

# Prevention & Reporting Improper Conduct

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Scope	<p>This policy applies to all employees and directors of the Spicers Limited group ('Spicers'), in any employment capacity (e.g. full-time, part-time, casual), and wherever located.</p>
Purpose	<p>Any employee engaging in Improper Conduct against:</p> <ul style="list-style-type: none"><li>• the Company, or</li><li>• another Company or individual (in the course of their normal duties)</li></ul> <p>Will be subject to disciplinary action, which could include dismissal.</p> <p>Where there is sufficient evidence of criminal or unlawful activities, the matter is to be reported to relevant local authorities and reported to the Chair of the Spicers Limited Audit &amp; Risk Committee, subject to it being above a threshold level (see 'Rules' below) and any extenuating local circumstances which means this may not be appropriate.</p> <p>In line with good corporate governance practice and its commitment to legal and ethical behaviour, Spicers has implemented the 'Speak Up' program designed to enable employees and other affected parties (e.g. contractors, suppliers and customers) to report, have reviewed and ultimately investigated, if applicable, any alleged 'improper conduct'.</p> <p>The purpose this policy and associated procedures is to encourage people to come forward if they have concerns regarding improper conduct and ensure that they have access to a confidential process by which they can report such matters. This will assist in identifying fraud, corrupt practices and unethical conduct within Spicers.</p> <p>It is a fundamental principle that the 'Speak Up' programme provides for anonymity and protects employees and affected parties and they are not penalised in any way.</p> <p>A copy of this <i>Prevention and Reporting Improper Conduct</i> policy is available on the Company's website <a href="http://www.spicerslimited.com.au">www.spicerslimited.com.au</a>, as well as internal Company websites, and a summary is displayed on noticeboards at the Company's workplaces.</p> <p>The Company can, at any time, amend all or part of this policy, at the discretion of the Chief Financial Officer ('CFO'), with approval from the Spicers Limited Board in accordance with the Delegation of Authority Policy.</p>
Definitions	<p><b>Improper conduct</b></p> <p>For the purpose of this policy, improper conduct is defined as:</p> <ul style="list-style-type: none"><li>• corrupt conduct or fraudulent activity</li><li>• breach of the law</li><li>• a substantial mismanagement of Spicers resources</li><li>• conduct involving substantial risk to public health and safety</li><li>• conduct involving substantial risk to the environment</li><li>• conduct involving substantial risk to the health, safety and welfare of Spicers employees</li></ul>

## Corrupt conduct

Includes, but is not limited to:

- use of intentional deception to obtain or provide an illegal advantage from or to an employee, a Spicers business or a third party
- giving to a customer, or receiving from a supplier, excessive gifts or entertainment which could be construed as a bribe, kick back or pay off
- payments to a government entity or official for the purpose of obtaining or retaining a business opportunity or other advantage
- accepting or providing offers or promises of an illegal advantage by doing or not doing certain functions in the course of an individual's employment
- engagement in outside interests, activities or investments which could constitute a conflict in interest

## Fraudulent activity

May exhibit some of the following, but not limited to, the following characteristics:

- use of intentional deception to obtain an illegal advantage
- place the Company at financial risk
- subject the Company to material criminal or civil prosecution
- result in damage to the Company

Includes, but is not limited to:

- theft of assets
- falsification or alteration of accounting or other documents
- suppression or omission of the effects of transactions from records or documents
- recording of transactions without substance
- misuse of private and confidential information for personal gain
- giving or receiving of excessive gifts or entertainment which could be construed as a bribe, kick back or pay off either to/from:
  - a customer
  - a supplier
- use of Company funds for personal expenditure
- payments to a government entity or official for the purpose of obtaining or retaining a business or other advantage
- engagement in outside interests, activities or investments which could constitute a conflict in interest

## Breach of the law

Includes, but is not limited to:

- an act in contravention of fair trading or competition law in the relevant jurisdiction
- breaches of relevant companies laws and regulations, (e.g. insider trading, false financial reporting)
- non-compliance with other laws affecting Spicers businesses

## Rules

### Mandatory Reporting

Where there is sufficient evidence of criminal or unlawful activities, management must:

1. Report the matter to the relevant local authorities subject to any local extenuating circumstances. Where local extenuating circumstances exist that result in the matter not be reported to authorities then management must report the nature of these circumstances to the Spicers Limited CFO who will then notify the Chair of the Audit & Risk Committee.
2. Report the matter to the Chair of the Spicers Limited Audit & Risk Committee, where the value exceeds AUD\$20, 000 in local currency equivalent.

### Other people who may access this policy

This process for reporting allegations of suspected improper or unlawful conduct is also available to employees, principals and/or directors of organisations having a long-term relationship with a Spicers business (e.g. customers, suppliers, agents, advisers, etc.) or other persons who become aware of improper conduct or fraudulent activity within the Company.

### Policy exclusions

It is an important principle of the *Prevention and Reporting Improper Conduct* policy that it cannot be used:

- for the purpose of wilfully harming another employee; or
- to abuse the reporting procedure.

### What evidence is required

For Spicers employees, your knowledge of the practices and procedures of the applicable business should be sufficient to enable a satisfactory assessment of the allegation of improper conduct.

For other persons, some sort of documentary evidence would be desirable, including details of who is suspected, when it occurred and who was affected.

The more evidence that can be provided, the more thorough will be the review and, if applicable, ultimate investigation.

### How to make concerns known

It is important that any concerns about alleged improper conduct be promptly brought to the Company's attention.

Spicers employees are encouraged to discuss concerns with their supervisors or line managers in the first instance, or senior management if they consider it more appropriate to do so. For example, if a person wishes to discuss a matter outside his or her direct reporting lines, the Spicers Limited CFO, and/or Group Manager, Risk & Internal Audit are available to discuss matters on a confidential/anonymously basis at any time.

For non-Spicers employees, it is recommended that you first make your concerns known to your usual contact person within the Spicers Limited group.

Reporting and investigation mechanisms for specific issues (e.g. equal opportunity, harassment, occupational health & safety, certain IT issues) are also dealt with in other Company policies and such claims may be dealt with as set out in the appropriate policy.

Where a person is not fully satisfied with the response from their supervisor or Spicers contact person or senior management, or believes that the matter is better dealt with by an external party, the concern can be reported to the independent reporting service appointed by Spicers.

If you would rather make a confidential report to someone outside management, the following options are available:

The online “Speak Up” program allows employees to make a report via:

1. an independent anonymous multilingual website; or
2. direct email.

It is important that you do not discuss your concerns or suspicions with the person(s) in question or with other colleagues or attempt to handle the situation yourself.

### How to contact the reporting service (“Speak Up”).

Spicers has appointed Deloitte Touche Tohmatsu as the independent reporting service to receive allegations of improper conduct, and, if authorised by the Company in accordance with this policy, to investigate the alleged improper conduct. This program exists as an avenue for individuals to raise concerns if they feel they are not able to take their concerns up with their managers and is referred to as the ‘Speak Up’ program.

To make a report use the confidential and anonymous multilingual website.

[www.spicersspeakup.deloitte.com.au](http://www.spicersspeakup.deloitte.com.au)

Username: Spicers

Password (case sensitive): Speakup1!

Or if anonymity is not required, email directly to: [paperlinx@deloitte.com.au](mailto:paperlinx@deloitte.com.au)

This information is also displayed on noticeboards at Spicers businesses and is available on the Company’s website [www.spicerslimited.com.au](http://www.spicerslimited.com.au), as well as internal Company websites. The Company Secretary is the primary point of contact between the independent reporting service and Spicers (refer *Rules, What is the process of review?*).

### Privacy, anonymity and protection

If an individual contacts the reporting service with allegations of improper conduct, they will be assured of privacy and can do so anonymously, if desired. However, it will obviously assist the company to investigate reported matters if people are prepared to disclose their identity.

The name of the person reporting the improper conduct (*reporter*) will be protected and not disclosed, unless written authority is provided by the reporter, and then, except where necessary or required by law, only disclosed to authorised persons. In the event of a proposed disclosure to an authorised person, the reporter will be advised before the disclosure is made.

The reporter will not be penalised, disciplined or victimised (in any way) for having used the reporting process in good faith. This includes threats, actions or omissions involving reprimand, reprisal, change in work duties or amenities or reporting, damage to career prospects or reputation. Specific protections for reporters are contained in legislation in different countries (for example, the Australian Corporations Act, where disclosures of a breach of that act are

concerned).

Individual employee records will not contain any reference or details of participation in the reporting process or investigation (except where it is subsequently established that the reporter him or herself has intentionally misused or exploited the reporting process for improper purposes).

### What is the process of review

Once the reporting service has received an allegation of improper conduct, it will, subject to legal constraints, usually discuss the matter with the Group Manager, Risk & Internal Audit together with the appropriate General Manager (unless they are the subject of the complaint). The Group Manager, Risk & Internal Audit and the appropriate Executive General Manager will decide whether:

- the claim should be characterised as ‘improper conduct’
- an investigation should proceed
- the investigation should be an internal or external investigation.

The Group Manager, Risk & Internal Audit will refer the matter to and involve the appropriate General Manager (e.g. CFO for financial related matters; General Manager Human Resources for employee, occupational health & safety, environmental, etc. matters).

Any matter being investigated that exceeds the equivalent of AUD\$20,000 must immediately be advised to the Group Manager, Risk & Internal Audit and the Spicers Limited CFO. They must then promptly notify the Audit & Risk Committee Chair.

The reporting service will advise the Group Manager, Risk & Internal Audit, and the Audit & Risk Committee Chair in the event that a Spicers Executive General Manager is the subject of improper conduct, of the complaint and the nature of all information received. The Audit & Risk Committee will maintain oversight of reports and will receive regular reports regarding allegations that are made to the reporting service, actions taken and status of matters under investigation.

Where it is required to do so by law, the reporting service will refer the matter to the Company's auditors or relevant company's regulators.

### The investigation process

Spicers will ensure that the investigator (whether internal or external) has the independence, authority and resources to conduct a thorough investigation. Local management must not independently commence investigations or attempt to interview employees or gather evidence without having first discussed the matter with the Group Manager, Risk & Internal Audit. Very important rules and procedural considerations must be observed throughout any interview and investigation process and this will generally be done with the oversight of Internal Audit or other specialist, independent legal and financial advisor, as appropriate.

The investigator will conduct the investigation:

- promptly;
- with a degree of confidentiality consistent with the seriousness of the allegations; and
- in a fair and unbiased manner.

And, subject to the appropriate laws and other legal constraints,

- to ensure that anybody affected by the allegation is aware of them

- to provide that person with the opportunity to put their case (although the timing will be at the discretion of the investigator)

The investigator will provide a written report:

- summarising the conduct of the investigation; and
- including conclusions on the extent of non-compliance and recommendations for remedial action

to the Group Manager, Risk & Internal Audit; if the investigator is the Group Manager, Risk & Internal Audit the report will be provided to the Chair of the Audit & Risk Committee.

The Group Manager, Risk & Internal audit will liaise with the relevant Executive General Manager, Spicers Limited CFO and Managing Director & CEO, as appropriate, for review and comment; or if the allegations and the investigation relate to Executive Management, to the Chair of the Audit & Risk Committee. Copies of the final report shall be provided to Executive Management (if appropriate) and the Audit & Risk Committee.

At the conclusion of the investigation, and where the name of the reporter is known, the reporter will be advised of the outcome of the investigation.

### Regular review

Every 6 months or sooner as required in the circumstances, the reporting service will provide the Spicers Group Manager, Risk & Internal Audit and CFO with a summary of their activities during the preceding period.

The Group Manager, Risk & Internal Audit will provide a copy of the any matters or 'exceptions' noted the summary report to the Audit & Risk Committee.

## References

### Legislative Requirements

- *Australian Corporations Act*
- Relevant legislation or regulations in local jurisdictions

### Related Policies

- Human Resources policy manual
- Occupational Health & Safety policy manual
- Information Technology policies