

Anti-fraud & Anti-theft policy

Experts in perimeter protection



Contents

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- Introduction
- Overview of Policy
- Statement of Policy
- Roles and Responsibilities
- Monitoring and Assurance
- Reporting
- Investigations and Outcomes

Guidelines

1. The meaning of Fraud
2. Fraud Indicators
3. The meaning of Theft
4. Fraud and Theft Reporting Procedures
 - 4.1 Immediate Reporting (employees and management)
 - 4.2 Reporting within 7 Days
 - 4.3 Annual Reporting
5. Management

Appendices

- I Appendix I - Template for reporting actual, suspected or attempted fraud and/or theft
- II Appendix II - Fraud and Theft reporting - Decision Tree



Anti-fraud & Anti-theft policy

Introduction

Heras is committed to the legal and ethical standards which are set out in the [Group's Code of Business Conduct](#). Heras expects equivalent behaviour from its employees and third parties.

To uphold this commitment in the context of fraud or theft, Heras requires adherence to this Anti-Fraud and Anti-Theft Policy throughout the Group.

The Policy reinforces management procedures which are designed to aid the prevention, detection and investigation of frauds and thefts, thereby safeguarding the Group's assets and providing protection from the legal and reputational consequences of fraudulent activities.

Overview of Policy

Each Heras employee has a personal responsibility to be vigilant against fraud and theft and to report any actual, suspected or attempted fraud and/or theft. Frauds and thefts can be complex but generally fall into three categories, depending on whether they are perpetrated by:

1. a Heras employee against a Heras group company;
2. third parties against a Heras group company; and
3. Heras employees against third parties.

Detailed definitions, together with a number of examples of frauds and thefts, are contained in the Guidelines to this Policy.

Appendix I contains templates for the reporting of frauds/thefts to group Heras HR. The Group will use these reports to monitor and evaluate the nature, method, location and frequency of frauds and thefts, whether successful or attempted, in order to further strengthen systems of controls aimed at safeguarding Heras's assets. Details of the reporting responsibilities for all employees are contained in section 4 of the Guidelines to this policy.

The reporting requirements of this Policy set out clearly who you are required to contact and what you are required to report. We encourage all individuals who suspect actual or attempted fraud and/or theft to consult with management as early as possible. There are multiple sources of support for employees who suspect or detect fraud/theft: Region/ Division/Country and Heras management, Group management team as well as your local HR Department.

Statement of Policy

Heras does not tolerate fraud or theft and requires all Heras employees (and third parties who have commercial/business relationships with Heras) to demonstrate high standards of honesty and integrity in their work at, or on behalf of, Heras Group companies consistent with the [Heras Code of Business Conduct](#). Group management team management is required to establish and maintain sufficient controls to ensure that potential fraud and theft risks are properly identified, monitored and mitigated. Heras requires all actual, suspected or attempted fraud and/or theft to be reported using appropriate, defined channels, as set out in this Policy and Guidelines.

Heras will investigate all actual, suspected or attempted fraud and/ or theft and seek to recover any losses sustained. Appropriate disciplinary procedures (in compliance with laws) will be enforced against employees engaged in or believed to be complicit in (see section 2 of the Guidelines to this Policy) fraudulent acts.

Roles & Responsibilities

Each employee is required to:

- read and understand his/her obligations under the Code of Business Conduct and under this Policy;
- demonstrate honesty in the use of any Heras and third party assets, resources and funds;
- report actual, suspected or attempted instances of fraud and/ or theft.

For more information on “The Meaning of Fraud”, “The Meaning of Theft”, “Fraud Indicators” and “Fraud and Theft Reporting Procedures” see the Guidelines to this Policy.

Company Management must:

- Set an appropriate tone from the top and embed an anti-fraud and anti-theft culture;
- Establish and operate adequate controls and procedures designed to prevent and detect fraud and/or theft (including deterring attempted fraud and/or theft);
- Regularly review fraud and theft risk assessment and mitigation activities and complete an annual fraud and theft risk assessment;
- Ensure appropriate and regular training is provided to employees on this Policy;
- Ensure Heras Hotline information is displayed in a prominent location and available to all employees; and
- Follow the prescribed fraud and theft reporting procedures (see Policy below and “Fraud and Theft Reporting Procedures” in section 4 of the Guidelines to this Policy).

Monitoring and Assurance

Fraud and theft risk is best managed through preventative and detective control measures. Group management team is responsible for the effective operation and monitoring of these control measures. Fraud and theft risk is assessed regularly as part of the Group’s risk management process.

Reporting

It is the responsibility of every employee to report immediately any actual, suspected or attempted fraud/theft of which the employee becomes aware.

Employees reporting a reasonably-held concern will not suffer retaliatory action as a result of reporting. Any colleague (fellow employee, manager or otherwise) suspected of retaliation against an employee for having reported a reasonably-held belief of wrongdoing will be subject to investigation by Heras under the Company’s disciplinary procedures and, following investigation and depending on the outcome, may be subject to the Company’s disciplinary sanctions, up to and including dismissal.

The reporting procedures are set out in detail in section 4 of the Guidelines to this Policy, and are summarised as follows:

Individual discovering or suspecting actual or attempted fraud/theft:

Any employee who discovers or suspects an actual or attempted fraud or theft should report the matter immediately to his/her line manager. The individual also has the option to make a report via the independent and confidential [Heras Hotline](#).

Individual to whom actual, suspected or attempted fraud/theft has been reported:

When a line manager (or other manager) is made aware of, or suspects, an actual or attempted theft/fraud, he/she must report the incident to senior management and the Regional or Group RCE contact in accordance with the reporting procedures set out in further detail in section 4 of the Guidelines to this Policy.

Investigations and Outcomes

All reports of actual, suspected or attempted fraud and/or theft will be fully investigated.

Should an employee be found to have committed a fraud or theft, the Company will implement appropriate disciplinary procedures, measures and sanctions, up to and including immediate dismissal, in accordance with Company policies and procedures and applicable law. The Company may also report the matter to relevant authorities, such as the local police, as appropriate.

Guidelines

The Meaning of Fraud

The term "Fraud" is used to describe depriving someone of something by deceit, which might either be straightforward theft, misuse of funds or other resources, or more complicated crimes like false accounting and the supply of false information. It is important to note that the focus is on the 'intention' of the act, so whether there has been an actual gain or loss is not relevant to whether a fraud has been committed. The definition extends to, but is not limited to:

- Misappropriation of assets or resources or theft (inclusive of cash, sales proceeds or stock);
- Bribery, forgery, extortion, corruption, conspiracy, and/or embezzlement;
- False representation of results in order to manipulate share prices, individual bonus or target amounts or to influence decisions of the users of financial reports;
- Manipulation of balance sheet accounts to report higher operating results;
- Incorrect recording of transactions which can include inaccurate reporting of an actual underlying transaction or reporting of a fictitious transaction;
- Collusion with third parties, contractors or suppliers to commit a fraud or theft;
- Accelerated revenue recognition on contract accounting;
- Falsification of quality control reports, payroll records, customer invoices, change orders, contracts, etc.;
- Manipulation of the dispatch process to hide inventory losses;
- Unsubstantiated expense claims or inappropriate use of a company credit card or fuel cards;
- Circumvention of company security systems to facilitate third party theft;
- Customer forged cheques and credit card frauds;
- Theft of identity of any personnel, including when accompanied by attempted wire/bank transfer;
- Customer, supplier, service provider misappropriation of Heras funds; and
- Failure to comply with regulatory or governmental reporting and disclosure requirements including records created or submitted under a public works contract.

Fraud Indicators

Frauds can come to light because of suspicions aroused by the behaviour of certain individuals. Employees should be alert to any warning signs that might indicate that fraud may be taking place. These may include, but are not limited to:

- Unusual employee behaviour, reluctance to take leave, refusal of promotion or apparently inappropriate or unnecessary regular long hours worked by key employees. When an employee is on leave, the work is left until he/she returns (when it could be performed by someone else);
- Key documents missing (e.g. invoices, contracts). Key supporting documentation is photocopied or lacking essential information;
- A sudden unexplained change of lifestyle or an employee lifestyle that is more affluent than would be expected from his/ her employment;
- Unusually close relationships with suppliers, contractors and/ or business partners;
- Unusual requests by e-mail to transfer bank funds or authorise a wire transfer;
- Suppliers/contractors who unusually insist on dealing with one employee only;
- Excessive variations to budgets or contracts, definition of needs in ways that can be met only by specific contractors, the passing over of lowest tenders or quotes with minimal explanation recorded. Other indicators might include single vendor selection, vague specifications or disqualification of any qualified bidder;
- Overriding of control systems where managers by-pass subordinates, or subordinates by-pass managers or management override internal controls;
- Lack of Senior Management oversight and inadequate monitoring to ensure that controls work as intended (periodic testing and evaluation); and
- Manual processes where these are outside the company's normal systems, procedures and routines and where they address valuable transactions or assets.

In any case where fraud and/or theft is attempted or suspected, it should be reported as set out in section 4. If you see something, say something. Doing nothing can imply complicity in the fraud and/or theft. Any employee who is found to be complicit in a fraud and/or theft will be subject to disciplinary action up to and including dismissal. Fraud and Theft Reporting Procedures are set out at section 4 below.

The Meaning of Theft

Theft is defined as taking without Heras consent any property or asset owned by the Company, an employee or third party.

Examples of Heras property which can be stolen include cash, physical property (such as equipment and plant, stock/inventory, spare parts, stationery, IT assets, etc.) and intellectual property (such as confidential information). This is not an exhaustive list.

Fraud and Theft Reporting Procedures

The procedures to be followed by Heras employees in all cases of fraud and/or theft, whether actual, suspected or attempted, are as follows:

4.1 Immediate Reporting:

4.1.a

An employee should immediately report actual, suspected or attempted frauds and/or thefts to his/her line manager. If the employee believes it is not appropriate for whatever reason to report to his/her line manager, he/she should report the matter to any member of his/her management team. Alternatively, the employee can make a report via the independent and confidential Heras Hotline.

4.1.b

Line Managers (or other managers) who have been notified of an allegation or other information reasonably supporting a case of actual or suspected fraud and/or theft (including attempted fraud/ theft) must immediately report the matter to:

A. Senior management:

- the gross value of the fraud and theft (including attempted fraud/theft) is expected to be greater than or equal to €/\$25k, so that Senior Management can provide input into the investigations process; and/or
- It appears on reasonable grounds that a member of management or the executive team is involved (regardless of the fraud and/or theft value);

and

B. GroupHR where:

- the amount involved is expected to be greater than or equal to €/\$100k; and/or
- It appears on reasonable grounds that a member of management or the executive team is involved (regardless of the fraud and/or theft value).

Heras Anti-Fraud & Anti-theft policy

In these circumstances (where 4.1.b.B. above applies), GroupHR (GroupHR@heras.com) must be engaged before taking any steps (such as commencing a local investigation) or taking any legal or disciplinary actions.

4.2 Reporting within 7 Days:

Actual, suspected or attempted fraud and/or theft with a gross value expected to be between €25k and €100k must be reported within 7 days to GroupHR (GroupHR@heras.com) who will immediately inform the CFO. Investigations can be initiated by the business (with inputs from Senior Management as appropriate) prior to reporting.

Management

In addition to fulfilling the reporting requirements set forth in sections 4.1 and 4.2, local steering teams must ensure that an appropriate investigation is undertaken (whether in consultation with or by Senior Management and/or Group HR Heras where appropriate). When reporting from local management to Senior Management is required, Senior Management will decide, in consultation with Group HR, the conduct and scope of any investigation; in these circumstances, local company management should not take any investigatory steps until Senior Management has given direction over the conduct and scope of the investigation.

Following each investigation, management must issue a written report of their findings (using the Template for reporting in Appendix I) to Group HR (contact details below). Where a suspicion of fraud or theft involves potential legal issues, management should also consult legal counsel from the earliest stages of an investigation.

As the investigation and evaluation of the matter proceeds, regular updates should be provided to Group HR (contact details set out below). When completed, the report should contain the required information as set out in the template in.

At all times, communications need to be dealt with in a confidential and sensitive manner and details maintained in accordance with applicable local law, such as data protection legislation.

For advice on any fraud and/or theft related query or issue the following individuals may be contacted as follows:

Group HR contacts (Addressee of any Reports):

Kristel Ignoul
Chief Human Resources Officer
kristel.ignoul@heras.com

Regional RCE Contacts

Nordics:
josefina.Lindqvist@heras.se

Netherlands and export:
Katja.besters@heras.nl

Mobile:
A.Swinkels@tmpp-group.com

UK:
Laura.ibbotson@heras.co.uk

Germany:
samantha.spittka@heras.de

France:
marie-christine.slovincik@heras.fr

Appendices

Appendix I - Template for reporting actual, suspected or attempted fraud and/or theft

Template for initial Fraud/Theft report to Group HR (illustration set out below is by way of example guidance)

Information to be documented and forwarded:

- Nature of the fraud/theft and a brief description – (categories: a) suspected or attempted fraud/theft (no evident loss at time of reporting to Heras), b) fraud/theft resulting in asset (inventory/equipment) or /cash (or credit card) loss, c) falsification of records
- How the fraud/theft was discovered and reported and by whom
- Estimated gross amount of the fraud/theft involved
- Name or e-mail of the person reporting an issue and their title
- Names of involved parties and their relationship to the employer (employee, vendor, etc.,)
- Relevant dates – when the fraud/theft became apparent, frequency, when reported, overall timeframe
- Name of company where issue arose and location
- Names of others who have knowledge of the issue, including management personnel
- How much has been or could be recovered through insurance, prosecution and/or payback
- Advise if known who the perpetrator of the fraud/theft is (categories: a) unknown, b) external party, c) employee
- Any control failings identified
- Personnel actions taken
- Other actions taken

Additional Information for fraud/theft issues reported by telephone call:

- The location of the incoming call
- Other observations (e.g. was the caller aggressive, upset, etc.,)

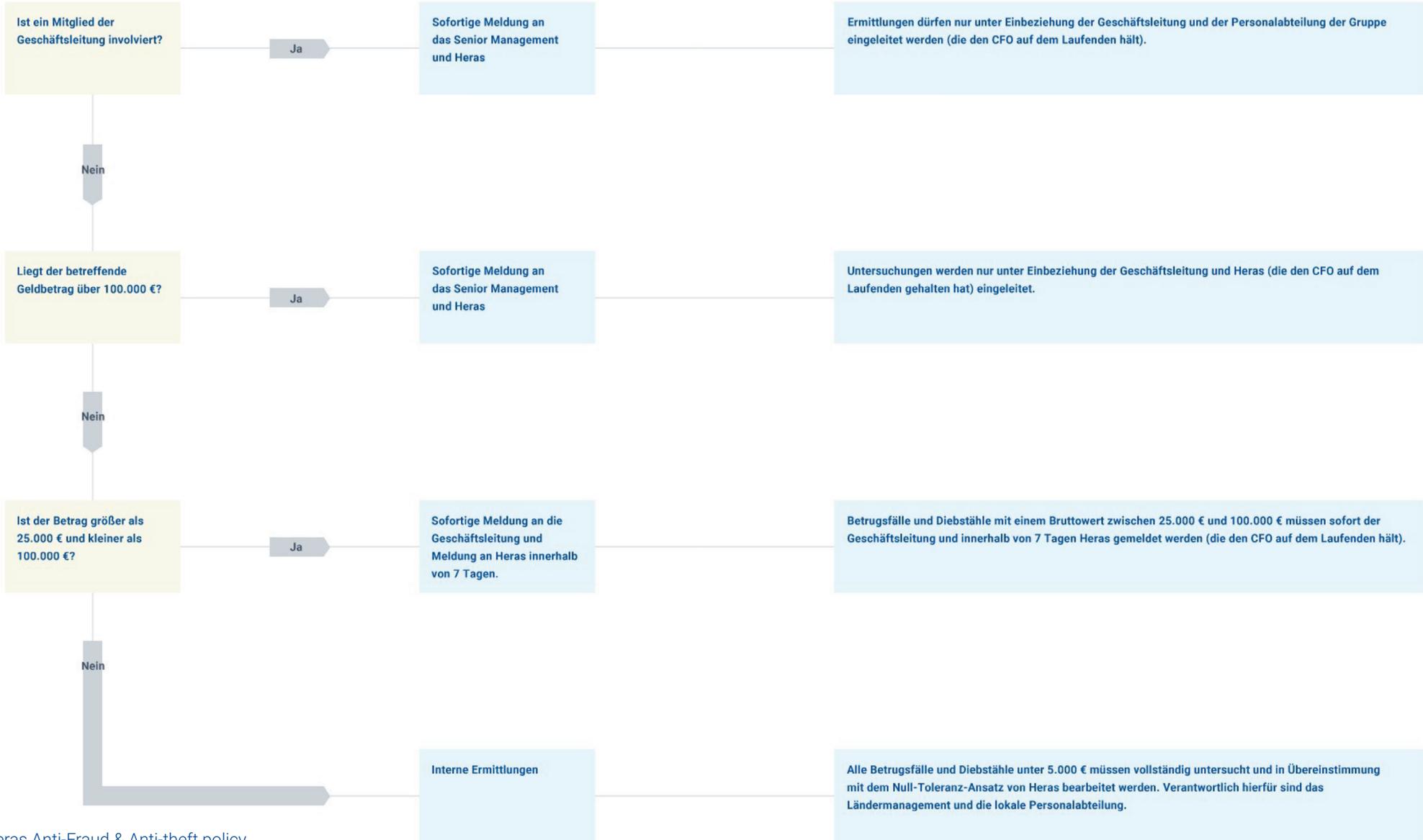
Template for final Fraud/Theft report to GroupHR (illustration set out below is by way of example guidance)

Report to include at a minimum:

- Summary of the investigation
- Name of parties involved in the investigation and method of investigation
- Was the person reporting the issue contacted? Was the reported issue supported or valid? How does the contact know about the issue? Any additional information received by contacting the person? Any eyewitnesses / documentation? Etc.,
- How the investigation was completed and the information compiled as appropriate
- Details of outcome and resolution including details of suggested actions required where applicable and, as appropriate
- How legal and communication aspects have been dealt with

Appendix II - Fraud/Theft reporting – Decision tree

Sie vermuten einen Betrug oder Diebstahl und/oder versuchten Betrug oder Diebstahl.



| | |
|------------------------------|---|
| Published by | Heras |
| Contact Person | Country HR Manager |
| Purpose | Ensure transparent and compliant business conduct |
| Application / Distributed to | All employees |
| Classification | Public |
| Monitoring | Executive committee |
| Version | V_1.1 |
| Signed off by / on | Board Heras |

