

SANTAM GROUP BUSINESS INTEGRITY POLICY



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1. Purpose

- 1.1** The purpose of this policy is to codify how Santam will ensure that it conducts its business with integrity, supported by a strong ethical culture, and manages the downside risks relating to misconduct which include bribery and corruption.

2. Background

- 2.1** The Santam Group has evolved into a diverse financial services group operating in an ever-changing environment. One thing, however, remains constant and that is our commitment to our values.
- 2.2** Conducting business with integrity. At Santam, it's one and the same thing – insurance, good and proper. This promise underpins our core values as well as our ethical and professional behaviour.
- 2.3** The Santam Group has the responsibility to ensure that we uphold this commitment at all times and that all our operations and engagements reflect our integrity, respect for human dignity, respect for the rights of others, respect for the environment and a firm commitment to do what is right, fair and lawful.
- 2.4** As part of prudent business management, the Santam Group seeks to establish a strong corporate culture of ethical behaviour and compliance with all legal and regulatory requirements.
- 2.5** Effective implementation of an insurer's governance framework can only occur if it is supported by an ethical culture and by clear and objective performance goals and measures. Due account must be taken of Santam's long-term sustainability and the interests of policyholders and other stakeholders.
- 2.6** The insurance sector is highly vulnerable to various forms of insurance crime and unethical conduct. The losses caused by insurance crime and unethical conduct negatively affect an insurer's financial soundness and, consequently, the affordability of insurance for policyholders. The Santam Group is therefore committed to vigorously protecting its integrity, finances, resources and brand from insurance crime and unethical conduct.

3. Scope

- 3.1** This policy is a Santam Group Policy and shall apply to all Santam Group Subsidiaries and Business Entities.
- 3.2** All individuals employed or contracted by the Santam Group, in any capacity whatsoever, including directors, are subject to this policy and must ensure that they comply with this policy at all times.
- 3.3** Entities contracted to the Santam Group and its Business Entities as service providers or contractors must also ensure that this policy is complied with during the course of their relationship with the Santam Group.
- 3.4** This policy must be read in conjunction with the following:
- The Santam Group Code of Ethics
 - The Santam Group Conflict of Interest Policy
 - The Santam Limited Dealings in Securities Policy
 - The Santam Group Gifts and Gratification Policy
 - The Santam Group Enterprise Risk Management Framework

- The Santam Group Operational Risk Management Policy
- The Santam Group Anti-Bribery and Corruption Policy
- The Santam Group Facilitation Policy
- The Santam Group Whistleblowing Policy
- The Santam Group Compliance Policy
- The Santam Group Conduct of Business Framework
- The Santam Business Integrity Response Plan
- The Santam Group Disciplinary, Incapacity and Grievance Procedure

3.5 This policy deals with misconduct in general, but Santam Entities may also encounter legislation or regulation applicable to specific types of misconduct. Such legislation or regulation may require dedicated policies dealing with the management of the risk associated with a specific category of misconduct, for example:

- Money laundering and the financing of terrorism; and
- Insider trading and or dealings in security.

3.6 Where a dedicated policy is required for a category of misconduct, the policy should provide for a risk management process based on the same principles as outlined in this policy.

4. Policy statements

4.1 In implementing this policy, the Santam Group is committed to:

- 4.1.1 Uphold the core values of integrity, fair dealing and accountability to all stakeholders.
- 4.1.2 Define and oversee the implementation of governance structures, strategies, policies and guidelines that will define and govern responsible and ethical behaviour; as well as providing appropriate standards and incentives for professional and responsible behaviour.
- 4.1.3 Provide regular training and create awareness on responsible and ethical behaviour to directors, employees and business partners.
- 4.1.4 Not allow behaviour that is incompatible with the protection of policyholders and that could lead to reputational risks.
- 4.1.5 Act in a procedural fair manner when incidents of misconduct are discovered in the Santam Group and to demonstrate a zero tolerance approach by keeping those involved accountable in accordance to all applicable criminal, civil and labour laws.
- 4.1.6 The implementation of policies and procedures to prevent, detect and respond to the risks associated with misconduct, bribery and corruption and money laundering.
- 4.1.7 The implementation of transparent policies and processes which promote and facilitate that employees and other stakeholders can communicate concerns or information about misconduct confidentially and without reprisal.
- 4.1.8 Monitor and assess its corporate culture to ensure it is ethical.
- 4.1.9 Participate in industry wide initiatives, where appropriate, to deter, prevent, detect, report and remedy misconduct.

5. Governance structures

5.1 Santam has adopted the Lines-of-Defence model as the basis for risk management governance and oversight structures. In addition to the governance structures described in the Santam Group Enterprise Risk Management Framework, the Santam Group established the Santam Group Ethics Management Committee.

5.2 The Santam Group Ethics Management Committee provides strategic direction and exercises oversight over the roll out of the ethics strategy. The Ethics Management Committee terms of reference are approved by the Santam Group Exco.

6. Roles and responsibilities

6.1 The Head of the Business Entity

6.1.1 The Head of the Business Entity is responsible for the implementation of the policy in their respective business unit and is accountable to the Group CEO and the Board of Santam Limited.

6.1.2 The Head must ensure compliance with this policy throughout their respective units and annually confirm such compliance in their management representation letters to the Santam Limited Board.

6.1.3 The Head may appoint a person ex officio to assume responsibility for the implementation of and oversight over compliance with the policy within their business unit, but such appointment will not detract from their responsibility and accountability as set out in this policy.

6.2. The Santam Group Ethics Office

6.2.1 The Ethics Office is positioned in the Business Integrity and Compliance department and shall be responsible for:

6.2.1.1 Actively promoting the ethics programme elements in an effective, practical, relevant and focussed manner to ensure it becomes integrated in all aspects of business;

6.2.1.2 Being the centre of expertise for ethical matters offering advice and guidance;

6.2.1.3 Being a catalyst that enables and promote ethical decision making in all aspects of business;

6.2.1.4 Offering a safe platform where concerns of misconduct can be reported; and

6.2.1.5 Reporting to the Santam Group Exco and Santam Limited Board and SesCo Board Committee on:

- Ethical culture.
- Progress with ethics programme implementation.
- Trend analysis (Hotline reports, disciplinary cases, training conducted, declaration of conflicts of interest).
- Material ethical dilemma and or significant ethical breaches.
- Latest internal and external developments that may impact the ethics strategy/program.

6.3 The Santam Group Business Integrity Unit

- 6.3.1 The Business Integrity Unit is positioned in the Business Integrity and Compliance department and shall be responsible for:
- 6.3.1.1 The promotion, enhancement and monitoring of the effectiveness of business integrity risk management and bribery and corruption risks related activities risks throughout the Santam Group;
 - 6.3.1.2 Developing and implementing appropriate programs to encourage the reporting and preventing of misconduct;
 - 6.3.1.3 Ensuring that appropriate reporting channels are in place to allow employees and other relevant stakeholders to report all incidents of misconduct, including non-compliance with company policies as well as any legal and/or regulatory obligations;
 - 6.3.1.4 The investigation and resolution of all matters reported to the unit;
 - 6.3.1.5 The prevention, detection and investigation of incidents of misconduct;
 - 6.3.1.6 Reporting to the Santam Group Exco and Santam Limited Board and Board Committees on:
 - Material non-compliance with the Group standards in respect of business integrity risks and bribery and corruption risks.
 - Any material incidents or suspected incidents of misconduct.
 - 6.3.1.7 The mandate of Business Integrity and Compliance department is further to provide guidance to Santam Entities regarding:
 - Any matters relating to the management of risks associated with business integrity; corruption and bribery; money laundering and the financing of terrorist and related activities.
 - Standards in respect of the investigation and merit assessments as part of the claims processes as it relates to fraud; and
 - The uniform interpretation of legislation, regulations and international standards agreements in respect of these matters.
- 6.3.2 The Business Integrity Unit has access to the organisation's financial and operational activities, records, physical properties and personnel to perform its responsibilities outlined above.
- 6.3.3 Access to this information is subject to strict accountability for safekeeping and confidentiality thereof.
- 6.3.4 Employees in the Business Integrity Unit are bound by the Santam Group's code of ethics, policies and procedures; as well as the Code of Ethics of their respective professional designations.

7. Reporting, investigation and record keeping

7.1 Santam Group Business Integrity Unit

- 7.1.1 All reported or suspected incidents of conduct that constitute, or may constitute, a breach of this policy must be reported to the Group Business Integrity Unit without delay.
- 7.1.2 Any person who is unclear as to the nature of the incident should seek guidance from the Head: Business Integrity and Compliance.

7.2 Business Units/Business Entities

- 7.2.1 Business units must implement processes to ensure that all incidents or suspected incidents of misconduct; corruption and bribery and or money laundering and financing of terrorist and related activities are reported.
- 7.2.2 The established process must ensure that such reports are investigated and that records are kept of all such reports and investigations.
- 7.2.3 Reports must be made to a designated person or persons appointed ex officio to receive such reports.
- 7.2.4 The records of reports and investigations of incidents or suspected incidents of misconduct must reflect the detail of:
- the nature of the alleged misconduct, including the amount involved, if any;
 - the person to whom the task of dealing with the report was assigned to and any person or persons appointed to be engaged in the investigation of the allegations;
 - the issues to be dealt with in respect of the alleged misconduct;
 - the outcome of any investigation into the alleged misconduct;
 - all recommendations made in the findings of the investigations in respect of actions to be taken as a result of the alleged misconduct;
 - any actions taken as a result of the reported alleged misconduct; and
 - any discrepancies between recommendations made in respect of action to be taken and the eventual action taken.

7.3 Reports to Santam Limited and Board Committees

- 7.3.1 When necessary, the Business Units must submit quarterly reports on reported incidents or suspected incidents of misconduct; corruption and bribery; money laundering and terrorist financing to their respective Boards, Finance and or Risk Committees, or the equivalent thereof.
- 7.3.2 The Group Business Integrity Unit must submit a consolidated quarterly report on all reported material incidents or suspected incidents in the Santam Group to the Santam Group Risk Committee.
- 7.3.3 The Heads of the Business Units must implement measures to ensure that sufficient input is provided to the Group Business Integrity Unit in order for them to compile the consolidated quarterly reports to be made to the Risk Committee of the Santam Group.
- 7.3.4 If, under exceptional circumstances, a management decision is taken that does not align to the principles of this policy, a detailed report on the nature of this decision must be made to the Risk Committee of the Santam Board.

7.4 External reporting obligations imposed on the Santam Group

- 7.4.1 The Santam Group is committed to comply with the laws of the various jurisdictions in which it operates. Various pieces of legislation create a reporting obligation, sometimes within a specific timeframe, and non-compliance could result in imprisonment, fines or both. Some of the laws that impart reporting obligations include, but are not limited to, the following:
- The Prevention and Combating of Corrupt Activities Act No. 12 of 2004 (Corrupt Activities Act): Section 34
 - Prevention of Organised Crime Act No. 121 of 1998: Section 4

- Financial Intelligence Act No. 38 of 2001: Sections 28, 28A and 29
- Foreign Corrupt Practices Act
- UK Bribery Act
- Short-term Insurance Act
- Long-term Insurance Act

8. Protected disclosures

8.1 Protected disclosures are regulated by the Santam Group Whistleblower Policy; in accordance with the provisions of the Protected Disclosures Act, no 26 of 2000 .

8.2 Santam has established various platforms to accommodate reports in respect of any incident or suspected incident of misconduct by persons wishing to remain anonymous, irrespective of the involvement of any specific individual business cluster.

8.3 Forensic Services

Reporting channel	Contact details
Fraud Line SA	0860 600 767
Fraud Line Namibia	0800 002 020
SMS shortcode	31640
E-mail	forensic.services@santam.co.za
WhatsApp	076 921 3347

8.4 Ethics Office

Reporting channel	Contact details
E-mail	ethicshelpdesk@santam.co.za
WhatsApp	066 488 3456

8.5 Sanlam Hotline and Insurance Fraudline

Reporting channel	Contact details
Sanlam (Hotline independently managed by Deloitte)	0800 777 543 sanlam@tip-offs.com www.tip-offs.com
Insurance Crime Bureau (Insurance fraud line independently managed by Deloitte)	0860 002 526 SMS 32269 insurance@fraudline.co.za

8.6 The identity of any person who discloses information shall be kept confidential and subject to the provisions of the Whistleblowers Act.

9. Administration and review of the policy

9.1 The custodian of this policy is the Head: Business Integrity and Compliance. He/she is responsible for the administration, revision, interpretation and application of this policy, which will be reviewed annually and revised as required.

10. Appendix A: Definitions

10.1 The following table defines the main terms and abbreviations to which a specific meaning is assigned in the context of this document:

Term	Definition in the context of this policy
Santam Group	Refers to Santam and any entity in which Santam Limited holds the majority of voting rights and has sole control over such rights by way of agreement, has control of the board of such entity, the right to appoint the majority of directors to the board of such an entity or any entity which Santam regards as strategic.
Business unit/ Business entity	Refers to either statutory entities in their own right with separate boards and governance structures and/or business divisions with only a Manco/ Exco.
Business Integrity	Business Integrity refers to the values of personal integrity, respect for human dignity and the rights of others, honesty and a commitment to do what is right, fair and lawful with which the Santam conducts its business. It encompasses the Santam Group commitment to adhering to good governance and compliance with all laws and regulations.
Business ethics	Ethics concerns itself with what is good or right in human interaction. It revolves around three concepts: "self", "good" and "other". Ethical behaviour results when one does not merely consider what is good for oneself but also considers what is good for others. Business ethics is about a conception of what is good (values and standards) that guide the business (self) in its interaction with others (stakeholders).
Business partner	Business partner refers to any person or entity that renders a service on behalf of the Santam Group. It will refer to but not limited to: <ul style="list-style-type: none"> • All intermediaries (e.g. brokers). • All third parties rendering an outsourced service (e.g. binder holders, underwriting managers, online brokers). • Service providers – shall mean but not limited to contractors, panelbeaters, tow truck operators, retailers, external assessors, builders, plumbers, salvage dealers, security and cleaning services.
Corporate culture	Corporate culture reflects the shared values within the insurer and includes principles for responsible and ethical behaviour applicable to all employees of the insurer.

Term	Definition in the context of this policy
Computer crimes	<p>Computer crime can be defined as any illegal act where a computer, computer systems network or electronic device with a memory and processing capability is:</p> <ul style="list-style-type: none"> • The object or target of a crime; • The instrument used to commit a crime; • Used as the repository of evidence relating to a crime; or • Any contravention of the Electronic Communications and Transactions Act, No. 25 of 2002.
Corruption and bribery	<p>Offence of corruption generally refers to any situation where a person directly or indirectly accepts or offers to accept a gratification from another person/entity, or gives or agrees to give a gratification to any other person/entity for their benefit, or that of another. The giving or acceptance must be done in order to induce the other party to act in an improper manner, in the performance of that individual's/entities' duties. Corruption includes for example the following:</p> <ul style="list-style-type: none"> • Exercising preferential treatment in the awarding of tenders or contracting of service providers. • Extortion. • Manipulating the procurement process. • Disclosure of confidential information by an employee about his/her company/department and/or clients. • Manipulating the value of assets. • Performing favours for relatives and friends. • Nepotism. • Averting the legal consequences of unlawful acts or omissions. • Avoiding compliance with laws and regulations. • Intentional dereliction of duties as a result of payment or favours received from third parties.
Fraud	<p>Fraud is the unlawful and intentional making of a misrepresentation which causes actual prejudice, or has the potential to cause prejudice to another person. For purposes of this policy, and for ease of reference, fraud includes activities involving dishonesty and deception such as the following (this is not an exhaustive list):</p> <ul style="list-style-type: none"> • Misstatements of qualifications, experience and other material facts on job applications and CVs for recruiting purposes. • Misstatements of material facts on tender documents, proposal or quotation documentation (including BEE ownership). • Identity theft. • Forgery and uttering.
Insurance crime	<p>Insurance crime is defined as any criminal activity that affects or negatively impacts the insurance industry and includes fraud, theft, corruption, money laundering and computer crime.</p>

Term	Definition in the context of this policy
Procedural fairness	<p>The Business Integrity Unit are bound by the provisions of the following to ensure fairness and consistency in its processes:</p> <ul style="list-style-type: none"> • Criminal law • Criminal procedure and evidence • Labour law • The Santam Group Code of Ethics • Disciplinary code • The Santam Group policies • Contracts • Code of ethics of respective professional bodies
Misconduct	<p>Misconduct is defined as behaviour not conforming to or in contravention of:</p> <ul style="list-style-type: none"> • The Group’s values, principle and standards, Code of Ethics or generally accepted good and or responsible business practices. • Legislations and regulations of the countries it operates in. <p>The Group distinguishes between two types of misconduct:</p> <ul style="list-style-type: none"> • Unethical behaviour is the violation of the Group’s values, standards, code of ethics or generally accepted good and or responsible business practices. • Improper and illegal activities are defined as any activity, conduct, suspected activity or suspected conduct in any manner related to financial services or the financial services industry that, if confirmed, will constitute: <ul style="list-style-type: none"> - money laundering; - the financing of terrorism; - fraud, including insurance fraud; - bribery; - corruption; - theft; - cybercrime or computer related crimes; - extortion; - any statutory or common law offence that is regarded to be a criminal offence; or - any form of unlawful conduct as defined in this policy, even where such unlawful conduct may not constitute a criminal offence in terms of statute or common law.
Money laundering	<p>Money laundering is defined as <i>“an activity, which has or is likely to have the effect of concealing or disguising the nature, source, location, disposition or movement of the proceeds of unlawful activities or any interest which anyone has in such proceeds”</i>.</p> <p>The Prevention of Organised Crime Act, No. 121 of 1998 (“POCA”) deals specifically with offences relating to the proceeds of unlawful activities and includes “Money Laundering”, “Assisting another to benefit from the proceeds of unlawful activities” and the “Acquisition, possession or use of proceeds of unlawful activities”.</p>

Term	Definition in the context of this policy
Stakeholders	<p>Stakeholders include, but are not limited to:</p> <ul style="list-style-type: none"> • Policyholders • Shareholders • Employees • Business partners • Suppliers • Industry regulators – FSCA, Treasury • Industry networks – SAIA, SAICB, Sabric • Government – National, Provincial, Local • Communities
Theft	<p>Theft is the unlawful, intentional appropriation of a moveable, corporeal object which:</p> <ul style="list-style-type: none"> • belongs to, and is in the possession of, another; • belongs to another but is in the perpetrator’s own possession; or • belongs to the perpetrator him or herself, but is in another’s possession in circumstances under which the possessor has a particular right to possession of the object in question provided that the intention to appropriate the property includes an intention permanently to deprive the person entitled to the possession of the property, of such property.
Zero tolerance	<p>The Santam Group subscribes to a zero tolerance approach to misconduct. In the event that prima facie evidence of criminal conduct is obtained against the offending party; the Santam Group shall lodge a complaint with the relevant law enforcement agency for further prosecution. It is important to note that, in accordance with the law, a criminal case will be reported irrespective of whether the Santam Group suffered a financial loss or not.</p>