment of the definition of <i>Fraud</i>
		The inclusion of the definition of a <i>Gift</i> as defined in the Gift policy
		The inclusion of the definition of <i>Protected Disclosure</i> in terms of the Protected Disclosure Act 26 of 2000
		The amendment of 5.9 to accord with the No Gifts and Hospitality policy. Transnet officials and employees are prohibited from receiving gifts in any form.
		Policy owner amended from General Manager Group Forensics to Executive Manager Investigations and Fraud Risk Management
		Policy sponsor amended from Group Audit Executive to Group Chief Security Officer
		Inclusion in the scope "All investigation activities will be conducted without regard to any suspected wrongdoers length of service, position/title or relationship to the company
		Inclusion of management responsibilities In the Policy Statement
		Inclusion of three additional items to constitute fraud, corruption or economic crimes as per the Policy Statement

		Inclusion of item relating to non-declaration of personal interests It line 5.10
		Inclusion of the non-investigation of other irregularities that are not corruption and fraud related.
		Inclusion of clause pertaining to Investigation Responsibilities.
		Inclusion of a clause indicating the Authority to conduct investigations
		Inclusion of a clause Indicating reporting procedures
		Inclusion of clause with respect to whistle blower protection.
		Inclusion of Item referring to Transnet responsibilities as per the National Anti-Corruption Strategy
		Internal documents amended to include the following: <ul style="list-style-type: none"> <li>• Transnet Integrated Risk Management Policy,</li> <li>• Information Classification Policy, Records Management Policy,</li> <li>• DPIP and FPPO Policy,</li> <li>• Life style Audit Policy,</li> <li>• No gifts and Hospitality Policy</li> </ul>
		External documents section amended to Include the following: <ul style="list-style-type: none"> <li>• King IV principles of Corporate Governance,</li> <li>• International Organization for Standards (ISO) 37001:2016,</li> <li>• Anti-Bribery and Corruption Management Systems,</li> <li>• International Organization for Standards (ISO 31000 on Fraud Risk Management</li> </ul>
		Regulatory requirements section amended to include the following: <ul style="list-style-type: none"> <li>• Criminal Procedure Act, 1977 (Act 51 of 1977), Prevention of organized Crime Act 121 of 1998,</li> <li>• Special Investigating Units and special tribunals act 74 of 1996,</li> <li>• Electronic Communications Act 36 of 2005,</li> <li>• Promotion of Access to Information Act 2 of 2000,</li> <li>• Protected Disclosures Act 26 of 2000,</li> <li>• Promotion of Administrative Justice Act 3 of 2000,</li> </ul>

		<ul style="list-style-type: none"> <li>• Preferential Procurement Policy Framework Act 2000,</li> <li>• Protection of personal information Act 4 of 2013,</li> <li>• Treasury Regulations of PFMA and Constitution of the Republic of South Africa, 1996</li> </ul>
		<b>Inclusion of the provisions of Transnet Retention Schedule and the Records Management Policy.</b>
		<b>Written submissions to deviate from policy is amended from Group Audit Executive to Group Chief Executive</b>
		<b>Suspected incidents of non-compliance amended from Internal Audit to Group Investigations and FRM</b>
		<b>The inclusion of paragraphs 6 to 10</b>
		<b>The inclusion of the provisions of the obligations in terms of the National Anti-Corruption Strategy 2020-2030 ("NACS")</b>

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## **1. BACKGROUND**

- 1.1. The Transnet Anti-Fraud and Corruption Policy is intended to facilitate the development and implementation of controls to aid the prevention and detection of fraud and corruption. The objective of the Anti-Fraud and Corruption Policy is to effectively manage Transnet's exposure to fraud, corruption and/or other economic crimes.
- 1.2. The Transnet Fraud Risk Management Plan is derived from the Anti-Fraud and Corruption Policy and is one of the key elements of the company's controls and will be reviewed regularly;
- 1.3. Transnet is committed to a zero tolerance stance towards unethical behaviour including fraud, corruption and/or other economic crimes. Transnet is committed to acting professionally, fairly and with integrity in all of its business dealings. The policy seeks to align with the prescript of the National Anti-Corruption Strategy 2020-2030 approved by Cabinet in November 2020.
- 1.4. Transnet will achieve these objectives by:
  - 1.4.1. Responding to reported allegations, in the most effective manner possible, to prevent or limit the occurrence of any potential or actual losses or damage.
  - 1.4.2. Taking prompt and appropriate action when fraud, corruption and/or other economic crimes are detected or suspected.
  - 1.4.3. Ensuring a systemic approach through the use of law enforcement (SAPS, NPA, DPCI) as well as the Special Investigations Unit (SIU) and entities such as the Financial Intelligence Centre (FIC) and South African Revenue Service (SARS), the Auditor General, the Public Protector and other related government partners. Transnet will collaborate with the shareholder and other SOC's.
  - 1.4.4. Placing strong emphasis on the prevention of offences to persuade employees, consultants, contractors, suppliers, business partners, agents

and any other entity conducting business with Transnet not to commit or partake in fraud, corruption and/or other economic crimes, by:

1.4.4.1. Implementing a Fraud Risk Management Framework that will assist in identifying and mitigating risks whilst also reducing opportunities to commit *fraud, corruption* and/or other *economic crimes*. This Fraud Risk Management Framework will be developed and implemented in conjunction with fellow stakeholders within Transnet Internal Audit as well as Enterprise Risk Management.

1.4.4.2. Highlighting control weaknesses and/or areas of concern

1.4.4.3. Establishing deterrence measures for fraud, corruption and other economic crimes.

1.5. Transnet is committed to upholding all regulatory requirements which include laws related to countering fraud, corruption and/or other economic crimes in all countries it operates in.

## **2. PURPOSE**

The purpose of the Anti-Fraud and Anti-Corruption Policy is to:

- 2.1. Ensure that Transnet conducts its business in an honest and ethical manner;
- 2.2. Create awareness as to what constitutes fraud, corruption and/or other economic crimes;
- 2.3. Detect, minimise and prevent fraud, corruption and/or other economic crimes at Transnet;
- 2.4. Create an environment and culture for Transnet employees to understand that dishonest acts violate Transnet rules and where detected will be addressed, promptly and adequately;

- 2.5. Provide awareness to Transnet employees on how to recognise and respond to fraud, corruption and/or other economic crime related issues; and
- 2.6. Set out Transnet's responsibilities as well as that of its employees, consultants, contractors, suppliers, business partners, agents and any other entities conducting business with Transnet in observing and upholding its position on fraud, corruption and/or other economic crime issues.

### 3. DEFINITIONS

- 3.1 **"Assets"** include, but are not limited to: fixed property (buildings), movable assets (locomotives, cash, stock, vehicles and computers), and other intangible assets (intellectual property rights, system software and information in soft copy).
- 3.2 An **"Agent"** means a person who has been authorized to perform juristic acts on behalf of another (principal) with the result that a legal tie will be formed between the principal and the third party
- 3.3 A **"bribe"** as defined in Section 1 of PRECCA is a gratification offered or given to a person in a position of trust to influence that person's views or conduct.
- 3.4 **"Business"** means any business, trade, occupation, profession, calling, industry or undertaking of any kind, or any other activity carried on for gain or profit by any person with the Republic or elsewhere, and includes all property, derived from or used in or for the purpose of carrying on such other activity, and all the rights and liabilities arising from such other activity.
- 3.5 **"Business Relationship"** means an arrangement between a potential bidder / supplier / customers / agents / partners etc. and Transnet for the purpose of concluding (a) transaction(s) on a regular basis
- 3.6 **"Corruption"** as defined in Section 3 of PRECCA, is when any person directly or

indirectly-

- a) accepts, agrees or offers to accept any *gratification* from any other person, whether for the benefit of himself or herself or for the benefit of another; or
- b) gives, agrees or offers to give to any person any gratification, whether for the benefit of that person or the benefit of another person, in order to act, personally or by influencing another person so to act, in a manner -
  - i. That amounts to the illegal, dishonest, unauthorised, incomplete or biased misuse or selling of information or material acquired in the course of the, exercise, carrying out a performance of any powers, duties or functions arising outside of a constitutional, statutory, contractual or any other legal obligation;
  - ii. That amounts to the abuse of a position of authority; a breach of trust; the violation of a legal duty or set of rules; achieving an unjustified result; or any other unauthorised or improper inducement to do or not to do anything.

**3.7** *"Economic Crime" means illegal acts committed by an individual or group of individuals on behalf of or against a business in order to gain economic benefit.*

**3.8** *"Employees" means persons employed by Transnet on an indefinite contract, (permanent employees), fixed-term contract or employed on temporary or casual terms (including bargaining and non-bargaining units).*

**3.9** *"Facilitation Payments" means small payments or gifts made to officials or a foreign public official in order to speed up or "facilitate" actions the officials are already duty-bound to perform. They can appear "harmless" because the payments involved are usually small amounts and partly because they are often regarded as a part of the local custom or the culture i.e. the way things are done. However these payments are illegal in South Africa and in a number of other countries where Transnet conduct business.*

**3.10** *"Favouritism" means special treatment that is provided to an individual or group.*

- 3.11 **"Fraud"** means an unlawful and intentional misrepresentation, with the intention to prejudice another person and/or organization.
- 3.12 **"Fronting"** means the practice whereby suppliers misrepresent their abilities to render the required goods or services or instances where the suppliers misrepresent their ownership.
- 3.13 **"Gifts"** means tangible items, services or information in whatever form, from which the recipient may derive a benefit, but does not include:
- a) Official Transnet branded goods or items;
  - b) Official Transnet sponsored functions, promotions or hospitality events;
  - c) Official donations made on behalf of Transnet;
  - d) Promotional materials issued to all participants at conferences or other similar events as part of normal proceedings
- 3.14 **"Gratification,"** as defined in Section 1 of PRECCA, means and includes-
- a) money, whether in cash or otherwise;
  - b) any donation, gift, loan, fee, reward, valuable security, property or interest in property of any description, whether movable or immovable, or any other similar advantage;
  - c) the avoidance of a loss, liability, penalty, forfeiture, punishment or other disadvantage;
  - d) any office, status, honor, employment, contract of employment or services, any agreement to give employment or render services in any capacity and residential or holiday accommodation;
  - e) any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;
  - f) any forbearance to demand any money or money's worth or valuable thing; any other service or favour or advantage of any description, including protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary, civil or criminal nature, whether or not already instituted, and includes the exercise or the forbearance from the exercise of any right or any official power or duty;

- g) any right or privilege;
  - h) any real or pretended aid, vote, consent, influence or abstention from voting;  
or
  - i) any valuable consideration or benefit of any kind, including any facilitation payment, discount, commission, rebate, bonus, deduction or percentage.
- 3.15 **"Grievance"** means the dissatisfaction or feeling of an unfair practice or working conditions experienced by an employee or group of employees.
- 3.16 **"Hacking"** means the malicious act of breaking into computer systems.
- 3.17 **"Kickback"** means any payment made by vendors and/or third parties or their agents to an employee in order for them to receive favorable treatment.
- 3.18 **"Management"** includes: Transnet Supervisors, Line Managers, Junior / Senior Managers, Executive Managers, General Managers, Group Executives and Group Executive Committee (EXCO)
- 3.19 **"Nepotism"** means the favoring of close friends or family which is either not based on ability and/or technical competence or participation in decision-making processes that may advantage or offer benefits to friends or family.
- 3.20 **"PDA"** means Protected Disclosures Act 26 of 2000 read with Protected Disclosures Amendment Act 5 of 2017
- 3.21 **"PFMA"** means Public Finance Management Act 1 of 1999
- 3.22 **"PRECCA"** means the Prevention and Combating of Corrupt Activities Act (Act No 12. Of 2004.
- 3.23 **"Operating Divisions"** means the following Transnet businesses: Transnet National Ports Authority, Transnet Pipelines, Transnet Port Terminals, Transnet Freight Rail, Transnet Engineering, Transnet Property, and Transnet Corporate Office
- 3.24 **"Official"** means any director, functionary, officer or agent serving in any capacity whatsoever in a public body, private organisation, corporate body, political party, institution or other employment, whether under a contract of

service or otherwise, and whether in an Executive capacity or not.

**3.25** *"Political contributions"* means donations made to political parties.

**3.26** *"Protected Disclosure"* means the disclosure made to;

- a. Legal Advisor in terms of Section 5 of the PDA
- b. Employer in accordance with Section 6
- c. A member of Cabinet or of an Executive Council in accordance with Section 7
- d. Any person or body in accordance with Section 8
- e. Any other person or body in accordance with Section 9 of the PDA, but does not include the disclosure:
  - i. Irrespective of which the employee commits an offense by making that disclosure; OR
  - ii. Made by Legal advisor to whom the information concerned was disclosed in course of obtaining legal advice in accordance with Section 5 of the PDA

**3.27** *"Theft"* means the unlawful and intentional appropriation of property which belongs to a person or entity with the intention of permanently depriving the person or entity of the property, without their consent.

**3.28** *"Transnet"* means Transnet SOC Ltd, including its Operating Divisions ("OD").

#### **4. SCOPE**

**4.1** The *Anti-Fraud and Corruption Policy* applies to any irregularity or suspected irregularity pertaining to fraud and corruption involving all *Transnet employees, consultants, contractors, suppliers, business partners, Transnet agents and any other trading entities conducting business with Transnet. This includes external entities with business relationships with Transnet as well as employees of Transnet.*



- 4.2 All investigation activities will be conducted without regard to any suspected wrongdoers length of service, political affiliation, position/title or relationship to the company.

## **5. POLICY STATEMENT**

- 5.1 Management is responsible for the detection and prevention of fraud, misappropriations and other irregularities. Employees including management will be familiar with the types of improprieties that might occur within their area of responsibility and are expected to be alert for indications thereof.
- 5.2 All employees of Transnet as well as consultants, contractors, sub- contractors, suppliers, business partners, agents, board of directors and any other trading entity conducting business with Transnet are expected to refrain from acts of fraud, corruption and/or other economic crimes and are encouraged to report any suspicions thereof.
- 5.3 Transnet has adopted a zero tolerance to any acts of fraud, corruption, economic crimes and misconduct. Fraud, corruption and/or other economic crimes include, but are not limited to:
- 5.3.1 Any dishonest or fraudulent act
  - 5.3.2 Disclosing confidential and proprietary information to outside parties
  - 5.3.3 Destruction, removal, or inappropriate use of documentary records and information
  - 5.3.4 Accepting, extorting *or* requesting kickbacks from suppliers, consultants, contractors, business partners, agents, other employees and any other trading entity conducting business with Transnet;
  - 5.3.5 Influencing others to commit a crime by providing them with something in return;
  - 5.3.6 Falsification of documentation e.g. qualifications, reports, etc.;



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- 5.3.7 Improper use of Transnet's computer systems, hacking and software piracy;
  - 5.3.8 Maladministration or financial misconduct in handling or reporting of money, financial transactions , other assets or the management and awarding of contracts to suppliers or service providers;
  - 5.3.9 Acts of nepotism and favouritism;
  - 5.3.10 Procurement fraud (falsifying, fronting, forging quotations, or Irregularly eliminating suppliers from the formal process);
  - 5.3.11 Theft or the unauthorised removal of Inventory, revenue and/or Transnet assets;
  - 5.3.12 Not obeying or following the requirements as stipulated within Transnet policies, procedures and any regulatory requirements applicable to Transnet, in so far as it relates to fraud and corruption;
  - 5.3.13 Falsification, inflation or misrepresentation of travel and subsistence claims (false charges for accommodation and meals, inflated charges on meals, false mileage claims, etc.);
  - 5.3.14 Abuse of sick leave or other permissible leave;
  - 5.3.15 Abuse of overtime and/or falsification of timesheets and/or other records; and
  - 5.3.16 Running of a personal business during office hours.
- 5.4 In terms of this Policy, any employees of Transnet, should not request, give or receive bribes or improper payments, or participate in any kind of corrupt activity, either directly or through a third party.
- 5.5 Transnet only appoints agents or third party representatives in terms of its procurement procedures. As part of the appointment process, agents and third party representatives undertake in writing to act in accordance with this Policy and Transnet's Code of Ethics.

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- 5.6 Transnet employees must not make or accept facilitation payments in any country in which Transnet conducts business.
- 5.7 Transnet treats suppliers, customers, contractors and other business partners, as well as their employees, with integrity and professionalism at all times. Transnet refrains from engaging in untoward or corrupt relationships with its suppliers, customers, contractors and other business partners and conducts itself in accordance with the requirements of its policies and procedures.
- 5.8 Transnet is committed to working only with suppliers, customers, contractors and other business partners whose standards are consistent with the law and other Transnet Policies.
- 5.9 Transnet officials and employees shall not solicit, give or accept or agree to solicit, give, accept or receive directly or indirectly, any gift, gratuity, favour, entertainment, loan or anything of monetary value, from any person or juristic persons/entity in the cause of official duties, business or in connection with any operations being managed by employees or any transactions which may be affected by the function of their office.
- 5.10 Transnet prohibits involvement of employees in any situation which an employee has private interests or personal considerations or an affiliation or a relationship which affects or may be perceived to affect an employee's judgment in acting in the best interest of the company or any situation which may be in conflict with the best interest of the company, therefore any situation that may result directly or indirectly in personal interest conflicting with those of Transnet and its policies will be addressed accordingly and may lead to disciplinary action being taken against the employee.
- 5.11 Transnet is committed to trading lawfully, and therefore endeavours to comply with all trade regulations and restrictions imposed by recognised national and international authorities. Restrictive trade practices are strictly prohibited.
- 5.12 Transnet does not make political contributions. Neither Transnet nor any Transnet employees may make any direct or indirect contribution to any political

party, organisation or individual engaged in politics as a way of obtaining improper advantage in Transnet's business.

- 5.13 In all cases that come to the attention of Transnet, be it criminal or any other irregularity, Transnet will, where appropriate, ensure that the matter is investigated internally by the appropriate persons, and that appropriate disciplinary action is taken in accordance with its disciplinary code and procedure.
- 5.14 The initiation of disciplinary action against an employee does not preclude Transnet from exercising its rights in law of pursuing any criminal or civil actions, where appropriate or reporting findings to relevant authorities.

## **6. OTHER IRREGULARITIES**

- 6.1. Irregularities concerning conduct relating to non-fraud or non-corrupt behaviour are to be resolved by Human Resources / Employee Relations. Questions as to whether an action constitutes fraud or corruption should be directed to the Investigations and Fraud Risk Management unit.

## **7. INVESTIGATION RESPONSIBILITIES**

- 7.1. The Investigations and Fraud Risk Management unit has the primary responsibility for the investigations of all suspected fraudulent acts as defined in this policy. Decisions to prosecute or refer investigation results to the appropriate law enforcement agencies for Independent Investigations will be made in consultation with the office of the Chief Legal Officer.

## **8. AUTHORIZATION FOR INVESTIGATING SUSPECTED FRAUD AND CORRUPTION**

- 8.1. Internal investigators or externally appointed entities as per the Investigations and Fraud Risk Management Unit will be authorised in writing to conduct investigations and have:

8.1.1. Free and unrestricted access to all Transnet records and premises whether owned or rented.

8.1.2. The authority to examine, copy and or remove all or any portion of the contents of files, desks, cabinets and other storage facilities on the premises without prior knowledge or consent of any individual who might use or have custody of any such items or facilities when it is within the scope of their investigations.

## **9. REPORTING PROCEDURES**

9.1. An individual who discovers or suspects fraudulent activity should report such the conduct immediately as per the whistle-blower policy. The individual may remain anonymous. No information pertaining to the status of an investigation will be given out to unauthorised parties.

9.2. PRECCA reporting obligations will reside with designated employees within Investigations and Fraud Risk Management.

9.3. PFMA reporting obligations will be performed as per the Investigations and Fraud Risk Management Standard Operating Procedure.

## **10. WHISTLE BLOWER PROTECTION**

10.1. Transnet employees may not victimise/retaliate against a whistle-blower for reporting (Making of a protective disclosure) an activity which that person believes to be a fraudulent or dishonest act with the intent or effect of adversely affecting the terms and conditions of employment (including but not limited to threats of physical harm, dismissal, transfer to an undesirable job assignment, demotion, suspension or impact on salaries or wages).

10.2. Whistle blowers who believe that they have been victimised/retaliated against may file a written complaint with the Executive Manager: Investigations and Fraud Risk Management. Any complaint of victimisation/retaliation will be

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promptly investigated by Investigations and Fraud Risk Management and appropriate remedial measures will be taken if allegations of retaliation are deemed to be founded.

- 10.3. Whistle blowers who believe that they have been victimised/retaliated against alternatively have the remedy of approaching a Labour court or any court having jurisdiction in terms of the Protected Disclosure Act.
- 10.4. Protection from victimisation/retaliation is not intended to prohibit managers or supervisors from making business operational decisions, including pursuing disciplinary action against an employee where appropriate, in the usual scope of their duties and based on valid performance related factors.

## **11. TRANSNET OBLIGATIONS IN TERMS OF THE NATIONAL ANTI-CORRUPTION STRATEGY 2020-2030 ("NACS")**

- 11.1. Transnet commits that all members of its staff, service providers and third parties shall take personal responsibility in preventing and addressing fraud and corruption and to work together, across political, socio-economic and ideological divides, to build the democracy and achieve a corruption-free South Africa, as envisaged in the National Development Plan 2030;
- 11.2. Transnet embraces the approach that informs the National Anti-Corruption Strategy and the principle that there should be more emphasis on the prevention of fraud and corruption through good governance, transparency, integrity management and accountability in society, and early detection of potential corrupt practices to supplement the reactive measures executed by law enforcement agencies and other anti-corruption bodies in society.

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11.3. To that effect, Transnet further embraces the following six strategic pillars that constitute the key components of the National Anti-Corruption Strategy :

- ❖ **Pillar 1: Citizen Participation** - Promote and encourage active citizenry, whistleblowing, integrity and transparency in all spheres of society.
- ❖ **Pillar 2: Professional Conduct** - Advance the professionalisation of employees to optimise their contribution to create corruption-free workplaces.
- ❖ **Pillar 3: Ethical Governance with Oversight and Consequence Management** - Enhance governance, oversight and accountability in organisations in all sectors.
- ❖ **Pillar 4: Credible, Transparent Procurement System** - Improve the integrity, transparency and credibility of the public procurement system.
- ❖ **Pillar 5: Strong Anti-Corruption Agencies** - Strengthen the resourcing, coordination, transnational cooperation, performance, accountability and independence of dedicated anti-corruption agencies.
- ❖ **Pillar 6 Protection of Vulnerable Sectors** - Protect vulnerable sectors that are most prone to corruption and unethical practices with effective risk management.

11.4. Transnet is to align its Anti-Fraud and Corruption Initiatives and plans with the National Anti-Corruption Strategy implementation plan to facilitate the effective implementation of each of the strategic pillars and will develop programmes to be undertaken in the short, medium and long term.

- 11.5. Transnet commits to work in a collaborative and coordinated manner with relevant oversight and accountability in implementing the National Anti-Corruption Strategy requirements.

## **12. ROLES AND RESPONSIBILITIES**

- 12.1. Accountable :All Employees of Transnet SOC Ltd
- 12.2. Responsible :Line Managers
- 12.3. Monitoring and Support :Integrated Assurance Providers
- 12.4. Policy Owner :Executive Manager: Investigations & FRM
- 12.5. Policy Sponsor :Group Chief Security Officer

## **13. RELATED INFORMATION AND REFERENCE**

- 13.1. This policy should be read in conjunction with the following supporting policies, procedures and related legislative prescripts:

### **INTERNAL DOCUMENTS**

- 13.1.1 Transnet Code of Ethics;
- 13.1.2 Transnet Integrated Risk Management Policy;
- 13.1.3 Group Legal Policy;
- 13.1.4 Group Operational Risk Management Policy;
- 13.1.5 Group Public Finance Management Act Policy;
- 13.1.6 Recruitment and Selection Policy;
- 13.1.7 Whistle-blowing Policy;
- 13.1.8 Information Classification Policy;
- 13.1.9 Compliance Policy;
- 13.1.10 Records Management Policy;
- 13.1.11 DPIIP and FPPO Policy;
- 13.1.12 Life style Audit Policy;

- 13.1.13 Procurement Procedures Manual;
- 13.1.14 Supplier Integrity Pact;
- 13.1.15 No Gifts and Hospitality Policy;
- 13.1.16 Declaration of Interest and Related Party Disclosures Policy;
- 13.1.17 Disciplinary Code & Procedure;
- 13.1.18 Fraud and Corruption Response Plan;
- 13.1.19 Grievance Policy;
- 13.1.20 Electronic Communications Policy.

#### **EXTERNAL DOCUMENTS**

- 13.1.21 King IV principles of Corporate Governance;
- 13.1.22 The United Nations Global Compact Principle 10;
- 13.1.23 International Organization for Standardization (ISO) 37001:2016 Anti-Bribery and Corruption Management Systems;
- 13.1.24 International Organization for Standardization (ISO 31000 on Fraud Risk Management);
- 13.1.25 United Nations Office on Drugs and Crime. United Nations Convention against Corruption (2004);
- 13.1.26 Organisation for Economic Development and Cooperation. OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (1997);
- 13.1.27 African Union Convention on Preventing and Combating Corruption (2003);
- 13.1.28 Southern African Development Community. Protocol against Corruption (2001);
- 13.1.29 The Financial Action Task Force (FATF);
- 13.1.30 The Group of 20 (G20) Anti-Corruption Working Group, where South Africa participates and regularly provides its accountability report;
- 13.1.31 National Development Plan 2030.



## **REGULATORY REQUIREMENTS**

13.2. Transnet recognises the importance of complying with all applicable regulatory requirements as reflected in the Transnet regulatory universe. Specific reference is made to:

- 13.1.32 The Constitution of the Republic of South Africa, 2006;
- 13.1.33 Companies Act No. 71 of 2008;
- 13.1.34 The Competition Act No 89 of 1998;
- 13.1.35 The Public Finance Management Act No. 1 of 1999;
- 13.1.36 Prevention and Combating of Corrupt Activities Act No. 12 of 1994;
- 13.1.37 The Prevention of Organised Crime Act No. 121 of 1998;
- 13.1.38 Protection of Constitutional Democracy Against Terrorist and Related Activities Act 33 of 2004;
- 13.1.39 Criminal Procedure Act, 1977 (Act 51 of 1977);
- 13.1.40 Special Investigating Units and Special Tribunals act 74 of 1996;
- 13.1.41 Financial Intelligence Centre Amendment Act No.1 of 2017;
- 13.1.42 Regulation of Interception of Communication and Provision of Communication Related Information (RICA) Act 70 of 2002;
- 13.1.43 Electronic Communications Act 36 of 2005;
- 13.1.44 Promotion of Access to Information Act, 2 of 2000;
- 13.1.45 Protected Disclosures Act 26 of 2000;
- 13.1.46 Promotion of Administrative Justice Act 3 of 2000;
- 13.1.47 Preferential Procurement Policy Framework Act, 2000;
- 13.1.48 Protection of personal Information Act 4 of 2013;
- 13.1.49 National Treasury Regulations.

## **14. RETENTION OF DOCUMENTS**

14.1. In terms of the Transnet Retention schedule and the Records Management Policy, Transnet needs to retain evidence that it has gathered when following reasonable steps to prevent and or investigate corruption, fraud and other economic crimes for a period of 5 years.

## **15. FINANCIAL IMPLICATIONS**

15.1. There are no financial implications related to the implementation of this policy.

## **16. EXCLUSIONS**

16.1. To the extent that allegations of Fraud and corruption and any malfeasance specifically identified in this policy involving Non-Executive Directors and Board Members, such shall be referred to the Department of Public Enterprises for further handling, investigation and for the necessary Consequence Management.

## **17. REQUEST TO DEVIATE FROM POLICY**

17.1. In cases where material and compelling circumstances merit deviation(s) from particular provision(s) of this policy, written submissions shall be sent to GCE, who shall have full authority to grant such request, in whole or in part, or to refuse same.

## **18. COMPLIANCE MONITORING**

18.1. All Transnet policies must include provisions relating to budgetary estimates and cost implications regarding their implementation and maintenance.

## **19. NON-COMPLIANCE**

19.1. Breaches of this policy will be seen in a very serious light. Employees who do not conform to the Policy or Principles & Standards may be subject to disciplinary action in terms of the applicable Transnet disciplinary processes and procedures.

19.2. Failure to disclose an actual act of fraud, corruption and/or other economic crime will constitute an act of misconduct that could result disciplinary action in terms of the applicable Transnet disciplinary processes and procedures.

- 19.3. Transnet reserves the right to terminate contractual relationships with third parties if they are found to be in breach of this policy.
- 19.4. All suspected incidents of contraventions to this policy should be reported to Management, via the Transnet Tip-Offs Anonymous Hotline or to Transnet Group Investigations & Fraud Risk Management.