
Anti-Facilitation of Tax Evasion & Fraud Policy

May 2026

Version No	Date Issued	Update Details	Owner	Approved By	Policy Number
v3.0	January 2022	Policy in previous format.	Company Secretary	The Board	CG1-POL-025
v4.0	January 2023	Policy finalised following revision and review of February 2022 policy, amendments and change of format.	Company Secretary	The Board	CG1-POL-025
v4.1	January 2024	Annual review of policy.	Company Secretary	The Board	POL-025
v4.2	May 2025	Annual review of policy. Changes made to name of Whistleblowing Provider.	Company Secretary	The Board	POL-025
v4.3	May 2026	Update to reflect Economic Crime and Corporate Transparency Act 2023 (ECCTA) developments and wider financial crime prevention controls (including failure to prevent fraud).	Company Secretary	The Board	POL-025

Anti-Facilitation of Tax Evasion & Fraud Policy

Clancy Group Holdings Limited and its subsidiaries (Clancy, our, or we) trust that employees, consultants, contractors, and agency workers will uphold the high standards of conduct that we expect. We conduct all of our business in an honest and ethical manner. This policy covers the prevention of tax evasion and fraudulent activity.

We take a zero-tolerance approach to the facilitation of tax evasion and fraud in any form, whether under UK law or under the law of any foreign country. We are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate, and to implementing and enforcing effective systems and controls to prevent tax evasion facilitation and fraud by any associated persons.

We take our legal responsibilities very seriously, and we will uphold all laws relevant to countering tax evasion, and wider economic crime including the Criminal Finances Act 2017 and the Economic Crime and Corporate Transparency Act 2023.

Policy

The purpose of this policy is to set out the responsibilities of Clancy and of those working for us in observing and upholding our position on preventing the criminal facilitation of tax evasion; and to provide guidance on how to recognise and avoid tax evasion and fraudulent activity.

This policy is reviewed annually by the Company Secretary and will be monitored for compliance by Line Managers/Supervisors within their own area of responsibility and routine audits will be carried out annually. If you have any questions or concerns at any time around any matters covered, or possibly covered, by this policy, speak to your manager or if you prefer, to the Company Secretary (in confidence).

This policy does not form part of any employment contract, and we may amend it at any time.

Who must comply with this policy?

This policy applies to all employees working for Clancy at all levels and also to contractors, external consultants, seconded employees, agency workers, agents, third-party representatives and any other person associated with Clancy (referred to as “you” in this policy).

In this policy, “third party” means any individual or organisation you deal with in the course of your work for Clancy, including clients, customers, suppliers, subcontractors, joint venture partners, agents, advisers, and government or public bodies.

What is tax evasion?

For the purposes of this policy:

- a) **Tax evasion:** is the illegal non-payment or underpayment of tax in the UK, including the offence of cheating the public revenue or fraudulently evading tax. **It is a criminal offence and** requires deliberate action or omission with dishonest intent. This includes situations where a person knows tax is due and intentionally avoids paying it. The individual may or may not try to take steps to disguise or misrepresent what they are doing.

- b) **Foreign tax evasion** is the evasion of tax in a foreign country where conduct is an offence in that jurisdiction and would be a criminal offence if committed in the UK. As with UK tax evasion, it requires deliberate action or omission with dishonest intent.
- c) **Tax evasion facilitation** means being knowingly concerned in, or taking steps to assist, the fraudulent evasion of tax by another person (whether UK tax or foreign tax). This includes aiding, abetting, counselling, or procuring the commission of that offence. It is a criminal offence, where carried out deliberately and dishonestly.

What is fraud?

For the purposes of this policy:

Fraud is dishonest conduct intended to result in a gain or to cause a loss (or risk of loss) to another. It involves dishonest conduct intended to make a gain or cause a loss. Fraud is a criminal offence. Fraud may take many forms, including but not limited to, false representation, failure to disclose information, false accounting, abuse of position, or misuse of company or client assets.

The law

Economic Crime and Corporate Transparency Act 2023 (ECCTA)

The Economic Crime and Corporate Transparency Act 2023 introduced a new corporate criminal offence of failure to prevent fraud. In-scope organisations may be held criminally liable where an employee, agent, subsidiary or other associated person commits a fraud offence intending to benefit the organisation (or, in certain circumstances, its clients), and the organisation did not have reasonable procedures in place to prevent such conduct.

The Criminal Finances Act

Under the Criminal Finances Act 2017, a corporate offence is committed where a person associated with an organisation deliberately and dishonestly facilitates tax evasion by another person. The organisation does not need to have been involved in, or aware of, the facilitation. Liability arises where the associated person commits the offence, unless the organisation can demonstrate that it had reasonable prevention procedures in place.

Failure to prevent the facilitation of tax evasion can result in significant penalties, including unlimited fines, exclusion from public procurement, and serious reputational damage.

Tax Evasion v Tax Avoidance

Tax evasion involves deliberate and dishonest conduct to evade tax and is a criminal offence. Tax avoidance and legitimate tax planning, by contrast, involve arranging affairs within the law to minimize tax liabilities and are not illegal.

Definition of Tax

In this policy, references to tax include National Insurance Contributions (and equivalents in non- UK jurisdiction).

Clancy maintains proportionate, risk-based and reasonable procedures designed to prevent the facilitation of tax evasion, foreign tax evasion and fraud by employees or any other persons

associated with the organisation. These controls apply across all levels of the business and are subject to regular review and improvement. We are committed to ensuring that appropriate due diligence, monitoring, training and reporting mechanisms are in place to mitigate financial crime risks and to comply with all applicable laws, including the Economic Crime and Corporate Transparency Act 2023.

We are committed to the following principles:

- carrying out business fairly, honestly, openly and without engaging in fraud or economic crime;
- not providing services where we know or suspect them to be being misused or abused by a client for the purposes of fraudulent tax evasion or fraud;
- not purchasing services or goods from any supplier where we know or suspect them not to be properly declaring their income or complying with applicable tax laws or engaging in fraudulent or dishonest practices;
- not supporting arrangements that are unlawful or involve dishonest conduct;
- countering the risk of being involved in tax evasion facilitation or fraud by any associated person; and
- not engaging in, or tolerating, any form of fraud, including false representation, abuse of position, or misuse of company or client assets.

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 tax evasion or fraudulent activity (whether UK tax or foreign tax), or any suspected tax evasion or fraudulent activity by another person, in accordance with this policy;
- engage in any other activity that might lead to a breach of this policy;
- 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;
- engage in any form of fraud, including false representation, false accounting, abuse of position, or misuse of company or client assets; or
- fail to report any request, instruction or suspicion relating to fraud or dishonest activity.

Your responsibilities

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

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

You must notify your manager or the Company Secretary as soon as possible if you believe or suspect that a conflict with this policy has occurred or may occur in the future. **“Red flags”** that may indicate potential tax evasion, foreign tax evasion or fraudulent activity are set out in **Schedule 1.**



You should note that the corporate offence arises where a person deliberately and dishonestly takes action to facilitate the tax evasion or foreign tax evasion. If no such deliberate and dishonest facilitation occurs, the offence will not be made out.

However, a deliberate failure to report suspected tax evasion (or foreign tax evasion), or knowingly ignoring or “turning a blind eye” to suspicious activity could itself amount to criminal facilitation of tax evasion or foreign tax evasion.

Third parties

Third parties that we work with must be carefully selected, appointed and monitored (subject to contractual controls). It is important that we only work with third parties where we are confident that they will not engage in the facilitation of tax evasion or fraud. This includes managing the risk of fraud under the Economic Crime and Corporate Transparency Act 2023.

If requested, third parties must confirm that they have similar policies on the prevention of tax evasion and fraud, and we reserve the right to inspect them.

When monitoring third parties, you must look out for “**Red Flags**” (**Schedule 1**) relating to tax evasion, fraud, or other financial crime and report them immediately. Higher risk third parties will be reviewed for compliance periodically and those that are deemed as less of a risk will be reviewed not less than every 3 years in line with a risk-based approach to preventing tax evasion and fraud.

Due diligence

It is important that we only work with third parties that we believe will not engage in tax evasion, fraud or their facilitation. Before entering into an agreement, due diligence should be conducted. A risk assessment should first be completed to determine the appropriate level of due diligence. You should contact the Company Secretary for help with the form of risk assessment to use and the level of due diligence needed. This forms part of Clancy’s controls to prevent tax evasion and fraud under the Economic Crime and Corporate Transparency Act 2023.

Bookkeeping and accounting

Books, records, and accounts must be kept accurately and must fairly reflect all transactions and any related financial activity. You 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 unlawful or improper purpose other than that described by the documents supporting that payment. No "off the books" or unrecorded funds or accounts are permitted including for the purposes of tax evasion, fraud or other financial crime. Examples of prohibited record keeping activities (including fraud or misrepresentation) 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; and/or
- creating or maintaining any unrecorded funds or assets, including unrecorded "petty cash".



How to raise a concern?

You are encouraged to raise concerns about any issue or suspicion of tax evasion, foreign tax evasion or fraudulent activity including concerns relating involving any employee, contractor or third party at the earliest possible stage.

If you are unsure whether a particular act constitutes tax evasion, foreign tax evasion or fraudulent activity, you should seek guidance.

If you become aware of, suspect, or are asked to assist in any such activity (whether directly or indirectly), you must report it immediately to your manager, the Company Secretary, or in accordance with our Whistleblowing Policy as soon as possible. Please see our Whistleblowing Policy for details on how to report in this way.

Reporting in accordance with our Whistleblowing Policy can be made in the following way:

You can raise concerns to **AAB People (formerly known as 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. 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 AAB People at report@aabpeople.global When emailing please state Clancy in the subject header.

Protection

Individuals who raise concerns or report another's wrongdoing are sometimes worried about repercussions. We aim to encourage openness and will support anyone who raises genuine concerns under this policy, even if they turn out to be mistaken.

We are committed to ensuring that no one suffers any detrimental treatment as a result of:

- a) refusing to take part in, be concerned in or facilitate tax evasion, foreign tax evasion or fraudulent activity by another person;
- b) refusing to aid, abet, counsel, or procure the commission of a tax evasion offence, foreign tax evasion or fraud offence by another person; or
- c) reporting in good faith their suspicion that an actual or potential tax evasion offence, foreign tax evasion or fraudulent activity 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 under this policy relating to tax evasion, foreign tax evasion or fraudulent activity. If you believe that you have suffered any such treatment, you should notify the Company Secretary or report it in accordance with the Whistleblowing Policy as soon as possible. If the matter is not remedied, and you are an employee, you should raise it formally using our Grievance Policy which is on the intranet, One Clancy.

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 to existing employees. Such training may form part of our wider financial crime (including tax evasion and fraud) detection and prevention training.

We may decide to provide mandatory training on this policy to those employees, workers and third parties who have been identified as being at risk of exposure to criminal tax evasion or fraudulent activity.

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

Breaches of this policy

If you breach this policy, you will face disciplinary action which could result in dismissal for misconduct or gross misconduct in accordance with our Disciplinary Policy. In addition, we may refer the matter to law enforcement bodies or regulatory authorities where warranted. We may terminate our relationship with any individuals and organisations acting on our behalf (including associated persons) if they breach this policy. Non-compliance with this policy and any applicable laws will be considered a material breach of contract.

SCHEDULE 1: POTENTIAL RISK SCENARIOS: "RED FLAGS"

There are certain indicators that you may encounter while gathering information on third parties or working with any individual associated with Clancy which may indicate the facilitation of tax evasion, foreign tax evasion or fraudulent activity. These are known as "**Red Flags.**"

The following are examples of potential red flags that may arise in the course of your work for us. The list is not intended to be exhaustive and is provided for illustrative purposes only. If you encounter or become aware of any of these red flags whilst working for Clancy, **you must report them promptly to the Company Secretary** or in accordance with the Whistleblowing policy.

- a) you become aware, in the course of your work, that a third party has made or intends to make a false statement relating to tax or has failed to disclose income or gains to, or to register with HMRC;
- b) you become aware, in the course of your work, that a third party has deliberately failed to register for VAT or failed to account for VAT;
- c) you become aware, in the course of your work, that a third party working for us as an employee asks to be treated as a self-employed contractor, but without any material changes to their working conditions;
- d) the third-party refuses or fails to confirm that it will comply with this policy or refuses to accept a wording that covers the facilitation of tax evasion in any agreement it may have with us;
- e) a third party to whom we have provided services asks us to change the description of services rendered on an invoice in a way that seems designed to obscure the nature of the services provided;
- f) a third party insists on the use of side letters or refuses to put terms agreed in writing or asks for contracts or other documentation to be backdated;
- g) you notice that we have been invoiced for a commission or fee payment that appears too large or too small, given the service stated to have been provided;
- h) a third-party requests or requires the use of an agent, intermediary, consultant, distributor, or supplier that is not typically used by or known to us;
- i) the remuneration of a third party is substantially in excess of the going market rate, or not justifiable or commensurate with the work done;
- j) a third-party refuse to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;
- k) any behaviour or request that appears unusual, lacks commercial justification, or may indicate tax evasion, foreign tax evasion or fraudulent activity;
- l) fraud, false representation, false accounting or misuse of company or client assets;
- m) inconsistencies between contracts, invoices, or supporting documentation that cannot be reasonably explained; and
- n) third-party requests for payments to be made in cash, or to or through another entity, or to bank accounts in countries other than the country where services are performed, or to bank accounts in another country or in a currency other than the local currency, or in advance of the services being performed.