

The Environmental Group Limited (EGL) takes a zero-tolerance approach to fraud, theft and corruption. Whilst EGL always seeks to uphold its corporate values and ensure that all personnel demonstrate a strong moral code, we cannot assume that we are free from the threat of fraud, theft, corruption and deception.

The corporate Fraud policy is established to facilitate the development of controls that will aid in the prevention and detection of fraud against EGL. It is the intent of the Board and Executives of EGL to promote consistent organisational behaviour by providing guidelines and assigning responsibility for the development of controls and conduct of investigations.

## Scope

This policy applies to any irregularity, or suspected irregularity, involving employees as well as shareholders, consultants, vendors, contractors, outside agencies doing business with employees of such agencies, and other parties with a business relationship with EGL.

Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position / title, or relationship with EGL.

## Policy

All EGL employees are responsible for the prevention and detection of fraud, misappropriation, and other irregularities. Fraud is defined as per AS8001 Fraud and Corruption Control: Dishonest activity causing actual or potential financial loss to any person or entity including theft or money or other property.

Any irregularity that is detected or suspected must be reported immediately to the Chief Operations Officer (COO), who will direct the investigation and delegate responsibilities to both internal and external resources as required.

## Actions Constituting Fraud

The terms defalcation, misappropriation, and other fiscal irregularities refer to but are not limited to:

- Any dishonest or fraudulent act
- Misappropriation of funds, securities, supplies or other assets
- Impropriety in the handling or reporting of money or financial transactions
- Profiteering as a result of insider knowledge of company activities
- Disclosing confidential and proprietary information to outside parties
- Disclosing to other persons securities activities engaged in or contemplated by EGL
- Accepting or seeking anything of material value from contractors, vendors, or persons providing services/ materials to the Company with the exception of small gifts (details sent to COO for inclusion on the gift register if >\$50AUD)
- Destruction, removal or inappropriate use of records, or assets, and
- Any similar or related irregularity.

## Other Irregularities

*Irregularities* concerning an employee's moral, ethical or behavioural conduct will be resolved by Division management and the EGL Executive team as relevant.

If there is any question as to whether an action or irregularity constitutes fraud, contact the COO for guidance.

## Investigation Responsibilities

The COO has primary responsibility for the investigation of all suspected fraudulent acts as defined in this policy. The COO treats all information received confidentially.

Any employee who suspects dishonest or fraudulent activity will notify the COO immediately, and should not attempt to personally conduct investigations or interviews related to the suspected fraudulent act.

Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect EGL from civil liability.

- Members delegated investigation responsibilities (the 'Investigator') will have:
- Unrestricted access to all EGL records and premises, whether owned or rented, and
- 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 investigation.

The reporting individual will be informed of the following by the Investigator:

Do not contact the suspected individual in an effort to determine facts or demand restitution.

Do not discuss the case, facts, suspicions or allegations with anyone unless specifically asked to do so by the Investigator or COO.

All EGL personnel are responsible for the implementation of and compliance to this Policy.



Jason Dixon  
Chief Executive Officer, The Environmental Group Limited