

Severn Group

Fraud Prevention Policy

SEPTEMBER 2025



Integrity

We do the
right things
in the right
way

Severn Group - Fraud Prevention Policy

Introduction

Severn Group is committed to conducting its business in an honest and ethical manner in compliance with all applicable laws, statutes, codes and regulations. This is integral to upholding our values and reputation.

Severn Group takes a zero-tolerance approach to, and will not tolerate, any actual or attempted fraud or fraudulent activity by any employee, agent, consultant, contractor, representative or any other person that performs services for or on its behalf ("**Severn Personnel**").

Top level commitment

Severn Group will never accept any potential or actual benefit resulting from or in connection with any actual or attempted fraud or fraudulent activity, nor will it tolerate any Severn Personnel undertaking or attempting any fraud or fraudulent activity with the intention of benefiting any Severn Group company or its customers.

The Board, the Executive Team and all members of senior management:

- are fully committed to preventing any actual or attempted fraud or fraudulent activity by any Severn Personnel;
- will ensure that effective procedures and measures are put in place to prevent fraud and that such procedures are monitored, reviewed and enforced to uphold and ensure adherence to this Policy and the Severn Group Prohibition of Fraud Statement; and
- will foster a culture where all Severn Personnel feel empowered to speak up if they encounter or suspect fraudulent or unethical practices.

The Severn Group Chief Executive Officer (CEO) has overall responsibility for this Policy and the Severn Group fraud prevention measures. The CEO will regularly report to the Severn Group Board of Directors in respect of the activities and procedures referred to in this Policy.

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Risk assessment

The Severn Group Fraud Risk Committee undertakes an annual assessment of the risk of any actual or attempted fraud or fraudulent activity by Severn Personnel. This risk assessment is documented and kept under regular review.

This risk assessment includes the following:

- identifying all Severn Personnel and classifying any “high-risk” positions;
- assessing the business, industry and geographical factors that may affect the level of risk;
- assessing the level of control over, and supervision of, Severn Personnel;
- identifying the opportunities for, and circumstances in which, Severn Personnel may attempt or commit fraud or undertake fraudulent activity;
- considering the motivation (e.g., incentives, commission etc.) for, and any possible rationalisation of any actual or attempted fraud or fraudulent activity by Severn Personnel; and
- documenting the risks both with and without the implementation of the prevention procedures referred to in the Policy.

Prevention procedures

Severn Group implements the following procedures to prevent actual or attempted fraud or fraudulent activity by Severn Personnel:

- all Severn Personnel are provided with, and expected to adhere to the Severn Group Anti-Fraud Statement on an annual basis;
- contracts with Severn Personnel should contain anti-fraud and reporting obligations;
- Severn Group provides an anonymous whistleblowing service to enable Severn Personnel to raise any concerns in respect of fraud;
- background checks are undertaken in respect of candidates for high-risk positions;
- delegations of authority, approval processes and peer reviews are in place in respect of transactions and opportunities;
- commissions, incentives and other remuneration arrangements are subject to appropriate Policies and controls;
- banking, payments and expenses are subject to appropriate Policies and controls;
- standard accounting principles and practices are strictly adhered to with appropriate segregation of duties;
- new business lines and markets are evaluated by senior management and the Severn Group Risk Committee; and
- any suspected or alleged fraud or fraudulent activity is fully investigated.

Breaches of the Severn Group Anti-Fraud Statement, will be treated as misconduct or gross misconduct and appropriate disciplinary action will be taken.

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Due diligence

In addition to the background checks in respect of candidates for high-risk positions (referred to above), the external sales teams are required to confirm that:

- there is no suspected or alleged fraud or fraudulent activity in connection with each transaction or opportunity they are involved in; and
- they have not, nor will they attempt to, commit any fraud or fraudulent activity in connection with the transaction or opportunity.

Communication & training

All Severn Personnel are:

- provided with and regularly reminded of this Policy;
- provided with the Severn Group Anti-Fraud Statement on an annual basis; and
- required to complete training in respect of awareness and prevention of fraudulent practices. This is to enable Severn Personnel to understand their responsibilities around fraud prevention and whistleblowing processes and protection.

Severn Group have established and maintain its Speak-Up and Whistleblowing Policy to enable Severn Personnel to raise any concerns in respect of suspected or alleged fraud or fraudulent activity.



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Monitoring and review

Severn Group's fraud prevention procedures and Speak-Up and Whistleblowing Policy are there to ensure that any suspected or alleged fraud or fraudulent activity is detected, investigated and dealt with appropriately.

In the event of any suspected or alleged fraud or fraudulent activity, an investigation and any resulting disciplinary action shall be undertaken in accordance with the Severn Group Disciplinary Policy.

This Policy, and the fraud prevention procedures referred to herein will be monitored on a regular basis to ensure that they are effective and allow Severn Group to identify and prevent (as far as reasonably practicable) any actual or attempted fraud or fraudulent activity by Severn Personnel.

Agreement to follow this Policy

This Policy is fully supported by the Board, the Executive Team and all members of senior management.

This Policy is non-contractual, and Severn Group reserves the right to update it at any time.

This Policy should be read in conjunction with the Severn Group Anti-Fraud Statement, Speak-Up and Whistleblowing Policy and Disciplinary Policy. All Severn Group policies can be accessed on the Group Policy Hub.

At Severn Group, our business success flows from expertise – from technical knowledge and experience that position us as a leader in our field. Not everything, however, can be engineered. The Values which underpin that success stem instinctively from the culture we seek to sustain. Everything we do is tested against our Values, and our people are encouraged to apply them every day: they are the stewards of our brand, our reputation, our heritage, our ambitions.



Customer



Integrity



Excellence



Accountability



SEVERN
Superior Valve Engineering