

Monday 24 February 2020

## **ALS Coal Australian Superintending and Certification unit**

ALS Limited (ASX code: ALQ) has appointed external advisors to conduct an independent, forensic investigation into the processes applied to the certification of coal samples by staff employed in the coal superintending and certification unit within the ALS Coal business stream.

Preliminary investigations have identified that a number of certificates of analysis issued from two laboratories within the coal superintending unit in Australia were amended before issue without proper justification.

Four staff members of the coal superintending unit have been suspended pending the outcome of the ongoing investigation.

ALS processes more than 40 million samples per year. The coal superintending unit processes more than 39,000 samples for shipping analysis which equates to approximately 3,000 certificates of analysis per year. The unit accounted for less than 3% of ALS Group underlying EBIT in the financial year ended 31 March 2019.

ALS has put immediate measures in place to stop the amendment of certificates without proper justification, and additional review processes are being put in place within the coal superintending unit to ensure the integrity of certificates of analysis.

Different methods of verification are carried out in other parts of the ALS Group and are tightly controlled by automated processes and management systems, limiting the ability to amend certificates of analysis in this manner. ALS has commissioned an additional independent review of certification and reporting processes across all divisions of the Group. Preliminary findings indicate the issues being investigated are isolated to the coal superintending unit and have not identified any evidence of similar practices in other divisions.

CEO and Managing Director, Raj Naran said, "Integrity and ethical conduct are critical to our business. Investigations to date indicate that these incidents are isolated to the coal superintending unit but they do not meet the standards of behaviour we expect from our staff.

"We have acted quickly as soon as these issues were identified, to deal with them and put additional processes in place to ensure they cannot happen again."

ALS will update the market and relevant authorities of the findings of the investigation as appropriate.

The Board and management has considered these matters and reiterates earnings guidance provided at the announcement of half-year results for Group underlying NPAT of \$185 million to \$195 million for the financial year ended 31 March 2020.

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ALS places the highest priority on ethical conduct. The Board has prioritised this independent investigation in order to establish the facts and take further appropriate action. ALS' Code of Conduct clearly articulates the standards of behaviour and business ethics expected of everyone who works for and with ALS. This Code is supported by a global compliance and quality control program with robust systems, policies, training and operational procedures designed to ensure services are ethical, reliable and independent.

This announcement was approved for release by the Board of ALS Limited.

Further information:

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#### **About ALS Limited**

**ALS is a global Testing, Inspection & Certification business. The company's strategy is to broaden its exposure into new sectors and geographies where it can take a leadership position.**