



GOVERNANCE

nccgroup<sup>®</sup>

# NCC Group Anti-Fraud Policy



## NCC Group – Anti-Fraud Policy



### **What is this?**

NCC Group's Anti-fraud policy



### **Who does it apply to?**

The policy is applicable to all NCC Group employees and contractors.



### **What are the key points?**

- Fraud is a criminal offence that carries penalties for being committed.
- NCC Group adopts a zero-tolerance approach to fraud and it is the responsibility of all employees to ensure this approach is accurately reflected in NCC's culture and environment.
- There are many types of fraud that cover areas such as finance, assets and procurement.
- NCC Group has a legal duty to prevent fraud that could benefit the organization.



### **What action should I take?**

Read the following policy to understand how it applies in the context of your role.

Please contact the SVP – Global Governance, Estates & Procurement or Global Head of Risk & Assurance should you have any queries.

Table of Contents

Introduction..... 1

Scope ..... 1

Definitions..... 1

Roles and responsibilities ..... 1

Risk assessment ..... 2

Types of fraud ..... 2

Prevention measures..... 2

Monitoring..... 3

Failure to prevent fraud ..... 3

Detection, investigation and reporting..... 3

Communication and training..... 3

Consequences of fraud ..... 3

Queries..... 3

## Introduction

Fraud is a criminal act, which can have a serious detrimental or beneficial impact on companies of any size, NCC Group included. It involves wrongful or criminal deception intended to result in financial or personal gain and may be performed by an individual or a legal entity. At NCC Group, it is a responsibility for all of us to ensure that any acts of this nature are not allowed to occur and to create a zero-tolerance environment for fraud.

This policy sets out the relevant approaches and procedures put in place by NCC Group to prevent, detect, investigate and react to fraud, as well as aiming to promote awareness of fraud and a culture that works to ensure there is no room for fraud within the Group.

## Scope

The policy is applicable to all employees and contractors working for NCC Group globally. It is also applicable to suppliers who must sign the NCC Group Code of Conduct to work with us.

It is important that everyone within the Group plays their part to create an environment that makes fraud preventable and detectable.

## Definitions

### **Fraud**

In law, fraud involves dishonestly making a false representation with the intention to make a personal gain or to cause loss to another.

In the context of NCC Group, fraud is any false representation which causes harm to the business or results in an inaccurate portrayal of the company's position.

### **False Representation**

A false representation for the purpose of fraud is when an individual or a business deliberately lies or misrepresents what is factual and true. This can include a manipulation of financial figures or the onboarding of a supplier who does not actually provide services.

## Roles and responsibilities

Each of us has a part to play in ensuring that fraud is prevented and detected when any instance occurs. This may involve individual employees reporting suspicious activity via the whistleblowing hotline or to the Director of Global Governance. Specific functions also have specific roles and responsibilities in ensuring a zero-tolerance approach to fraud.

The Internal Audit function has the responsibility of conducting audits designed to assess the capability of fraud to take place and the suitability of controls and measures in place to counteract any fraudulent attempts. This includes utilising a mix of testing for fraud controls within wider audits and specific audits focusing on fraud.

## Risk assessment

Every year a fraud risk assessment will be performed by the Global Risk & Assurance function in order to highlight what risks NCC faces in this area. The assessment will cover threats and controls, and be reviewed to ensure the assessment provides an accurate reflection of the current NCC landscape.

## Types of fraud

Fraudulent acts can take many different forms, including:

- Asset misappropriation
- Procurement fraud
- Accounting and financial statement fraud
- Billing fraud
- Expense reimbursement fraud
- Payroll fraud
- Information misrepresentation
- Tax evasion
- Bribery and corruption
- Money laundering
- Corporate criminal offences

## Prevention measures

- Background checks carried out on all employees and contractors prior to them joining NCC Group, and subsequent refresher updates, by the People team.
- NCC Group Supplier Code of Conduct – this defines the expected behaviour and ethical standards of suppliers.
- Code of Ethics – this defines the expected behaviours and ethical standards of employees and contractors.
- Segregation of duties – ensuring no single individual has too much control over a process.
- Approval and authorisation procedures – this specifies who can approve financial transactions in line with the delegation of authority and through system controls.
- Access controls – this limits access to sensitive systems and data.
- Fraud training and awareness – it is important to regularly educate employees about fraud risks and prevention.
- Risk assessment – a risk assessment is performed annually to review controls and mechanisms in place to prevent fraud that benefits or detracts the organization.

## Monitoring

Monitoring is carried out via Internal Audit, data analysis and surveillance capabilities where relevant.

## Failure to prevent fraud

Under the UK Economic Crime & Corporate Transparency Act 2023, NCC Group has an obligation and duty to prevent fraud that would benefit the business. To ensure this duty is met, controls and mechanisms are in place to prevent fraud that benefits the company as well as fraud that detracts it, in order to comply with this legislation.

Fraud that benefits the organization can range from the manipulation of financial statements published to the public to the charging of goods and services that did not take place.

## Detection, investigation and reporting

Any alleged instances of fraud reported will be investigated by the Director of Global Governance or an appropriate member of the team.

Any detected and confirmed instance of fraud will be reported by the Director of Global Governance to the Audit Committee.

If you believe fraudulent activity is taking place, you should inform your Line Manager or use the Whistleblowing hotline which is available to all employees to report (anonymously if required) concerns that will then be followed up and investigated as appropriate.

## Communication and training

As part of the annual compliance training, employees will cover elements of fraud such as anti-bribery and corruption, gifts and hospitality and red flags to look out for.

Training is mandatory and helps to foster a culture of collaboration against fraud occurring.

## Consequences of fraud

Should an employee or contractor be found to be committing or assisting with fraudulent activity, local disciplinary procedures will be invoked and followed. As fraud is also a criminal offence, legal authorities may be involved as appropriate.

## Queries

For any queries relating to this policy or fraud in general, both the SVP – Global Governance, Estates & Procurement, and the Global Head of Risk & Assurance can be reached out to.