



Fraud and Corruption Policy

Brief description

This Policy articulates GPC’s approach to managing the risk of fraud, corruption and bribery.

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If you require any further information, please contact the Custodian or the Fraud and Corruption Control Officer.

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The current version of this Policy is available on GPC’s Intranet.

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1 Terms and definitions

In this Policy:

“**bribery**” involves improperly promising, offering or providing a benefit or something of value to a public official or someone in business, either directly or indirectly, in order to obtain or retain business or an advantage or to induce or reward improper conduct or an improper decision. While a bribe may involve a monetary payment or offer, it covers anything of value such as cash or cash equivalents (e.g. gift vouchers or loans), some gifts, hospitality, entertainment or travel, donations or scholarships, the provision of favours (e.g. discounted or ‘free’ products or use of GPC’s services, facilities or property) or anything else that is of significant value to the recipient.

“**corruption**” includes activity in which a director, executive, manager, employee or contractor of an entity abuses his/her position of trust in order to achieve some improper personal gain or advantage for him or herself or for another person or entity. Corruption also includes but is not limited to corrupt conduct as defined in s15 of the Crime and Corruption Act 2001 (Qld).

“**fraud**” means dishonest activity causing actual or potential financial loss to any person or entity including theft of moneys or other property by employees or persons external to the entity and where deception is used at the time, immediately before or immediately following the activity. Any general reference to fraud in this Policy should be taken to include corruption or corrupt conduct.

Terms that are capitalised and not otherwise defined in this Policy are defined in the GPC Corporate Glossary Instruction (as listed in Appendix 1 – Related documents).

2 Introduction

2.1 Purpose

This Policy articulates GPC’s fraud, corruption and bribery control framework. It also identifies GPC’s fraud, corruption and bribery risk environment.

2.2 Scope

This Policy applies to all GPC Representatives, Contractors and Consultants.

2.3 Objectives

GPC is committed to creating a robust culture of integrity, consistent with GPC’s values of growth, prosperity and community. GPC, through its Board, Executive Management Team and Leaders, is committed to maintaining a work environment free of fraud, corruption and bribery, and this Policy demonstrates the dedication of the Board to compliance.

3 Commitments

3.1 GPC attitude to fraud, corruption and bribery

Fraud, corruption and bribery will not be tolerated within GPC. Fraud, corruption and bribery may breach applicable laws and result in serious civil and criminal penalties. In addition, such conduct can damage the reputation of GPC and may impair its operational viability.

GPC is committed to fully assessing and where appropriate, investigating all allegations of fraud, corruption and bribery. All demonstrated incidents of fraud, corruption or bribery involving GPC Representatives, Contractors or Consultants will be regarded as serious misconduct, and may lead to disciplinary action or other penalties including, dismissal or

termination, and referral to authorities as appropriate, such as the police and Crime and Corruption Commission.

Fraud, corruption and bribery risks require active management. Some key areas of fraud and corruption risk for GPC are set out in Appendix 2.

All GPC Representatives are responsible for the detection and prevention of fraud, corruption and bribery within GPC, and are encouraged to report any concerns they have, consistent with the processes for reporting suspected or actual breaches in Appendix 3.

GPC will ensure that all GPC Representatives, Contractors and Consultants are informed about and understand this Policy, and that fraud and corruption awareness training is included in the GPC Induction Program for new Employees. Key GPC Representatives will receive regular training.

3.2 Summary of prohibited conduct

GPC Representatives, Contractors and Consultants must not:

- (a) engage in fraud or corruption;
- (b) pay, offer, promise or accept, directly or indirectly, any bribe, kickback, secret commission, or other form of improper payment or benefit (however small) to any person (including any public official), or otherwise breach relevant anti-corruption laws;
- (c) make any political, charitable or community donations or sponsorships on behalf of GPC, or offer, provide or receive any gifts or benefits which are or could be perceived as bribes, or otherwise in a manner contrary to this Policy, the Fraud and Corruption Standard, the Gifts and Benefits Procedure or the Community Investment Program Procedure;
- (d) falsify or mis-describe any book, record or account relating to GPC's business. All receipts and expenditures must be supported by documents that describe them accurately and properly; or
- (e) cause or authorise any of the above conduct or any other conduct which is inconsistent with this Policy or any relevant anti-corruption laws.

GPC Representatives, Contractors and Consultants must not do any of the above in their 'personal capacity' in an attempt to evade the requirements of this Policy. This Policy does not prevent GPC Representatives from attending political fundraisers or functions provided they do not attend in their capacity as GPC Representatives, are not funded by GPC and the requirements of the Conflicts of Interest Policy and Conflicts of Interest Procedure are met.

GPC Representatives, Contractors and Consultants must keep accurate and complete records of all steps that have been taken towards compliance with this Policy.

4 Implementation framework

To support these policy commitments, GPC has a number of strategies, governance arrangements, personnel, policies and procedures in place to assist in the mitigation of fraud, corruption and bribery risks. These include:

- (a) ethical culture and processes as outlined in the Code of Conduct, Conflicts of Interest Policy, Fraud and Corruption Standard, Fraud and Corruption Control Plan, Gifts and Benefits Procedure, Whistleblower Protection Procedure and Public Interest Disclosure Procedure. In particular, GPC has developed the Fraud and Corruption Standard and Fraud and Corruption Control Plan to provide practical guidance to

assist in managing GPC's fraud, corruption and bribery risks, including recommendations to improve the identification and mitigation of those risks;

- (b) a key focus on the core values of GPC which forms a component of Employees' performance measurement;
- (c) allocation of responsibilities and accountability for fraud, corruption and bribery risk management, including appointment of the Fraud and Corruption Control Officer;
- (d) strategies to raise employee awareness of fraud, corruption and bribery by updating the existing training and awareness strategy, including of available reporting lines;
- (e) effective fraud detection achieved through a combination of:
 - (i) vigilance on the part of employees and line management;
 - (ii) confidence in fraud reporting mechanisms;
 - (iii) use of internal audit resources for special reviews;
 - (iv) specific detective controls for significant fraud risks outlined in the Fraud and Corruption Control Plan;
 - (v) periodic management reviews; and
 - (vi) independent reviews like internal and external audits; and
- (f) a response strategy that requires any suspected fraud and corruption incidents to be reported, recorded and investigated; and
- (g) management review of systems and procedures (as part of GPC's process for fraud and corruption incident response) to ensure similar frauds will not recur.

5 Monitoring and review

Conformance to this Policy will be monitored through:

- (a) reports provided to the Governance, Risk and Compliance Committee on a regular basis of any material breaches of this Policy, and on the incidence of fraud reports and the response and results of the follow up action on those reports. This report should occur at least twice yearly.
- (b) subject to the protections in the Whistleblower Protection Procedure and requirements of the Public Interest Disclosure Procedure, and except in the circumstance where a report of a concern about fraud relates to these persons, the Fraud and Corruption Control Officer will ensure that a report of all significant incidents or concerns about fraud is made to the GPC Chair, Chair of the Governance, Risk and Compliance Committee, the CEO and where appropriate to the manager of the area to which the concern relates as soon as it is practical to do so. Significant matters should be advised to the Chair of the Governance, Risk and Compliance Committee at the earliest opportunity.
- (c) Internal Audit also assists in identifying weaknesses in internal controls, which if left unchecked may leave GPC exposed to a higher risk of fraud. Where Internal Audit identifies weaknesses in controls that are part of the Fraud and Corruption Control Plan, the Fraud and Corruption Control Officer and the responsible Executive Management Team member will ensure, as far as practical, that an appropriate review is undertaken to ensure that those weaknesses have not been exploited by an actual fraud incident.

6 Appendices

6.1 Appendix 1 – Related documents

Gladstone Ports Corporation documents

The following documents relate to this Policy:

Type	Document number and title
Tier 1: Policy	#1507431 Code of Conduct Policy
	#174070 Conflict of Interest Policy
Tier 2: Standard/Strategy	#1634161 Fraud and Corruption Standard
Tier 3: Specification/ Procedure/Plan	#236541 Fraud and Corruption Control Plan
	#1634163 Code of Conduct Procedure
	#941363 Public Interest Disclosure Procedure
	#1593454 Whistleblower Protection Procedure
	#1455068 Gifts and Benefits Procedure
	#1447372 Conflict of Interest Procedure
#1492433 Community Investment Program Procedure	
Tier 4: Instruction/Form/ Template/Checklist	#1621179 GPC Corporate Glossary Instruction
Other	N/A

6.2 Appendix 2 – Key areas of fraud and corruption risk

The risk of fraud and corruption is increased when a potential perpetrator has:

- (a) the opportunity to act fraudulently (e.g. poor or missing internal controls);
- (b) the incentive or pressure to act fraudulently (e.g. personal financial difficulties); or
- (c) a rationalisation for fraudulent conduct (e.g. 'everyone does it').

Consequently, fraud and corruption are commonly found in areas such as:

- (a) procurement, contracting and grants management;
- (b) planning, regulatory and licensing functions;
- (c) financial functions such as revenue collection and payment, payroll and entertainment expenses;
- (d) cash handling;

- (e) recruitment;
- (f) management of confidential information; and
- (g) remotely based or minimal supervision operations.

Some examples of fraudulent or corrupt activities are:

- (a) theft or misappropriation of plant, equipment and inventory and cash;
- (b) falsifying or splitting invoices;
- (c) diversion of funds through electronic banking;
- (d) credit card fraud;
- (e) false employment application;
- (f) false accounting;
- (g) material and deliberate misstatement of accounting information;
- (h) overcharging for goods and services;
- (i) recording credits for goods and services provided and refunding for personal benefit;
- (j) solicitation, receipt and payment of bribes; and
- (k) insider trading.

Other indicators relating to the possible incidence of fraud may include:

- (a) **Personal risks** – leave accumulations, uncharacteristic lifestyle changes, sudden changes in behaviour;
- (b) **Cultural risks** – performance pressure, attitudes to internal control;
- (c) **Structural risks** – changes to corporate structure, supervision of remote locations;
- (d) **Business risks** – changes to business strategy, corporate reputation.

6.3 Appendix 3 – Reporting suspected or actual breaches

GPC Representatives, Contractors and Consultants are vital to the successful implementation of measures against fraud, corruption and bribery. GPC encourages GPC Representatives, Contractors and Consultants to report any concerns they have, without fear of being penalised.

GPC Representatives, Contractors and Consultants who have concerns about matters arising under this Policy may, where appropriate, raise those concerns with their Leader. Leaders should review the substance of the concerns without contacting the individual about whom the concerns are raised. Where concerns about improper conduct are not immediately dismissed to the satisfaction of the person raising the concern, for example, through obvious misunderstanding or incorrect facts, then the matter should be reported to the Fraud and Corruption Control Officer, who will address the matter in accordance with the Fraud and Corruption Control Plan.

If a GPC Representative, Contractor or Consultant becomes aware of any actual or suspected breach of this Policy, any relevant anti-corruption laws, or any request or demand for any undue financial or other advantage, that person may make a report in accordance with the

Whistleblower Protection Procedure. This includes, but is not limited to, the options of making the report to:

- (a) a Protected Disclosure Officer (as defined in the Whistleblower Protection Procedure); or
- (b) the **GPC Hotline 1800 063 408** anonymously. The hotline is managed by an independent service provider based in Brisbane who will receive information confidentially and forward that information to the relevant officer in GPC.

Reports made pursuant to the Whistleblower Protection Procedure will be addressed under that Procedure. Any person making reports pursuant to the Whistleblower Protection Procedure will be protected as described in the Whistleblower Protection Procedure, including by being:

- (a) treated confidentially and / or anonymously; and
- (b) protected from detrimental action (as defined in the Whistleblower Protection Procedure).

Directors, Officers and Employees may also be required to make a Public Interest Disclosure pursuant to the Public Interest Disclosure Procedure if they have information about corrupt conduct or a reprisal relating to a previous disclosure made.

6.4 Appendix 4 – Revision history

Revision date	Revision description	Author	Endorsed by	Approved by
26/06/20	#89612 (Superseded by #1603663)			Board
30/06/20	General Counsel approved minor amendments as reviewed by Herbert Smith Freehills	Rufus Gandhi, General Counsel	Board on 26/06/20	Rufus Gandhi, General Counsel