



## **Moredun Group Counter Fraud Strategy**

The Moredun Group is committed to conducting business in an ethical and honest manner and is committed to implementing and enforcing systems that ensure fraud, bribery and corruption are prevented. The Moredun Group has zero-tolerance for fraud, bribery and corrupt activities. We are committed to acting professionally, fairly, and with integrity in all business dealings and relationships, wherever we operate.

The Moredun Group Anti-Bribery, Anti-Fraud & Anti-Corruption Policy, and the Whistleblowing Policy, outline the approach for the prevention, detection, reporting and handling of fraud.

We have adopted the following strategic objectives in our approach to countering fraud:

**Awareness:** We will prevent fraud by raising awareness of fraud and its safeguards within the organisation.

**Prevention:** We will prevent fraud through regularly reviewing and improving our systems and controls to support our operations.

**Teamwork:** We will prevent fraud by working together across organisations, where appropriate, to share information and develop combined approaches to countering fraud.

**Investigation:** We will handle fraud by being proactive in analysing data to identify areas at risk of fraud, by being effective and professional in our investigations of specific cases and by maintaining a robust whistle blowing procedure.

**Enforcement:** We will handle fraud by being tough on fraudsters by punishing them efficiently and effectively and involving relevant regulatory authorities and law enforcement as appropriate.

**December 2021**

## **1. What does the policy cover?**

This anti-fraud, anti-bribery and anti-corruption policy (referred to as the 'policy') exists to set out the responsibilities of the Moredun Group and those who work for us in regard to observing and upholding our zero-tolerance position on fraud, bribery and corruption. The Moredun Group comprises the following UK registered companies: The Moredun Foundation, Moredun Research Institute, Moredun Scientific Limited, Pentlands Science Park Limited, Genomia Management Limited, Moredun Animal Health Limited, Pentland Holdings Limited, Edinburgh BioParks Limited, Inocul8 Limited, Pentlands Immunologics Limited, Wormvax Limited, Evalu8 Science Limited, Gener8 Science Limited and Anticip8 Science Limited as well as the Australian registered company Wormvax Australia Pty Ltd.

It also exists to act as a source of information and guidance for those working for the Moredun Group. It helps them recognise and deal with fraud, bribery and corruption issues, as well as understand their responsibilities.

## **2. Policy statement**

The Moredun Group is committed to conducting business in an ethical and honest manner and is committed to implementing and enforcing systems that ensure fraud, bribery and corruption are prevented. The Moredun Group has zero-tolerance for fraud, bribery and corrupt activities. We are committed to acting professionally, fairly, and with integrity in all business dealings and relationships, wherever we operate.

The Moredun Group will constantly uphold all laws relating to anti-fraud, bribery and corruption in all the jurisdictions in which we operate. We are bound by the laws of the UK, including the Bribery Act 2010, in regard to our conduct both at home and abroad.

The Moredun Group recognises that fraud, bribery and corruption are punishable by up to ten years of imprisonment and a fine. If any company is discovered to have taken part in corrupt activities, we may be subjected to an unlimited fine, be excluded from tendering for public contracts, and face serious damage to our reputation. It is with this in mind that we commit to preventing fraud, bribery and corruption in our business, and take our legal responsibilities seriously.

## **3. Who is covered by the policy?**

This policy applies to all employees (whether temporary, fixed term, or permanent), consultants, contractors, trainees, seconded staff, home workers, casual workers, agency staff, volunteers, interns, agents, sponsors, or any other person or persons associated with us (including third parties), or any of our subsidiaries or their employees, no matter where they are located (within or outside of the UK). The policy also applies to Officers, Trustees, Board, and/or Committee members at any level. The generic title 'employees' is used to refer to all of the above whether the actual contractual relationship is one of employee and employer or not.

In the context of this policy, third-party refers to any individual or organisation our company meets and works with. It refers to actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies – this includes their advisors, representatives and officials, politicians, and public parties.

Any arrangements our company makes with a third party is subject to clear contractual terms, including specific provisions that require the third party to comply with minimum standards and procedures relating to anti- fraud, bribery and corruption.

## **4. Definitions**

### **4.1. Fraud**

The term fraud is used to describe a whole range of activities such as deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusion. Generally, however, fraud involves the intention to deceive a person or organisation in order to obtain an advantage, avoid an obligation or cause loss.

The term also includes the use of information technology equipment to manipulate programs or data dishonestly, the theft of IT equipment and software and the intentional misuse of IT resources. The Moredun Group takes the most serious view of any attempts to commit fraud by members of staff, contractors, their employees and agents acting on behalf of the Moredun Group and others. Staff involved in impropriety of any kind will be subject to disciplinary action, including prosecution, if appropriate. The Moredun Group treats attempted fraud as seriously as accomplished fraud.

### **4.2. Bribery**

Bribery refers to the act of offering, giving, promising, asking, agreeing, receiving, accepting, or soliciting something of value or of an advantage so to induce or influence an action or decision.

A bribe refers to any inducement, reward, or object/item of value offered to another individual in order to gain commercial, contractual, regulatory, or personal advantage.

Bribery is not limited to the act of offering a bribe. If an individual is on the receiving end of a bribe and they accept it, they are also breaking the law.

Bribery is illegal. Employees must not engage in any form of bribery, whether it be directly, passively (as described above), or through a third party (such as an agent or distributor). Employees must not bribe a foreign public official anywhere in the world. Employees must not accept bribes in any degree and if they are uncertain about whether something is a bribe or a gif or act of hospitality, they must seek further advice from the Company Secretary. For all companie this is the Group Finance Director. In the absence of the relevant Company Secretary advice should be sought from the Group Chief Executive.

## **5. What is and what is NOT acceptable**

This section of the policy refers to four areas where bribery could occur:

- Gifts and hospitality
- Facilitation payments
- Political contributions
- Charitable contributions

### **5.1. Gifts and hospitality**

The Moredun Group accepts normal and appropriate gestures of hospitality and goodwill (whether given to/received from third parties) so long as the giving or receiving of gifts meets the following requirements:

- i. It is not made with the intention of influencing the party to whom it is being given, to obtain or reward the retention of a business or a business advantage, or as an explicit or implicit exchange for favours or benefits.
- ii. It is not made with the suggestion that a return favour is expected.
- iii. It is in compliance with local law.
- iv. It is given in the name of the company, not in an individual's name.
- v. It does not include cash or a cash equivalent (e.g. a voucher or gift certificate).
- vi. It is appropriate for the circumstances (e.g. giving small gifts around Christmas or as a small thank you to a company for helping with a large project upon completion).
- vii. It is of an appropriate type and value and given at an appropriate time, taking into account the reason for the gift.
- viii. It is given/received openly, not secretly.
- ix. It is not selectively given to a key, influential person, clearly with the intention of directly influencing them.
- x. It is not above a certain excessive value, as pre-determined by the company's Company Secretary and Group Chief Executive (usually in excess of £150).
- xi. It is not offered to, or accepted from, a government official or representative or politician or political party, without the prior approval of the Company Secretary or Group Chief Executive.

Where it is inappropriate to decline the offer of a gift (i.e. when meeting with an individual of a certain religion/culture who may take offence), the gift may be accepted so long as it is declared to the Company Secretary or Group Chief Executive, who will assess the circumstances.

The Moredun Group recognises that the practice of giving and receiving business gifts varies between countries, regions, cultures, and religions, so definitions of what is acceptable and not acceptable will inevitably differ for each.

As good practice, gifts given and received should always be disclosed to the Company Secretary or Group Chief Executive. Gifts from suppliers should always be disclosed. The intention behind a gift being given/received should always be considered. If there is an uncertainty, the advice of the Company Secretary should be sought.

### **5.3. Facilitation Payments and Kickbacks**

The Moredun Group does not accept and will not make any form of facilitation payments of any nature. We recognise that facilitation payments are a form of bribery that involves expediting or facilitating the performance of a public official for a routine governmental action. We recognise that they tend to be made by low level officials with the intention of securing or speeding up the performance of a certain duty or action.

The Moredun Group does not allow kickbacks to be made or accepted. We recognise that kickbacks are typically made in exchange for a business favour or advantage.

The Moredun Group recognises that, despite our strict policy on facilitation payments and kickbacks, employees may face a situation where avoiding a facilitation payment or kickback may put

their/their family's personal security at risk. Under these circumstances, the following steps must be taken:

- i. Keep any amount to the minimum.
- ii. Ask for a receipt, detailing the amount and reason for the payment.
- iii. Create a record concerning the payment.
- iv. Report this incident to your line manager.

#### **5.4. Political Contributions**

The Moredun Group will not make donations, whether in cash, kind, or by any other means, to support any political parties or candidates. We recognise this may be perceived as an attempt to gain an improper business advantage.

#### **5.5. Charitable Contributions**

The Moredun Group accepts (and indeed encourages) the act of donating to charities – whether through services, knowledge, time, or direct financial contributions (cash or otherwise). It should be noted, however, that The Moredun Foundation and Moredun Research Institute are charities in their own right and cannot donate to other charities with different objectives. Full disclosure of charitable donations will be made as and when required by accounting or other regulations.

Employees must be careful to ensure that charitable contributions are not used to facilitate and conceal acts of bribery.

We will ensure that all charitable donations made are legal and ethical under local laws and practices, and that donations are not offered/made without the approval of the Company Secretary or Group Chief Executive.

### **6. Responsibilities**

The Moredun Group is responsible to the Boards for:

- developing and maintaining effective controls to help prevent or detect fraud
- carrying out vigorous and prompt investigations if fraud occurs
- taking appropriate disciplinary and/or legal action against perpetrators of fraud
- taking disciplinary action against managers where their failures have contributed to the commission of the fraud.

#### **6.2. Employee responsibilities**

Members of the Senior Management Group ('SMG') are responsible for the prevention and detection of fraud by ensuring that an adequate system of internal control exists within their areas of responsibility, and these controls operate effectively.

As a result there is a need for all members of SMG to:

- identify and assess the risks involved in the operations for which they are responsible
- develop and maintain effective controls to prevent and detect fraud
- ensure compliance with controls; and
- ensure that agreed procedures are followed.

Every employee:

- has a duty to ensure that the Moredun Group's reputation and its assets are safeguarded;
- must ensure that they read, understand, and comply with the information contained within this policy, and with any training or other anti-fraud, bribery and corruption information they are given.
- is equally responsible for the prevention, detection, and reporting of fraud, bribery and other forms of corruption. They are required to avoid any activities that could lead to, or imply, a breach of this policy.
- must notify the Company Secretary or Group Chief Executive if they have reason to believe or suspect that an instance of fraud, bribery or corruption has occurred or will occur in the future that breaches this policy.
- if found in breach this policy, will face disciplinary action and could face dismissal for gross misconduct. The Moredun Group has the right to terminate a contractual relationship with an employee if they breach this policy.
- must assist in any investigations by making available all relevant information and by cooperating in interviews.

## **7. What happens if I need to raise a concern?**

This section of the policy covers three areas:

- How to raise a concern.
- What to do if you are a victim of bribery or corruption.
- Protection.

### **7.1. How to raise a concern**

If you suspect that there is an instance of fraud, bribery or corrupt activities occurring in relation to the Moredun Group, you are encouraged to raise your concerns at as early a stage as possible. If you are uncertain about whether a certain action or behaviour can be considered fraud, bribery or corruption, you should speak to your line manager, the Company Secretary or the Group Chief Executive.

The Moredun Group has a whistleblowing procedure so employees can vocalise their concerns swiftly and confidentially. You should familiarise yourself with this policy.

### **7.2. What to do if you are a victim of bribery or corruption.**

You must tell the Company Secretary or Group Chief Executive as soon as possible if you are offered a bribe by anyone, if you are asked to make one, if you suspect that you may be bribed or asked to make a bribe in the near future, or if you have reason to believe that you are a victim of another corrupt activity.

### **7.3. Protection.**

If you refuse to accept or offer a bribe or you report a concern relating to potential act(s) of fraud, bribery or corruption, the Moredun Group understands that you may feel worried about potential repercussions. The Moredun Group will support anyone who raises concerns in good faith under this policy, even if investigation finds that they were mistaken.

The Moredun Group will ensure that no one suffers any detrimental treatment as a result of refusing to accept or offer a bribe or other corrupt activities or because they reported a concern relating to potential act(s) of fraud, bribery or corruption.

Detrimental treatment refers to dismissal, disciplinary action, treats, or unfavourable treatment in relation to the concern the individual raised.

If you have reason to believe you have been subjected to unjust treatment as a result of a concern or refusal to accept a bribe, you should inform your line manager or the Head of Human Resources immediately.

## **8. Training and communication**

The Moredun Group will provide training on this policy as part of the induction process for all new employees. Employees, where required, will also receive regular, relevant training on how to adhere to this policy, and may be asked annually to formally accept that they will comply with this policy.

The Moredun Group's anti- fraud, bribery and corruption policy and zero-tolerance attitude will be clearly communicated to all suppliers, contractors, business partners, and any third-parties at the outset of business relations, and as appropriate thereafter.

The Moredun Group will provide relevant anti- fraud, bribery and corruption training to employees etc. where we feel their knowledge of how to comply with the relevant legislation needs to be enhanced. As good practice, all businesses should provide their employees with anti-bribery training where there is a potential risk of facing bribery or corruption during work activities

## **9. Record keeping**

The Moredun Group will keep detailed and accurate financial records and will have appropriate internal controls in place to act as evidence for all payments made. We will declare and keep a written record of the amount and reason for hospitality or gifts accepted and given, and gifts and acts of hospitality are subject to managerial review.

## **10. Monitoring and reviewing**

The relevant Company Secretary is responsible for monitoring the effectiveness of this policy and will review the implementation of it on a regular basis. They will assess its suitability, adequacy, and effectiveness.

Internal control systems and procedures designed to prevent fraud, bribery and corruption are subject to regular audits to ensure that they are effective in practice.

Any need for improvements will be applied as soon as possible. Employees are encouraged to offer their feedback on this policy if they have any suggestions for how it may be improved. Feedback of this nature should be addressed to the Company Secretary.

This policy does not form part of an employee's contract of employment and the Moredun Group may amend it at any time so to improve its effectiveness at combatting fraud, bribery and corruption.

This policy will be formally reviewed every three years and put to the board of The Moredun Foundation for approval.

**December 2021**