



Discovery Group



Group Anti-Corruption Policy





Contents

1. Introduction	3
1.1 Purpose	3
1.2 Scope	3
2. Policy principles	3
2.1 What constitutes corruption?	3
2.2 Prohibition against corruption	4
2.3 Facilitation payments	4
2.4 Gifts and entertainment	4
2.5 Reporting	4
3. Duties and responsibilities of senior management	5
3.1 General	5
3.2 Training	5
4. Third-party vendors and business associates	5
4.1 Selection of third-party vendors and business associates	6
4.2 Agreements with third-party vendors and business associates	6
5. Governance	6
5.1 Recordkeeping	6
5.2 Notification of policy breaches	6
6. Compliance with this policy	6
7. Annexure A: Definitions, types and examples of corruption	7
7.1 Definitions	7
7.2 Types of bribery	7
7.3 Examples of bribery	8



1. Introduction

1.1 Purpose

The Board of Directors of Discovery Limited ('the Board') recognises that financial crime in all its forms is a threat to the Discovery Group.

The Board is committed to acting honestly, ethically, professionally, fairly and with integrity in its business dealings and relationships.

The Board, specifically in respect of the prevention of bribery and corruption, strives to ensure that high standards of prevention and awareness are maintained across the Discovery Group. This is achieved through risk-based internal procedures, policies, systems and controls, as set out in this policy.

1.2 Scope

This policy applies to Discovery and its South African and international subsidiaries. This includes:

- All executive and non-executive directors, as well as the company secretary
- Senior managers
- Full-time, part-time or temporary employees
- Independent contractors or consultants
- Legal entities controlled by, benefitting from or acting on the instruction of any of the persons listed above.

Nationals of a specific country must follow the legislation applicable in that country's jurisdiction, regardless of where they are situated in the world.

Each entity within the Discovery Group must have procedures in place to align its operations with the spirit and purpose of this policy.

An entity within the Discovery Group may elect to have its own policy in respect of anti-corruption, provided that the policy is consistent with this policy and that the required procedures are in place. The Board must approve any deviation from this policy.

2. Policy principles

This policy is aligned with the following legislation:

- The South African Prevention and Combating of Corruption Activities Act, 2004
- The South African Companies Act, 2008
- The United States Foreign Corrupt Practices Act, 1977 (when dealing with parties holding interests in the United States of America)
- The United Kingdom Bribery Act, 2010 (when dealing with parties holding interests in the United Kingdom)

2.1 What constitutes corruption?

Corruption is dishonest behaviour by those in positions of power.



Corruption happens when someone (person A) gives or offers to give something to someone in a position of power (person B) so that they use their (person B's) power, illegally and unfairly, for the advantage of person A or someone not directly involved. Corruption includes bribery, extortion, fraud, cartels, abuse of power, embezzlement, and money laundering. These activities will normally constitute criminal offences in most jurisdictions, although the precise definitions of the offence may differ. Activities are explained in [Annexure A](#).

2.2 Prohibition against corruption

The Discovery Group takes a zero-tolerance approach to corruption (including bribery). Accepting bribes or bribing is never acceptable, no matter the purpose.

A person to whom this policy applies may not:

- Give or receive bribes or improper advantages, either directly or through any third party;
- Defraud or deceive anyone or act dishonestly
- Participate in any cartel
- Give or receive facilitation payments
- Give or receive any gift, donation or benefit that may improperly influence a decision or impair independence or judgement
- Participate in any other criminal activity, such as extortion, collusion, breach of trust, abuse of power, embezzlement, trading in influence or money laundering.

2.3 Facilitation payments

The Discovery Group does not allow facilitation payments and donations to guarantee or speed up a routine transaction or process with any third-party vendor, business associate, government agency or any other party.

2.4 Gifts and entertainment

The giving or receiving of gifts or invitations to events is often an important part of maintaining and developing business relationships. In order to maintain sound working and business relationships with all trading partners, the Discovery Board has adopted principles that are outlined in the Conflicts of Interest Policy, as well as the applicable entity's Procurement Policies and Employee Handbook. These policies stipulate limits and approval requirements, and also mandate the completion of a gifts and entertainment register. The onus is on all persons to whom this policy applies to familiarise themselves with the relevant policies and how they apply.

2.5 Reporting

Persons to whom this policy applies must be vigilant to ensure that the Discovery Group, its clients and any agent, broker or financial advisor acting on behalf of the Discovery Group or introducing clients to the Discovery Group are not engaging in corruption (including bribery).

There are three avenues available to Discovery employees to report a concern (as set out in the Whistleblowing Policy):

- Reporting to your direct manager
- Reporting directly to a responsible department
 - The Group Forensic Services Department
 - The Group Ethics Office



- Reporting through the channels listed below.

South Africa

Discovery Group Whistleblowing Hotline

Toll-free phone: 0800 00 45 00

Email: discovery@tip-off.com

The Financial Crime Compliance Unit at [Suspicious Transactions@discovery.co.za](mailto:Suspicious_Transactions@discovery.co.za)

United Kingdom

Anonymous Whistleblowing Hotline

Toll-free phone: 0800 333 362

Email: whistleblowing@vitality.co.uk

United States of America

Email: Whistleblowing_VGI@Vitalitygroup.com

Or, to the relevant reporting platform identified by a subsidiary.

3. Duties and responsibilities of senior management

3.1 General

Senior management, with regard to their functional units, are responsible for:

- Taking the necessary measures to ensure compliance with the policy principles
- Evaluating possible risks and their effects from a reputational and financial point of view
- Taking the necessary measures in relation to establishing and implementing control mechanisms for the management of the risks that have been determined
- Reporting activities that are in breach of the policy
- Taking the necessary measures to ensure compliance with the policy principles by business associates and persons from whom outsourcing services are obtained.

3.2 Training

Senior management must develop and implement regular training for persons to whom this policy applies to make them aware of the types of corruption they could encounter, the risks of engaging in corrupt activity, the content of this policy and related procedures, and reporting obligations.

4. Third-party vendors and business associates

The Discovery Group has legal obligations and possible legal liability in respect of all third-party relationships that it enters into. Particular vigilance is required during contractual engagements and ongoing management of the business relationships with third parties. Third parties include, but are not limited to, vendors, suppliers, outsourced services, consultants, contractors, clients, subsidiaries and parties who entered into joint ventures with the Discovery Group.



4.1 Selection of third-party vendors and business associates

During the selection process, senior management must consider criteria such as experience, financial performance and technical efficiency. In addition, senior management must consider the third-party vendor or business associate's commitment to acting honestly, ethically, fairly and with integrity.

Adequate due diligence must be undertaken. This due diligence must include sanctions screening and the identification of the ultimate beneficiary and ownership of the particular third-party vendor and business associate. This selection process must be transparent and free of bribery and corruption, and all associated risks must be considered, investigated and mitigated.

4.2 Agreements with third-party vendors and business associates

Agreements with third-party vendors and business associates must include a commitment by the third-party vendor or business associate to acting honestly, ethically, professionally, fairly and with integrity in its business dealings and relationships, and to a zero-tolerance approach to corruption.

5. Governance

5.1 Recordkeeping

At a minimum, all relevant records relating to this policy, including associated breaches and investigations, must be retained in accordance with the Discovery Group Data Governance and Data Management Policy, the Discovery Group Information Security Policy and any other relevant policies of a subsidiary.

Each subsidiary must keep record of investigations relating to clients, employees, third-party vendor and business associates for the period prescribed by relevant legislation or regulatory body.

5.2 Notification of policy breaches

If it is suspected that a person to whom this policy applies is not acting in accordance with this policy, that suspicion must be reported.

6. Compliance with this policy

Non-compliance with this policy will not be tolerated. . Any non-compliance with the policy by an employee will be subject to disciplinary action, which may lead to termination of employment. Any non-compliance with this policy by any other person (other than an employee) will result in the termination of any business relationship with that person.



7. Annexure A: Definitions, types and examples of corruption

7.1 Definitions

Extortion

It occurs where one person makes threats against another person of adverse consequences unless demands, usually for payment, are met by the other person. The extortion may constitute, for example, refusal to provide customs clearance for equipment or materials, or refusal to make payments or issue certificates that are due. Sometimes the threats may involve threats of physical harm. If the person who is the victim of the extortion provides the payment or other benefit, they will normally become liable for the offence of bribery. However, the person making the extorted payment may have a defence to bribery if the threat was of imminent death or personal injury. The concepts of extortion and facilitation payments can overlap, and the terms are sometimes used to describe the same occurrence.

Fraud

It is sometimes referred to as deception. Fraud usually involves a person or persons deceiving another person or persons in order to gain some financial or other advantage.

Cartels

It occurs where two or more organisations unlawfully collude in relation to the bidding for contracts or the pricing of equipment, services or materials. These offences are sometimes known as collusion, competition offences or trust offences. The underlying principle of these offences is that organisations must be prevented from secretly colluding to raise prices to a higher level than would be the market price if there were genuine open competition. A collaboration between organisations that is lawful and disclosed to the customer (for example, a joint venture) would not normally be a breach of cartel laws.

7.2 Types of bribery

- **Nature of a bribe** – A bribe may be a cash payment, or it may be a non-cash benefit (such as a watch, a holiday, employment, or the promise of a future contract).
- **The dishonest or improper action** may be by way of act or omission by a person in relation to that person's duties or employer's business. For example, a government official managing a procurement activity on behalf of a government department has a duty to act objectively and to award the contract to the best-evaluated bidder, but may, if offered a bribe, improperly award a contract to the bribing bidder.
- **Institutional bribery** refers to a situation where a bribe may be paid or received with the full approval of the organisation, which is the employer of the individual paying or receiving the bribe. This may occur, for example, where an organisation authorises its commercial director to pay a bribe to win a contract.
- **Personal bribery** refers to a situation where a bribe may be paid or received by a representative of an organisation without the approval of that organisation. This may occur, for example, where a government official receives a bribe to award a contract, but the government department in question would not approve the bribe.
- **Supply-side bribery** refers to those persons or organisations who are responsible for offering or paying bribes.
- **Demand-side bribery** refers to those persons or organisations who are responsible for demanding or receiving bribes.
- **Gifts, donations and other benefits** can amount to bribery if they are given or received with the intention that they will induce someone to act dishonestly or improperly.



- A **'facilitation payment'** is the term often used in relation to payments made to officials to obtain or expedite services to which the payer is entitled (for example, the obtaining of contract payments that are due, import or work permits, or installation of telephone lines). The amounts that are paid are often quite small, yet the consequences of not paying can be serious. For example, a contractor may not receive a large contract payment that is due, or a delay in issuing an import permit could delay a project, which could increase the contractor's costs and cause the contractor to have to pay liquidated damages to the project owner for delay.

In practice, the following distinction is sometimes made between bribes and facilitation payments. A bribe is regarded as being a payment made to someone to act in a way in which they should not act (for example, by improperly awarding a contract to the bribing party, or improperly releasing a party from a legal obligation). By contrast, a facilitation payment is regarded as being a payment (other than the fee required by law) made to a person to do something that they should already be doing (for example, issuing a visa or customs clearance that is properly due). However, although there may be this distinction, most countries treat the payment and receipt of facilitation payments as a form of bribery.

7.3 Examples of bribery

- Private payments to individuals in order to sway them towards someone's favour, or to obtain confidential information
- Exchanging expensive gifts, cash or cash equivalents, or providing lavish entertainment to individuals with the intention to induce the awarding of business
- Making political or charitable donations that are intended to influence the awarding of business
- Accepting payments or other inducements from agents, vendors or sub-contractors in order to favour a third party, such as a supplier or sub-contractor
- Manipulating tender procedures to award a contract to a specific sub-contractor or vendor in return for some form of payment or other favour