



# DBSA CODE OF ETHICS

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## PURPOSE

The conduct of the Bank and its employees is guided by a set of core Values which are common to the institution and all staff and which apply to all dealings of the Bank and its employees. Conduct contrary to the core Values of the institution is not acceptable and will not be tolerated by the Bank or its employees. These core Values are:

**High Performance** (accountability, efficiency, bias to action, can-do attitude, people development, recognition)

**Shared Vision** (purpose, sustainable, long-term perspective, alignment, mandate, financial sustainability)

**Integrity** (ethics, leading by example)

**Innovation** (continuous improvement, collaboration)

**Service Orientation** (internal & external, stakeholder relations, customer centric, and stakeholder management)

## Principles of the Code

The underlying principles of this code are integrity, loyalty, equity, tolerance, impartiality and discretion.

**Integrity:** The essential elements of integrity are: (1) personal qualities of honesty, truthfulness, probity and freedom from corrupting influences, and (2) compliance with applicable laws and observance of the Bank's rules and regulations.

**Loyalty:** Loyalty means that employees shall be loyal to their employment contracts with the Bank in the performance of their duties; employees owe their duty entirely to the Bank. Adherence to this principle enables employees to avoid conflicting loyalties to other institutions or groups which may affect the performance of their duties or prevent them from discharging their functions consistent with the mission of the Bank. It also means that the Bank as an employer shall support its employees in a manner consistent with the overall needs, interests and reputation of the institution.

**Equity:** Equity means that the Bank and its employees shall consistently and uniformly apply the established rules and policies of the Bank in order to (1) ensure a working environment free of arbitrary or capricious decisions or favoritism, and (2) provide equitable treatment to the Bank's members, clients, stakeholders and employees.

**Tolerance:** Tolerance means that the Bank and its employees are expected to demonstrate willingness to understand and respect different cultures and individuals with different points of view. It also entails appreciation of the views of others and an ability to work without prejudice or bias with individuals with different characteristics including persons of different nationalities, as well as those of a different race, gender, religion, age, sexual orientation, social status and political orientation.

**Impartiality:** Impartiality means that the Bank and its employees shall strive to act with objectivity and professionalism. It also means that, in the performance of his or her duties, an employee must ensure that personal values, relationships, financial interests, or convictions do not compromise or appear to compromise the performance of official duties.

**Discretion:** Discretion means that the Bank and its employees shall act with tact and restraint and avoid excess or abuse in the exercise of authority. It also means that Bank employees shall (1) safeguard confidential information that is known by reason Of their official functions, and (2) avoid public statements or actions which may compromise or appear to compromise the performance of official duties or damage the reputation Of the Bank.

It is the responsibility of the Board to ensure that the Bank's ethics are managed effectively. Good corporate governance requires that the Board takes responsibility for building and sustaining an ethical corporate culture in the organisation. It is the responsibility of the Board to assume responsibility for the governance of ethics by setting the direction on how ethics should be approached and addressed by the organisation.

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## 1. PREAMBLE

- 1.1 Ethics involves applying moral standards — standards of good, right and fair conduct — which are supported by values, to shape the decisions and actions of individuals within the organization in the pursuit of our business objectives. In simple terms it is about "doing the right thing".
- 1.2 The DBSA is a development finance institution and has the mission to improve the quality of life of the people of Southern Africa. It has therefore adopted the values of high performance, share vision, integrity, innovation, and service orientation as integral to the day to day activities and business of anyone associated with the DBSA.
- 1.3 These values, together with the behaviours identified with them, provide general guidelines as to how we interact with each other and our stakeholders, and reflect what is important to us and how we conduct ourselves.
- 1.4 Recognising that our public reputation is one of our most important assets, we are committed to achieving the highest ethical standards in all our business operations.
- 1.5 We recognise our obligations to all our stakeholders — particularly shareholders, employees, development partners, the authorities and the wider community.
- 1.6 Maintaining the trust and confidence of our stakeholders is the responsibility of every employee. In all of our actions, the values and associated behaviours must be used to guide and direct the way we conduct ourselves.
- 1.7 This Code of Ethics is supported by Bank's policies and procedures relating to specific issues, processes and situations.
- 1.8 Ethical performance will be monitored regularly in order to ensure that irregular or unethical business practices are eliminated.

## 2. PURPOSE AND SCOPE

- 2.1 The purpose of this code is to provide a guidance framework of promoting ethical business practices and standards in the Bank.

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- 2.2 It is however not possible to prepare a code which deals with every situation that could be faced. This code establishes broad principles that are essential to ensure compliance with legislation and confidence in the integrity of the Bank.
- 2.3 This code reflects Bank's policy on ethics and accordingly should be carefully studied as it forms part of the expectations the Bank has of all its directors, managers, employees and any persons dealing on behalf of the Bank. An acceptance of employment with the Bank is deemed to be an acceptance of the principles set out in this code.
- 2.4 The Bank subscribes to the principles of the King Reports on Corporate Governance and the Protocol on Corporate Governance in the Public Sector, which principles are embodied in this code.
- 2.5 Adherence to this code is seen as a strategic business imperative and a source of ensuring the achievement of the Bank's developmental objectives.
- 2.6 This code is intended for use to raise ethical awareness, and as a policy that needs to be adhered to in making daily decisions. It will also be used in training programmes, and to help assure stakeholders, suppliers and the broader society of the Bank's integrity.
- 2.7 This code is repealing the DBSA Code of Ethics (2011).

## **GOVERNANCE AND MANAGEMENT**

### **3. APPLICATION**

- 3.1 Anyone associated with the DBSA, including persons and institutions involved with the delivery of business services such as the members of the DBSA Board of Directors, consultants, contractors and suppliers appointed by the DBSA, should be fully aware of the contents and implications of this code and should therefore act in accordance with the principles outlined under the code.
- 3.2 These principles, and others that may improve the business conduct of anyone associated with the DBSA and which may become relevant, will be regularly considered to ensure continued improvement.
- 3.3 Any contraventions of this Code will be addressed through the Bank's Disciplinary Code as described in the DBSA policies and procedures.

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#### 4. COMPLIANCE WITH LAWS AND REGULATIONS

- 4.1 At all times those that serve the DBSA will comply fully with the letter and spirit of the laws of any country in which the DBSA operates.
- 4.2 The DBSA will adhere strictly to best business practice in every area of its activity.
- 4.3 All professionals employed by the DBSA will comply with the professional codes that govern their conduct.
- 4.4 This section should be read in conjunction with the DBSA Group Compliance Policy

#### 5. CONFLICT OF INTEREST

- 5.1 Conflicts Of interest between an employee's obligations toward the Bank and his or her personal interests are among the most common types of ethical issues faced in organizations. Both the Bank and its employees share the responsibility for maintaining the organization free of harm arising from real or perceived conflicts Of interest.
- 5.2 To help achieve this end, all those associated with or representing the Bank will at all times conduct themselves in a manner that enhances the reputation of the Bank and shall not put themselves in a position that could lead to possible or perceived conflict of interest between the individual and the Bank. Whenever a potential conflict arises, personal interests must yield to the best interests of the Bank.
- 5.3 Outside direct or indirect interests that may have an impact on the operations of the DBSA must be declared in writing prior to entertaining such interests. Outside interests include, among others, the following categories: executive directorships, non-executive directorships, membership of Board and management committees, professional interests, business interests with DBSA clients and service providers, other business interests outside DBSA's realm, consultancy for remuneration, and all remunerated work and employment. This situation does not apply to the acceptance of office on club committees, welfare organisations or bodies of a similar non-profit making nature.
- 5.4 All existing and new appointments to the employ of the Bank will be required to declare annually any outside business interests in accordance with the above policy, and provide details of any changes in future.

- 5.5 This section should be read in conjunction with the DBSA Policy on Conflict of Interest and Outside Involvement.

## **6. GRATUITY AND ENTERTAINMENT**

- 6.1 Employees and board directors should avoid placing themselves under any financial, material or other obligation to outside individuals or organizations that may influence their performance of official duties or exercise of their decision or execution of authority delegated to them.
- 6.2 A high premium is placed on a person's judgement in handling business related transactions with regards to gratifications. Employees must exercise the utmost care and judgement in giving or receiving business related gifts, hospitality and favours.
- 6.3 Employees should exercise particular caution in regard to any offers of value, including hospitality, entertainment and gifts when the Bank is negotiating or considering contracts and they are in a position to influence, directly or indirectly, the outcome of a decision. It is important not to give any impression that there may be an improper connection between any gift or hospitality and business opportunities. A golden rule here is disclosure. Ensuring your immediate supervisor is aware of all gifts of any significance ensures transparency and avoids any suggestion of conflict of interest.
- 6.4 All gifts in excess of R500 in value must be declared in online gift register.
- 6.5 This section should be read in conjunction with the DBSA Gift and Hospitality policy.

## **7. EMPLOYMENT EQUITY AND AFFIRMATIVE ACTION**

- 7.1 The Bank is committed to principles of employment equity and affirmative action. In particular, the Bank shall endeavour to ensure that its employees reflect the demographics of the South African society. To this end, the Bank is committed to creating a supportive work environment which ensures that all employees are given equal opportunity to develop the necessary skills to succeed.
- 7.2 All the Bank employees shall work in an environment which is free from any form of discrimination, directly or indirectly, on any arbitrary ground, including, but not limited to race, gender, sex, ethnic or social Origin, culture, language,



sexual orientation, creed, health Status, religion, marital status or family responsibility. Employees must report any cases of actual or suspected discrimination to their line manager or human resource manager and in accordance with the Bank's disciplinary code.

- 7.3 This section should be read in conjunction with the DBSA Employment Equity Policy.

## **8. HARASSMENT**

8.1.1 Harassment, including physical, verbal and sexual harassment will not be tolerated. Employees will work to maintain a work environment free of harassment of any kind based upon diverse human characteristics and cultural backgrounds.

8.1.2 The DBSA will not tolerate sexual harassment. Without limitation, sexual harassment may involve solicitation of sexual favours or the initiation of unwelcome sexual advances by one employee towards another. It may also involve sexually related physical or verbal conduct as well as e-mails that have a sexual content. The creation of a work environment that is hostile, intimidating or offensive to an individual or group because of gender or sexual orientation may also constitute sexual harassment.

8.1.3 This section should be read in conjunction with the DBSA Sexual Harassment Policy.

## **9. CLIENT CARE AND CONFIDENTIALITY**

The DBSA is committed to:

- 9.1 Providing to all of its customers a range of services and products in accordance with agreed service levels and delivery times, in line with sound business principles.
- 9.2 Providing to all of its clients high standards of client care and support.
- 9.3 Maintaining, in respect of its services and products, world-class systems and programmes.
- 9.4 All of the DBSA's dealings with suppliers, potential suppliers and financial institutions will be conducted with transparent sourcing policies and ethical procurement practices.
- 9.5 Client information, which is not public information, will be treated as confidential and may only be made available to a requester in terms of the Promotion of Access to Information Act, 2000, subject to the provisions of that

Act and the DBSA framework for compliance with the Act.

- 9.6 This section should be read in conjunction with the DBSA Supply Chain Management Policy and Procedure.

## 10. USE OF INFORMATION

- 10.1 **Provision of Information:** Provision of information to or about the Bank shall be done in a manner consistent with the Core Values of the institution and in accordance with the following specific guidelines when they are relevant:

Avoidance of Fraud: Employees must provide the Bank with truthful, accurate and timely information when performing their duties or in situations where disclosure of personal information is required by the Bank's rules and regulations; and

Employees may never intentionally misrepresent the truth, especially when providing information to the Bank or parties that do business with the Bank;

Public Statements: Employees shall not make public statements on behalf of the Bank except when specifically authorized to do so in accordance with the DBSA Media Engagement Policy; and

Communication with the Press: Only employees duly authorized by the Bank may communicate on the Bank's behalf with the press in line with the Bank's Media

Engagement Policy. When communicating with the press in relation to Bank matters, employees must regard themselves as speaking in the name of the institution and avoid making personal references and expressing personal views.

- 10.2 **Personal Use of Information:** The use by employees of information obtained in the course of their employment at the Bank is subject to the provisions of the Bank's relevant policies, principles underlying this code and the following specific guidelines:

Publicly Available Information: Employees may use Or allow the use of information obtained in the course of their official duties for personal purposes or for the benefit of others only if such information is available to the general public; and

Copyright Information: The Bank owns the copyrights for all material that employees produce as part of their official duties and, therefore, has the sole right to publish or use such work in the manner it deems appropriate. If an employee wishes to publish or use material not produced as part of Bank duties, but deals with the Bank, he or she must obtain prior authorization from the Bank. Additionally, employees shall respect the copyrights of others. Therefore, it is the responsibility of employees to comply with the law, or make inquiries in

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case of doubt, when reproducing or transmitting printed or electronic literary works provided to them by the Bank.

- 10.3 **Safeguarding Confidential Information:** When information is disclosed to the Bank on a confidential basis, the confidentiality of this information is protected by both the Bank and its employees, subject to the Bank's policies for maintaining confidential information.

Employees: Employees may not share with unauthorized recipients, inside or outside the Bank, any information that is designated by Bank policies to be confidential or that the employees know or should know to be confidential or subject to restricted disclosure. These obligations remain in force even after termination of employment.

The Bank: The Bank will safeguard and protect confidential information regarding its employees. Personnel files, medical records, information concerning investigations, personal financial information, and disciplinary actions will be kept from inappropriate use and disclosure and access to such information will be allowed only for authorized and legitimate business needs Of the Bank.

## 11. ASSETS

- 11.1 The assets of the DBSA have been provided for the support of its mandate and will only be used for this purpose.
- 11.2 The Bank's information and intellectual property are important corporate assets which must be protected and not disclosed to unauthorized persons. Anyone associated with the DBSA will maintain a keen interest in the preservation of its integrity.

## 12. ENVIRONMENTAL RESPONSIBILITY

### 12.1 *Health and safety*

- 12.1.1 The Bank is committed to taking every reasonable precaution to ensure a safe work environment for all employees.
- 12.1.2 Employees who become aware of circumstances relating to the DBSA's operations or activities which pose a real or potential health or safety risk should report the matter to their line manager or the Human Resources Manager.

### 12.2 *Environmental management*

- 12.2.1 The Bank is committed to policies that address the environmental impact of its business activities by integrating pollution control and waste management activities into operating procedures. Employees should give appropriate and timely attention to environmental issues

### 13. POLITICAL CONTRIBUTIONS

- 13.1 NO contributions, direct or indirect and of whatever amount or type will be made to any political candidate or party, or to any other organization that might use the contributions for a political candidate or party.
- 13.2 The Bank recognizes the right of individual employees to participate in the political process, and to support the candidates and parties of their choice. However, no influence shall be exerted by any employee on another employee to make any personal political contribution or engage in any political activity inconsistent with that employee's own personal inclination.
- 13.3 Employees participating in political processes are accountable to make it clear that their public Statements are made in their individual capacity so that there is no misunderstanding that they represent the Bank.
- 13.4 This section should be read in conjunction with the Basic Terms and Conditions of Employment for DBSA staff.

### 14. POLICY ENFORCEMENT AND SANCTIONS

- 14.1 The law requires that the Bank keep accurate books, records and accounts to reflect all transactions and that the Bank maintains an adequate system of internal financial controls and risk management. Therefore, it is imperative that its books and records shall have the highest degree of integrity.
- 14.2 Employees must fulfill their responsibilities to ensure that the Bank's books, records and accounts are complete, accurate and supported by appropriate documents in auditable form. All vouchers, expense accounts and other business records shall be prepared with care and complete candour.
- 14.3 The Bank has an approval framework that defines the various levels of authority delegated to individuals and committees by the Board. The terms of the approval framework will be strictly complied with.
- 14.4 NO false or misleading entries and no undisclosed or unrecorded funds or assets shall be permitted for any reason. NO payment shall be made for purposes other than those described in the documents supporting the payment.
- 14.5 All payments incurred by employees either using the Bank's credit card or through the medium of any voucher shall be accurately documented.
- 14.6 Disbursements made by an employee using the Bank's credit card shall relate only to the expense incurred by an employee to whom the credit has been

issued and such expenditure shall only be incurred in the furtherance of the interest or business of the Bank

## **15. DECISION MAKING**

- 15.1 Decisions shall be made independently by the decision-making authority of the Bank on the basis of sufficient and adequate information presented.
- 15.2 Contributions by anyone affected by a decision or by anyone who can contribute to a better understanding of the issues at hand will be welcomed.
- 15.3 In order to ensure that the optimum impact of the business of the DBSA is achieved emphasis will be placed on matters of substance rather than form. Therefore the result of any decision will not be dictated by procedure.
- 15.4 The affected party will, within a reasonable period of time, be provided with the results of and reasons for any decision that may affect them.

## **16. WHISTLE BLOWING**

- 16.1 The DBSA is committed to achieving the highest ethical standards and practices in all its business operations. The Bank encourages and supports freedom of speech at the work place. In order to ensure that the highest standards of ethics are observed, the Bank encourages members of staff to use internal mechanisms for reporting any malpractice. The Bank is fully committed to ensuring that those reporting impropriety are protected from any form of victimization and will investigate all reports of impropriety fairly, equally and in accordance with the law
- 16.2 This section should be read in conjunction with DBSA Whistle Blowing Policy

## **17. MONITORING AND POLICY REVIEW**

- 17.1 The implementation of this Code will constantly be monitored to identify gaps. This Code will be reviewed in every two years to ensure it relevance and best practices.

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**CHAIRMAN OF THE BOARD**

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**DATE**

