

## Fraud Mitigation and Response Policy

The Board of Taylor Wimpey plc will monitor the effectiveness of this Policy and will review the Policy on a regular basis			
Approved by		Last reviewed	14 December 2018
Audit Committee			

**Introduction and Objectives**

Taylor Wimpey is committed to minimising the threat of fraud. This policy formalises the Company's attitude to fraud and its response to instances, or allegations, of fraud against its employees or third parties. This policy should be read in the context of the Company's Business Conduct Policy and in conjunction with its Whistleblowing/Protected Disclosure Policy.

**Definition**

Through the Fraud Act 2006 the focus is now on the dishonest behaviour of any suspect and their intent to make a gain or cause a loss. A person is guilty of fraud through:

- False representation
- Failure to disclose information
- Abuse of position

**Our Culture**

Taylor Wimpey recognises that the culture within which its employees operate is a key factor in the threat of fraud. We aspire to the highest standards of integrity and honesty in all our employees, from recruitment to retirement. To that end, we publish and make available to all employees, a clear and comprehensive set of policies, processes, procedures, employee handbooks and role descriptions. These will define what we consider to be appropriate behaviour and employees will be expected to abide by them. Behaviour other than that prescribed in our policies and related documents should be carefully considered and, in the event of any doubt, employees should confer with their line manager.

Taylor Wimpey recognises that its Corporate Responsibility is a key foundation of its culture and stakeholder relationships. We will actively seek to develop Corporate Responsibility policies that are consistent with, and complementary to, our cultural aspirations. As a business, we will support our culture through our efforts to deter, report and investigate fraud or suspected fraud.

**Deterring Fraud**

Taylor Wimpey will maintain internal controls that are effective and efficient in deterring fraud. The Board is responsible for sound corporate governance and will maintain a sound system of internal control that is embedded in our day-to-day operations. This is achieved by:

- The identification and assessment of risks by management;
- The development and implementation of appropriate controls;
- The monitoring of those controls; and
- The ownership and rectification of weaknesses by line management.

**Detecting and Reporting Fraud**

Taylor Wimpey empowers its employees to detect and report suspected fraud through a continuous process of review of activities and the effectiveness of internal controls. We encourage our employees to be aware of their environment and the actions of those employees and third parties around them and to report any reasonable suspicions of fraud. To this end, Taylor Wimpey has a specific Whistleblowing/Protected Disclosure policy.

**Investigating Fraud**

All cases of suspected fraud will be investigated, normally by IA in conjunction with business management. In investigating fraud impartially, we will adopt the following priorities:

- To determine whether a fraud has occurred and its extent;

- If a fraud has occurred, to stop any further incidence of it and to protect the interests of Taylor Wimpey;
- To recover any assets lost, or additional costs incurred as a result of the fraud;
- To take appropriate internal disciplinary action against employees implicated in the fraud, in accordance with our policies;
- To involve the police or other appropriate investigative bodies in the pursuance of criminal charges or civil suits against employees or third parties implicated in the fraud.
- To report to ActionFraud.

The investigation of fraud is a specialist skill and should not be undertaken by those without appropriate knowledge and experience. Taylor Wimpey reserves the right to pursue a criminal conviction following any incidence of fraud and to that end, will ensure that proper procedure is complied with, especially with regard to observing the rights of the individual, the admissibility of evidence and other relevant legislation and codes of practice.

### **Fraud Response Plan**

The normal procedure following the report of a suspected fraud will be:

- Inform the Head of IA who will develop an immediate investigation plan, to include a clear approach on initiating the review so as not to compromise any individual or the Company;
- The Head of IA will inform the Group Chief Executive, the Group Legal Director and Company Secretary, the Group Financial Director, the Group Human Resources Director and other appropriate management in order to finalise the investigation plan and to develop a contingency plan to minimise any potential disruption to the business or any publicity arising from investigation activity or the suspension of employees;
- The possibility of involving the police in an investigation will be considered throughout its progress by the Head of IA in conjunction with the Group Legal Director and Company Secretary. At any point, responsibility for the whole investigation could be handed over to the police;
- The Group Legal Director and Company Secretary will determine the need to report any activity to ActionFraud;
- The investigation plan will be implemented: evidence will be collected and properly secured;
- Action to trace, freeze and return assets, or recover costs incurred, will commence along with the implementation of the contingency plan;
- Employees or third parties will be interviewed, as required.

A report will be prepared for the Board and the Audit Committee outlining the impact of the fraud; how it occurred; lessons learned; the actions taken; any recommendation for internal control improvement; and an agreed action plan.

### **Continuous Reporting to the Audit Committee**

As a standing agenda item the Committee will receive a register of incidents which have or could lead to a misappropriation of Company assets. IA will maintain the register and work with management to ensure any improvement to processes and controls are implemented to mitigate risk of future recurrence.

### **Applicability**

This policy applies globally and its principles apply in all areas of the Group's business.