



Corporate Governance

# Group Corporate Criminal Offence policy

<b>Owner</b>	Group General Counsel & Company Secretary
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## 1. POLICY STATEMENT

It is the policy of SIG plc (the **Group**) to conduct all of our business in an honest and ethical manner and to maintain the highest ethical standards. The purpose of this policy is to set out the Group standards and policy in respect of the Criminal Finances Act 2017 and the corporate criminal offence (**CCO**).

The Group takes a zero-tolerance approach to tax evasion. This type of conduct is prohibited whether committed or facilitated by employees or anyone else acting on behalf of the Group.

The purpose of this policy is to:

- a. Set out the Group's responsibilities, and the responsibilities of those working for the Group, in observing and upholding the Group's position on the facilitation of tax evasion; and
- b. Provide information and guidance to those working with the Group on how to recognise and deal with tax evasion issues.

In this policy, associated person means employees, agents and other persons who perform services on behalf of the Group such as contractors, suppliers, agents and intermediaries.

Third party means any individual or organisation that is not an associated person.

## 2. WHO IS COVERED BY THE POLICY?

All associated persons must comply with this policy.

## 3. CONSEQUENCES OF BREACH OF THIS POLICY

The UK enacted the Criminal Finances Act effective 30 September 2017. The Act creates a corporate criminal offence for the failure to prevent the facilitation of tax evasion. The penalties under CCO include an unlimited financial penalty and/or ancillary orders such as confiscation orders or serious crime prevention orders. Non-compliance could result in criminal investigation by HMRC with any UK prosecutions being brought by the Crown Prosecution Services (CPS). Any offence committed outside of the UK under CCO will be investigated by the Serious Fraud Office (SFO) or National Crime Agency and prosecutions will be brought by either the SFO or the CPS.

In addition to the implications of a prosecution or resulting regulatory action the Group could be excluded from tendering for all public contracts and certain private contracts and face severe reputational damage.

Any breach of this policy may result in disciplinary actions as well as a potential personal criminal liability.

#### **4. DEFINITION OF TAX EVASION**

Fraudulent tax evasion is a crime and involves dishonest behaviour. A person behaves dishonestly if they know or ignore a liability to pay tax but decide not to declare or pay it. Dishonest behaviour may involve a person simply deciding not to declare the money they make or may involve someone deliberately trying to hide the source of money, or even intentionally misrepresenting where money came from.

Fraudulent tax evasion does not arise where a person makes a mistake or is careless. There needs to be dishonest intent.

#### **5. DEFINITION OF THE FACILITATION OF TAX EVASION**

CCO offences can apply to the Group where there has been fraudulent tax evasion facilitated by an associated person.

The facilitation comprises being knowingly concerned in, or taking steps with a view to, the fraudulent tax evasion of another as well as aiding, abetting, counselling or procuring another person's offence of tax evasion. The associated person does not commit a tax evasion offence when they inadvertently facilitate another's tax evasion provided reasonable steps have been taken in order to identify that evasion taking place.

Generic examples of the facilitation of tax evasion could include:

- i. An associated person knowingly processing invoices from a supplier showing a false VAT number;
- ii. An associated person agreeing to invoice a different offshore customer entity who did not receive the supply who obtains a VAT advantage from doing so;
- iii. Gross payments to a contractor who is actually an employee under the UK off payroll working regulations where NIC and PAYE should have been withheld.

#### **6. YOUR RESPONSIBILITIES**

You must ensure that you read, understand and comply with this policy. Group training on the policy is mandatory for every relevant employee. A log will be maintained of those relevant employees who have failed to complete the training and necessary steps will be taken in order to ensure full coverage.

The prevention, detection and reporting of the facilitation of tax evasion is the responsibility of all associated persons to the Group.

The Group's zero-tolerance approach to tax evasion must be communicated to all suppliers, contractors and business partners at the outset and as appropriate thereafter.

## 7. COMPLIANCE AND REPORTING

Any suspected breaches of the policy or suspected cases of the facilitation of tax evasion should be reported to the Group General Counsel & Company Secretary on [cosec@sigplc.com](mailto:cosec@sigplc.com) or via the whistleblowing procedures.

## 8. RESPONSIBILITY FOR THE POLICY

The Chief Executive Officer, on behalf of the Board, has overall responsibility for ensuring this policy complies with the obligations. The policy is owned by the Group General Counsel & Company Secretary with implementation, monitoring and training being provided by Group Tax. Management at all levels are responsible for ensuring that those reporting to them are made aware of and understand the policy and are given adequate and regular training.

## 9. MONITORING AND REVIEW

The Board will monitor the effectiveness of the policy and will regularly consider its suitability, adequacy and effectiveness.