

## **1. General**

- 1.1. This policy covers fraud and theft by Bodycote staff. Fraud and theft includes any illegal act by a member of the Bodycote staff which is intended to benefit (with or directly or indirectly) any company in the Bodycote Group.
- 1.2. Bodycote takes fraud and theft very seriously. All offences will be reported to the local law enforcement agencies. Bodycote will act at all times to prevent fraud and theft, in accordance with the requirements of UK legislation the Economic Crime and Corporate Transparency Act 2023 and all other applicable laws.
- 1.3. Bodycote employees are expected to act with honesty and integrity at all times and to have regard to the reputational impact of their actions on Bodycote.
- 1.4. It is the responsibility of all line management to manage the risk of fraud and theft through the adoption and enforcement of appropriate controls and procedures. Controls should be proportionate to the perceived likelihood and impact of the risks identified.
- 1.5. Bodycote employees should report all suspected or actual incidents to their line managers. Alternatively employees may use the Open Door Line facility.
- 1.6. Investigation of suspected cases of fraud or theft should be made promptly to minimise the risk of financial and reputational loss or damage. All information in relation to a fraud or theft should be treated with confidence.

## **2. Definitions**

- 2.1. Fraud covers any action that intentionally:
  - attempts to gain advantage or a benefit to which there is no entitlement;
  - attempts to cause loss;
  - results in making a false representation or in failure to disclose information;
  - falsifies or obscures records.
- 2.2. Theft is defined as any act in which property belonging to another is taken without that person's consent.
- 2.3. Examples of fraud and theft are provided in the Appendix.

## **3. Reporting**

- 3.1. Any individual making a report (“the informant”) should be assured that their involvement will be considered as confidential and that there will be no adverse consequences as a result of them carrying out their obligations under this Policy.
- 3.2. The informant should be reminded not to discuss the matter with anyone else and not to contact the suspected individual in an effort to determine facts or to provoke confrontation. Required business interaction should continue as normally as possible.
- 3.3. Where reasonably possible the person receiving the report should take steps to:
  - Ensure the safety of individuals, where there is a risk;
  - Prevent further losses;
  - Secure evidence;
  - Document details;
  - Inform the senior manager of the business unit;
  - Maintain confidentiality.

These steps should only be taken if there is no risk of harm to individuals and the actions would not jeopardise a future investigation.

- 3.4. The senior manager of the business unit must notify Bodycote’s Group General Counsel immediately, before the commencement of any investigation.

#### 4. Investigation

- 4.1. The investigation of suspected cases of fraud or theft should proceed in a timely manner to ensure a rapid resolution for all parties informed. Consideration should be given to securing evidence at the earliest opportunity.
- 4.2. The person accountable for the investigation is the **Investigating Officer**. The Appendix explains details of who should be appointed the Investigating Officer.
- 4.3. The Investigating Officer will be responsible for the conduct of the investigation, although he may appoint another individual to lead the investigation. After consulting with Bodycote’s Group General Counsel, the Investigating Officer will decide:
  - The terms of reference for the investigation (scope, access to records, timeline, costs);
  - The membership of the investigation team;
  - What external support is needed (e.g. legal, forensic);

- How evidence can be protected so it could be used in a possible criminal prosecution;
- How informants and witnesses will be protected;
- How progress and the outcome of the investigation will be communicated.

4.4. Upon completion of the investigation, the Investigating Officer will report the findings of the Investigation to Bodycote's Group General Counsel. The report will include:

- Conclusions of the investigation;
- Recommendation for further work;
- Recommendation whether or not to pursue criminal prosecution;
- Communication.

4.5. Bodycote's Group General Counsel will report findings to the Group Chief Financial Officer who will report findings to the Audit Committee.

## **5. Appendix**

5.1. Examples of fraud: This list is not exclusive and, as noted above, fraud includes any illegal act which is intended to benefit (directly or indirectly) any company in the Bodycote Group:

- Cashing a fraudulently altered cheque;
- Claiming over-time or sick leave to which no entitlement exists;
- Overstating the business mileage undertaken or purchases made on an expenses claim;
- Receiving inducements to make purchases on behalf of Bodycote or to provide a service at a reduced price;
- Failing to disclose a financial or a personal relationship with a supplier or customer;
- Falsifying financial returns or sales figures in order to achieve targets which may or may not lead to personal financial gain;
- Altering accounting records to hide errors or poor result (false accounting);
- Diverting funds to own bank account.

5.2. Examples of theft: This list is not exclusive and, as noted above, theft includes any illegal act which is intended to benefit (directly or indirectly) any company in the Bodycote Group:

- Disclosing confidential information (e.g. patented processes, intellectual property, customer data) to 3rd parties without authority;
- Removal of scrap or other Bodycote property without authority;

- Sale of scrap or other Bodycote property without the full proceeds being returned to Bodycote;
- Unauthorised use of Bodycote property, equipment and vehicles;
- Theft of cash, stationery or any other Bodycote equipment, however minor;
- Theft from other employees;
- Failure to return Bodycote property on leaving Bodycote’s employment.

5.3. Appointment of the Investigation Officer. For cases relating to:

- A Division, the Investigating Officer will be the Divisional President.
- Plc staff or to direct reports of the CEO, the Investigating Officer will be the CEO.
- A non-executive director or the Chairman the Investigating Officer will be the CEO.
- The CEO, the Investigating Officer will be the Chairman.

**If you have any further questions please contact Bodycote’s Group General Counsel at Bodycote plc registered office +44 (0)1625 505300.**

<b>Policy owner:</b>	Group General Counsel
<b>Second policy owner:</b>	Group Chief Financial Officer
<b>Approved by:</b>	Group CEO
<b>Version number and date:</b>	3.0 17/09/2024
<b>Date of last review:</b>	17/11/2022