

Approved by: Dragomir Ivanov,
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Fraud Prevention Policy

Green Innovation AD is committed to preventing fraud and fostering a culture of integrity. The company has a zero-tolerance approach to fraud and requires all personnel to act honestly and responsibly, and to report any legitimate suspicions. All instances of attempted or suspected fraud by staff, consultants, suppliers or third parties will be investigated to recover any financial loss. Perpetrators will be subject to disciplinary and/or criminal proceedings.

Definition of fraud

The term fraud usually describes the use of deception to cause harm or loss to someone or a third party. It may include theft, misuse of funds or resources or offences such as false accounting and providing false information.

Examples of fraud or fraudulent behaviour include:

1. **Misuse of assets, misappropriation and theft.**
2. **Payments or receipt of bribes.**
3. **Fraudulent, misleading or false statements about corporate transactions.**
4. **Using accounting journal entries to manipulate financial statements.**
5. **Falsification or alteration of accounting records or documents.**
6. **Bribes given to employees by suppliers in exchange for preferential treatment.**
7. **Failure to safeguard the company's trade secrets.**
8. **Concealing losses.**
9. **Failure to disclose specific information relating to an investment decision.**
10. **Other conduct of a similar nature that causes damage to the company.**

This list is not exhaustive. If you are unsure about the seriousness of a matter, advice and guidance can be obtained from the Finance Director. Employees of Green Innovation AD may be prosecuted under the Criminal Code if they provide false data, conceal information or misuse their position. The company has implemented procedures to encourage employees to report suspected fraud or other illegal activity without fear of reprisal.

Key responsibilities

Senior management

- Develop, implement and maintain appropriate internal control systems to detect and prevent fraud.
- Regularly review the fraud prevention policy to ensure it is effective and suitable for the company's needs.
- Investigate all allegations of fraud and recommend disciplinary and/or legal action where necessary.

Managers

- Familiarise themselves with the types of fraud and dishonesty that could occur in their departments.
- Monitor compliance with internal controls and agreed policies and procedures.
- Notify the Finance Director of any signs of fraudulent activity.

Employees

- Ensure that the company's reputation and assets are protected against fraud.
- Report fraud or suspicion of fraud.
- Assist in investigations of suspected fraud.

Reporting suspected fraud

- Staff must report all instances of attempted or suspected fraud to the relevant manager and the Finance Director of Green Innovation AD.
- Staff must not attempt to investigate suspected fraud themselves.
- If a member of the company's management is implicated in fraud or reports a case of fraud or fraudulent behaviour, an investigation will be organised.

If, after investigation of alleged fraud or fraudulent behaviour by an employee, the allegation is found to be valid, the company reserves the right to take all necessary actions, including terminating the employment of the perpetrator, reporting fraud or fraudulent activities to the state authorities and taking subsequent legal action, both civil and criminal, against the offender.