

## **ANTI-FRAUD POLICY**

### **1. INTRODUCTION**

Ervia is an important national organisation occupying a high profile position in Ireland. Ervia's reputation and the trust and confidence of those with whom we deal is one of our most vital corporate resources and the protection of this resource is of fundamental importance to Ervia and a key ingredient for success.

Ervia does not tolerate fraudulent or attempted fraudulent activity. The Anti-Fraud Policy is designed to set out responsibilities for preventing and detecting fraud against Ervia.

Ervia commits to investigate all frauds that are discovered or suspected. Ervia will take appropriate action against all parties involved in, or assisting with, committing fraudulent activity, including but not limited to, disciplinary processes, recovery and legal action.

Ervia will continue to take steps to prevent and detect fraud, increase awareness of fraud amongst employees and other stakeholders, and create a culture where the reporting of suspicions of fraudulent activity is encouraged and expected.

The policy sits within Ervia's existing corporate and HR policy framework and related procedures, including Ervia's Code of Business Conduct, which requires all Employees to be open, truthful and honest in all their dealings with Ervia and the Protected Disclosures Policy (PD 9) which sets out the procedures for raising concerns about potential/possible wrongdoing within the organisation. The Anti-Fraud Policy should be read in conjunction with these and other related policies, which include but are not limited to those set out in Appendix A

### **2. PURPOSE**

The purpose of this policy is to ensure that all persons to which this policy applies understand what constitutes fraud, Ervia's attitude and approach towards it, and what is expected of them in relation to the prevention and reporting of fraud. Ervia has committed to embed a strong awareness of fraud risk within the organisation, minimising the opportunity for fraud to occur.

### **3. SCOPE**

The Anti-Fraud Policy applies to any fraud, or suspected fraud, involving Ervia employees, including the employees of Ervia subsidiaries and joint venture companies (whether full or part-time) including any third parties employees and external parties, including contractors, consultants and vendors doing business with Ervia or any of its subsidiaries.

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#### **4. RESPONSIBILITY**

All parties to whom this policy applies have a responsibility to assist in the prevention and detection of fraud perpetrated against Ervia. This responsibility includes:

- operating and monitoring the systems of internal controls which promote the prevention and detection of fraud,
- the management of fraud risk; and
- reporting all suspicions of fraud and situations that could allow a fraud to be perpetrated.

The CEO and the Executive retain ultimate responsibility for the Anti-Fraud framework within the organisation.

Ervia has appointed the Head of Internal Audit, as the organisation's Anti-Fraud champion. The Anti-Fraud champion is the owner of the Anti-Fraud agenda on a day to day basis and is responsible for:

- driving the delivery of the Ervia Anti-Fraud strategy; and
- supporting the business as anti-fraud is embedded into Ervia business as usual operations.

The Anti-Fraud champion will be supported by the Ervia Executive who will lead Anti-Fraud initiatives within their division.

#### **5. POLICY**

##### **5.1 Definition**

Ervia defines fraud as an intentional act of deceit to obtain or attempt to obtain an unjust/illegal advantage, for example to make a gain (financial or otherwise), to avoid an obligation or to cause loss to another party.

For the purposes of the fraud policy, the term "fraud" includes attempted fraud.

For the purposes of this policy, fraud includes, but is not limited to, the following examples:

- Theft, misappropriation or unauthorised use of Ervia time, funds, property or other assets.
- Accepting or offering kickbacks or bribes for preferential treatment, for example in the supplier selection or work allocation processes.
- Deliberately creating or manipulating false or misleading financial and/or non-financial information or records. This includes forging or altering financial and/or non-financial information or records, or concealing material financial and/or non-financial facts (for example submission of a false CV).
- Knowingly submitting fraudulent or duplicate receipts or falsifying an expense report.

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- Using or disclosing commercial or customer-related data without appropriate authorisation. This includes disclosing confidential information to external parties.
- Manipulation of customer or own employee accounts by Ervia employees (for example, inappropriate refunds, credits, discounts or other transactions to employee's own account or accounts of family and friends, unbilled amounts for family and friends, unauthorised diversion of unmatched payment amounts).
- Deliberate approval by Ervia employees of payments for goods and services not actually received by Ervia.
- Purchasing items for personal use using Ervia funds, for example creating a purchase order and payment for non-business-related goods and services.
- Use of Ervia to defraud third parties (for example unauthorised individual holding self out to be acting in the capacity of an Ervia employee or contractor to gain personal benefit).
- Deliberately facilitating unauthorised access to Ervia assets or information

**5.2 Reporting procedures**

All persons to whom this policy applies:

- Have a duty to immediately report any fraud that is suspected or discovered.
- Will report the matter to either their Line Manager or where this is felt to be inappropriate, to the organisation's Anti-Fraud champion, the Head of Internal Audit. Alternatively, the report may be made to the Group Chief Legal Officer or, where appropriate, the Chairman of the Audit and Risk Committee, in accordance with the procedures set out in the Protected Disclosures Policy and the Code of Business Conduct. The individual making the report may remain anonymous. However, Ervia does not encourage anonymous reports, as such reports make investigation difficult.

Discovery of a potential fraud incident Dos and Don'ts	
Do	Don't
Do report the incident.	Do not discuss the matter with your colleagues or other parties.
Do report all known facts.	Do not attempt to investigate the matter unless expressly asked to do so by the Ervia Anti-Fraud Champion.
Do report your concern/the incident immediately.	Do not confront the individual(s).

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5.3 Protection of whistleblowers

**Ervia is committed to ensuring that all parties to whom this policy applies can raise a concern relating to fraud or suspicions of fraud without fear of victimisation.**

In line with Ervia's Protected Disclosures Policy and Code of Business Conduct, Ervia will ensure as far as possible that employees can come forward and voice concerns of suspected impropriety without fear of victimisation, subsequent discrimination or disadvantage as a result of their disclosure. The provisions of the Protected Disclosures Act 2014 where applicable, will apply to all employees in Ervia which, under the Act, includes employees, consultants, contractors, volunteers, trainees, work experience students, interns, part-time, full-time, casual workers and agency workers.

Where allegations are clearly false and/or made with malicious intent, the person(s) responsible for making such allegations may be subjected to disciplinary or other appropriate action.

5.4 Investigations and resulting action

Ervia commits to investigate all frauds that are discovered or suspected. Every case of attempted, suspected or proven fraud will be thoroughly investigated and dealt with appropriately without regard to the position held or length of service of the individual(s) concerned, or their relationship to Ervia.

The Anti-Fraud champion has the primary responsibility for the co-ordination of investigation of all suspected fraudulent acts as defined in the policy, unless the report of the suspected fraud has been raised under a Protected Disclosure. In that situation, the investigation will be executed using the protocol set out in the Protected Disclosures Policy. Otherwise, the investigation will be carried out by appropriately skilled person(s), in line with Ervia's Fraud Response Plan.

No person who suspects or discovers a fraud should attempt to conduct their own investigations, without the express permission of the Anti-Fraud champion and the Group Chief Legal Officer.

All investigations will be conducted in accordance with the principles of natural justice, fair procedures and relevant collective agreements.

5.5 Enforcement

Any individual who is under investigation for suspected or discovered fraud may be suspended, pending the outcome of the investigation.

Where the allegations are substantiated, disciplinary action, up to and including termination of employment may be taken.

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Where the allegations are substantiated, any other party to whom this policy applies may have their contract with Ervia terminated and/or appropriate action may be taken against the individual(s) concerned, and legal redress may be sought.

**5.6 Implications of non-compliance with the Anti-Fraud Policy**

Non-compliance with the Anti-Fraud Policy by Ervia employees may be treated as a disciplinary matter.

Non-compliance with the Anti-Fraud Policy by any other party to whom it applies, may result in a recommendation to terminate their contract with Ervia or terminate the engagement of the individual(s), within that contracting entity, found to be in breach of the policy.

**5.7 Confidentiality**

Ervia treats all information received confidentially. Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect Ervia from civil liability.

**6. REVISION**

This policy shall be reviewed on an annual basis.

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## **Appendix A**

The Anti-Fraud Policy should be read in conjunction with the following related policies, including but not limited to:

- Ervia/PD/16 Code of Business Conduct for Ervia Employees
- Code of Business Conduct for Ervia Board Members, Senior Management and Directors of Subsidiary and Joint Venture Companies
- Ervia/PD/9 Protected Disclosures Policy
- BGE/PD/2 Procurement Policy and Procedures
- BGE/PD/3 Authorisation Levels and Execution of Contracts
- Ervia/PD/68 Credit Card Policy and Procedures
- Ervia/PD/82 Acceptable Usage Policy
- Expenses policy (incorporating Travel and Subsistence)
- Ervia Policy #4 Disciplinary Policy

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