

CORRUPTION AND FRAUD PREVENTION POLICY

November 2022

INTRODUCTION

Opportunity International Australia (Opportunity) maintains the highest level of professional and ethical standards in the conduct of its business affairs, placing the highest importance on our relationships with each other and with our supporters, partners, clients, suppliers and other stakeholders. Opportunity is committed to conducting its business and activities with integrity and takes any instance of corruption and/or fraud extremely seriously, wherever and in whatever form that may be encountered. This policy prohibits the actual or attempted use of any form of corruption or involvement in fraudulent activities or behaviour.

PURPOSE

This policy sets out Opportunity's commitment to preventing all forms of corruption and fraud in the performance of its business activities. It is intended to:

- protect the interests of our supporters, workers, partners, clients and other stakeholders,
- ensure all parties are aware of their responsibilities regarding the identification and prevention of corruption or fraudulent activity, and
- preserve the reputation and integrity of Opportunity as well as that of all parties affiliated with it.

LEGAL OBLIGATION

It is Opportunity's policy to comply with all laws, rules, regulations and responsibilities governing anti-bribery, corruption and fraud laws, in all countries in which Opportunity operates. These laws include the Criminal Code (Cth) and Foreign Corrupt Practices Act 1977 (US).

We believe it is an important principle of good business practice to respect local laws and customs when operating internationally, whilst recognising that these may be different to our own.

WHO DOES THIS POLICY APPLY TO?

Irrespective of their role or responsibilities, this policy applies to:

- all workers engaged by Opportunity being full-time, part-time and temporary employees, volunteers, interns, Directors, Ambassadors, consultants and contractors, (regardless of their length of service) in all locations (in Australia and overseas)
- any other parties acting on behalf of Opportunity, and
- all of Opportunity's subsidiaries in all locations.

Compliance with this policy is the responsibility of all Opportunity's workers.

PREVENTION OF CORRUPT AND FRAUDULENT CONDUCT

Opportunity strives to create a culture of honest and ethical behaviour where our core value of integrity is embraced by all workers. Opportunity will not tolerate dishonest, corrupt or fraudulent behaviour or the abuse of position for personal gain and is committed to preventing this behaviour in all its business operations. Opportunity's workers, subsidiaries, and other parties acting on Opportunity's behalf are strictly prohibited from directly or indirectly engaging in any form of corrupt and/or fraudulent behaviour.

WHO IS RESPONSIBLE FOR THE POLICY?

The Board of Directors has approved this policy and delegated to the Chief Executive Officer responsibility for ensuring that Opportunity complies with its legal and ethical obligations, for implementing this policy and for monitoring its use and effectiveness. The CEO must ensure that appropriate and effective internal control systems are in place to detect and prevent breaches of this policy.

Managers at all levels are responsible for ensuring those reporting to them are made aware of and understand this policy. Managers should be familiar with the types of improprieties that might occur within their area of responsibility and be alert to any indications of corruption or fraud.

All Opportunity workers share in the responsibility for the prevention and detection of corruption and fraud and should be continually alert to the possibility of fraud or corruption incidents and to internal control lapses.

WHAT IS CORRUPTION?

Corruption is dishonest activity or the misuse of office, position, power or influence for some personal or private gain or advantage for him or herself or for another person or entity.

Examples of corruption include:

- Bribery, extortion and blackmail
- Secretly permitting personal interests to override corporate interests
- Secretly giving or accepting gifts or benefits in return for preferential treatment
- Improper disclosure of confidential information to an external party irrespective of any personal gain
- Collusion, false quotes, false invoices or price fixing
- Nepotism (favouring relatives).

WHAT IS BRIBERY?

Bribery is a form of corruption. It is the (actual or attempted) offer, promise, giving, accepting or soliciting of an advantage or benefit (either directly or indirectly) as an inducement or reward for an action which is illegal, immoral, unethical, a breach of trust or designed to gain commercial, contractual, regulatory or personal advantage. Acts of bribery are designed to influence individuals to act dishonestly in the performance or discharge of their duty (irrespective of whether the individuals are ultimately influenced or not).

Bribery of a public foreign official is a serious criminal offence and carries heavy penalties.

Bribery is not only an offering or payment of cash. It can take many forms, but typically there will be a 'quid pro quo' – meaning that both parties, or a party's designate or agent, will or may benefit.

A bribe could be:

- the direct or indirect promise, offering, receiving or authorisation, of anything of value (including jobs, discounts, free products, travel, entertainment, gifts) to influence or distort a proper decision-making process
- the offer or receipt of any kickback, loan, fee, reward, benefit or other advantage to exert improper influence or enter into a dishonest arrangement.

The term for bribes will vary from region to region. Some commonly heard terms for bribes can include 'grease', 'facilitation payments', 'good-will money' or other local names, all meaning some form of corrupt payment.

Opportunity prohibits the use of payments (sometimes referred to as facilitation payments) made directly to a government employee in order to expedite or secure the performance of a governmental action by a governmental agency, whether directly or indirectly.

Opportunity workers are not permitted to give, offer, promise, accept, request or authorise a bribe, whether directly or indirectly. No bribes of any sort are to be offered, paid to or accepted from Opportunity workers, supporters, suppliers, partners, politicians, government advisors or representatives, a private person or company. It is not permitted to establish accounts or internal budgets for the purpose of facilitating bribes or influencing transactions (sometimes referred to as 'slush funds').

WHAT IS FRAUD?

Fraud is dishonestly obtaining a benefit, or causing a loss, by deception or other means. This includes benefits obtained that can be both tangible and intangible and encompasses activities or behaviours broader than the misuse or misappropriation of funds or assets. A benefit may also be obtained by a third party rather than, or in addition to, the perpetrator of the fraud.

Examples of fraud include:

- theft such as stealing property, petty cash, gift cards, donations or corporate assets
- misappropriation, misuse or theft of program funds or assets
- misuse of Opportunity credit cards, property, equipment, services, assets or facilities
- making, or using, false, forged or falsified accounts, documents, records or signatures
- providing false information or failing to provide information when there is an obligation to do so
- causing a loss, or avoiding and/or creating a liability
- unauthorised disclosure of confidential information
- wrongfully using Opportunity information or intellectual property.

GIFTS AND HOSPITALITY

This policy does not prohibit bona fide and appropriate reasonable hospitality or promotional or other legitimate business expenditure to or from third parties. Judgement will be required in many instances. The giving or receipt of a gift is not prohibited under the following circumstances:

- it is not made with the intention of influencing a third party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favours or benefits
- it is customary or appropriate in the circumstances. For example, in some cultures it may be customary to give a ceremonial gift or a small gift at special times
- taking into account the reason for the gift, it is of an appropriate type and value and given at an appropriate time
- to the best of the worker's knowledge, it is not against any policies to give or receive it
- it complies with Australian, International and local law
- it does not create a real or perceived conflict of interest, and
- it is given openly and transparently.

Opportunity recognises that market practice varies across the international arena in which it does business and what is normal and acceptable in one place may not be in another. Opportunity also appreciates that to refuse a gift in certain circumstances and/or countries would cause offence to the giver. The test to be applied in all the circumstances is whether the gift or hospitality is reasonable and justifiable. The intention behind the gift should always be considered.

Workers must also be alert to any conflicts of interest in connection with their duties and their responsibilities to Opportunity, including the requirement to disclose conflicts of interest. For more information refer to Opportunity's Conflict of Interest Policy.

FURTHER GUIDANCE

Inevitably, decisions as to what is acceptable may not always be easy, particularly in the absence of minimum legal standards or where they are poorly enforced. Depending upon the particular circumstances, the following activities may be acceptable:

- modest, occasional meals
- occasional attendance at ordinary sports, theatre and other cultural events, or
- gifts of nominal value.

Two questions that will help workers ascertain the appropriateness of a situation are:

- how would this look if the details were reported on the front of a newspaper?
- what if the situation were to be reversed – would there be a double standard?

If workers find it difficult to answer these questions or are in doubt as to whether a potential act constitutes corruption, bribery or fraud, the matter should be referred to their immediate manager, the Company Secretary or the Chief Executive Officer.

It is never acceptable to intentionally make incomplete, false or inaccurate expense claims or to engage in entertainment of a sexual or similarly inappropriate nature.

Further guidance on accepting gifts is available in Opportunity's Gift Policy including the approval process for all gifts, regardless of value, and the requirement to record in the Gifts Register any gifts or hospitality valued at more than \$100.

WHAT IF THERE ARE THREATS TO SAFETY?

In certain circumstances, not paying a facilitation payment can create a threat to someone's health or safety. If asked for a facilitation payment, the worker is to only resist making the payment if it is safe to do so. If the request for payment is accompanied by threats, and a worker believes it is not safe to refuse the request, they should make the payment and record as much detail as possible once in a safe location. Workers are not to refuse to make a payment if they believe there is a credible threat to their safety.

The worker must report the matter to their manager, the CFO or the CEO as soon as practically possible providing:

- The name of the individual who requested the payment
- The date and time the request was made and how much was requested
- The steps taken to resist making the payment
- The nature of the threats, intimidation or violence, and
- Any other relevant details.

RECORD KEEPING

Opportunity will keep financial records and have appropriate internal controls in place which will evidence the business reasons for making payments to third parties. Workers must ensure all expense claims relating to hospitality, gifts or expenses incurred to third parties are submitted in accordance with Opportunity's expenses procedures and specifically record the reason for the expenditure.

All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as supporters, partners, suppliers and business contacts, should be prepared and maintained with strict accuracy and completeness.

TRAINING AND COMMUNICATION

Training on this policy forms part of the induction process for all new workers. All existing workers will receive regular, relevant training on how to implement and adhere to this policy. This training aims to raise awareness of what constitutes corruption and fraud, how to prevent it and, if it occurs, how to report it.

HOW TO RAISE A CONCERN

The prevention, detection and reporting of corruption and fraud is the responsibility of all Opportunity workers. If at any time a worker has any questions about the application of this policy or needs guidance or assistance, they should in the first instance raise their concerns with their manager, or if appropriate with the CFO or the CEO.

All Opportunity workers must immediately report a circumstance they suspect may be a breach or may result in a breach of this policy to their manager, the CFO or the CEO.

Workers can do so on a confidential basis and may also follow the Whistleblowing Policy and Complaints Policy procedures.

PROTECTION FROM RETALIATION

Opportunity workers will not suffer any adverse consequences for refusing to engage in corruption or fraudulent activities or behaviour. Opportunity strictly prohibits any form of retaliation for raising a concern or reporting a violation of this policy or for assisting or participating in any investigation or other proceeding. Any person who is found to have engaged in retaliation will be subject to disciplinary action up to and including termination of employment.

INVESTIGATION AND CONSEQUENCES

Any breach of this policy is a serious matter which will be investigated and addressed by Opportunity. An objective and impartial investigation will be conducted, overseen by the CEO, regardless of the position, title, length of service or relationship with the organisation of any party who might be the subject of such investigation.

Serious cases of corruption or fraud are reported to the Board of Directors.

Disciplinary action will be taken against anyone who breaches this policy and depending on the severity of the breach may include:

- reprimands
- formal warnings
- demotions,
- suspensions and/or
- termination of employment.

Depending on the circumstances, matters may also be referred to law enforcement agencies or other external parties as appropriate which could result in criminal sanctions.

Opportunity will pursue every reasonable effort, including legal avenues, to recover losses incurred through acts of corruption or fraud.

DISCLAIMER AND LIMITATION

This policy is not intended to create third party rights or duties or to form part of any contractual agreement between Opportunity and any other party.