

1 BACKGROUND

- 1.1 This fraud policy ("Policy") facilitates the development of controls that will aid in the detection and prevention of fraud against Bluesource, the "Company". It is the intent of the Company to promote consistent organizational behaviour by providing guidelines and assigning responsibility for the development of controls and conduct of investigations.
- 1.2 No precise legal definition of fraud exists; many of the offences referred to as fraud are covered by the Theft Acts of 1968 and 1978 & the Forgery & Counterfeiting Act 1981. The term is used to describe such acts as theft, deception, bribery, forgery, corruption, false accounting, and conspiracy to commit these offences. For practical purposes fraud may be defined as the use of deception with the intention of obtaining an advantage, avoiding an obligation, or causing loss to another party.

2 SCOPE

- 2.1 This policy applies directly to all individuals working at all levels within Bluesource as employees or agents and all our subsidiaries and their employees and agents, wherever located (collectively referred to as Direct Associates in this policy). The policy is provided to other associates of the Company, including our joint venture partners and suppliers, who will be required to comply with those provisions of the policy which apply to them (excluding for example any disciplinary sanctions) by the inclusion of relevant provisions in all contractual arrangements with the Company.
- 2.2 Any investigative activity required will be conducted in strictest confidence without regard to the suspected wrongdoer's length of service, position/title, or relationship to the Company.

3 POLICY STATEMENT

- 3.1 The Company conducts all its business in an honest and ethical manner. A zero-tolerance approach to fraud, and it is committed to acting professionally, fairly and with integrity in all their business dealings and relationships and implementing and enforcing effective systems to counter fraud.

It is committed to maintaining an honest, open and well-intentioned atmosphere within the organisation. It is therefore also committed to the elimination of any fraud within the organisation, and to the rigorous investigation of any such cases.

- 3.2 The Company will uphold all laws relevant to countering fraud in all the jurisdictions in which it operates and will remain bound by the laws of the UK, in respect of our conduct both at home and abroad.

- 3.3 The purpose of this policy is to:

- set out our responsibilities, and of those working for us, in observing and upholding our position on bribery and corruption; and
- provide information and guidance to those working for us on how to recognise and deal with bribery and corruption issues.

3.4 The Company should be responsible for:

- Developing and maintaining effective controls to prevent fraud;
- Carrying out vigorous and prompt investigations if fraud occurs;
- Taking appropriate legal and/or disciplinary action against perpetrators of fraud; and
- Taking disciplinary action against supervisors where supervisory failures have contributed to the commission of the fraud.

3.5 Managers should be responsible for:

- Identifying the risks to which systems and procedures are exposed;
- Developing and maintaining effective controls to prevent and detect fraud; and
- Ensuring that controls are being complied with.

3.6 Individual members of staff are responsible for:

- Acting with propriety in the use of official resources and in the handling and use of corporate funds whether they are involved with cash or payments systems, receipts or dealing with contractors or suppliers; and
- Reporting details immediately to the Head of Operations (or if they are unavailable, another member of the Senior Management Team), if they suspect that a fraud has been committed or see any suspicious acts or event.

3.7 Any irregularity or case of fraud that is detected or suspected must be reported immediately in accordance with this Policy, so that an investigation can be co-ordinated with relevant parties and other affected areas, both internal and external.

3.8 The Company wishes to encourage anyone having reasonable suspicions of fraud to report them. Therefore, it is also the Company's policy, which will be rigorously enforced, that no employee will suffer in any way as a result of reporting reasonably held suspicions.

All members of staff can therefore be confident that they will not suffer in any way as a result of reporting reasonably held suspicions of fraud. For these purposes reasonably held "suspicions" shall mean any suspicions other than those, which are raised maliciously and found to be groundless. The Company will deal with all occurrences in accordance with the Public Interest Disclosure Act.

3.9 In addition to this Policy covering fraud, the Company has also established an antibribery and corruption policy (see BSCD15 - Anti-Bribery Policy).

4 ACTIONS CONSTITUTING FRAUD

4.1 The terms defalcation, misappropriation, and other fiscal irregularities refer to, but are not limited to:

- Any dishonest or fraudulent act;
- Identity fraud, including impersonation;
- Misappropriation of funds, securities, supplies, or other assets;
- Impropriety in the handling or reporting of money or financial transactions;

- Profiteering as a result of insider knowledge of company activities;
- Disclosing confidential and proprietary information to outside parties;
- Disclosing to other persons securities activities engaged in or contemplated by the Company;
- Accepting or seeking anything of material value from contractors, vendors, or persons providing services/materials to the Company except as permitted under the Company's Anti-bribery Policy;
- Destruction, removal, or inappropriate use of records, furniture, fixtures, and equipment; and
- Any similar or related irregularity.

4.2 The fraudulent acts most likely to affect the Company include:

- Identity fraud;
- Obtaining funds by deception, including impersonation and phishing scams;
- Trojan software;
- Bribery;
- False accounting; and
- Money laundering.

5 OTHER IRREGULARITIES

5.1 Irregularities concerning an employee's moral, ethical, or behavioural conduct should be resolved by departmental management and Human Resources.

5.2 If there is any question as to whether an action constitutes fraud, contact the Head of Operations and in their absence, another member of the Senior Management team for guidance.

6 PREVENTATIVE MEASURES

6.1 To limit the Company's exposure and risk to fraud, the Company performs the following activities, and not limited to, as part of its preventative measures:

- Having a specific Fraud Policy, i.e., this Policy;
- Identity verification for new employees and workers, including DBS checks and check of sanctions databases;
- Credit checks, as required;
- Information Security Management System to ISO27001;
- Internal checking, verification, approval, and authorisation processes
- No name policy;

- When receiving unexpected telephone calls and emails, caution is taken if asked to provide information or initiate instructions;
- Authorisation lists;
- Email, anti-spam and malware protection;
- Whistleblowing policy;
- Anti-bribery and corruption Policy; and
- Contractual obligations.

7 INVESTIGATION RESPONSIBILITIES

- 7.1 The Head of Operations and other members of the Senior Management team have the primary responsibility for the investigation of all suspected fraudulent acts as defined in the Policy. If the investigation substantiates that fraudulent activities have occurred, they will report as appropriate to relevant persons, and to the Board of Directors.
- 7.2 The appointed senior member of staff will be responsible for investigating allegations of fraud including:
- carrying out a thorough investigation if fraud is suspected, with the support of Internal Audit, where necessary;
 - gathering evidence, taking statements, and writing reports on suspected frauds;
 - liaising with the rest of the Senior Management team and the Board of Directors where investigations conclude that a fraud has taken place;
 - identifying any weaknesses which contributed to the fraud; and
 - if necessary, making recommendations for remedial action.
- 7.3 Decisions to prosecute or refer the examination results to the appropriate authorities, law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with legal counsel and Senior Management, as will final decisions on disposition of the case.

8 CONFIDENTIALITY

- 8.1 All information received regarding fraud or suspected fraud will be treated confidentially.
- 8.2 Any employee who suspects dishonest or fraudulent activity must report it immediately and should not attempt to personally conduct investigations or interviews/interrogations related to any suspected fraudulent act (see REPORTING PROCEDURE section below).
- 8.3 Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect the Company from potential civil liability.
- 8.4 The media must not be contacted. Should they make contact, they should be immediately referred to Senior Management.

9 AUTHORIZATION FOR INVESTIGATING SUSPECTED FRAUD

9.1 Those authorised by the Company to investigate a fraud case, will have:

- Free and unrestricted access to all Company records and premises, whether owned or rented; and
- The authority to examine, copy, and/or remove all or any portion of the contents of files, desks, cabinets, and other storage facilities on the premises without prior knowledge or consent of any individual who might use or have custody of any such items or facilities when it is within the scope of their investigation.

10 REPORTING PROCEDURES

10.1 Great care must be taken in the investigation of suspected improprieties or irregularities to avoid mistaken accusations or alerting suspected individuals that an investigation is under way.

10.2 An employee who discovers or suspects fraudulent activity must contact the Head of Operations, or in their absence another member of the Senior Management team, immediately. The employee or other complainant may remain anonymous and the Company's Whistle Blowing policy in the Staff Handbook can be consulted for further information.

10.3 All inquiries concerning the activity under investigation from the suspected individual, his or her attorney or representative, or any other inquirer should be directed to the Head of Operations, or in their absence Senior Management. No information concerning the status of an investigation will be given out. The proper response to any inquiries is: "I am not at liberty to discuss this matter." Under no circumstances should any reference be made to "the allegation," "the crime," "the fraud," "the forgery," "the misappropriation," or any other specific reference.

10.4 The reporting individual should be informed of the following:

- Do not contact the suspected individual to determine facts or demand restitution; and
- Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the Head of Operations or the member of Senior Management it was reported to.

10.5 Any potential evidence must be preserved

10.6 Only Senior Management should contact the relevant authorities, including the police where necessary.

10.7 Where the fraud or suspected fraud involves another company or their employee, the matter shall be reported as appropriate.

11 OUTCOME


11.1 Disciplinary action will be taken on any employee found after investigation to have conducted fraud, which may result in termination, in accordance with the Company's Disciplinary Policy.

11.2 All fraud offenders will be prosecuted and that the relevant authorities, such as the police will be assisted in any investigation that is required.

11.3 All efforts will be made to recover wrongfully obtained assets from fraudsters.

11.4 Where a contractor, subcontractor, supplier, partner, or other associate of the Company is found to have or is suspected to have committed fraud, the relationship shall be suspended and reviewed by the Company and may result in termination.

12 SIGN-OFF

For Bluesource	
Name	Nick Jagers
Position	Head of Operations
Signature	
Date	22 February 2024

13 REVISION

13.1 The Head of Operations is responsible for the administration, revision, interpretation, and application of this Policy. The policy will be reviewed annually and revised as needed.

13.2 The revision history of this Policy is as follows:

DATE	NAME	SUMMARY OF CHANGE
17/09/2019	Nick Jagers	Policy created for publication
14/04/2020	Nick Jagers	Logo updated
22/06/2021	Nick Jagers	Reviewed, no updates required
01/02/2022	Nick Jagers	Reviewed and republished, no updates required
23/02/2023	Nick Jagers	Reviewed and republished, no updates required
22/02/2024	Nick Jagers	Reviewed and rebranded