

## **Anti-Fraud, Bribery and Corruption Policy**

### **Policy Statement**

Fraud has the potential to cause significant, even catastrophic loss to the business. Those who engage in fraud cause direct harm to the business and to its reputation and relationship with its customers and suppliers. We are committed to the prevention, detection and prosecution of fraud.

Similarly, bribery and corruption will cause significant damage to the reputation of the business. Fraud, bribery and corruption are also each capable of causing those who are involved with them, and also the business and other employees, customers and suppliers, to commit a criminal offence.

The Board and management of the business therefore take these issues very seriously and will not tolerate any misconduct of this nature. We require all of our employees to act with the highest degrees of integrity and honesty at all times. We will investigate all instances of suspected fraud, bribery or corruption and we will take all available action, including dismissal and/or criminal prosecution, to deal with any person who is found to be involved in such misconduct.

The Company will co-operate fully with any external investigating body and the Company will always seek to recover funds lost through fraud. All frauds will also be reported to the Chairman of the Company.

The Board has procedures in place that reduce the possibility of fraud taking place. These include documented procedures and documented systems of internal control and risk assessment.

Where any employee has any concerns over their own intended course of conduct, or that of anyone else with whom they have dealings in their role with the business, then they should report this to a member of the Executive Team.

Fraud is an ever-present threat and so must be a concern to all members of staff, the aim is for an increased transparency of business activities. The purpose of this statement is to set out your obligations with regard to the prevention of fraud.

### **What is Fraud?**

Some types of fraud are obvious, for example theft. However, fraud can also include other conduct which involves the use of deception to deprive, disadvantage or cause loss to another person. The making of a false or misleading statement can itself be a criminal offence under the Fraud Act 2006, therefore it is imperative that every employee gives careful consideration to what they say and do in the name of the business or otherwise in their role.

All Managers and Supervisors have a duty to acquaint themselves with the types of misconduct that might be expected to occur within their areas of responsibility and to be alert for any signs. They must report details immediately to their line manager or next most senior manager if they suspect that a fraud has occurred or see any suspicious acts.

### **What are Bribery and Corruption?**

Bribery and corruption can create public embarrassment for a company and a substantial loss. Bribery and corruption occur where individuals seek to personally benefit, or provide personal benefit to others, by the receiving or offering of any undue reward, in order to influence the individual's behaviour and incline him or her to act contrary to the known rules of honesty and integrity. This creates an action which is illegal or creates a breach of trust. It includes actions by Zotefoams' employees and extends to knowledge that such activities are being carried out by our distributors and agents.

### **What constitutes a gift?**

The definition of a gift includes (but is not limited to) physical presents, club memberships, discounts, vouchers, holidays, accommodation, meals and entertainment. Invitations to attend certain events must be refused if they could be seen to create a sense of duty to the host or bias in their favour. Cash gifts are not allowed and must not be offered or accepted.

Gifts (including entertainment) given or received in the course of business can only be accepted or arranged when permission has been granted by the Finance Director or the Managing Director. Gifts (including entertainment) given or received in the normal course of business, for example reasonably and proportionately priced lunches, do not require notification to the Finance Director or the Managing Director. However, where the gift (including entertainment) is unduly expensive or becomes regular the employee must use their judgment as to whether this can be seen as undue influence. Gifts or entertainment received from/given to one source in a financial year under £100 need not be reported to the Finance Director or Managing Director.

When in doubt whether a gift or entertainment is suitable, all employees are obliged to seek advice from the Finance Director or Managing Director.

### **Action to be taken in the event of discovery or suspicion of fraud**

The Company has arrangements for staff to report any concerns or suspicions they may have without fear of prejudice or harassment. The Finance Director is responsible for enforcing the Company's anti-fraud policies, including instigating disciplinary and legal action against the person responsible for the fraud and also providing confidential advice to staff who suspects a member of staff of fraud.

Managers should be observant that unusual events may be symptoms of fraud or attempted fraud. These can be ascertained by way of management checks or by way of a third party. Managers should ensure that an adequate system of internal control exists within their area of responsibility. They should inform their Director if they

suspect their staff may be involved in fraudulent activity, impropriety or dishonest conduct.

Employees must have, and be seen to have, the highest standards of honesty, propriety and integrity in the exercise of their duties. Employees are responsible for acting with decency in the handling of cash or payment systems, receipts or dealing with contractors or suppliers. Employees must report details of any suspected fraud, impropriety or other dishonest activity immediately to their line manager or the responsible manager (or to a member of the Executive Team) and should assist in the investigation of any suspected fraud. Employees reporting or investigating suspected fraud should take care to avoid doing anything which might influence the case against the suspected individual.

The Board is dedicated to ensuring an honest and open environment within the business. The Board wishes to encourage anyone having reasonable suspicions of fraud to report them.

The matters which should be reported include, but are not limited to, staff committing or attempting to commit – any dishonest or fraudulent act, profiting from an official position, misappropriation of funds, supplies or other assets, forgery or alteration of documents or accounts, impropriety in the handling or reporting of money or financial transactions, handling or procuring contracts or payments outside of the company's systems and procedures or theft or misuse of property, facilities or services. External organisations' actions which should be reported include – being offered a bribe or inducement by a supplier, reported allegations of corruption or deception by a supplier and receiving fraudulent invoices from a supplier.

Be aware that this policy also applies to all suppliers and service providers as well as potential suppliers and service providers.

If any of the content of this policy appears to be unclear, or if you would like to discuss it further, then please speak with the Finance Director.

This policy should be read in conjunction with the Company Whistleblowing policy.