



1. Introduction

The Criminal Finances Act 2017 (which came into effect on 30 September 2017) made it a corporate criminal offence for an entity to fail to prevent the criminal facilitation of tax evasion. Consequently, ECS Group (“Renew”) and its subsidiaries (the “Group”) has adopted an anti-facilitation of tax evasion policy which governs all our business dealings and the conduct of all persons and organisations appointed to act on our behalf.

We request that all employees and all persons or entities who have, or seek to have, a business relationship with the Group, familiarise themselves with our anti-facilitation of tax evasion policy and ensure that they act at all times in a way which is consistent with this policy.

This policy should also be read in the wider landscape of HMRC’s approach to instances of VAT fraud, commonly referred to as “missing trader” or “carousel” frauds.

Since 16 November 2017 HMRC have had the ability to raise a fixed 30% penalty against a business and/or individuals within the business where HMRC is able to demonstrate that the business knew, or should have known, that its transactions were connected with fraud and HMRC subsequently denies the business the right to either recover input tax related to the transaction or zero-rate supplies to a customer outside the UK.

2. Policy statement

The Group has a **zero-tolerance** approach to all forms of tax evasion, whether under UK law or under the law of any foreign country.

Employees, agents and those acting on behalf of the Group must not undertake any transactions which:

- a) Cause the Group to commit a tax evasion offence; or
- b) Facilitate a tax evasion offence by a third party.

The Group is committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate and implementing and enforcing effective systems to counter tax evasion facilitation.

At all times business should be conducted in a manner such that the opportunity for, and incidence of, tax evasion is prevented.



3. Who must comply?

This policy applies to all persons working for the Group or on its behalf in any capacity, including all employees and agents, including but not limited to agency workers, contractors, external consultants and business partners, or any other persons associated with the Group, wherever located.

All employees and agents must read and observe this policy, act with integrity and comply with applicable laws. Managers should create an environment that encourages compliance with this policy.

4. Who is responsible for this policy?

The Directors of ECS Group has overall responsibility for ensuring that this policy complies with our legal and ethical obligations, and that all those under our control comply with it. Management at all levels are responsible for ensuring that those reporting to them understand and comply with this policy and are given adequate and regular training on it.

What is the facilitation of tax evasion?

Tax evasion means an 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 that there must be deliberate action, or omission with dishonest intent.

This policy applies to all types of tax evasion, regardless of whether it is UK taxes or foreign taxes that have been evaded.

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. It is also considered to be tax evasion facilitation if an individual has suspicions that tax evasion could be occurring but does not act on these suspicions.

This policy applies to all types of tax evasion facilitation, regardless of whether the individual is located in the UK or overseas at the time that the facilitation occurs.

Tax means all forms of taxation including but not limited to corporation tax, income tax, value added tax, stamp duty land tax, national insurance contributions and includes duty and any other form of taxation (however described).



5. Unacceptable employees' and agents' actions

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

6. Prevention

There is no exhaustive list of tax evasion opportunities. At a more general level, the best defence against tax evasion and the facilitation of tax evasion remains the vigilance of our employees and a common sense approach supported by our clear whistleblowing procedure. Applying common sense includes being aware of:

- a) commercial relationship being set up outside the scope and process of standard terms and conditions;
- b) unusual payment method; and
- c) unusual relationship between the agent and the third party (usually the customer).

In relation to the risk of a connection with the fraudulent evasion of VAT we are required to have reasonable and proportionate due diligence procedures in place to detect fraudulent supply chains. This includes, for example, checking that a VAT number and bank account details provided by a supplier are genuine and requiring our contractors to have appropriate procedures in place with their own suppliers. Initially, the business should consider if any transactions it intends to enter into are "too good to be true", as this could fail the "knew or should have known" test. This includes consideration of a wide-range of factors including pricing, communication, experience and history.



7. How to raise a concern

Employees are encouraged to raise concerns about any issue or suspicion of tax evasion as soon as possible. Any queries or suspicions should be directed to:

- a) Respective subsidiary Director; or
- b) Martin Reynolds: Managing Director
- c) Mick Whyte: Commercial Director

8. What happens if the employee does not want to report their suspicions for commercial reasons?

This should never happen. If there is any suspicion of any intention to evade tax and the transaction is nevertheless finalised, the Group can be criminally prosecuted, subject to a large fine and be publicly named and shamed. Having a conviction may bar the Group from operating in certain sectors or bidding for certain work.

Similarly, in relation to a connection with the fraudulent evasion of VAT HMRC may consider either a criminal or civil response. Typically, HMRC would seek to assess Renew for the VAT previously recovered in relation to the fraudulent transaction chain, as well as seeking to raise a penalty against the business and/or individuals.

This could be very damaging for the Group. In the event that an employee does not act in accordance with this policy, the Group will carry out appropriate disciplinary actions.

9. Effective monitoring

Each subsidiary of Renew must establish and maintain an effective system for monitoring compliance with this policy. This will be monitored on an ongoing basis.

10. Statement of commitment

The Group will not tolerate any form of tax evasion or its facilitation. This policy demonstrates ECS Group's no-tolerance approach to tax evasion or the facilitation of tax evasion.

A handwritten signature in black ink, appearing to be 'M. Reynolds'.

Martin Reynolds
Managing Director

A handwritten signature in blue ink, appearing to be 'Mick Whyte'.

Mick Whyte
Commercial Manager