

# Anti-Bribery & Corruption & Anti-Competitive Conduct Policy

EVS takes a zero-tolerance approach to bribery, corruption and anti-competitive conduct and is committed to acting professionally, fairly and with integrity in all our business dealings and implementing and enforcing effective systems to counter inappropriate behaviour. We will not engage in bribery, corruption or any anti-competitive conduct in any of the jurisdictions in which we operate.

The prevention, detection and reporting of any form of bribery, corruption or anti-competitive conduct is the responsibility of everyone at Envirosuite. All Employees have the responsibility to read, understand and comply with this policy. You should at all times avoid any activity that might lead to, or suggest, a breach of this policy.

Any Employee who breaches this section of the Policy will face disciplinary action, which could result in dismissal for gross misconduct.

Employees are encouraged to raise concerns about any instance, or suspicion, of malpractice at the earliest possible stage with either the General Counsel and Company Secretary, the CFO or CEO in accordance with EVS's Whistleblower Policy.

## The following definitions are used throughout the Policy:

**Agent:** Any individual acting as an agent, paid by the company, acting on the company's behalf in negotiating with Third Parties.

**Bribery and / or Corruption:** Bribery occurs when one person offers, pays, authorises, seeks or accepts a payment, gift, favour, or a financial or other advantage (such as offering discounts) from another to influence a business outcome improperly, to induce or reward improper conduct or to gain any improper commercial, contractual, regulatory or personal advantage. It can be directly or indirectly through third parties. These payments include the giving of charitable and political donations if the donation is given for the purpose of improperly gaining an advantage or improperly influencing an outcome.

**Conflict of Interest:** Occurs when an individual's private or personal interests have the potential of influencing the way they perform their duties at work, or where an organisation is involved in multiple interests, one of which could possibly corrupt, or be perceived to corrupt, the motivation for an act in another. A conflict of interest may be financial or non-financial in nature.

**Employee:** For the purposes of this policy this includes all individuals at all levels of the company including officers, directors, employees, consultants, contractors, students or any other person associated with EVS.

**Facilitation Payments:** A form of Bribery in which small payments are made with the purpose of expediting or facilitating the performance by a Public Official of a routine governmental action and not to obtain or retain business, or any other undue advantage. Facilitation payments are typically demanded by low-level and low-income Public Officials in exchange for providing services to which one is legally entitled without such payments.

**Gifts, Entertainment and Hospitality:** Invitations given or received to social functions, sporting events, meals and entertainment, gifts or customary tokens of appreciation.

**Intermediary:** Includes but is not limited to agents, distributors, consultants, sales representatives (who are not employees of EVS), and sales partners.

**Kickback:** A form of Bribery to obtain an undue advantage, where a portion of the undue advantage is 'kicked backed' to the person who gave, or is supposed to give, the undue advantage.

**Public Official:** Candidates for office, officials or employees of any government or other public body, agency or legal entity, at any level, including officers or employees of state-owned or controlled enterprises and officers or employees of enterprises which are mandated by a public body or a state-owned or controlled enterprise to administrate public functions.

**Sponsorship:** Sponsorship is about partnering with external organisations to deliver mutual benefits through an exchange of monies, products, services, content or other intellectual property.

**Third Party:** Any individual or organisation you come into contact with during the course of your work for EVS. This includes actual and potential customers, suppliers, business contacts, Intermediaries, government and public bodies, including their advisors, representatives and officials, politicians and political parties.

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## **ANTI-BRIBERY AND CORRUPTION**

### **1. Gifts, Entertainment and Hospitality**

Providing or receiving, gifts or hospitality, to or from, third parties, is a common business practice however, gifts, entertainment and hospitality must only be given or received with a proper motive and when it is appropriate and lawful to do so.

EVS Employees are prohibited from accepting a gift or giving a gift to a third party in the following situations:

- a. it is made with the intention of influencing a third party to obtain or retain business, to gain a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favours or benefits
- b. it is given in your name and not in the name of EVS
- c. it includes cash or a cash equivalent (such as gift certificates or vouchers, travel or accommodation)
- d. it is of an inappropriate type and value and given at an inappropriate time (e.g. during a tender process or contract negotiations), and
- e. it is given secretly and not openly.

The practice of giving business gifts varies between countries and regions and what may be normal and acceptable in one region may not be in another. The test to be applied is whether in all the circumstances the gift or hospitality is reasonable, justifiable and is proportionate. The intention behind the gift should always be considered.

### **2. Conflicts of Interest**

It is unacceptable for an employee (or someone on the employee's behalf) to:

- a. use their position within the company to their personal advantage
- b. engage in activities that will bring direct or indirect profit to a competitor
- c. use connections obtained through the company for their own private purposes
- d. use company equipment or means to support an external business
- e. act in ways that may compromise the company's legality (e.g. taking bribes or bribing representatives of legal authorities).

### **3. Facilitation Payments and Kickbacks**

In many jurisdictions, making Facilitation Payments is illegal. EVS will not make, and will not accept, Facilitation Payments or Kickbacks of any kind, anywhere in the world.

### **4. Employee Responsibilities**

It is unacceptable for an Employee (or someone on the Employee's behalf) to engage in bribery or corruption including:

- a. giving, promising to give, or offering, a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given
- b. giving, promising to give, or offering, a payment, gift or hospitality to a Public Official or third party to 'facilitate' or expedite a routine procedure
- c. accept payment from a third party that you know or suspect is offered with the expectation that it will obtain a business advantage for them
- d. accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by us in return
- e. threaten or retaliate against another Employee who has refused to commit a bribery offence or who has raised concerns under this policy in good faith, or

f. engage in any activity that might lead to a breach of this policy or perceived breach of this policy.

It is the employee's responsibility to ensure that all accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as clients, suppliers and business contacts, should be prepared and maintained with strict accuracy and completeness. No accounts must be kept 'off-book'.

All staff must declare and keep a written record of all Gifts, Entertainment and Hospitality accepted or offered, and ensure all expense claims relating to Gifts, Entertainment and Hospitality or expenses incurred to third parties, specifically record the reason for the expenditure.

## **5. Red Flags**

The following is a list of potential breaches of policy or 'red flags' that may arise during the course of your work and which may raise concerns under various anti-bribery and anti-corruption laws. The list is not intended to be exhaustive and is for illustrative purposes only.

If you encounter any of these red flags while working for EVS, you must report them promptly to your manager or the General Counsel and Company Secretary:

- a. you become aware that a third party engages in, or has been accused of engaging in, improper business practices
- b. a third party refuses to divulge information in the EVS Due Diligence process
- c. you learn that a third party has a reputation for paying bribes, requesting bribes, or a 'special relationship' with foreign Public Officials
- d. a third party insists on receiving a commission or fee before committing to a contract with EVS, or carrying out a government function or process for EVS
- e. a third party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt
- f. a third party requests that payment is made to a country or geographic location different from where the third party usually resides or conducts business
- g. a third party demands lavish Gifts, Invitations or Hospitality before commencing or continuing contract negotiations or provides you with lavish gifts or hospitality
- h. a third party requests that you provide employment or some other advantage to a friend or relative
- i. a third party requests that you make a political contribution or donation to the party or charity of their choice before starting a business relationship
- j. you receive an unusual invoice from a third party
- k. you notice that EVS has been invoiced for a payment that appears large given the service provided, or
- l. a third party requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used or known to EVS.

## **6. Protection**

Employees who refuse to take part in bribery or corruption, or report in good faith under this section of the Policy, their suspicion that an actual or potential bribery, or other corruption offence has taken place, or may take place, in the future will be protected from detrimental treatment/retaliation. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern.

## **7. Governance**

Senior Management has overall responsibility for ensuring this section of the Policy complies with our legal and ethical obligations, and that all those under our control comply with it.

The General Counsel has primary and day-to-day responsibility for implementing this section of the Policy and for monitoring its use and effectiveness. Management at all levels are responsible for ensuring those reporting to them are made aware of and understand this section of the Policy and are given adequate and regular training on it. This training shall also be given to Intermediaries where possible.

## **8. Monitoring and Review**

The General Counsel will review this Policy on an annual basis, considering its suitability, adequacy and effectiveness.

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## ECONOMIC SANCTIONS

### 1. Background

Sanctions are measures used by national governments and international organisations to support national security interests and advance foreign policy objectives. The requirements of different sanctions regimes will often vary depending on the government or body administering them, their intended aims, and the individuals, groups and entities they target. However, measures commonly imposed include the following:

- Financial restrictions
- Asset freezes
- Travel bans
- Targeted arms embargos and
- Import/export bans on certain commodities.

EVS is committed to ensuring the financial wellbeing of people, businesses and communities by ensuring we comply with sanctions regulations.

### 2. Scope

This section of the Policy applies to all Employees, Intermediaries, customers and third parties and in all the regions where EVS operates. Where local customs, standards or laws apply that are stricter than EVS' policies, the stricter rules must be complied with. However, if our policies stipulate stricter rules than local customs, standards and laws, our stricter provisions shall apply.

### 3. Our policy

In light of the differences amongst sanction laws globally, we have an EVS Group-wide policy which acts as basis for the development of appropriate internal procedures. We are committed to:

- Ensuring employees understand the importance of sanctions compliance
- Securing all EVS operations in their respective markets
- Working to mitigate the risk of breaching sanctions regulations and
- Promoting awareness of our role as a responsible corporate citizen.

### 4. Due Diligence

EVS undertakes background and due diligence checks as needed on Employees, Customers, Suppliers and Intermediaries. The purpose of this due diligence is to ensure that we identify any sanction risk represented and avoid breaching an applicable sanctions regime as a result of conducting business with, for, or on behalf of a sanctioned entity or individual.

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## ANTI-COMPETITIVE CONDUCT

### 1. Background

Compliance with global competition laws involves EVS behaving as a responsible corporate citizen and makes good business sense as well. EVS also cannot ignore the significant penalties that apply to both companies and Employees personally for breaches of competition legislation.

### 2. Compliance with the Legislation

All Employees are expected to comply with competition laws, at all times. A failure to do so will lead to serious consequences. Inadvertent breaches may result in disciplinary action. Wilful or reckless breaches will usually involve dismissal.

Employees should know that legislation holds both individuals and companies liable, for breaches of competition laws.

### 3. Purpose of the Legislation

The legislation has two objectives:

1. to ensure that corporations operate competitively, without collusion and without unfairly using their power, and
2. to ensure that companies behave fairly in transactions.

#### **4. Liability**

Generally, in determining whether there has been a breach of the law, the intention of a party is irrelevant. Courts will generally only look at the effect of the behaviour of a company and its staff in determining liability, irrespective of whether the prohibited behaviour is intentional.

#### **5. Dealing with Suppliers and Customers**

There is nothing wrong with being tough in negotiations, but it is important to behave fairly when dealing with suppliers and customers. This will reduce the risk of disputes with them and will also reduce the risk of interest from regulators.

#### **6. Dealing with Competitors**

Generally, it is wise to avoid communication with competitors. This will be unavoidable at times, for example, when attending sales conferences. However, EVS staff must avoid discussions about prices and potential future sales matters.

#### **7. Misleading or Deceptive Conduct**

Companies are prohibited from acting in ways that are misleading or deceptive or are likely to mislead or deceive. Whether you intend to mislead or deceive is not necessary; an accidental or mistaken statement or behaviour will be a breach of the law, if it leads to someone being misled or deceived. In some cases, silence can constitute misleading or deceptive conduct.

An example of this might occur where, to obtain a new customer, an EVS salesperson states that EVS will supply products at a particular price to induce a customer's interests in our products, when the salesperson knows that EVS is unlikely to be able to sell at that price.

#### **8. False or Misleading Representations**

It is unlawful to represent products or services have certain qualities, or are of a certain standard, grade, composition, etc. if the products and services don't. For example, it would be a breach of the law for EVS staff to make representations about the features of a product that are not correct. So, if staff indicated to a prospective customer that products produced by EVS had particular features that did not exist, it is likely that there would be a breach of the law. An impacted customer could launch legal action against EVS, and the EVS staff member concerned. Regulators could also take legal action.

#### **9. Cartel Conduct**

Companies are prohibited from entering into an arrangement or a contract that contains a cartel provision.

Cartel provisions involve:

- price-fixing – an arrangement or understanding between competitors that has the purpose or effect of fixing, controlling or maintaining the price of products or services at a discounted rate
- restricting outputs - an arrangement or understanding between competitors that has the purpose of restricting or limiting the production or supply of products or services
- dividing regions - an arrangement or understanding between competitors having the purpose of allocating customers or geographical areas between them (known as splitting the market)
- bid-rigging - an arrangement or understanding between competitors determining when to bid for tenders and when not to.

The penalties for cartel conduct in Australia include, for companies, the greater of \$10 million, or 3 times the value of the benefit from the cartel, or (where the value cannot be determined) 10% of the annual turnover of the corporate group. Penalties for individuals = \$500,000 fine.

A corporation or individual who makes a contract, arrangement or understanding that contains a cartel provision with the intention of dishonestly obtaining a benefit would also be guilty of a criminal offence. The penalties for individuals found guilty include imprisonment for 10 years and \$220,000 fine.

#### **10. Misuse of Market Power**

A company that has a substantial degree of power in a market is prohibited from taking advantage of that power, for the purpose of damaging a competitor or preventing a new entrant into the market.

#### **11. Exclusive Dealing**

Exclusive dealings occur when a supplier will only provide products or services on certain conditions, such as, if the customer does not:

- acquire products or services from a competitor

- re-supply products or services from a competitor
- re-supply products or services to particular people or places.

## **12. Resale Price Maintenance**

A supplier may not impose a minimum resale price on a person and the person must not enter into an agreement to maintain a minimum resale price.

## **13. Record keeping**

Global regulators in this area have very wide powers to require companies and individuals to produce relevant records. This will include computers, file notes, letters, emails and diary entries. Regulators are empowered to conduct investigations where breaches are suspected and can require individuals to be interviewed about such documents and any other matters relating to a possible contravention of the law.

Employees must never destroy documents with a view to concealing a possible contravention. Any destruction would be regarded as a very serious breach of employment and EVS would take swift disciplinary action in respect of it. The destruction or concealment of evidence, where it is reasonably likely to be required in evidence in a legal proceeding, is likely to be a criminal offence.

## **14. International application**

It is important to remember that Anti-competitive conduct laws are in place globally. Employees must comply with these standards wherever they are working from.

## **NEXT STEPS**

If Employees have a query about the law, or its application to a particular situation that arises, or anything mentioned above in the Policy, they are encouraged to raise it with their Manager, a member of the Executive, the General Counsel and Company Secretary, CFO or CEO.