

# Anti-Facilitation of Tax Evasion Policy

## Policy Statement

Dishonest tax evasion deprives governments of the revenues they need to provide vital public services. We expect the business and people we engage with to comply with their tax obligations. We will not tolerate any of our employees, agents or business partners knowingly assisting or encouraging tax fraud by any of our customers, suppliers or others that we do business with.

We are committed to the following principles:

- We will carry out business fairly, honestly and openly.
- We will not provide services or sell goods where we know or suspect them to be being misused or abused by a customer for the purposes of fraudulent tax evasion.
- We will not buy services or goods from any supplier where we know or suspect them not to be properly declaring their income and any relevant tax and duties in connection with those activities.
- Any employee found to be in breach of these principles will face disciplinary action.
- No employee will suffer demotion, penalty, or other adverse consequences for refusing to engage in the sale or purchase of services and goods where they suspect or know tax evasion is present or suspected to be present, even if it may result in us losing business.
- We expect our agents and others who represent us also to commit to these principles.
- We are committed to a programme to counter the risk of our being involved in the facilitation of tax evasion. We also operate strict procedures to ensure that we do not assist our customers, suppliers, other business partners, employees and contractors to engage in aggressive tax avoidance. If we have any doubts, we will refer the issue to the Chief Financial Officer. Any concerns relating to a breach of this policy should be reported to the Chief Financial Officer.

## Who Must Comply with this Policy?

These Anti-Facilitation of Tax Evasion Policy and Procedures apply to our directors, officers and employees (referred to as “**Staff**”). We expect the highest standards from our Staff and will not tolerate anyone engaging in tax evasion or helping another person to do so.

We will also endeavour to ensure that people and businesses who perform services for us, for example, agents, advisers, consultants and contractors (referred to as “**Business Partners**”) do not facilitate tax evasion whilst performing those services.

We also expect all companies or entities with whom we enter into a collaboration, partnership, joint venture, consortium or similar relationship (referred to as “**Contracting Partners**”) to comply with our Anti-Facilitation of Tax Evasion principles.

## Who is Responsible for the Policy?

The Board of Directors has overall responsibility for ensuring this policy complies with our legal and ethical obligations, and that all those under our control comply with it.

The Compliance Manager/Company Secretary has primary and day-to-day responsibility for implementing this policy, monitoring its use and effectiveness, dealing with any queries about it and auditing internal control systems and procedures to ensure they are effective in preventing the facilitation of tax evasion.

Management at all levels are responsible for ensuring those reporting to them understand and comply with this policy and are given adequate and regular training on it.

## What is Tax Evasion?

**Tax Evasion** means the offence of cheating the public revenue or fraudulently evading UK tax, and is a criminal offence. The offence requires an element of fraud, which means there must be deliberate action, or omission with dishonest intent.

**Foreign Tax Evasion** means evading tax in a foreign country, provided that conduct is an offence in that country and would be a criminal offence if committed in the UK. As with tax evasion, the element of fraud means there must be deliberate action, or omission with dishonest intent.

**Tax Evasion Facilitation** means being knowingly concerned in, or taking steps with a view to, the fraudulent evasion of tax (whether UK tax or tax in a foreign country) by another person, or aiding, abetting, counselling or procuring the commission of that offence. Tax evasion facilitation is a criminal offence, where it is done deliberately and dishonestly.

Under the Criminal Finances Act 2017, a separate criminal offence is automatically committed by a corporate entity or partnership where the tax evasion is facilitated by a person acting in the capacity of an “associated person” to that body. For the offence to be made out, the associated person must deliberately and dishonestly take action to facilitate the tax evasion by the taxpayer.

## What You Must Not Do

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

- Engage in any form of facilitating tax evasion or foreign tax evasion;
- Aid, abet, counsel or procure the commission of a tax evasion offence or foreign tax evasion offence by another person;
- Fail to promptly report any request or demand from any third party to facilitate the fraudulent evasion of tax (whether UK tax or tax in a foreign country), or any suspected fraudulent evasion of tax (whether UK tax or tax in a foreign country) by another person, in accordance with this policy;
- Engage in any other activity that might lead to a breach of this policy; or
- Threaten or retaliate against another individual who has refused to commit a tax evasion offence or a foreign tax evasion offence or who has raised concerns under this policy.

## Your Responsibilities

You must ensure that you read, understand and comply with this policy.

The prevention, detection and reporting of tax evasion and foreign tax evasion are the responsibility of all those working for us or under our control. You are required to avoid any activity that might lead to, or suggest, a breach of this policy.

**Managers** should work to create an environment that encourages compliance with the Anti-Facilitation of Tax Evasion Policy and Procedures. Supervision of responsible business practices is as important as supervision of performance. You should encourage those you manage to report any concerns and to ask any questions they have regarding facilitation of tax evasion issues.

**Business Partners and Contracting Partners** – we expect and encourage our Business Partners and Contracting Partners to adhere to our Anti-Facilitation of Tax Evasion Policy and Procedures. Business Partners and Contracting Partners must also act with honesty and integrity and comply with all applicable laws, whether or not specifically covered by the Anti-Facilitation of Tax Evasion Policy and Procedures or any of our other policies.

## **Business Partners and Contracting Partners**

We expect the same standards from our external Business Partners and Contracting Partners as we do from our Staff. Our business could be criminally liable if a Business Partner or Contracting Partner engages in facilitation of tax evasion when delivering those services.

Business Partners are people and businesses who perform services for us, for example agents, outsourcers, contractors, consultants and advisers.

Contracting Partners are all companies or entities which we enter into a joint venture, consortium or similar relationship with.

Business Partners and Contracting Partners must be carefully selected, subject to contractual controls and monitored. It is important that we only work with Business Partners and Contracting Partners who we are confident will not engage in facilitation of tax evasion.

## **Informing Business Partners and Contracting Partners about our Anti-Facilitation Policy**

All Business Partners and Contracting Partners (whether individuals or companies) should be told where to access our Anti-Facilitation of Tax Evasion Policy and Procedures on our website and asked to confirm that they will comply with them.

The Company may decide to provide Anti-Facilitation of Tax Evasion training to higher risk Business Partners and Contracting Partners.

## **Contractual Controls for Business Partners and Contracting Partners**

Any agreement entered into with a Business Partner or Contracting Partner must contain Anti-Facilitation of Tax Evasion wording. You should contact the General Counsel or UK Head of Legal if you need help with this.

Before entering into a joint venture, thorough due diligence should be conducted on any prospective partner. A risk assessment should be conducted first to determine the appropriate level of due diligence. You should contact the General Counsel for help with the form of risk assessment to use and the level of due diligence to conduct.

There may be Business Partners or Contracting Partners who are already engaged on contracts which do not include Anti-Facilitation of Tax Evasion clauses. At the next opportunity to review or break our contract with the Business Partner or Contracting Partner, or earlier if possible, the Business Partner or Contracting Partner should be informed that they will need to enter a new form of contract containing Anti-Facilitation of Tax Evasion wording.

## **Red Flags**

There are certain things which you may discover while gathering information on a current or prospective Business Partner or Contracting Partner, or which you may come across in the course of working with a Business Partner or Contracting Partner, which are recognised warning signs of facilitation of tax evasion. These are called "red flags". Red flags may in themselves not be sufficient grounds for suspicion of wrongful activities but must be investigated further.

Any "red flags" should be reported immediately to the General Counsel or the Company Secretary. These include:

- The Business Partner or Contracting Partner refuses or fails to confirm that it will comply with our Anti-Facilitation of Tax Evasion Policy and Procedures or refuses to accept an Anti-Facilitation of Tax Evasion clause in its contract with us;
- The remuneration of a Business Partner or Contracting Partner that is substantially in excess of the going market rate, or not justifiable or commensurate with the work done;
- The Business Partner or Contracting Partner requests for payments to be made:
  - In cash;
  - Paid to or through another entity;
  - Paid to bank accounts in countries other than the country where services are performed;
  - Paid to offshore bank accounts;
  - Paid in a currency other than the local currency; or
  - Paid in advance of the services being performed.
  - The Business Partner or Contracting Partner is considered to present a high risk of Bribery or Corruption, since tax evasion is often related to such activity.

## Dealings with Business Partners

Business Partners should be told where to access this Policy and asked to confirm they have understood it. We will ask all Business Partners to confirm they will apply our principles and that they have similar Policies. We reserve the right to inspect them.

New Business Partners should have an agreement that contains appropriate wording to address this risk. Contact Group Legal if you need help with this. For existing Business Partners, the wording will be updated in the next renewal.

### Monitoring of Business Partners

- Red flags – colleagues should look out for “red flags” (see above). Any red flags should be reported immediately.
- Reviews – higher risk Business Partners will be reviewed for compliance periodically and lower risk Business Partners will be reviewed not less than every 3 years.
- Audits – we will carry out appropriate periodic audits. Due diligence gathered will be sampled during audits.

Business Units must keep a record of all their Business Partners and any due diligence conducted.

## Joint Venture Partners

Joint Venture Partners are all parties with whom we enter into a joint venture, consortium or similar relationship.

We could be liable if a Joint Venture Partner engages in the facilitation of tax evasion. Joint Venture Partners must be carefully selected, appointed and monitored.

Joint Venture Partners should be provided with a copy of this Policy and asked to confirm they will comply with it or that the JV will follow similar rules to those set out in this policy.

It is important that we only work with Joint Venture Partners who we believe will not engage in tax evasion or its facilitation. Before entering into a Joint Venture, due diligence should be conducted. A risk assessment should be conducted first to determine the appropriate level of due diligence. You should contact the Compliance Officer or Company Secretary for help with the form of risk assessment to use and the level of due diligence needed.

Any agreement entered into with a Joint Venture Partner should contain Anti-Facilitation of Tax Evasion wording. You should contact Group Compliance if you need help with this. All existing and new Joint Venture Partners should be provided with a copy of our Policy and asked to confirm in writing that they will comply with them.

## Bookkeeping and Accounting

**Books, records and accounts must be kept accurately and fairly reflect all transactions.** Staff and Business Partners must not make, approve or process any payment which relates to our business with the intention, understanding or suspicion that any part of the payment is to be used for any purpose other than that described by the documents supporting the payment. No “off the books” or unrecorded funds or accounts are permitted. Examples of prohibited record keeping activities include:

- Making records appearing to show a payment to one person when, in fact the payment was made to, or intended for, someone else.
- Submitting inaccurate expenses.
- Records that inaccurately characterise or inaccurately describe the true nature of transactions or payments.
- Claims for services, products or equipment not received.
- Creating or maintaining any unrecorded funds or assets of the company, including unrecorded “petty cash”.

## How to Raise a Concern

You are encouraged to raise concerns about any issue or suspicion of tax evasion or foreign tax evasion at the earliest possible stage.

If you become aware of any fraudulent evasion of tax (whether UK tax or tax in a foreign country) by another person in the course of your work, or you are asked to assist another person in their fraudulent evasion of tax (whether directly or indirectly), or if you believe or suspect that any fraudulent evasion of tax has occurred or may occur, whether in respect of UK tax or tax in a foreign country, you should report it in accordance with our Whistleblowing Policy as soon as possible. In brief, reporting can be made in the following way:

### How it works

You can raise concerns to **SeeHearSpeakUp** by any of the following channels:

**BY PHONE:** Call **0800 988 6818**. This confidential reporting hotline operates 365 days per year, 24 hours per day. All handlers are professionally trained.

**ONLINE PORTAL:** You can report online via the website at [www.seehearspeakup.co.uk/en/file-a-report](http://www.seehearspeakup.co.uk/en/file-a-report). You will need a username and password to login. These are as follows:

USERNAME: Clancy

PASSWORD: C6429

**BY EMAIL:** You can email any concerns to SeeHearSpeakUp at [report@seehearspeakup.co.uk](mailto:report@seehearspeakup.co.uk). When emailing please state Clancy in the subject header.

If you are unsure about whether a particular act constitutes tax evasion or foreign tax evasion, raise it with your manager or the Company Secretary or the General Counsel as soon as possible. You should note that the corporate offence is only committed where you deliberately and dishonestly take action to facilitate the tax evasion or foreign tax evasion. If you do not take any such action, then the offence will not be made out. However, a deliberate failure to report suspected tax evasion or foreign tax evasion, or “turning a blind eye” to suspicious activity could amount to criminal facilitation of tax evasion.

## Protection

Individuals who raise concerns or report another’s wrongdoing, are sometimes worried about possible repercussions. We aim to 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, be concerned in, or facilitate tax evasion or foreign tax evasion by another person;
- Refusing to aid, abet, counsel or procure the commission of a tax evasion offence or a foreign tax evasion offence by another person; or
- Reporting in good faith their suspicion that an actual or potential tax evasion offence or foreign tax evasion offence 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 compliance manager immediately. If the matter is not remedied, and you are an employee, you should raise it formally using our Grievance Procedure.

## Training and Communication

Training on this policy forms part of the induction process for all individuals who work for us, and regular training will be provided as necessary. Such training may form part of wider financial crime detection and prevention training.

Our zero-tolerance approach to tax evasion and foreign tax evasion must be communicated to all suppliers, contractors and business partners at the outset of our business relationship with them and as appropriate after that.

## Breaches of this Policy

Any employee who breaches this policy will face disciplinary action, which could result in dismissal for misconduct or gross misconduct.

We may terminate our relationship with other individuals and organisations working on our behalf if they breach this policy.