

Anti – Fraud Policy

SWS CONSULTING ENGINEERING - Structure, Water & Survey Srl

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PREMISE

This Anti-Fraud Policy sets forth SWS Consulting Engineering - Structure, Water & Survey Srl and all its branches and representative offices (hereinafter referred to as "SWS" or "the Company") commitment to preventing, detecting, and addressing fraudulent activities within its operations. The Company recognizes the significant risks that fraud poses to its integrity, reputation, financial stability, and compliance with applicable laws and regulations. To mitigate these risks, SWS has implemented a comprehensive framework for managing and addressing fraud-related matters in a proactive, transparent, and responsible manner.

Fraud, in all its forms, including but not limited to financial fraud, procurement fraud, asset misappropriation, and corruption, is a direct violation of the Company's ethical standards and legal obligations. As such, SWS is committed to ensuring that fraud is not tolerated and that effective mechanisms are in place to detect and respond to any fraudulent activities. The Company promotes a corporate culture based on honesty, integrity, and transparency, ensuring that employees, contractors, suppliers, and all relevant stakeholders understand and comply with this policy.

This policy applies to all individuals and entities working with or on behalf of SWS, including employees, suppliers, consultants, contractors, and business partners. It provides a clear process for reporting suspected fraudulent activity, ensuring confidentiality and protection for those who report in good faith.

LEGAL FRAMEWORK

This Anti-Fraud Policy is designed in full compliance with both national and international legal standards governing fraud prevention, detection, and investigation. The following legal frameworks and regulations form the basis for the implementation of this policy:

- Legislative Decree 231/2001: This Decree establishes the legal framework for corporate governance and compliance in Italy, specifically addressing liability for corporate fraud.
- Legislative Decree 24/2023: Implementing the EU Directive 2019/1937 on whistleblowing protection, this Decree ensures legal protection for individuals reporting fraudulent activities.
- The U.S. Foreign Corrupt Practices Act (FCPA): Governs anti-corruption and anti-bribery practices, applying to U.S. companies and foreign entities doing business with the U.S.
- The UK Bribery Act: Establishes comprehensive provisions to combat bribery and corruption, applicable to all entities conducting business in the UK.
- ISO 37001: A standard for anti-bribery management systems, which includes guidance for fraud prevention.
- Anti-Corruption Law 190/ANAC Guidelines: Italian anti-corruption regulations, which provide guidelines for preventing and reporting fraud within Italian companies.
- Other relevant international legal frameworks: Additional regulations and conventions related to anti-fraud and anti-corruption measures, such as the UN Convention against Corruption and OECD guidelines.

The Policy also considers applicable local regulations in the jurisdictions where SWS operates and incorporates international standards and guidelines of ADB, WB, the European Investment Bank, and the African Development Bank for completeness, included in the appendix.

The Policy and relevant internal measures are reviewed and updated whenever significant regulatory, organizational, or operational changes occur, ensuring continuous alignment with evolving best practices and legal standards.

DEFINITIONS

In line with the language and definitions of the Asian Development Bank (ADB Integrity Principles and Guidelines), the following definitions apply:

- **Fraud:** A fraudulent practice is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation.
- **Fraudulent Activity:** Any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation.
- **Whistleblower:** Any individual who, in good faith, reports suspected misconduct, including corrupt, fraudulent, coercive, collusive, obstructive practices, or other integrity violations.
- **Good Faith:** A genuine belief that the information reported is true and that it discloses wrongdoing, even if it is later found to be mistaken.
- **Retaliation:** Any adverse action, including dismissal, demotion, harassment, discrimination, or other punitive measures, taken against a whistleblower for making a report in good faith. This aligns with ADB AO 2.10, which prohibits retaliation and ensures whistleblower protection.
- **Whistleblowing:** The act of reporting actual or suspected misconduct, illegal activities, or breaches of ethical standards, in line with ADB's principle of encouraging disclosure to maintain the integrity of operations.

SWS provides secure, and confidential reporting channel for individuals to report suspected fraudulent activities. -this channel is regulated by SWS Whistleblowing Policy.

CONSEQUENCES OF FRAUD

SWS is committed to the highest ethical standards. Fraud in any form is not tolerated and SWS reserves the right to initiate appropriate disciplinary actions against any employees involved in such conduct.

Consequently, please bear in mind the following facts:

- Attempted but unsuccessful fraud is just as serious an offence as accomplished fraud;
- Fraud to the “benefit” of SWS (perpetrated while pursuing illegitimate advantages for the company by means of illegal transactions) is just as severe an offence as fraud perpetrated to the detriment of the company;
- Disciplinary actions at company level do not preclude criminal or civil law enforcement.

PROCESSING AND INVESTIGATION OF FRAUD REPORTS

Upon receiving a report of suspected fraudulent activity, SWS follows a structured process to assess, investigate, and resolve the issue. The process ensures objectivity, fairness, and thoroughness at every stage. Due to the limited size of the company and the absence of an Internal Audit function, external experts may be engaged to assist in conducting investigations when necessary:

1. **Preliminary Assessment:** An initial evaluation is conducted to determine whether the reported activity constitutes fraud under the scope of this policy. This process may include interviews, document reviews, and other fact-finding procedures.
2. **Investigation:** If the preliminary assessment confirms that further investigation is necessary, the Company will launch an independent investigation, typically managed by an independent third-party. The investigation includes gathering evidence, conducting interviews with involved parties, and reviewing relevant records and transactions.
3. **Findings and Recommendations:** Once the investigation is complete, a comprehensive report detailing the findings is prepared. The report will outline whether fraud was committed, provide supporting evidence, and recommend corrective actions or disciplinary measures.

FRAUD PREVENTION AND MITIGATION MEASURES

SWS recognizes that preventing fraud is equally important as addressing fraudulent activities once they are detected. The Company has implemented the following measures to prevent fraud from occurring:

- **Anti-Fraud Training:** Regular training sessions for employees, contractors, and business partners to raise awareness about fraud risks and teach methods to identify, report, and prevent fraud.
- **Internal Controls and Auditing:** A system of internal controls and monitoring procedures to detect and determine fraud in the early stages, in specific cases dedicated audits are foreseen.
- **Third-Party Due Diligence:** Enhanced vetting and due diligence procedures for suppliers, contractors, and business partners to ensure that they adhere to anti-fraud and anti-corruption standards.
- **Whistleblowing Protection:** Protections to ensure that individuals who report fraud in good faith are shielded from retaliation or harm.
- **Whistleblower Protection and Anti-Retaliation Measures.**

SWS promotes a culture of integrity and transparency through ongoing training and awareness initiatives. These programs aim to:

- Ensure that all employees, contractors, and business partners are aware of the anti-fraud policy and procedures.
- Teach individuals how to identify and report fraudulent activities securely.
- Foster a corporate environment that discourages fraudulent behavior and promotes ethical conduct at all levels of the organization.
- **Policy Review and Updates.** This policy is regularly reviewed and updated to ensure that it remains aligned with current legal requirements, industry standards, and the evolving needs of the Company. Any updates to the policy will be approved by the Board of Directors and communicated to all relevant stakeholders.