

Fraud and Corruption Policy (v5.0)

VERSION HISTORY

Rev No.	Date	Revision Description	Approval
0	24 September 2008	FRAUD AND CORRUPTION POLICY, Prepared by: Manager Business Risk & Internal Audit.	AET & Board
1	5 November 2012	Policy updated to align with Aurora Energy policy format and AS/NZ 8001-2008.	AET & Board
1.1	November 2014	Policy updated to align with new standalone retail model.	
1.2	December 2014	Further revisions to focus on policy statement and remove procedural and operational matters.	
2.0	18 December 2014	As submitted to BARCC Meeting and incorporating BARCC's amendments.	Board
3.0	December 2017	Policy updated to reflect evolving scope of fraud and investigation techniques and to clarify guidance on fraud reporting.	Board, December 2017
3.1	December 2020	12 month extension to complete periodic review in order to incorporate new Standard, including minor administrative amendments.	Board, 17 December 2020
4.0	December 2021	Policy updated to align with the new Fraud & Corruption Australian Standard, and to incorporate minor administrative amendments.	Board, 17 December 2021
5.0	February 2025	Periodic review including minor updates to cater for administrative, role and/or organisational changes.	Board, 27 March 2025

AUTHORISATIONS

Prepared by:	Head of Risk & Compliance	February 2025
Reviewed &		
Endorsed by:	Company Secretary / General Counsel	March 2025
Authorised by:	Board	27 March 2025
Next review due:	Three yearly	March 2028

CONTACT FOR ENQUIRIES (POLICY OWNER)

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1. Introduction

A key underlying business philosophy adopted by Aurora Energy is that it has clear purpose, vision and objectives, with an established set of values to guide its behaviour at all times, all of which support its culture.

Aurora Energy's defined Values, the Aurora Way, along with the Code of Conduct set very high standards and expectations of what is appropriate behaviour within the organisation. Any acts, of whatever scale, that constitute fraud or corruption do not fit within the Aurora Way, expectations and culture.

2. Purpose

The purpose of this Policy is to give effect to Aurora Energy's commitment to prevent, detect and respond to fraud and corruption. Aurora Energy recognises that fraud and corruption risk management is an integral part of good governance and risk management practice.

This Policy informs employees of their responsibilities with respect to fraud and corruption and its reporting, as well as reinforces that Aurora Energy will proactively seek to minimise the risk and effect of fraud and corruption. The Policy is to ensure that Aurora Energy's reputation, assets, revenues, expenses, facilities, customer data, commercial and corporate information, as well as the integrity of its financial statements, are protected against loss through fraud and corrupt behaviour by employees or others.

The objectives of this Policy are to ensure that Aurora Energy:

- develops and maintains an organisational culture of honesty and integrity;
- puts in place processes that ensure effective prevention, detection and management of fraud and corruption, aligned with the Australian Standard AS8001-2021: Fraud and Corruption Control and better practice fraud and corruption risk management; and
- encourages, supports and protects persons who report suspected fraud and corruption.

3. Scope

As the potential for fraud and corruption is inherent in all of Aurora Energy's business operations and activities, this Policy applies to all workers of Aurora Energy.

This Policy applies to both internal and external fraud and corruption events that impact Aurora Energy.

4. Definitions

4.1 Worker

A person is a worker for the purpose of this Policy if the person carries out work in any capacity for Aurora Energy including as:

- an employee or director;
- an employee of a labour hire company who has been assigned to work at Aurora Energy;
- a contractor or subcontractor, or their employees;
- an outsourced service provider, or their employees;
- a trainee or apprentice, whether employed directly by Aurora Energy or by a Group Training Organisation;
- a student or intern gaining work experience; or
- a volunteer.

4.2 Fraud

Aurora Energy defines “Fraud” as “a dishonest activity causing actual or potential gain or loss to any person or organisation including theft of moneys or other property by persons internal and/or external to the organisation and/or where deception or misuse of power and positions of authority are used at the time immediately before or immediately following the activity”. This definition is aligned with the Australian Standard AS 8001-2021 and the fraud offences prescribed by the Corporations Act 2001 (Cth).

4.3 Corruption

Aurora Energy adopts the definition of “Corruption” in the Australian Standard AS 8001-2021 as being “dishonest activity in which a person associated with the organisation (eg, director, executive, manager, employee or contractor) acts contrary to the interests of the organisation or its customers and abuses their position of trust in order to achieve personal advantage or advantage for another person or organisation. This can also involve corrupt conduct by the organisation, or a person purporting to act on behalf of and in the interest of the organisation, in order to secure some form of improper advantage for the organisation either directly or indirectly.

5. Policy

Aurora Energy has a zero tolerance to fraud and corruption, is committed to minimising the risks of such behaviour and will take proactive steps to prevent, detect and respond to any acts of this kind.

Consistent with its Code of Conduct, Aurora Energy will promote a culture of honesty, integrity, accountability and transparency as a primary tool in the prevention of fraud and corruption.

Aurora Energy will develop, implement and maintain effective strategies for the prevention, detection and response to fraud and corruption events.

5.1 Prevention

Aurora Energy is committed to establishing and maintaining a sound integrity framework and to actively promoting such a culture. The integrity framework will include, but not be limited to, mechanisms for the appropriate management of conflicts of interest, gifts and hospitality, a robust internal controls environment and other preventative strategies which minimise opportunities for internal and external fraud and corruption conduct.

5.2 Detection

In the event that preventative systems fail, detection strategies will be activated to identify and detect incidents of fraud and corruption as soon as possible after they occur.

Data analytics, management reporting and internal controls, including the use of the internal audit function, aimed at detecting fraud and corruption will underpin, and will be integrated into, Aurora Energy’s processes and procedures for detecting fraud and corruption events.

External financial audits will also be utilised to detect material misstatements in the Aurora Energy financial statements or other losses due to fraud or corruption.

Aurora Energy will ensure fraud and corruption risks are incorporated into Aurora Energy’s overall risk management framework.

Aurora Energy recognises that reports on fraud or corruption may arrive in the form of a complaint or a suggestion for improvement to service from customers or other key stakeholders. Aurora Energy will maintain a system for appropriately handling all types of complaints to ensure any fraud or corruption related matters identified through this channel are managed appropriately.

5.3 Response

Aurora Energy will promptly and thoroughly investigate allegations of fraud and corruption regardless of how these may have been reported or observed, based on available evidence. Investigations will be independent and transparent, have regard for the rules of natural justice and preserve evidence for future action.

Aurora Energy will take all necessary action to prevent further acts of fraud and corruption from occurring and will pursue all reasonable methods to recover losses.

Investigations, disciplinary action, prosecutions, emergency/crisis management, internal and external reporting and/or recovery actions will be undertaken to the extent necessary and will extend to any person or entity that has colluded, concealed or otherwise condoned acts of fraud or corruption. All key response activities will be documented and investigation records will only be accessible to authorised personnel.

Aurora Energy will take direct action and has the right to refer to Tasmania Police (or any other appropriate body) for investigation and prosecution any allegation or suspicious activity that falls within the scope of this Policy.

Where third parties, such as customers or suppliers, are affected by a fraud or corruption event involving Aurora Energy, consideration will be given to whether it is appropriate and/or legally required, in all the circumstances, to notify the affected third parties.

Aurora Energy will not tolerate any detrimental action, including harassment or victimisation, against reporters of alleged fraud or corruption.

Aurora Energy will consider the value and appropriateness of suitable insurance cover annually as part of the corporate insurance renewal process.

5.4 Reporting Suspected Fraud or Corruption

Employees should report suspected instances of fraud or corruption as soon as observed or detected. Reports should be made to the Public Interest Disclosure Officer, Principal Officer, or if appropriate, the Ombudsman or Integrity Commission, in accordance with the process stipulated in the Public Interest Disclosure (Whistle-blowers) Policy and the Public Interest Disclosure Procedures.

The Aurora Energy **Non-Compliance Form** can be used in the first instance to report a suspected instance of fraud & corruption.

6. Key Stakeholder Responsibilities

6.1 Board

As Aurora Energy's governing body, Aurora Energy's Board has overall accountability for ensuring that Aurora Energy has in place adequate anti-fraud and anti-corruption measures.

The Board is responsible for:

- reviewing and approving the Fraud and Corruption Policy and any associated strategies as well as monitoring the effectiveness of the Policy;
- maintaining awareness of Aurora Energy's fraud and corruption exposures; and
- demonstrating a commitment to controlling the risks of fraud and corruption both against Aurora Energy and by Aurora Energy;

6.2 Board Audit, Risk & Compliance Committee

The Board Audit, Risk & Compliance Committee (BARCC) is responsible for:

- reviewing the Fraud and Corruption Policy on behalf of the Board;
- ensuring that the scope of the external financial audit considers the risk of fraud and the factors that are associated with it to ensure that the financial statements are free from material misstatement resulting from fraud or corruption;
- ensuring that management and other employees provide support to both internal and external auditors to allow for thorough and rigorous review processes during audits; and
- subject to expert advice, overseeing any fraud and/or corruption investigation and its outcomes.

6.3 CEO / Aurora Energy Leadership Team

As Aurora Energy's top management, the CEO and Aurora Energy Leadership Team (ALT) are responsible for:

- educating staff and contractors about fraud and corruption related risk and controls;
- designing and implementing effective strategies and internal controls to identify, prevent and detect instances of fraud and corruption; and
- monitoring the status of fraud and corruption risk assessments and associated mitigations;
- ensuring prompt reporting of fraud and corruption matters that come to their attention;
- ensuring an appropriate level of fraud and corruption control resourcing based on assessed fraud and corruption exposures.

6.4 Senior Leadership Team

The Senior Leadership Team is responsible for:

- ensuring prompt reporting of fraud and corruption matters that come to their attention;
- managing fraud and corruption risk within Aurora Energy;
- designing and implementing processes and procedures for responding to, reporting and investigating allegations of fraud and corruption, including the reasonable protection of the reporter in line with the relevant provisions of Public Interest Disclosures Policy and Procedures; and
- liaising with auditors in relation to the inclusion of fraud and corruption risks within audit scopes.

6.5 Risk & Compliance

The Risk and Compliance team is the fraud and corruption control function responsible for:

- developing, implementing and maintaining Aurora Energy's Fraud and Corruption Control System;
- recording fraud and corruption events;
- escalating and monitoring fraud and corruption events including coordinating internal and external reporting;
- raising awareness and educating staff on fraud and corruption risk exposures and how to prevent, detect, report and respond if they detect or suspect a fraud and corruption event;
- assisting in monitoring the external environment to identify fraud and corruption risks to which Aurora Energy may be exposure;

- ensuring the internal audit function considers significant fraud and corruption risks and their mitigation strategies during internal audit planning and the carrying out of individual projects;
- ensuring prompt reporting of fraud and corruption matters that come to their attention; and
- co-ordinating periodic assessment of the fraud and corruption risk across the business and ensuring fraud and corruption risks are incorporated into Aurora Energy's overall risk management framework.

6.6 Employees

Employees are responsible for ensuring they operate in accordance with Aurora Energy's Code of Conduct, policies and procedures as a primary form of internal control and prevention.

Under this Policy, employees are also responsible for:

- avoiding any collusion with a perpetrator of fraud or corruption, or any activity that condones or conceals the fraudulent or corrupt action or behaviour;
- reporting suspected instances of fraud or corruption as soon as observed or detected;
- following the directions of the Fraud Officer or investigating personnel in relation to maintaining confidentiality, preserving evidence and maximising the opportunity to apprehend perpetrators;
- not wilfully providing false or misleading allegations or information related to fraud and corruption; and
- avoiding any detrimental action, including harassment and victimisation, of reporters of fraud and corruption.

6.7 Fraud Officer

The Fraud Officer's role is to:

- co-ordinate the investigation of allegations to ensure protection of the reporter, preservation of evidence and the application of principles of natural justice during the investigation. Where appropriate, investigation plans may be approved by external experts or authorities;
- subject to the requirements of any approved investigation plan, report progress and outcomes of fraud investigations to BARCC Chair, CEO and, where appropriate, the reporter of the allegation; and,
- liaise with external agencies and insurers, as required by legislation, an approved investigation plan or under the direction of the BARCC Chair.

Under the Delegation Policy the Board has appointed the Company Secretary/General Counsel and Head of Risk and Compliance as Aurora Energy Fraud Officers.

7. Non-compliance with this Policy

All non-compliances with this Policy will be recorded in accordance with the Compliance Policy.

Any non-compliances that are risk-rated as Severe or Major will be escalated to the Board or a relevant Board Committee through Aurora Energy's non-compliance reporting processes.

Non-compliances that are risk-rated as Moderate or Minor will be reported to the Chief Executive Officer.

Incidents of wilful non-compliance with this Policy are considered to be serious and will be dealt with in accordance with Aurora Energy's normal performance management process, which may include dismissal.

8. Related Policies

- Board Audit, Risk & Compliance Committee (BARCC) Charter (Lead Policy).
- Compliance Policy.
- Code of Conduct.
- Discipline Policy.
- Public Interest Disclosure ('Whistleblowers') Policy.
- Risk Management Policy.
- Cyber Security Policy.

9. Precedence

In the event of a conflict between policies, the following precedence will apply in this order to the extent of any inconsistency:

- Board approved Policy.
- CEO approved Policy.
- Business approved Procedure.
- Business approved Work Practice.

10. Policy Approval and Review

This Policy is to be reviewed and approved three yearly or when there is a significant change that prompts an earlier review.

11. Whistleblowing Statement

In extreme circumstances an individual may be concerned that a serious breach of this Policy has occurred but considers that it would be personally damaging to pursue it through normal channels. In such circumstances the individual should refer to Aurora Energy's Public Interest Disclosure Policy for information about how to report such a concern and to whom.

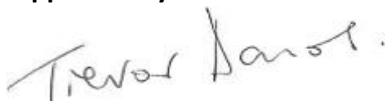
Aurora Energy's Public Interest Disclosure Policy ('whistleblower' policy) is based on the Public Interest Disclosures Act 2002. This Policy is available on both Aurora Energy's external website and its intranet.

Delegated Officers under the Public Interest Disclosure Policy will do all that is possible and practicable to ensure the identity of the individual and the identity of the person who is the subject of the disclosure are kept confidential.

12. Publication

This Policy is approved for publication on Aurora Energy's website in accordance with the Policy Framework.

Approved by the Board on 27 March 2025.



Board Chair