

FRAUD PREVENTION POLICY

June 2018

1. Purpose

1.1. This policy sets out the general principles and minimum requirements for managing fraud risks across the Amcor Group and all its member and affiliated companies (collectively referred to herein as “the Company”).

1.2. It is the policy of the Company that all co-workers are committed to the highest standards of integrity through honest and ethical behaviour and refrain from engaging in fraud.

2. Applicability and Scope

2.1 This policy applies to all co-workers, officers and directors of the Company.

2.2. Furthermore Amcor expects any person involved in the Company’s business to act with integrity and to share its attitude to fraud.

3. Definitions

3.1 The term “fraud”, as used in this policy, refers generally to any “intentional act committed to secure an unfair or unlawful gain” including, but not limited to, asset misappropriation and fraudulent statements.

3.2. These can be further categorised as;

Fraud Classification System Source: Association of Certified Fraud Examiners (ACFE)		
Asset Misappropriation	Fraudulent Statements	Corruption
Cash <ul style="list-style-type: none"> • Theft of cash • False payment requests • Cheque fraud • Billing schemes • Misuse of accounts Non-cash <ul style="list-style-type: none"> • Theft of inventory/ fixed assets • Theft of information or IP • False invoicing • Payroll fraud • Accounts receivable fraud 	Financial <ul style="list-style-type: none"> • Intentional improper revenue recognition • Intentional misstatement of assets, liabilities and/ or expenses • Other intentional accounting misstatements (e.g. capitalization of expenses, concealment of losses) Non-financial <ul style="list-style-type: none"> • Falsified employment credentials 	Addressed by the Company Anti-Bribery & Corruption Policy
Addressed by this Policy		

4. Policy Objectives

4.1 This policy seeks to minimise the financial, operational and reputational damage that can be caused to the Company through fraud.

5. Policy Statement

5.1 The overarching principles that this policy sets out are;

1. Fraud of any kind will not be tolerated
2. Leepak will maintain an effective and continuously improving fraud prevention program
3. Leepak expects suppliers and customers to act with integrity and to share its attitude to fraud
4. A system of internal financial controls to minimize the potential for fraud to go undetected
- 5.2. Minimum requirements

Principle 1: Fraud of any kind will not be tolerated

- Fraud of any kind will not be tolerated.
- All co-workers have a responsibility to be alert to the signs of fraud, and to report suspected fraud without delay.
- Through their behaviour and leadership, executives and managers will promote a culture of openness, honesty and integrity.

Minimum requirement

- As a minimum, leadership teams must communicate the Company position on fraud at least annually to co-workers. This communication must reinforce the principles set out in this policy and should ensure that co-workers are aware of their responsibilities and the support available to them. This can be accomplished in a number of ways i.e. ASX declaration, email, eLearning, conferences etc

Principle 3: Leepak expects suppliers and customers to act with integrity and to share its attitude to fraud

- The Company expects our business partners to uphold similar principles for fraud prevention and to share the Company’s attitude to fraud.

Minimum requirement

- All agents, joint venture partners and other business partners should be made aware of the Company’s standards of behavior and attitude to fraud.
- All businesses should adopt local policies to ensure that its agents, joint venture partners and other business partners are the subject of appropriate due diligence checks (which may include background/ reference checks) and review to ensure that the Company principles and standards of behavior relating to fraud are maintained (refer to the Company Supplier Handbook and qualification process).

Principle 4: A system of internal financial controls to minimize the potential for fraud to go undetected

- All businesses within the Company must keep books, records and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of company assets.
- Co-workers and Leepak representatives must exercise caution regarding the giving or receiving of business related gifts and hospitality.

Minimum requirement

- Each business must have in place rigorous internal procedures that control and segregate the process of approving and paying expenses and other payments. Such processes must be audited periodically (by both management and internal audit).
- There are certain types of gifts that should never be accepted by a co-worker or Leepak representative regardless of value. These are: money, drugs or other controlled substances, discounts for product or services that are not available to other co-workers, personal use of accommodation or transportation, and payments or loans to be used to purchase personal property.
- A gift and hospitality register must be maintained and accurate records kept of all transactions relating to the offering or acceptance of gifts (refer to the ABC Policy for more information).

6. Responsibility and Accountability

This section summarises the key responsibilities for the delivery of an effective fraud prevention program.

6.1 All co-workers

All co-workers are required to act in accordance with this policy and related policies including the Corporate Code of Conduct & Ethics Policy, Anti Bribery & Corruption Policy, Share Trading Policy, Whistleblower Policy and Competition Protocols. This Policy places responsibility for the prevention, detection and reporting of fraud with all co-workers.

6.2. Audit & Compliance Committee

The Audit & Compliance Committee of the Board of Directors has a responsibility to oversee management activities in managing the risk of fraud, and to ensure that management properly address the risk of fraud through the implementation of an effective fraud prevention program that will identify, prevent, detect and respond to fraud throughout the Company.

6.3. Fraud Risk Champions (typically the BG CFO)

Fraud Risk Champions are responsible for;

- Establishing and maintaining an effective internal control framework for fraud within the business for which they are accountable. This includes controls concerning the prevention, detection and investigation of fraud and ensuring that co-workers are aware of their responsibilities in this regard.
- Promoting fraud awareness amongst co-workers.
- Ensuring the effectiveness of the fraud prevention program in the business for which they are responsible

6.4. Risk Management & Compliance Coordination

- The individual(s) nominated as having responsibility for the coordination and development of fraud risk management practices within a specific business, is responsible for:
 - Familiarising themselves with this document and training materials
 - Coordinating fraud risk assessments.
 - Developing and implementing appropriate measures to prevent, detect and investigate fraud.
 - Preparing fraud reports, and
 - Maintaining their skills and knowledge in this area, as well as sharing knowledge with other co-workers.

6.5. Managing Director & Chief Executive Officer, Executive Officers and Business Group Presidents

- As well as their fiduciary duties, the MD & CEO, Executive Officers and Business Group Presidents are responsible for setting the standards of integrity, ethical behaviour and the cultural philosophy of the organisation that in turn influences the actions of its people (‘the tone from the top’) in accord with Leepak’s Values.

6.6. Group Company Secretariat/ General Counsel and Business Group legal Counsel

- Group Legal is responsible for maintaining and managing the Whistleblower service, Bribery & Corruption training and for providing advice in relation to undertaking legal proceedings both criminal and civil, including the processes to be followed for the recovery of losses.

6.7. Group Chief Financial Officer

- The Group Chief Financial Officer is responsible for maintaining a sound system of internal control as it relates to internal financial control.

6.8. Director Group Risk & Compliance

- The Director Group Risk & Compliance is responsible for creating and maintaining the overall fraud risk management program through which fraud risks will be managed.

6.9. Human Resources

Human Resource functions are responsible for ensuring that (where permitted) adequate procedures are in place for pre-employment checks, communication of and training on ethical values and fraud and business ethics policies to employees and maintaining disciplinary policies that are consistent with the Group’s requirements, subject to these being in accordance with relevant local laws and regulations.

6.10. Group Internal Audit

Under the leadership and direction of the VP Group Internal Audit, Group Internal Audit will:

- Provide assurance services to management and the Audit & Compliance Committee in terms of reviewing the adequacy and effectiveness of the systems of internal control as they relate to fraud prevention, detection and investigation;
- Respond to management’s requests for investigations into matters of fraud, probity and compliance and/ or maintain a relationship with a global forensics partner who can provide those services as needed; and
- Provide support to fraud risk assessment and awareness activities.

7. When and how to raise a concern

The prevention, detection and reporting of fraud is the responsibility of all coworkers. Be vigilant to fraud and report all suspected instances of fraud immediately to your manager. If you suspect your manager may be involved, contact the Group Internal Audit (GIA) team or if you wish to remain anonymous, contact the Leepak Whistleblower Service (where local laws permit). Amcor does not penalize co-workers for fulfilling their obligation to ensure that Leepak's conduct meets its policies on compliance and ethics.