



Fraud Corruption and Other Losses Policy

The SEC is committed to maintaining the highest standards of integrity and honesty in the way it conducts business and meets its corporate compliance responsibilities. Creating a culture of openness and transparency, with a zero tolerance to fraud and corruption is integral to the way the SEC operates.

1. What is the purpose of this policy?

- 1.1. Fraud and corruption are serious acts of misconduct which have the potential to undermine shareholder, partner and public trust in the SEC, and cause damage to the SEC's reputation, finances and ability to operate.
- 1.2. Fraud and corruption are taken seriously at the SEC, with zero tolerance of identified incidents of fraudulent or corrupt activities and behaviour.
- 1.3. This policy has been established to ensure that SEC people are aware of their responsibilities, and to support prevention, identification and response to fraud and corruption at the SEC. This policy forms part of the SEC's integrity framework.

2. Principles

- 2.1. **Prevention:** Reduce the risk of fraud or corruption through controls, culture and clearly communicated standards.
- 2.2. **Detection:** Establish effective systems and mechanisms that help to uncover potential fraud or corruption at the earliest opportunity, and embed a culture that supports people to report concerns.
- 2.3. **Response:** Take immediate and appropriate action to address and investigate suspicions of fraud and follow the appropriate disciplinary and/or legal paths in cases where fraud is proven.
- 2.4. **Remedy:** Take action to rectify the harm caused by fraud and corruption and implement learnings to prevent a recurrence.

3. Scope

- 3.1. This policy applies to the SEC and any of its subsidiaries, including all employees, directors, consultants, contractors, interns, trainees, and other workplace participants including suppliers and partners.

Fraud

- 3.2. Under this policy, fraud is defined as deliberate deception, carried out in order to receive unfair, unjustified or unlawful gain.
- 3.3. Fraud includes (but is not limited to) any of the following in relation to the SEC, an employee of the SEC, a partner of the SEC, or the Victorian government:
 - Deliberate misuse, destruction, removal, or unauthorised access of SEC systems, information, or resources for unfair, unjustified or unlawful gain.
 - Unauthorised possession, use or misappropriation of funds or assets.
 - Forgery, destruction, concealment or alteration of any financial instrument.
 - Forgery, destruction, concealment or alteration of any document, file or record.
 - Knowingly providing false, incomplete or misleading information for unfair, unjustified or unlawful gain.
 - Deliberate mishandling or misreporting of financial or non-financial transactions.

- Misuse of or obtaining insider knowledge of organisational activities for unfair, unjustified or unlawful gain (this may also be considered corruption).

Corruption

- 3.4. Under this policy, corruption is defined as misusing a position of trust, or demonstrating behaviours that lack integrity or honesty, for dishonest gain. It includes foreign and domestic bribery, coercion, destruction, removal or inappropriate use or disclosure of records, data, materials, intellectual property or assets, or any similar or related inappropriate conduct. Examples of corrupt conduct include, but are not limited to:
- Improperly using, or trying to improperly use, the knowledge, power or resources of a position for personal gain or for the advantage of others.
 - Knowingly providing, assisting or validating in providing false, misleading, incomplete or fictitious information to circumvent processes or seek personal gain.
 - Disclosing private, confidential, commercial or proprietary information to outside parties without consent.
 - Accepting or seeking anything of material or financial value from contractors, vendors, or persons providing services or materials to the SEC.
 - Accepting anything of material or financial value, from someone attempting to gain an advantage from an SEC employee, contractor, secondee, consultant, or any other party that has a business involvement with the SEC.
 - Seeking to use a position in a way that is dishonest, biased or breaches public trust.

4. Policy settings

Reporting suspected fraud or corruption

- 4.1. All instances of suspected fraud or corruption must be reported immediately.
- 4.2. Reports can be made to a manager, General Counsel, CFO, the Company Secretary or - if the suspicion meets the appropriate criteria - any of the people able to take a disclosure under the Whistle-blower and Public Interests Disclosure Policy.

Response to suspected fraud or corruption

- 4.3. All instances of suspected fraud or corruption will be investigated thoroughly with appropriate action taken. Separate policies and procedures exist to describe how SEC investigations will be conducted. Where these are not in place, the Company Secretary and/or General Counsel will set the terms of an investigation and ensure that investigations are thorough, complete, fair and adhere to the principles of natural justice.
- 4.4. Investigations will not be undertaken by employees or managers in isolation of General Counsel or Company Secretary oversight.
- 4.5. Matters requiring further investigation than the SEC is able to undertake will be referred to the Police, IBAC or other appropriate enforcement agency for further investigation.
- 4.6. Specialist investigators will not be engaged without the permission of any one of the CEO, CFO, General Counsel or Company Secretary.

Where fraud or corruption is confirmed

- 4.7. All confirmed fraudulent or corrupt activities will be treated as serious misconduct in accordance with SEC policy and will be referred to the Police, IBAC or other appropriate enforcement agency for further consideration and/or prosecution.
- 4.8. Referrals to external authorities cannot be made without the permission of any one of the CEO, CFO, General Counsel or Company Secretary.
- 4.9. SEC will take all appropriate measures to recover any loss or expenditure attributable to fraudulent or corrupt behaviour. This includes, but is not limited to, recovery of intellectual property, physical assets, money, third party expenses incurred and investigation costs.

Significant or Systemic Fraud or Corruption

- 4.10. Any suspected or actual fraud, corruption or other losses will be considered to be significant if its value exceeds \$5000 in money or \$50,000 in other property.
- 4.11. Where fraud, corruption or other losses are considered to be significant or systemic in nature, SEC will notify, as soon as is practicable, the Audit and Risk Committee, the SEC's portfolio agency, and the Auditor General of the incident and associated remedial action to be taken.

5. Roles and responsibilities

SEC Board

- 5.1. The SEC Board is responsible for:
- Seeking assurance that fit for purpose policy, procedures and controls are in place to minimise and prevent the opportunity for fraud or corruption to take place.
 - Ensuring the Minister for the SEC, the Treasurer, Shareholding Ministers, Secretary of the SEC's portfolio agency, and Auditor General are made aware of any fraud investigation that raises a matter of public interest, or may have significant implications for the reputation or operation of the SEC.
 - Reviewing the Fraud, Corruption and Other Losses Policy on an annual basis.

Chief Executive Officer

- 5.2. The CEO is responsible for:
- Taking overall responsibility and accountability for ensuring that the SEC has the right systems and a culture of integrity in place to prevent fraud and corruption within the SEC.
 - Ensuring cases of suspected and confirmed fraud are treated in accordance with this policy, up to and including prosecution where fraud is confirmed to have occurred.

General Counsel, CFO, and Company Secretary

- 5.3. General Counsel, the Company Secretary, and CFO are responsible for:
- Ensuring all reported allegations of fraud or corruption are investigated appropriately, fully and in a timely way.
 - Engaging investigative experts or referring an investigation to an external authority where an investigation is beyond the remit or capability of the SEC.
 - Commissioning fraud and corruption risk assessments as necessary to identify potential areas of fraud and corruption weakness.
 - Ensuring all investigations are appropriately overseen and run in a fair and lawful way, including adhering to the principles of natural justice.

Executive General Managers and equivalent roles

- 5.4. Executive General Managers and equivalent roles are responsible for:
- Ensuring effective management controls, processes, training and awareness of fraud and corruption are established within their areas of responsibility.
 - Seeking input from the SEC's Finance, Legal, Procurement, Risk and Governance groups to ensure effective prevention, detection and response for fraud and corruption.
 - Ensuring that this policy and related processes are followed within their business areas, discussed regularly, and that a high level of understanding is maintained relating to prevention and detection techniques.
 - Ensuring that a culture of honesty and openness exists in the SEC so that SEC people feel able to question events, processes and anomalies, and are comfortable reporting suspected fraud or corruption.
 - Ensuring all appropriate probity and employment checks are undertaken as part of the

recruitment process.

- Identifying and capturing the risks (including but not limited to risk of fraud or corruption) which may impact SEC systems, operations and procedures.
- Ensuring employees are supported when making allegations of fraud or corruption.

Employees

5.5. All employees, including managers, are responsible for:

- Being aware of, and complying with, this policy
- Acting honestly, fairly and with integrity in undertaking SEC tasks and activities
- Being aware of their obligations under any codes of conduct, standards, or policies that apply to their role, including those set by the Victorian Government and professional bodies related to their role.
- Immediately reporting any suspected fraudulent or corrupt behaviour.
- Immediately reporting fraud or corruption control failures or breaches.

6. Breach of this policy

6.1. Any breach of this policy may be considered misconduct and could lead to disciplinary action.

7. Key related policy

- Conflict of Interests Policy
- Whistleblowers and Public Interest Disclosures Policy
- Gifts, Benefits and Hospitality Policy

8. Approval and review

Policy name	Fraud Corruption and Other Losses Policy
Approved by	SEC Board
Policy owner	Legal and Governance
Contact	Assistant Company Secretary and Governance Lead
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