

## **Fraud Risk Management Policy**

Tyman is committed to preventing and detecting fraud in any form. This includes fraud conducted by employees within the Group or its subsidiaries, and any third-party. Tyman is committed to developing an anti-fraud culture where the Group has a zero-tolerance to fraud.

The Group Chief Financial Officer has overall accountability for the Fraud Risk Management Policy across Tyman's global operations. The Executive Committee ("ExCo") is responsible for implementing this policy within the Group, including providing effective leadership, allocating requisite resources and ensuring the requirements of this policy are met.

### **1. Summary and objectives**

This Fraud Risk Management Policy outlines the minimum steps that must be taken by each Tyman division. This policy has been approved by the Board of Directors of Tyman plc. It sets out clearly the Group's attitude to and stance on fraud, the definition of fraud, and the areas of responsibility to:

- a) Reduce the opportunity for fraud by introducing preventative and detective control measures into systems and processes.
- b) Develop an anti-fraud culture and define management and employee responsibilities in this area.
- c) Ensure that anti-fraud controls are considered and built into new systems and processes at the design stage.
- d) Promote an open and ethical culture within the organisation, which deems unethical behaviour unacceptable.
- e) Increase the vigilance of management and staff through raising fraud risk awareness.
- f) Ensure that the Directors of the Group meet their statutory responsibilities towards fraud, as per the Companies Act 2006 and the UK Corporate Governance Code.
- g) Learn from previous incidents and share lessons and experiences in fraud prevention and detection.
- h) Encourage management and staff to report their suspicions while guaranteeing confidentiality and where appropriate, anonymity where requested.
- i) Investigate impartially and thoroughly all cases or suspected cases of fraud, to prosecute offenders and, where appropriate, to seek to recover monies and costs through legal means.

### **2. Scope**

This policy applies to all Tyman Group operating units and locations globally and applies to all employees and third parties with whom the Group has a business relationship. It should be read in conjunction with the Group's Code of Business Ethics, Speak Up Policy and other relevant Group policies.

### **3. Definition of fraud**

The term '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. This can include

theft, the misuse of funds or other resources or more complicated crimes such as false accounting and the supply of false information. This also includes 'cyber fraud', which is fraudulent activity conducted through the use of technology. The following are examples of fraudulent activities; however this list is not exhaustive:

A. Corruption

- Conflicts of interest
- Bribery in any form
- Illegal gratuities
- Any form of extortion
- Undertaking or assisting in illegal activity (including money laundering)

B. Misappropriation of assets

- Theft of any company property, including cash, assets, or information, for example through phishing or other cyber attacks
- Fraudulent disbursements in any form, for example employee expenses, payroll transactions and supplier payments
- Misappropriation or use of company assets for personal gain, for example through hacking, malware and viruses or cyber means
- Wilful destruction or removal of company records, for example through cyber attack
- Unauthorised disclosure of confidential information to outside parties
- Unauthorised sales price discounting

C. Fraudulent statements

- Falsification/forgery of the Group's books and records in any form, both financial and non-financial
- Any intentional act to misstate the Group's financial performance or position

#### **4. Corporate principles and practice**

##### **(1) Fraud Prevention and Detection**

- a) HR policies must include reference to recruitment and screening of new staff, an effective appraisal system and exit interviews.
- b) Adequate due diligence procedures must be performed over all new employees, suppliers, customers and third parties being engaged within the Group.
- c) Fraud (including cyber) risk will be assessed regularly as part of the business's risk management process, and at the design stage of new systems and processes. Controls will be introduced where appropriate.
- d) Fraud (including cyber) risk awareness training will be undertaken with staff in all functions on a regular basis.
- e) Regular assurance will be obtained on key controls to ensure their effective mitigation of the fraud risk.
- f) Fraud contingency plans will be developed to ensure appropriate and timely action is taken if fraud is suspected or uncovered.
- g) A whistle-blowing hotline will be maintained by the Group General Counsel & Company Secretary to enable employees to confidentially report fraudulent activity.

## **(2) Fraud Investigation**

- a) Where any reasonable suspicion of fraud has occurred, the Group Chief Executive Officer, Chief Financial Officer, Head of Internal Audit and Risk Management and General Counsel and Company Secretary must be informed on a timely basis.
- b) Where reasonable suspicion that fraud against the Group has taken place, the General Counsel & Company Secretary will investigate the matter thoroughly and retain control of investigations which will be performed in an appropriate and timely manner.
- c) All investigations will be carried out objectively and confidentially, and independently of the line management for the area in which the suspected fraud has occurred.
- d) In the normal course of events the Group would consider handing over the investigation to the police, or other authorities, as soon as practical.
- e) In certain cases, third-party investigators may be employed by the Directors in order to gather sufficient evidence to hand the case over to the proper authorities.
- f) The rights of individuals will be respected at all times. Where members of staff are involved in a fraud against the Group, whether actual or attempted, they will be subject to the disciplinary procedures.
- g) The Group will seek to prosecute anyone who commits fraud and will seek to recover its assets through legal means.

## **(3) External Reporting**

- a) The Group will report breaches discovered in the course of investigations to the relevant authorities, where appropriate. The timing of such reporting will be at the discretion of the Directors.

## **5. Responsibilities**

### **(1) The Board (and Audit and Risk Committee) is responsible for:**

- a) The review and approval of the Group's policy on fraud risk management.

### **(2) The Executive Committee ("ExCo") is responsible for:**

- a) Ensuring successful implementation of this policy.

### **(3) Business units are responsible for:**

- a) Ensuring compliance with the Fraud Risk Management Policy throughout their operations.
- b) The divisional Chief Financial Officer has specific responsibility for its implementation and monitoring. They must ensure that any third parties engaged by them to investigate actual or suspected frauds comply with these and local laws and regulations.
- c) Considering their exposure to fraud risk and introducing preventative controls into new and existing systems and processes.
- d) Encouraging an open and ethical culture amongst staff and management.
- e) Communicating Tyman's Speak Up Policy and process to all employees, suppliers, customers and other relevant stakeholders.
- f) Reporting all known or suspected cases of fraud or theft, irrespective of the value or nature to:
  - i) Group Chief Financial Officer

- ii) Group Financial Controller
  - iii) General Counsel & Company Secretary; and
  - iv) Head of Internal Audit and Risk Management.
  - v) Responsibility for reporting to the external auditors lies with the Group Chief Financial Officer or Group Financial Controller.
- f) Implementing initiatives that enhance fraud risk management effectiveness, including procedures that enable employees to inform management of suspected fraud, theft and wrongdoing.

**(4) Employees are responsible for:**

- a) Reporting any suspected or known instances of fraud. This should be reported through the Speak Up process.

**6. Monitoring and review**

- a) Each division must regularly check and review its implementation and effectiveness of the Fraud Risk Management Policy.
- b) This policy will be reviewed annually by the Board.