

Ethics Line Policy

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1. Introduction

The KAP code of ethics sets out the core principles of the KAP Limited group (“KAP” or the “Group”) on some of the most important ethical issues in a business environment. KAP takes fraud and unethical behaviour seriously and propagates a culture of “zero tolerance” to unethical behaviour, fraud and corruption. In the event of criminal misconduct, KAP will refer the matters to the appropriate law enforcement and/or regulatory agencies for investigation and prosecution.

In terms of the code of ethics all employees have a responsibility to report any wrongdoing or improper conduct as soon as they become aware of it. In this regard, KAP will take all necessary steps to ensure that employees who disclose such information are protected from reprisals and occupational detriment in line with the provisions of the Protected Disclosure Act No 26 of 2000 (the “PDA”).

KAP maintains an ethics line as a mechanism in terms of which disclosures may be made in good faith by employees, and for KAP to investigate, manage and monitor fraud and unethical incidents and other irregularities in the workplace. This policy provides a means for people to report instances of suspected unethical behaviour or practices in a confidential manner that preserves the identity of the reportee.

2. Purpose

The purpose of this policy is to provide a framework within which employees and third parties, who have concerns about unethical business practices within KAP, can make disclosures so that remedial action can be implemented.

The policy does not apply to personal grievances, which are dealt with under the grievances policies and procedures, which deal with grievances, disciplinary measures and unfair labour practices.

3. Scope

This policy must be read in conjunction with the KAP code of ethics, the KAP supplier code of conduct, and the KAP fraud policy.

The policy covers disclosures of any suspected wrongdoing and unethical behaviour or practices, including but not limited to:

- civil or criminal offences;
- failure to comply with statutory obligations/requirements;
- financial misconduct;
- health and safety risks;
- environmental damage;
- unfair discrimination of any kind;
- fraud, including corruption and bribery;
- data privacy and data protection breaches;
- abuse or misuse of Group assets;
- failure to comply with Group policies; and
- attempts to suppress or conceal any information relating to any of the aforementioned,

(collectively “Improprieties”).

This policy applies at every level of KAP, across all its divisions and extends to all directors and employees (including full-time, part-time, casual and contractual staff) as well as all business partners, including suppliers, independent contractors and any other person who in any manner assists or assisted in carrying on or conducting the business of the Group.

It is the responsibility of the KAP chief executive officer (the “KAP CEO”) and the divisional chief executive officers to ensure that this policy is communicated to all employees. It is the responsibility of all KAP employees, across all its operations and subsidiaries, to read and understand the policy and adhere to its provisions.

4. Reporting of incidents

KAP has established various reporting mechanisms at all levels across the Group through which employees may report Improprieties by employees, directors, clients, suppliers and other 3rd parties with whom the company has a relationship. Employees can report through divisional grievance procedures, personal and/or confidential discussions with colleagues (including discussions with managers, human capital staff, shop stewards and at meetings), and, specifically, *via* KAP's ethics line.

KAP has established the ethics line, which is administered 24 hours per day, 7 days per week, by an independent service provider. Where there are reasonable grounds for believing that there are instances of suspected Impropriety within KAP, this policy sets out reporting guidelines within which disclosures can be made in confidence (and in anonymity if so desired and stated). Anyone with information on suspected Improprieties can contact the ethics line and the matter(s) will be investigated.

The ethics line can be called from South Africa at 0800 200 651 (or on dedicated numbers as notified to countries outside South Africa) or contacted in writing at www.tip-offs.com or by email to KAP@tip-offs.com.

Employees may also make use of the KAP alternative disclosure process, by reporting their concerns of Impropriety to the relevant divisional chief executive officer or their colleagues as mentioned above.

KAP commits itself to encouraging a culture that promotes openness. This is demonstrated by, *inter alia*:

- educating, training, informing and encouraging employees on the appropriate use of the ethics line for reporting Improprieties;
- providing a mechanism for employees and third parties to report instances of suspected Impropriety in a confidential manner, and, if so desired, in a manner that would also preserve the identity of the reportee;
- in instances where the identity of a reportee is known, KAP, through the appropriate forum, will provide feedback to the reportee on progress made in the investigation of a reported case, but only to the extent that such feedback would be appropriate and in the interest of the reportee and the Group; and
- preserving the rights of individuals potentially implicated in any disclosure to a fair investigation and process.

Disclosures perpetuated by malice or made for the purposes of personal gain, shall constitute misconduct and disciplinary steps may be taken against persons who make such disclosures.

5. Investigation and consequence management

Any Impropriety, including that which is reported in terms of this policy and in good faith, shall be investigated without undue delay. All incidents reported through the ethics line shall be forwarded to the:

- ethics panel, which consists of the KAP CEO, KAP chief financial officer (the "KAP CFO"), executive: treasury & legal, group compliance manager, legal services manager and any other person nominated from time to time by the KAP CEO;
- applicable divisional chief executive officer (if the matter is of a divisional nature); and
- any other person designated by the ethics panel.

Should any of the individuals on the ethics panel be implicated in an incident, the information shall not be forwarded to that individual and the individual shall not have any involvement regarding the incident.

The ethics panel will evaluate the information received to determine whether the allegation has merit and warrants a more in-depth investigation in consultation with the relevant divisional chief executive officer, and in matters of high significance, with the KAP CEO and/or KAP CFO. Should the KAP CEO or KAP CFO be implicated in the incident, the ethics panel shall consult with the chairperson of the board of directors of KAP (the "Board") in the matter. The purpose of this initial investigation is to determine whether the allegation has merit and warrants a more in-depth investigation. The key objectives of the initial investigation are to:

- substantiate the allegations or information contained in the report;

- agree and pursue a course of action in response to the outcome of the substantiation process; and
- fulfil these objectives in compliance with all applicable policies and legislation.

The ethics panel will provide guidance and further instructions as to the investigation to be conducted by management, or externally by an appointed specialist. Management must not initiate any investigation or discuss the matter with anyone before the ethics panel has provided guidance on the way forward.

The following principles shall apply with regards to the process:

- ethics line calls must be investigated as quickly as possible and in compliance with the applicable legislation to secure information and evidence, whereafter appropriate actions must be taken to resolve the matter and avoid a recurrence;
- all information relating to an investigation must be treated confidentially and in compliance with the applicable data privacy legislation, including the identity of the individual that reported the incident;
- the progression of investigations will be handled in a confidential manner and will not be discussed with anyone outside of the ethics panel;
- the ethics panel, upon receipt of any report/findings, must determine whether there is sufficient evidence to support the allegation;
- the ethics panel may refer the matter for further investigation or action, including appropriate disciplinary action;
- any action taken must be appropriate to the circumstances, applied consistently to all levels of employees and should be taken only after engagement with the individuals involved, if appropriate;
- the ethics panel must advise KAP's internal and external auditors of any concerns that could affect the Group's financial status;
- incidents may only be closed by the ethics panel once it is satisfied with the outcome of the investigation and actions taken; and
- following an incident, management must review the relevant control systems to mitigate the weaknesses that contributed to the incident and in order to prevent a recurrence.

6. Reporting and record keeping

Documents pertaining to all ethics line calls and alternative disclosures, including investigation findings and remedial actions taken, must be retained by the applicable divisions and in accordance with applicable legislation and KAP's record retention guide.

Management must report on all incidents on a quarterly basis to the divisional audit and risk committees, which report must include at least the following:

- for closed incidents, the allegation/issue/incident and the outcome of the investigation and the findings; and
- a summary status of all investigations in progress.

Statistics of reported incidents will be tracked by the ethics panel and reported on quarterly to the Board and relevant Board committees.

Details of material incidents and investigations will be reported to the KAP social and ethics committee, in terms of its Board approved mandate.

The KAP CEO or the divisional chief executive officer (as the case may be) shall ensure that proper and appropriate disclosure of disciplinary steps is made where appropriate to serve as a deterrent and to encourage ethical business conduct.

7. Revision

The policy is reviewed every two years by the KAP social and ethics committee.

Approved by the social and ethics committee on 16 May 2024.

Zellah Fuphe
Chairperson of the KAP social and ethics committee