



**ENVIRONMENTAL CLEAN
TECHNOLOGIES LIMITED**

Gifts, Benefits, Bribery and Hospitality Policy

Version 3

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1 Purpose

ECT is committed to complying with the laws and regulations of the countries in which its business operates and acting in an ethical manner, consistent with the principles of honesty, integrity, fairness, and respect. Bribery and the related improper conduct referred to in this policy are serious criminal offences for both the company and any individuals involved. They are also inconsistent with ECT's values. Laws prohibiting the types of improper payments covered by this policy apply in all the countries in which ECT has operations or engages in trading activities. Many laws, such as the Australian Criminal Code and the Indian Prevention of Corruption Act 1988, have application at home and abroad.

The purpose of this policy is to outline Environmental Clean Technology's (ECT) responsibilities in relation to the receipt and provision of gifts, benefits and hospitality by:

- (a) setting out the responsibilities of the ECT Group of companies and ECT personnel in observing and upholding the prohibition on bribery and related improper conduct;
and
- (b) providing information and guidance on how to recognise and deal with instances of bribery and corruption.

2 POLICY PRINCIPLES

2.1 Directors and employees of ECT Group companies (ECT personnel):

- must not seek or accept gifts, benefits or hospitality from people seeking to influence their decisions;
- ensure that when providing hospitality, it reflects prudent use of resources and does not compromise the real or perceived integrity of recipients or ECT directors or employees;
- only accept hospitality, gifts and benefits and/or provide hospitality in limited circumstances;
- must be aware of and act in accordance with this policy:

Note: a breach in relation to this policy could result in disciplinary action as set out in the Disciplinary Action Procedure, and

- should seek advice from their line manager (or Managing Director if there isn't a line manager), or the Company Secretary if unsure about the offer of or provision of gifts, benefits and hospitality.

2.2 This policy reflects the minimum standards expected of directors and employees, the minimum accountabilities of the directors and employees and aims to provide guidance on when it is acceptable to receive or provide hospitality, gifts or benefits.

3 ROLES AND RESPONSIBILITIES

3.1 It is the responsibility of directors and employees to:

- not solicit gifts, benefits or hospitality for themselves or others in any form;
- refuse offers of gifts, benefits or hospitality where ECT's integrity, impartiality or decision making are undermined;
- refuse all offers of gifts, benefits or hospitality from people or organisations about whom they are likely to make decisions involving procurement;
- not offer or receive any gifts, entertainment or hospitality to or from public or government officials or politicians, without approval from the Managing Director (if an employee or contractor of ECT) or the ECT Board (if a Director of ECT);
- not accept in any circumstances, offers of money or items easily converted to money (e.g., shares);
- not give, offer, accept or request bribes, facilitation payments, secret commissions or other prohibited payments or engage in money laundering or cause any of them to be given, offered, accepted or requested;
- report bribery attempts to their line manager (or Managing Director if there isn't a line manager), then the Company Secretary;
- comply with any reporting and approval processes for gifts, entertainment or hospitality, including disclosing and gaining approval using the Offer of Gifts, Benefits and Hospitality Declaration Form where:
 - (i) the gifts, benefits or hospitality are deemed to be of a reportable value; or
 - (ii) there could be a perceived conflict of interest, regardless of value
- forward the signed form to the Company Secretary
- only provide gifts and hospitality on behalf of ECT if:
 - (i) they are for a business purpose
 - (ii) the costs are proportionate to the benefits obtained for ECT, and are considered reasonable in the circumstances
- be vigilant and report any breaches of, or suspicious behaviour related to, this policy. *See Appendix 1* for more detail on the application and implementation of this policy.

3.2 It is the Managing Director's responsibility to:

- make directors and employees aware of this policy
- monitor the work of employees and the risks they are exposed to with respect to the receipt of gifts, benefits and hospitality;
- consider their direct reports' personal and professional interests and the types of gifts, benefits and hospitality that could have high relative value to those employees and contractors;
- determining the ownership of reportable gifts received by directors and employees;
- provide approval (where required) for benefits or hospitality offered to employees using the Offer of Gifts, Benefits and Hospitality Declaration Form.
- ensure that gifts, benefits and hospitality of more than nominal value are disclosed using the Offer of Gifts, Benefits and Hospitality Declaration Form and forwarded to the Company Secretary
- report bribery attempts to the Company Secretary; and

- ensure that when providing gifts and hospitality it reflects prudent use of resources and does not compromise the real or perceived integrity of recipients.

3.3 It is the responsibility of the Company Secretary to:

- securely maintain a Gifts, Benefits and Hospitality Register;
- ensure that the Register and this policy are subject to regular scrutiny, including annual review of the policy;
- assist directors and employees by providing advice and training in relation to this policy;
- act as avenue for reporting bribery or corruption; and
- take appropriate action regarding reported bribery attempts (e.g., involving Victoria Police).

4 NOMINAL GIFTS, BENEFITS AND HOSPITALITY OFFERED

4.1 The following information outlines when infrequent nominal gifts, benefits and hospitality may be accepted, including:

- marketing trinkets or corporate mementos that are not targeted specifically at the business of ECT (e.g., inexpensive pens and pencils, note pads, key rings);
- token gifts of up to \$100 in value (e.g., wine, chocolates, gift hamper);
- hospitality of up to \$100 in value (including meals, accommodation, alcohol and tickets to sporting/cultural events).

Note: When a gift, benefit or hospitality is infrequently received, and it has a nominal value, disclosure to and a decision from the employee's line manager (or Managing Director if there isn't a line manager) is required. It does not require addition to the Gifts, Benefits and Hospitality Register.

5 DISCLOSING GIFTS, BENEFITS AND HOSPITALITY RECEIVED

5.1 The Company Secretary maintains a Gifts, Benefits and Hospitality Register, ensuring records are subject to regular scrutiny including annual review by the Audit and Risk Committee.

The following information outlines when gifts, benefits or hospitality must be disclosed and registered on the Gifts, Benefits and Hospitality Register:

- all gifts and benefits received that are deemed to be of a reportable value;
- all hospitality that is deemed to be of a reportable value, prior to attendance or immediately following the event; and
- any gifts, benefits and hospitality received that could be perceived as creating a conflict of interest, regardless of value.

5.2 When registering onto the Gifts, Benefits and Hospitality Register, the following steps should be undertaken.

- Discuss immediately with your line manager (or Managing Director if you don't have a line manager).

- Complete the Offer of Gifts, Benefits and Hospitality Declaration Form.
- Ensure the form has been signed by your line manager (or Managing Director).
- Forward the signed form to the Company Secretary to include onto the Gifts, Benefits and Hospitality Register.

Note: If in doubt as to whether a perceived conflict of interest may exist, directors and employees must always disclose the received gifts, benefits and hospitality.

6 ATTEMPTS TO BRIBE

If any employee is offered a gift, benefit or hospitality that they believe is, or may be, an attempt to bribe, they must: refuse the offer, and report the offer immediately to their line manager (or Managing Director) or the Company Secretary.

The Managing Director will take appropriate action regarding reported bribery attempts (e.g., involving Victoria Police).

7 RESPONSIBLE PROVISION OF GIFTS AND HOSPITALITY

- 7.1 Hospitality or the giving of gifts is often provided to welcome guests, facilitate the development of business relationships and celebrate achievements. Employees must be able to demonstrate accountability when providing hospitality.
- 7.2 Gifts and hospitality may be provided to external parties, for example:
- from a visiting delegation;
 - at an event to facilitate relationships;
 - at the launch of an initiative or scheme.
- 7.3 ECT may provide a gift for the purposes of making guests feel welcome and to provide a reminder of the visit. The gift should be symbolic, rather than financial, in value.
- 7.4 ECT may provide a donation to a not-for-profit organisation. The donation would be made taking the policy principles into account. The donation must be recorded in the Gifts, Benefits and Hospitality Register.

8 CONSIDERATIONS FOR PROVIDING HOSPITALITY

- 8.1 The following outlines the three overarching considerations to apply when providing hospitality:
- Determine the type of hospitality:
 - When deciding on the type of hospitality to provide, a balanced judgement should be made between the costs incurred and the potential benefits.
 - To contain costs, where possible events should be:

- held at a time of day least likely to attract a need for hospitality;
- be of a size aligned with intended outcomes.
- Catering should be:
 - proportionate to the number of attendees;
 - procured at competitive rates, avoiding inclusion of more expensive menu options.

Note: The provision of hospitality must comply with the ECT Procurement Policy.

- Follow ECT's Alcohol and Drugs Policy.

The supply of alcohol at any event can lead to increased risks, including the risk of anti-social behaviour and risks to the reputation of both individuals and the organisation alike.

Note: The provision of alcohol at work related events must be consistent with ECT's Alcohol and Drugs Policy.

9 HOSPITALITY AT EMPLOYEE EVENTS

9.1 ECT may occasionally provide catered activities for directors and employees.

These include:

- As part of a larger employee related event e.g., a training course, workshop, planning day, meeting, seminar or conference; and
- To recognise an organisational or individual achievement.

9.2 Catering for an employee event can be an effective way of celebrating achievements or promoting behaviours and is common business practice. The organiser of the event should consider the following when deciding to pay for all or some of the costs:

- The extent to which the event will contribute to organisational objectives;
- Whether there have been multiple recent events that would result in perceptions of excess should further events be provided; and

Note: The provision of alcohol at work related events must be consistent with ECT's Alcohol and Drugs Policy.

10 INTERSTATE & OVERSEAS TRAVEL AND CONFERENCE ATTENDANCE

10.1 An invitation to attend an interstate or overseas conference or seminar must not be accepted unless preliminary approval has been received from the Managing Director.

10.2 Directors and employees must not accept an invitation to attend an interstate or overseas conference or seminar while on recreation or long service leave without prior approval of the Managing Director.

11 POLICY AMENDMENT

This policy cannot be amended without approval from the ECT Board.

12 RELATED DOCUMENTS

- Disciplinary Action Procedure
- Procurement Policy
- Alcohol and Drugs Policy
- Gifts, Benefits and Hospitality Register

13 ADMINISTRATION OF THIS POLICY

This policy was adopted and implemented by the Board of ECT 18 October 2022.

This policy is available on ECT's website.

The Board will monitor and annually review the effectiveness of this policy.

14 APPENDIX 1 - Further details on the application and implementation of this policy

1. Bribery

- (a) Bribery is the act of offering, promising, giving or accepting a benefit with the intention of influencing a person who is otherwise expected to act in good faith or in an impartial manner, to do or omit to do anything in the performance of their role or function, in order to provide ECT with business or a business advantage that is not legitimately due. The relevant laws apply to bribery of public officials as well as bribery in respect of any commercial transaction in the private sector. Merely offering a bribe will usually be sufficient for an offence to be committed.
- (b) Bribery can take many forms. The benefit that is offered, given or accepted may be monetary or non-monetary. For instance, it may involve non-cash gifts, political or charitable contributions, loans, reciprocal favours, business or employment opportunities or lavish corporate hospitality.
- (c) Bribery may be indirect, for example where:
 - a person procures an intermediary or an agent to make an offer which constitutes a bribe to another person; or
 - an offer which constitutes a bribe is made to an associate of a person who is sought to be influenced.
- (d) Examples of “red flags” indicative of bribery or corruption are in Appendix 2.

2. Facilitation payments, secret commissions and money laundering

- (a) Facilitation payments are typically minor, unofficial payments made to secure or expedite a routine government action by a government official or employee.
- (b) Secret commissions typically arise where a person or entity (such as an employee of ECT) offers or gives a commission to an agent or representative of another person (such as a customer of ECT) that is not disclosed by that agent or representative to their principal. Such a payment is made as an inducement to influence the conduct of the principal's business.
- (c) Money laundering is the process by which a person or entity conceals the existence of an illegal source of income and then disguises that income to make it appear legitimate.
- (d) The making of facilitation payments, secret commissions and money laundering by ECT personnel or the ECT Group are also prohibited.

3. Political and charitable donations

- (a) All dealings with politicians and government officers which relate to the ECT Group, and its business activities must be conducted at arm's length and with the utmost professionalism to avoid any perception of attempting to gain an advantage.
- (b) ECT may choose to make donations to political parties because ECT believes this would enable any such political parties to perform their functions better and to improve the democratic process.
- (c) Any political donations must be authorised by the ECT Board and disclosed as required by law and recorded in the ECT Group accounts. Any donations above a level determined in Federal legislation

must be disclosed annually to the Australian Electoral Commission and will be published on its website.

- (d) The ECT Group may make charitable donations that are legal and ethical under local laws and practices. In some countries, charities can be used as a screen for illegal bribes. Accordingly, care must be taken to ensure that the charity or cause is legitimate.
- (e) A charitable donation may only be offered or made in accordance with the relevant policy on charitable donations, and with the prior approval of the Managing Director. The Managing Director may put in place standing authorities for managers to make donations to specified levels, if these are consistent with delegated authorities, are reviewed annually, and are made available to ECT's auditors.

4. Maintain accurate records

- (a) All accounts, invoices and other documents and records relating to dealings with third parties (including due diligence reports), must be prepared and maintained with strict accuracy and completeness. No accounts may be kept "off the books" to facilitate or conceal improper payments.
- (b) All expenditure by ECT personnel, including on gifts, entertainment and hospitality, must be included in expense reports and approved in accordance with the relevant expense policy.
- (c) Internal control systems and procedures adopted to comply with this policy will be the subject of regular review the Audit and Risk Committee to provide assurance that they are effective in mitigating the risk of non-compliance.

5. Dealings with third parties

- (a) It is important that any ECT Group company proposing to engage a third party implements appropriate controls to ensure that the actions of the third party will not adversely affect ECT. For these purposes, a "third party" may include actual or potential agents, distributors, suppliers, purchasers or contractors.
- (b) Third parties that pose risk to ECT of breaching anti-bribery laws include those that operate in developing or emerging economies (which includes many Asian or African countries) and are involved in negotiating any business arrangements or transactions with the public or private sector on behalf of ECT in any country.
- (c) The Managing Director is responsible for determining which third parties ("high risk third parties") require specific anti-bribery controls. The Managing Director will make that determination having

regard to this policy and the nature and location of the work being undertaken by those third parties, and in accordance with any guidelines issued by ECT from time to time.

6. Acquisitions and joint ventures

- (a) Prior to any acquisition of a new company or business, anti-bribery due diligence must be undertaken, and a due diligence report completed. Detailed written records of those investigations must be retained.

7. Reporting breaches and suspicious behaviour

- (a) ECT personnel must report any breaches of, or suspicious conduct in relation to, this policy. This includes behaviour that makes ECT personnel and others engaged in activities for ECT feel threatened or under pressure to engage in improper conduct. Reports should be made to:
 - the Managing Director (if an employee or contractor of ECT);
 - the ECT Board (if a Director of ECT); or
 - in accordance with the ECT Whistle-blower Policy.
- (b) ECT personnel who wish to raise a concern or report a breach may be worried about possible repercussions. ECT encourages openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.
- (c) ECT is committed to ensuring no one suffers detrimental treatment as a result of refusing to take part in conduct that may constitute bribery or corruption or raises a genuine concern in respect of any such conduct.
- (d) Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. ECT personnel who are subjected to such treatment should inform the Managing Director immediately. If the matter is not remedied, they should raise it formally in accordance with the ECT Whistle-blower Policy.

8. Training of ECT personnel

To the extent applicable to their roles:

- new ECT personnel will undertake training on this policy as part of their induction process; and
- existing ECT personnel will receive regular updates on this policy as part of their ongoing training.

9. Consequences of a breach

A breach of this policy by ECT personnel may be regarded as serious misconduct, leading to disciplinary action, which may include termination of employment. Breach of this policy may also expose an individual to criminal and civil liability and could result in imprisonment or in the imposition of a significant financial penalty.

ECT's Disciplinary Action Procedure provides a structured corrective action process to improve and prevent a recurrence of undesirable employee behaviour and performance issues

10. Implementation of this policy

The Managing Director is responsible for:

- (a) applying this policy

- (b) monitoring the effectiveness of this policy
- (c) ensuring compliance with training programs;
- (d) ensure that all ECT personnel are provided with a copy of this policy when they commence with the ECT Group, where applicable to their role; and
- (e) ensuring the policy is available to view and download from ECT's website site.

15 APPENDIX 2 - Potential Risk Scenarios: “Red Flags”

The following is a list of bribery and corruption “red flags” that may arise during working for or providing services to the ECT Group. The list is for illustration only and is not intended to be exhaustive.

If you encounter any of the following, you must report them promptly in accordance with this policy

- 1) 1 You learn that a third party engages in, or has been accused of engaging in, improper business practices.
- 2) 2 You learn that a third party has a reputation for paying bribes or requiring that bribes are paid to them.
- 3) 3 A third party insists on receiving a commission or fee payment before committing to sign up to a contract with an ECT Group company or carrying out a government function or process for an ECT Group company.
- 4) 4 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.
- 5) 5 A third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business.
- 6) 6 A third party requests an unexpected additional fee or commission to “facilitate” a service.
- 7) 7 A third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services.
- 8) 8 You learn that a colleague has been taking out a particular supplier for very expensive and frequent meals.
- 9) 9 A third party requests that a payment is made to “overlook” potential legal violations.
- 10) 10 A third party requests that an ECT Group company provide employment or some other advantage to a friend or relative.
- 11) 11 You receive an invoice from a third party that appears to be non-standard or customised.
- 12) 12 A third party insists on the use of side letters or refuses to put terms agreed in writing.
- 13) 13 You notice that the ECT Group has been invoiced for a commission or fee payment that appears large given the service stated to have been provided.
- 14) 14 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 the ECT Group company concerned.
- 15) You are offered an unusually generous gift or offered lavish hospitality by a third party.

16 APPENDIX 3 - Procedures for Third Parties and Joint Ventures

High-risk third-party procedures

Each ECT Group company must implement the following procedures in relation to “high risk third parties”

- (a) communicate the relevant policies to all high risk third parties;
- (b) undertake sufficient due diligence to ensure that it is appropriate for the high risk third party to represent the ECT Group, and complete a due diligence report;
- (c) raise any issues of concern or “red flags” identified in due diligence with the Managing Director. High risk third parties must not be engaged if issues identified in due diligence cannot be satisfactorily resolved;
- (d) ensure that any contractual arrangements with the high risk third party include standard approved terms approved by the Corporate Solicitor concerning anti-bribery and other issues addressed by this policy; and
- (e) ensure employees of the relevant ECT Group company have oversight of the work of the high risk third party.

Joint venture procedures

The following procedures must be implemented in relation to joint venture arrangements:

- (a) where the ECT Group effectively controls a joint venture, the joint venture must comply with this policy;
- (b) where the ECT Group does not have effective control of the joint venture, the ECT Group must exercise influence to assist the joint venture to avoid improper conduct;
- (c) if an ECT Group company is considering acquiring an interest in a joint venture, the ECT Group company must:
 - a. undertake sufficient due diligence to ensure that it is appropriate for the ECT Group to be associated with the joint venture, and complete a due diligence report;
 - b. raise any issues of concern or “red flags” identified in due diligence with the ECT Board. Joint venture agreements must not be entered into if issues identified in due diligence cannot be satisfactorily resolved;
 - c. ensure that any contractual arrangements with the joint venture partner include standard terms approved by the Corporate Solicitor concerning anti-bribery and other issues addressed by this policy; and
- (d) any ECT personnel engaged with a joint venture partner should pay attention to signs of improper conduct, and voice or report concerns where appropriate.

17 APPENDIX 4 - Definitions

Alcohol and Drugs Policy: ECT's Policy to maintain a work environment that is free from the effects of drug and alcohol use.

Benefit: includes preferential treatment, privileged access, favours and other advantages (e.g. invitations to sporting, cultural or social events; access to discounts and loyalty programs; promises of a new job).

Bribe: is an offer of money or other inducement that is made with the intention to corruptly influence a director or employee in the performance of their duties.

Contractor: provides goods or services or performs work for a set price or rate (e.g., consultants, electricians, employment agency workers). The contractor may be self-employed, have employees of their own or have business partners.

Disciplinary Action Procedure: ECT's Procedure to provide a structured corrective action process to improve and prevent a recurrence of undesirable employee behaviour and performance issues.

Donation: A donation is a one-off untied gift that has no requirement for recognition or benefits in return. For example, ECT donates funds to a charity. A donation made by or accepted by ECT is to be entered in the Gifts, Benefits and Hospitality Register.

Financial delegate: an employee whose position has the authority to commit and/or approve expenditure.

Gift: is a free or heavily discounted item, intangible benefit or hospitality that exceeds common courtesy that are offered to directors, employees or contractors in association with their work. Gifts may also be provided by organisations to, for example, a visiting delegation.

Gifts, Benefits and Hospitality Register: is a register of reportable gifts, benefits and hospitality. It records the date of offer, information about the donor and recipient, its nature, its estimated value and how it was handled. It also includes the number and nature of incidents of corruption confirmed during the Reporting Period (e.g., current financial year).

Hospitality: is the friendly reception and treatment of guests, ranging from offers of light refreshment at a business meeting to restaurant meals, sponsored travel and accommodation.

Infrequently received: three times per year or less from the same source.

Nominal value: a gift or benefit is of nominal value if its value is less than \$100 in a single instance or less than \$300 in a 12-month period.

Offer of Gifts, Benefits and Hospitality Declaration Form: a form to be completed where benefits or hospitality are offered to employees that are deemed to be of a reportable value or there could be a perceived conflict of interest, regardless of value. The form is used when registering onto the Gifts, Benefits and Hospitality Register.

Procurement Policy: ECT's Policy that outlines how the Company manages purchasing activities to enable effective and efficient commercial arrangements that maximise value, minimise cost and support company strategies whilst at a high standard of compliance and governance.

Reportable value: gifts, benefits and hospitality that are deemed to have a value greater than \$100 or, regardless of its value, could reasonably be perceived as giving rise to a conflict of interest.