

# Anti-Bribery and Corruption Policy

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20 August 2020 Rev 1.1



## 1 Policy Statement

- It is the policy of Adbri Limited (together with its subsidiaries, “Adbri” or the “**Company**”) to conduct all of its business in an honest and ethical manner. We take a zero- tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships.
- We will comply with all laws relevant to countering bribery and corruption in all jurisdictions in which we operate. However, we remain bound by Australian laws, including the Criminal Code Act 1995 (Cth), the Corporations Act 2001 (Cth) and Australian state and territory anti-bribery legislation, in respect of our conduct both at home and abroad.

## 2 About this Policy

2.1 The purpose of this Anti-Bribery and Corruption Policy (“**Policy**”) is to supplement the key values contained in the Adbri Code of Conduct and:

- set out our responsibilities, and of those working for and on our behalf, in observing and upholding our zero tolerance approach to bribery and corruption; and
- provide information and guidance to those working for and on our behalf on how to recognise and deal with bribery and corruption issues.

2.2 For the purposes of this Policy:

- **Adbri Employee** means all persons working for Adbri or on our behalf in any capacity, including employees at all levels, directors, officers, agency workers, seconded workers, volunteers and interns, wherever located.
- **Bribery** involves improperly giving, offering or promising a benefit (monetary or otherwise) to a person, to obtain or retain a business advantage that is not legitimately due, or to induce or reward the improper exercise of the duties or functions of a Public Official or a person within the public or private sector.
- **CEO** means the person holding the office in the Company of Chief Executive Officer and/or Managing Director.
- **Intermediary** means any distributors, agents, contractors, external consultants, resellers and business partners, sponsors, or any other person acting on Adbri’s behalf, wherever located.
- **A Public Official includes:**
  - any officer or employee of a government body, department or agency, or of a state- owned or state-controlled entity;
  - a person in the service of a government body, including a member of the military or the police force;
  - any officer or employee of a public international organisation (for example, United Nations or International Monetary Fund);

- any person acting in an official capacity for a government or public international organisation;
  - a politician, judge or member of the legislature of a local government authority, state, province or country;
  - a party official or candidate for public office; and
  - a relative or associate or such a Public Official.
- **Third Party** means any individual or organisation you come into contact with during the course of your work for us, and includes actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisors, representatives and Public Officials, politicians and political parties.

### 3 Who Must Comply with this Policy

3.1 This Policy applies to:

- all Adbri Employees; and
- all Intermediaries acting on Adbri's behalf.

3.2 This Policy does not form part of any employee's contract of employment and Adbri may amend it at any time.

### 4 Who is Responsible for this Policy?

4.1 The Board has overall responsibility for ensuring this Policy complies with our legal and ethical obligations, and that all those under our control comply with it.

4.2 The CEO has primary and day-to-day responsibility for implementing this Policy, monitoring its use and effectiveness, dealing with any queries about it, and auditing internal control systems and procedures to ensure they are effective in countering bribery and corruption.

4.3 It is also the responsibility of management at all levels to ensure that those reporting to them understand and comply with this Policy and are given adequate and regular training on it.

### 5 Prohibition on Bribery

5.1 Adbri prohibits the giving, offering, promising, authorising, accepting or requesting of a bribe.

5.2 Bribery is the giving, offering or promising a benefit (monetary or otherwise) to a person to:

5.2.1 improperly influence a person to obtain or retain a business or personal advantage; or

5.2.2 induce or reward the improper exercise of the duties or functions of a person within the public or private sector including foreign or local Public Official.

5.3 The benefit can be direct or indirect.

5.4 It is irrelevant whether the payee or recipient of the bribe works in the public or private sector.

5.5 It is also irrelevant whether the bribe is accepted or ultimately paid. Merely offering a bribe will be a contravention of this Policy and will usually be sufficient for an offence to be committed.

- 5.6 Liability may arise notwithstanding that the benefit is given or offered indirectly to the person who is sought to be influenced, for instance to a business associate or family member.

**Examples:**

**Offering a bribe:** You offer a potential client tickets to a major sporting event, but only if they agree to do business with Adbri.

This would be an offence as you are making the offer to gain a commercial and contractual advantage. We may also be found to have committed an offence because the offer has been made to obtain business for Adbri. It may also be an offence for the potential client to accept your offer.

**Receiving a bribe:** A supplier gives your nephew a job, but makes it clear that in return they expect you to use your influence at Adbri to ensure we continue to do business with them.

It is an offence for a supplier to make such an offer. It would be an offence for you to accept the offer as you would be doing so to gain a personal advantage.

**Bribing a public official:** You arrange for the business to make an additional payment to a public official to speed up an administrative process, such as the issuing of a construction permit.

The offence of bribing a Public Official is committed as soon as the offer is made. This is because it is made to gain a business advantage for Adbri.

- 5.7 It is an offence to offer, promise, give, accept or solicit a bribe, and there are serious criminal and civil penalties for such misconduct. Possible penalties include substantial fines and, for individuals, imprisonment. For Adbri, the risks also include exclusion from tendering for government or private contracts and extensive reputational damage.

## 6 Prohibition on Secret Commissions or Kickbacks

- 6.1 Adbri prohibits the payment or receipt of secret commission or kickback payments to any person or entity.
- 6.2 Secret commissions or payments occur where a commission from a third party is taken or solicited without disclosing that commission to their principal. The secret commission is given as an inducement to that person to use their position to influence the conduct of their principal's business. This would include, for instance, making a payment to an employee or agent of a customer of Adbri, where that employee or agent does not disclose the payment to the customer, in return for obtaining a commercial advantage to Adbri from that customer.
- 6.3 Kickbacks are typically payments made in return for a business favour or advantage.

## 7 Prohibition on Facilitation Payments

- 7.1 Adbri prohibits the payment or acceptance of facilitation payments of any kind.
- 7.2 **Facilitation payments**, also known as “back-handers” or “grease payments”, are typically small, unofficial payments made to secure or expedite a routine or necessary action (for example by a Public Official). They are not common in Australia, but are common in some other jurisdictions.
- 7.3 You must avoid any activity that might lead to a facilitation payment being made or accepted by Adbri or on our behalf, or that might suggest that such a payment will be made or accepted.
- 7.4 If you are asked to make a payment on our behalf, you should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. You should always ask for a receipt which details the reason for the payment. If you have any suspicions, concerns or queries regarding a payment, you should raise these with your manager, the Company Secretary, the CEO or through the confidential whistleblower hotline (see details below).

## 8 Payments to Protect your Safety

- 8.1 Payments to protect your safety are permitted. When Adbri Employees face demands that involve imminent explicit or implicit threats to personal safety, they may make a payment which would otherwise be prohibited under this Policy, in which case the individual must notify their manager and the Company Secretary, as soon as reasonably practicable.
- 8.2 Any such payment must be promptly recorded (including the amount, to whom it was made and the circumstances in which it was made).

## 9 Gifts

- 9.1 Adbri prohibits the giving and receipt of gifts in circumstances which could be considered to give rise to undue influence. Accordingly, gifts, services, discounts or other gratuities must not be given or accepted, unless the giving or receipt of gifts is:
- openly offered and received;
  - of modest value;
  - limited to you or a business associate; and
  - offered and received free of any expectations or undertakings.
- 9.2 Cash gifts, or cash equivalent gifts (for example, coupons, phone cards, vouchers etc.) are prohibited items which should never be offered or accepted. (This does not include gift cards for service according to policies which apply equally to all Adbri Employees.)
- 9.3 Adbri Employees should neither give nor receive gifts or benefits during active business negotiations, especially during the tender process for a project or contract.
- 9.4 Promotional gifts of low value such as branded stationery to or from existing customers,
- 9.5 Any gift of \$500 (or local currency equivalent) or more value given by an Adbri Employee must be appropriately approved in accordance with Adbri’s Delegated Authorities Policy and

documented in the Adbri Gifts Register, which lists all gifts of or exceeding that value offered or received by Adbri Employees, the recipient of the gift and the value of the gift.

- 9.6 Details must be entered in the Adbri Gifts Register of any gift of \$500 (or local currency equivalent) or more value received by an Adbri Employee.

## 10 Hospitality, Entertainment and Travel

- 10.1 Hospitality and entertainment must not:
- be lavish or extravagant in nature;
  - be provided at places of ill repute;
  - be designed to influence or actually influence a business relationship or opportunity for an improper advantage;
  - be designed to influence or actually influence a decision or obtain a benefit for an improper advantage in return for a benefit, decision, advantage or favour; or
  - be in contravention of the known policy of the recipient.
- 10.2 Standard hospitality and business meals which are reasonable and non-lavish can be provided as long as such meal is associated with the promotion, demonstration or discussion of Adbri products and services in the presence of Adbri Employees. For example, it is acceptable if an Adbri Employee invites a customer out for lunch after a business meeting and pays the bill, provided that the meal was reasonable in nature.
- 10.3 Where Adbri sponsors travel or accommodation for a Third Party:
- there must be a documented commercial benefit to Adbri of sponsoring the travel or accommodation (for example, travel to visit relevant operations);
  - the travel or accommodation is no more than is reasonably necessary to achieve that benefit (for example, travel is limited to relevant decision makers and does not include spouses);
  - be in accordance with, and at a level no greater than what would be permitted for Adbri Employees under Adbri's Travel, Accommodation and Entertainment Policy; and
  - travel or accommodation payments are made by Adbri directly to recognised travel providers.
- 10.4 Sponsored travel or accommodation must not:
- include travel (or accommodation) for a relative, associate or other guest of the recipient; or
  - include paid or reimbursed stopovers, including funding, organising or hosting of any other entertainment, side trips, or leisure activities.
- 10.5 Any hospitality, entertainment or travel reimbursed to an Adbri Employee must be appropriately approved in accordance with Adbri's Delegated Authorities Policy and the Adbri Travel, Accommodation and Entertainment Policy.

## 11 Third Party Engagement

- 11.1 Adbri will only engage and transact with Third Parties of known integrity who will not expose the Company to unacceptable reputational risks. Adbri will require that the conduct of Third Parties meets our standards at all time.
- 11.2 Adbri Employees who engage Third Parties must maintain oversight of the work of those Third Parties, including where appropriate, receiving progress reports, reviewing invoices and other documentation, in order to determine that legitimate work has been done and improper payments have not been made.
- 11.3 Adbri Employees must not make payments to any Third Party if the ultimate destination of the funds is not clear or if the fees appear to be disproportionate to the legitimate services being provided.
- 11.4 In particular, Adbri Employees shall be alert for any of the “red flags” set out at **Appendix 1** below in their interactions with a Third Party.

## 12 Due Diligence of and Payments to High Risk Intermediaries

- 12.1 Due diligence must be conducted prior to the appointment of all High Risk Intermediaries (as defined below), and appropriately documented by the Divisional Finance Manager. Adbri will also review and periodically repeat similar due diligence on existing High Risk Intermediaries.
- 12.2 **High Risk Intermediaries** are any Intermediaries that:
- interact with Public Officials on behalf of Adbri; or
  - engage in business outside of Australia on behalf of Adbri.
- 12.3 In order to ensure Adbri is not exposed as a result of the inappropriate conduct of High Risk Intermediaries, the zero-tolerance approach to bribery in this Policy should be clearly communicated to all High Risk Intermediaries, together with the expectation that they will comply with this Policy.
- 12.4 Adbri will endeavor to include relevant anti-corruption and audit clauses in its contracts with High Risk Intermediaries.

## 13 Political Contributions and Charitable Donations

- 13.1 Approval of the Board is required for all payments or provision of benefits of a political nature, including benefits, contributions or payments to:
- Political parties;
  - Organisations that receive donations or with the intent, or are likely, to provide these to another organisation for political purposes.

Approval is required in advance of any commitment.

- 13.2 Adbri also permits charitable donations, whether of in-kind services, knowledge, time, or direct financial contributions. However, Adbri must be careful to ensure that charitable contributions are not used as a scheme to conceal bribery. Therefore, no donation must be offered or made without the prior approval of the Adbri CEO, in accordance with the Delegated Authorities Policy.

- 13.3 Adbri must only make charitable donations that are legal and ethical under local laws and practices.

## 14 Record-Keeping

- 14.1 Adbri is required to maintain a system of internal accounting controls, and keep books and records which accurately and fairly reflect, in reasonable detail, the parties, the payment arrangements and the purpose of all transactions and disposition of assets.
- 14.2 All accounts, invoices, and other records relating to dealings with Third Parties should be prepared with strict accuracy and completeness.
- 14.3 No undisclosed or unrecorded fund or account may be established for any purpose. Accounts must not be kept “off-book” to facilitate or conceal improper payments, noting it is an offence under the Crimes Legislation Amendment (Proceeds of Crime and Other Measures) Act 2016 for a person to make, alter, destroy or conceal an accounting document (including being reckless in their conduct) to facilitate, conceal or disguise the corrupt conduct.

## 15 Responsibilities of Adbri Employees

- 15.1 All Adbri Employees must ensure that they read, understand and comply with this Policy.
- 15.2 All Adbri Employees are also required to avoid any activity that might lead to, or suggest, a breach of this Policy.
- 15.3 Adbri Employees must notify their manager, the Company Secretary, the CEO or the confidential whistleblower hotline below as soon as possible if they believe or suspect that a breach of this Policy has occurred, or may occur in the future, or if they become aware of any of the Third Party “red flags” listed at **Appendix 1**. For common examples of conduct constituting bribery, Adbri Employees are encouraged to review **Appendix 2**.

## 16 How to Raise a Concern

- 16.1 Adbri Employees and Third Parties are encouraged to raise concerns about any issue or suspicion of bribery or corruption at the earliest possible stage.
- 16.2 Accordingly, any suspected breaches of this Policy and any other suspicious or corrupt interactions must be reported as soon as possible to the Company Secretary, CEO or anonymously through Adbri’s confidential whistleblower hotline. The whistleblower hotline can be accessed via the following channels:

**Toll-free phone number:** 1800 500 965

**Fax:** +61 2 9335 7466

**Online reporting facility:** <https://www.kpmgfaircall.kpmg.com.au/AdelaideBrighton>

**Secure Mailing service using the following address:**

(Strictly private & confidential – to be opened by addressee only) The  
FairCall Manager  
KPMG Forensic  
PO Box H67  
Australia Square  
Sydney NSW 1213

If you are unsure about whether a particular act constitutes bribery or corruption, please still raise it with your manager, the Company Secretary, the CEO or through the confidential whistleblower hotline above.

- 16.3 You have the commitment from Adbri that, wherever possible, your privacy will be protected. The matter will be handled in the strictest confidence and only those who need to know will be made aware of the situation.

## **17 Non-Retaliation**

- 17.1 Adbri Employees who refuse to accept or offer a bribe, or who raise concerns or report another person's wrongdoing, are sometimes worried about possible repercussions. Adbri encourages openness and will support anyone who raises genuine concerns under this Policy, even if they turn out to be mistaken.
- 17.2 Retaliation against an Adbri Employee for reporting or supplying information about a policy concern will not be tolerated by Adbri and you will have the benefit of protections applicable under legislation in relation to whistleblowing.

## **18 Training and Communication**

- 18.1 Training on this Policy forms part of the induction process for all individuals who work for Adbri, and regular training will be provided as necessary.
- 18.2 Relevant existing Adbri Employees will receive periodic training updates on how to comply with this Policy and will confirm that they understand and will comply with this Policy.

## **19 Monitoring and Risk Assessment**

- 19.1 Adbri will periodically assess its exposure to potential external and internal risks of bribery by any Adbri Employee or Intermediary. The risk assessment will be overseen by the Board and will be carried out by the Group Risk Manager, the Company Secretary or a member of the Board's Audit, Risk and Compliance Committee.
- 19.2 The risk assessment will review country, sectoral, transaction, business opportunity, and business partnership risk in Adbri's operations and activities. The risk assessment will also review how Adbri's internal structure and procedures affect the bribery risk, including personnel training, and knowledge of this Policy, Adbri's Code of Conduct and the Company's financial controls.

## **20 Breaches of this Policy**

- 20.1 Any Adbri Employee who breaches this Policy or is found to be receiving, accepting or condoning a bribe, or attempting to initiate such activities, will face disciplinary action, which could result in dismissal for misconduct or gross misconduct, and possibly criminal proceedings.
- 20.2 In the case of Intermediaries, breach of this Policy may result in immediate termination of their contracts.

## **21 Related Policies**

- 21.1 Adbri Code of Conduct;
- 21.2 Adbri Delegated Authorities Policy GPF 1005; and
- 21.3 Adbri Travel, Accommodation and Entertainment Policy GSP 1823.

## Appendix 1

### POTENTIAL “RED FLAGS”

The following is a list of possible red flags that may arise during the course of you working for ADBRI and which may raise concerns under applicable anti-bribery 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 us, you must report them promptly to your manager, to the Company Secretary or the CEO, or using the confidential whistleblower hotline above:

- you become aware that a Third Party engages in, or has been accused of engaging in, improper business practices;
- you learn that a Third Party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a “special relationship” with foreign Public Officials;
- a Third Party has been recommended by a Public Official or by a representative of a Public Official or a customer;
- the Third Party is an active or retired Public Official or is owned in part by a Public Official;
- a Third Party insists on receiving a commission or fee payment before committing to sign up to a contract with Adbri, or carrying out a government function or process for Adbri;
- 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 for a payment made;
- a Third Party requests that payment is made to a country or geographic location different from where the Third Party resides or conducts business;
- a Third Party requests an unexpected additional fee or commission to “facilitate” a service;
- a Third Party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
- you are offered an unusually generous gift or offered lavish hospitality by a Third Party;
- a Third Party requests that a payment is made to “overlook” potential legal violations;
- a Third Party requests that you provide employment or some other advantage to a friend or relative;
- you receive an invoice from a Third Party that appears to be non-standard or customised;
- a Third Party insists on the use of side letters or refuses to put terms agreed in writing;
- you notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided;
- a Third Party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us; or
- a Third Party discloses confidential information to you that you know should not have been disclosed.

## Appendix 2

### COMMON BRIBERY SCENARIOS

**In Australia**, bribery and corruption tends to be less explicit and often related to the exercise of undue influence over a process, for example:

- a Third Party or Public Official influencing a tender / procurement process in favour of a particular company;
- Third Parties offering to inflate the cost of their products or services and splitting the extra amount with the employee who assisted them in securing the contract (this is known as a kickback); or
- inappropriate gifts or hospitality, whether excessive in value, frequency or offered at a critical time to influence a decision.

**In the Asia-Pacific region**, direct requests for bribes are more common-place, and examples of bribery may include:

- Public Officials requesting facilitation payments or bribes to expedite governmental approval processes;
- the use of Intermediaries with close connections to government in a particular country to make payments to relevant Public Officials to influence the outcome of public tenders;
- police/law enforcement requesting bribes in lieu of penalties or regulatory fines, whether they are genuine or not;
- intervention by a Public Official in a public procurement or tender process to ensure a contract is awarded to a particular company;
- donations to local schools or charities that funnel the payments to Public Officials; or
- requests for cash payments or commissions by Intermediaries or Third Parties.



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