



AEMO Group Fraud and Corruption Policy

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This document is maintained and updated by AEMO, GM Risk & Compliance and will be reviewed, at minimum, every two years.

Any queries or suggestions for improvement should be addressed to the AEMO Risk & Compliance Team.

Version History

Version	Effective date	Changes
1.0	14 December 2023	Explicit reference to AEMO Group and application of policy to AEMO subsidiaries
2.0	12 December 2024	Policy transitioned to new AEMO Group policy template. Updated with reference to the Australian Government Commonwealth Fraud Prevention Framework

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1 Purpose

The Fraud and Corruption Policy ('Policy') outlines the AEMO Group's position on, and approach and commitment to, the prevention of fraud and corruption.

2 Application

This Policy applies to all AEMO Group Personnel and is guided by the principles of:

- respect for policy, law, and government;
- honesty and integrity,
- respect for people,
- responsibility and accountability, and
- efficiency and economy.

3 Description

Context

AEMO Group operates energy systems and markets across Australia, is the national transmission planner and undertakes new and evolving roles and functions to enable the energy transition. Fraud and corruption have the potential to cause significant financial and reputational damage to AEMO Group. Fraudulent and corrupt behaviour by AEMO Group Personnel can undermine key stakeholder confidence in AEMO Group.

AEMO Group is committed to creating and maintaining a culture of corporate compliance and ethical behaviour in which AEMO Group Personnel are responsible and accountable, behave with honesty and integrity and are empowered to raise concerns regarding unethical, unlawful, or undesirable conduct, without fear of reprisal. These are underpinned by the AEMO Values of Character, Connection and Commitment.

AEMO Group is also committed to operate in accordance with the laws and regulations of the jurisdictions in which it operates.

Policy

This Policy is a critical part of AEMO Group's overall risk and compliance management framework to prevent and detect corrupt, illegal, fraudulent, or other undesirable conduct. The Policy prohibits AEMO Group and AEMO Group Personnel from engaging in activity that constitutes bribery, corruption, fraud and other related improper conduct. It also outlines the responsibilities of AEMO Group and AEMO Group Personnel in observing and upholding the prohibition on corruption, illegal conduct, fraud and other improper conduct.

This Policy aims to establish and maintain the requirements for an effective fraud and corruption control system and is aimed at:

- preventing fraud and corruption (including bribery),
- detecting fraud and corruption (including bribery), and
- responding to fraud and corruption events (including bribery) that have already occurred.

AEMO Group entities' Risk Appetite Statements provide guidance to Personnel at each entity about the amount of risk the Group is prepared to accept or undertake to achieve its objectives. AEMO Group entities have zero tolerance for fraudulent activities and will implement effective fraud controls and corporate governance processes to prevent, detect and report any potentially fraudulent activities.

This Policy seeks to comply with the Australian Standard AS 8001 - 2021 Fraud and Corruption Control.

Key principles

Fraud and corruption include the misappropriation of assets, the manipulation of reporting, and the abuse of position for personal gain. For the purposes of this Policy:

- Fraud is a dishonest and intentional activity committed to secure a gain or benefit for themselves, another person or entity, or causing a loss or risk of loss, regardless of whether deception is used. The conduct does not need to represent a breach of criminal law. The gain or benefit, or the loss caused, may be tangible or intangible, and does not require materiality.
- Examples of fraud include (but are not limited to):
 - Theft of cash or receiving or providing improper benefits,
 - Accounting fraud (for example, false invoicing),
 - Theft or misuse of AEMO Group assets, equipment or facilities,
 - Unauthorised use of AEMO Group's corporate credit card for personal expenses, or
 - Using AEMO Group intellectual property, information or resources (including computers) for personal gain.
- Corruption is a dishonest and intentional activity in which an individual acts against the interest of AEMO Group and abuses their position of trust to achieve personal gain for themselves, another person or entity. In the context of services that are specifically funded by a government under a contract or grant, corruption also includes conduct that could compromise the integrity, accountability or probity of public administration.
- Examples of corruption include (but are not limited to):
 - Giving or taking bribes, secret commissions or other improper payments, gifts or benefits,
 - Not disclosing conflicts of interest,
 - The deliberate falsification, concealment, destruction or use of falsified documentation,
 - The improper use of information or position,
 - Improper conduct in procurement and/or contract management processes, or
 - Improper conduct performing services that are specifically funded by a government under a contract or grant.

Elements

To support application of this Policy, AEMO Group's fraud and corruption prevention approach comprises the following best practice elements that include but are not limited to:

Prevention

- Implementing and operating an integrity framework, including a Group Code of Conduct and Group Risk Management Policy.
- Implementing this Policy and the Fraud and Corruption Prevention Framework.
- Managers and Personnel taking accountability for prevention, detection, and response to instances of fraud and corruption.
- Training and awareness programs, both mandatory and on-going (e.g. Code of Conduct, Fraud Awareness, Risk Management).
- Internal controls to minimise the possibility of fraudulent activities (e.g. segregation of duties, delegation of authority, access management, pre-employment checks).

Detection and reporting

- Risk and compliance governance and reporting.

- Fraud and corruption reviews (e.g. risk reviews, Internal Audits, external reviews).
- Fraud and corruption detection controls (e.g. peer review, exception reporting, budget monitoring and reconciliations, security clearances).
- Whistleblower program and other avenues for reporting suspected incidents.

Response

- Internal reporting and investigation.
- Disciplinary procedures.

4 Roles and Responsibilities

The AEMO Group’s Code of Conduct requires all Personnel to comply with the law, act consistently with the principles and standards of the Code of Conduct, comply with AEMO Group’s policies and procedures and to work towards establishing an effective culture of proactively preventing fraud and corruption within their areas of responsibility.

The roles and responsibilities of Personnel with regards to this Policy are as follows:

Roles	Responsibilities
The Board	<ul style="list-style-type: none"> • The Board is the owner of this Policy. It reviews and monitors the leadership and commitment given to fraud and corruption prevention and detection and receives reports on material breaches. These responsibilities are carried out with the assistance of the Committee.
The Committee	<ul style="list-style-type: none"> • A Committee of the Board is responsible for assisting the Board with its responsibilities with regards to this Policy.
Entity Leader	<ul style="list-style-type: none"> • The Entity Leader is responsible for the implementation of this Policy and is accountable to the Board for establishing and maintaining an ethical culture and monitoring and reporting obligations under this Policy. The Entity Leader is also responsible for approving disciplinary action.
Executive Management	<ul style="list-style-type: none"> • Executive Management is responsible for the on-going identification, assessment and management of potential/perceived risks relating to fraudulent activities and corrupt behaviour. Executive Management is also charged with understanding the obligations that they are responsible for, implementing systems and processes including raising awareness in relation to fraud and corruption prevention and detection, and adapting them where breaches occur.
Executive/s responsible for Risk and People	<ul style="list-style-type: none"> • The Executive/s responsible for Risk and People at the relevant entity will determine the most appropriate approach for any Fraud and Corruption related investigation. An outcome of the investigation will be presented to the relevant Committee. Any disciplinary action will be undertaken in accordance with each entities’ Code of Conduct.
Personnel	<ul style="list-style-type: none"> • Familiarise themselves with this Policy and associated documents relating to Fraud and Corruption Prevention relevant to their activities. • Apply the principles of this Policy to make good, informed decisions as part of their activities. • Undertake their obligations diligently and to report any activities that may be or appear to be irregular or suspicious. • Report any actual or perceived instances of fraud and / or corruption to their Manager, HR Business Partner, Executive Management, a member of the Compliance and Audit team or using the Whistleblowing

Roles	Responsibilities
	framework or equivalent guideline. Staff or Managers must not initiate their own investigation.

5 Implementation

AEMO Group's objective of a culture of proactively preventing fraud and corruption will be achieved by:

- Establishing governance structures and processes to effectively oversee and manage risks of fraud and corruption.
- Undertaking periodic fraud and corruption risk assessments regularly and when there is a substantial change in the structure, functions or activities of an AEMO Group entity.
- Ensuring risks of fraud and corruption are considered in planning and conducting activities.
- Establishing a system of internal controls and procedures for the identification, prevention and detection of fraud or corruption.
- Monitoring and testing the design and effectiveness of internal controls implemented to manage and mitigate fraudulent activities and/or corrupt behaviour through regular risk reviews and internal audit.
- Conducting periodic reviews to assess the continuing relevance, application, design and effectiveness of established controls and requirements for new controls, and updating controls and establishing new controls as soon as practicable upon identifying a need.
- Assigning appropriate Personnel with responsibility for managing risks of fraud and corruption, as set out in section 4 of this Policy.
- Keeping records identifying the structures, processes and responsible Personnel referred to above.
- Maintaining a high level of awareness of what constitutes fraud and corruption, the potential for fraud and corruption and the requirements of ethical conduct throughout AEMO Group through the provision of education programs.
- Reinforcing the requirement for all Personnel (e.g. mandatory training) to comply with procedures designed to prevent fraud and corruption, refrain from fraudulent or corrupt activity and encourage reporting of any such activity.
- Establishing appropriate mechanisms for reporting of suspected fraud or corruption confidentially.
- Establishing appropriate mechanisms for investigating or otherwise responding to fraud or corruption or suspected fraud or corruption.
- Developing a response to deal with any suspected incident of fraud or corruption promptly and in an appropriate manner.
- Establishing appropriate mechanisms for recording and reporting incidents of fraud or corruption or suspected fraud or corruption.

AEMO Group will develop and maintain a Fraud and Corruption Prevention Framework to implement this Policy including guidance on the above principles. It is a dynamic and iterative process, customised to AEMO Group's requirements and culture and values.

There are a number of other policies and documents that are relevant to the implementation of this Policy and form part of the Fraud and Corruption Prevention Framework. These are listed in section 8 of this Policy.

6 Compliance

Compliance with this Policy will be monitored and maintained by Group Compliance. Non-compliance with this Policy can lead to internal reporting and investigation and disciplinary procedures (which may include termination of employment or engagement). Matters may also be referred to law enforcement agencies, and Personnel may be subject to criminal and civil liability.

7 Definitions

The following words have the below meaning when used in this Policy:

Term	AEMO	AEMO Services Ltd (ASL)	Transmission Company Victoria Pty Ltd (TCV)
AEMO Group	Australian Energy Market Operator Limited and its Subsidiaries		
The Board	AEMO Board	ASL Board	TCV Board
Committee	Finance, Risk and Audit Committee	Risk Compliance and Audit Committee	N/A
Entity Leader	Chief Executive Officer of AEMO	Executive General Manager AEMO Services	Chief Executive Officer of AEMO
Executive Management	Executive Leadership Team	Executive Team	N/A
Executive/s responsible for Risk and People	GM Risk & Compliance; EGM People & Culture	GM Governance & Risk	N/A
Personnel	All AEMO Personnel (Directors, employees, contractors, secondees and/ or consultants working for or on behalf of AEMO)	All ASL Personnel (Directors, employees, contractors, secondees and/ or consultants working for or on behalf of ASL)	All TCV Personnel (Directors, employees, contractors, secondees and/ or consultants working for or on behalf of TCV)

8 Related Documents

Control Document	Document Ref	Description
Fraud and Corruption Prevention Framework	FCPF004	Sets out AEMO's framework for the prevention of fraud and corruption.
AEMO Group Code of Conduct	N/A	Sets out basic standards of all people representing AEMO.
Group Risk Management Policy	RM-01	Provides direction on the effective management of risk to support the achievement of AEMO and Subsidiaries' strategic and operational objectives, and the principal behaviours to establish an effective risk culture.
Whistleblower Protection Policy	N/A	Policy aimed at encouraging eligible whistleblowers to report any known or suspected organisational misconduct within, or involving, AEMO.