



2022

ANTI FRAUD POLICY

SCALANTO S.R.O.



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1. PURPOSE

Fraud can have a devastating effect on our company because it could result in significant financial loss and other long-term business repercussions. Any allegations of fraud will be taken seriously, with no exceptions. All individuals are expected to comply with this policy and will suffer repercussions regardless of position, title, or tenure with the company.

2. POLICY

The company upholds a zero-tolerance approach regarding fraud and corruption. The company will identify and promptly investigate any suspected fraudulent or related dishonest activity against the company or other parties with whom the organization has dealings. The company will take appropriate disciplinary and legal actions to include the possibility of termination of employment, restitution, and forwarding information to the appropriate authorities for prosecution.

3. DEFINITIONS

- 3.1. Fraud is any intentional act or omission designed to deceive others, resulting in the victim suffering a loss and/or the perpetrator achieving a gain. Dishonest or fraudulent activities include, but are not limited to, the following:
 - 3.1.1. Forgery or alteration of documents (checks, bank draft, time sheets, invoices, agreements, etc.) or bank accounts belonging to the company or its subsidiaries.
 - 3.1.2. Misrepresentation of information on documents.
 - 3.1.3. Misappropriation of funds, supplies, or assets.
 - 3.1.4. Theft, disappearance, or destruction of assets.
 - 3.1.5. Improprieties in the handling or reporting of money or financial transactions.
 - 3.1.6. Authorizing or receiving payments for goods not received or services not performed.
 - 3.1.7. Authorizing or receiving payment for hours not worked.
 - 3.1.8. Inappropriate use of the company's records and disclosing confidential and proprietary information to outside parties.
- 3.2. Corruption is defined as the offering, giving, soliciting, or acceptance of an inducement or reward that may improperly influence the action of a person or entity. Some examples of corruption include:
 - 3.2.1. Bribery
 - 3.2.2. Conspiracy
 - 3.2.3. Extortion



- 3.3. Management: For purposes of these procedures, management refers to the Directors, Managers, Supervisors, or other individuals who manage or supervise funds or other resources, including human resources
- 3.4. Associate: For purposes of these procedures, associate refers to employees or individuals external contractors providing services to Scalanto s.r.o.
- 3.5. Gifts: items with a cumulative cost above \$30.
- 3.6. Hospitality: food, drinks, and entertainment with a cumulative cost above \$30.
- 3.7. Donation: something of value given for free to another party. This includes money or items that can be assigned a financial value.
- 3.8. Sponsorship: money that is given to support a person, organization, or activity.

4. RESPONSIBILITIES

- 4.1. Management is responsible for the detection and prevention of fraud and misappropriation. Each member of management should be familiar with the types of improprieties that might occur within their area of responsibility and be alert for any indication of irregularity.
- 4.2. Management is responsible to report any potential instance of fraud or corruption to the company Managing Directors or Owners.
- 4.3. Management is responsible for taking appropriate corrective actions to ensure adequate controls exist to prevent the reoccurrence of improper actions.
- 4.4. Any person who has a reasonable basis for believing fraudulent or corrupt acts have occurred has a responsibility to report the suspected act immediately.
- 4.5. The Managing Directors are responsible for the administration, revision, interpretation, and application of this policy. The policy will be reviewed annually and revised as necessary.
- 4.6. The Managing Directors are also responsible to act as the leads during the investigation process in determining if fraudulent activity has taken place and to lead the review process.

5. PROCEDURE

5.1. PREVENTING FRAUD AND CORRUPTION

- 5.1.1. The company has established internal controls, policies, and procedures to deter, prevent, and detect fraud and corruption.
- 5.1.2. New associates and contractors will be subject to background investigations, including a criminal background check. If a criminal background check facility is not available, a police clearance must be obtained. The Company will also verify all applicants' employment history, education, and personal references prior to making an offer of employment.
- 5.1.3. Vendors, contractors, and suppliers must be active, in good standing, and authorized to transact business in their country. Vendors, contractors, and suppliers are subject to screening, including verification of the individual's or company's status as a suspended or debarred party.



- 5.1.4. Without explicit written approval from the Managing Directors, vendors, contractors, suppliers, and associates are not allowed to give, nor receive gifts, hospitality, donations, or sponsorship while performing actions on behalf of Scalanto s.r.o. or while engaged in any activity that is in any way related to Scalanto s.r.o.
- 5.1.5. Any travel required to carry out services on behalf of Scalanto s.r.o. must be explicitly approved in advance by a Managing Director.
- 5.1.6. Contractual agreements with Scalanto s.r.o. will contain a provision prohibiting fraudulent or corruptive acts and will include information about reporting fraud and corruption.
- 5.1.7. The Company associates will receive fraud and corruption awareness training. New associates will receive the training as part of their orientation at the commencement of employment and will sign a statement acknowledging that they have received and read this Anti-Fraud Policy. All associates will receive fraud and corruption awareness training every three years.

5.2. REPORTING FRAUD AND CORRUPTION

- 5.2.1. Any person who has a reasonable basis for believing fraudulent or corrupt acts have occurred has a responsibility to report the suspected act to the Managing Directors, immediately. Failure to report suspected fraudulent or corrupt activity in a timely manner according to the procedures below will also be subject to disciplinary action.
- 5.2.2. The reporting associate shall refrain from further investigation of the incident, confrontation of the alleged violator, or further discussion of the incident with any other party unless requested to do so by their Management, legal counsel, and/or law enforcement.
- 5.2.3. Retaliation and retribution will not be tolerated against any associate who reports suspected fraudulent or corrupt activities. However, if an associate is determined to have acted maliciously or with deceit, the associate is subject to disciplinary action.
- 5.2.4. Anonymous reporting of suspected fraudulent or corrupt activities can be done by submitting a report on our Whistleblower Platform <https://whisper.scalanto.com/>.

5.3. INVESTIGATION

- 5.3.1. The Managing Directors are responsible to ensure that all suspected fraudulent acts are properly screened and investigated.
- 5.3.2. The investigating team or individual will have:
 - 5.3.2.1. Free and unrestricted access to all the company records and premises, whether owned or rented; and
 - 5.3.2.2. 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 may use or have custody of any such items or facilities when it is within the scope of their investigation.
- 5.3.3. If a fraudulent act involves an associate, the investigating team or individual will determine when to notify the associate and whether to recommend that the associate be suspended or temporarily reassigned.
- 5.3.4. All reports of suspected fraudulent acts will be taken seriously, and the investigation team or individual will make decisions based on the nature and seriousness of the allegation and



facts of each case, whether to consult with legal counsel or to utilize outside resources to further the investigation.

5.3.5. Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know.

5.3.6. If the investigation substantiates that fraudulent activities have occurred, the investigating team or individual will issue an investigation report to be kept for future reference.

5.4. CORRECTIVE ACTION

5.4.1. Depending on the seriousness of the offense and the facts of each case, actions against an associate can range from written notification and a probationary period, up to and including dismissal where appropriate, to legal action, either civil or criminal. In cases involving monetary losses the company will pursue recovery of losses.

5.4.2. Individuals at all levels of the Organization will be treated equally regardless of their position, years of service, or affiliation with the company.

5.4.3. Decisions to prosecute or refer investigation results to the appropriate law enforcement and/or regulatory agency for independent investigation will be made in consultation with legal counsel.

5.4.4. Final determination regarding actions against an individual or business found to have committed fraud or corruption will be made by the Managing Directors.



6. FRAUD POLICY ACKNOWLEDGEMENT

My signature acknowledges that I have read Scalanto s.r.o.'s Anti-Fraud Policy and that I understand my responsibilities related to the prevention, detection and reporting of suspected fraudulent activities.

Signature: _____

Print Name: _____

Date Signed: _____

Note: Please retain in employee or associate's personnel file.