



Prevention of fraud policy

1.0 Introduction and purpose

Policy statement

Crest Nicholson has a zero-tolerance policy toward all forms of fraud. This includes fraud where Crest Nicholson may benefit from the actions of employees or other associated persons. Crest Nicholson will make all efforts to recover lost assets from fraudsters, and will always return or relinquish any proceeds of fraud wherever possible, where a benefit has been realised.

We are committed to conducting business ethically, to acting professionally, fairly and with integrity in all our business dealings and relationships, and to implementing and enforcing effective systems to counter fraud. Any suspicion of fraud will be thoroughly investigated and dealt with appropriately. Any evidence of criminal activity will be reported to the Police or other appropriate government agency such as the National Crime Agency.

Policy purpose

The purpose of this policy is to establish a clear and consistent framework for preventing, detecting, and responding to fraud within Crest Nicholson. The policy sets out the responsibilities of people working for and with Crest Nicholson, in observing and upholding our position on fraud. It provides information and guidance on how to recognise and deal with fraud issues. It is designed to protect the company's assets, reputation, and people while complying with relevant laws and industry standards.

What is fraud?

Fraud is any intentional act or omission designed to deceive or mislead others, resulting in financial or personal gain, or with the aim of depriving, disadvantaging or causing loss to another party. This includes acts that cause loss to a third party which ultimately benefits Crest Nicholson, as well as acts that cause loss to Crest Nicholson. It commonly includes activities such as:

- theft, including data theft
- embezzlement
- misuse of funds or other resources
- false accounting
- supplying false information or declarations
- overbilling
- timesheet fraud
- manipulating data or records, or creating false records or documents
- manipulation of bonus scheme performance data, commission rates or other remuneration-related activities.

Bribery and corruption are covered separately by our Anti-Bribery and Corruption Policy.

What laws cover fraud?

We comply with all applicable laws, including the Fraud Act 2006, the Economic Crime and Corporate Transparency Act 2023 (ECCTA) and other related anti-corruption regulations. We expect all employees, partners and other associated persons (as defined in the ECCTA) to do the same.

People committing fraudulent acts may be prosecuted under the Fraud Act. If the fraud results or could have resulted in Crest Nicholson benefitting from a fraud, the company may be prosecuted for failure to prevent fraud, under the ECCTA. Violations of these laws may result in severe penalties for both individuals and the company, including fines, imprisonment, and reputational harm.

2.0 Scope

This policy applies to all employees of any Crest Nicholson Group company, including full-time, part-time and temporary or contract workers, trainees, seconded staff, agency staff and other associated persons as defined in the ECCTA. These include:

- Directors
- Agents
- Subcontractors
- Consultants working for us (as opposed to consultants advising us)
- JV partners
- Managing agents

Employees failing to comply with this policy, or any relevant law, may be subject to criminal and civil sanctions and will be subject to disciplinary action being taken by the Group. The policy will be applied consistently to fraud suspects regardless of position or length of tenure.

3.0 Responsibilities

All employees must read, understand and comply with this policy.

The prevention, detection and reporting of fraud are the responsibility of all those working for us or on our behalf. Everyone that this policy applies to is responsible for:

- participating in fraud risk assessments if requested
- acting with propriety in the use of the Group's resources and the handling of funds
- being alert to the possibility that unusual events or transactions could be indicators of fraud
- reporting details immediately if they suspect that a fraud has been committed or see any suspicious acts or events
- co-operating fully during internal audits, reviews or investigations
- completing required training on anti-fraud practices during onboarding and at regular intervals.

Line managers and senior leaders must set an example and foster a culture of compliance and integrity. Managers are responsible for identifying fraud risks in their areas and ensuring fraud prevention controls are in place and operating effectively.

Our zero-tolerance approach to fraud must be communicated to all suppliers, contractors, business partners and other associated persons at the outset of our business relationship with them and as appropriate thereafter.

The Group Company Secretary maintains a fraud risk register which is updated annually by a cross-functional team to identify potential fraud risks and devise and implement controls to minimise the risks. They also ensure appropriate training is completed by all relevant employees.

The Group Head of Internal Audit and Risk monitors the operation and effectiveness of fraud risk controls on a regular basis. They also lead any investigations into reports of actual or potential fraud.

Seeking advice

If you are in any doubt as to whether a fraud has occurred, discuss the situation with your line manager, HR business partner or the Group Company Secretary.

Raising concerns

If you are concerned that this policy is not being properly followed, or you suspect an actual or potential fraud, whether Crest Nicholson would benefit or suffer detriment, you should report this to your line manager as soon as practicable or to a more senior manager within Crest Nicholson. If you feel unable to raise an issue at any level, you may contact our anonymous, confidential and free telephone service 24/7 on 0800 068 9449 or via www.crestnicholson.ethicspoint.com. This service is run by an independent organisation.

Repercussions

Workers who refuse to participate in fraudulent activities, or those who raise concerns or report another's wrong doing, are sometimes worried about possible repercussions. We encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.

We are committed to ensuring no one suffers any detrimental treatment as a result of refusing to take part in fraudulent activity, or reporting in good faith their suspicion that an actual or potential fraud has taken place or may take place in the future. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If you believe that you have suffered any such treatment, you should inform the Group Company Secretary immediately. If the matter is not remedied, and you are an employee, you can raise it formally using our Grievance Procedure.

3.1 Prohibited activities

It is not acceptable for you (or someone on your behalf) to:

- make any representation as to fact or law, express or implied, which you know to be untrue or misleading
- manipulate information given to a customer of the Group or used by the Group to form judgements and formulate strategies
- abuse your position of authority by act or omission in a way that is contrary to the financial interests of the Group or its customers or suppliers
- disclose confidential information to anybody (including third parties and other workers) without having authority to do so
- use your private and personal interests to influence decisions at work so as to obtain personal gain of any sort either for yourself or your friends, families or associates
- use resources entrusted to you for a purpose not intended, or in an irresponsible and unlawful manner without obtaining authority
- take products or materials of the Group or its customers or suppliers for personal use by yourself, friends, family or associates
- knowingly over or under charge customers of the Group
- fail to disclose information to another person where there is a legal duty to do so
- participate in any illegal activities, for example buying or selling stolen goods or allowing them to be kept on Group premises or premises of customers or suppliers of the Group.

This list is not exhaustive. Employees and all associated person must avoid any activity that could lead to fraud being committed.

4.0 Fraud investigations

We will investigate all instances of actual, attempted and suspected fraud committed by employees, contractors, consultants, suppliers and other associated persons (as defined in ECCTA) and will seek to recover funds and assets lost through fraud. We will always return or relinquish any proceeds of fraud wherever possible, where a benefit to Crest Nicholson has been realised. The fraud response process will normally be led by the Head of Internal Audit in conjunction with the Group Company Secretary.

Crest Nicholson retains the right to pursue a criminal conviction following any incidence of fraud and as such, a proper procedure will be complied with, especially with regard to observing the rights of the individual, the admissibility of evidence, legal privilege and other relevant legislation and codes of practice.

All instances of fraud or potential fraud will be reported to the Group Audit and Risk Committee.

References

- Speaking up policy
- Anti-bribery and corruption policy
- Grievance procedure