Anti-Facilitation of Tax Evasion policy

ESH GROUP

Constructing **Local**

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1. Policy Statement

Esh Investments Limited and its subsidiaries (together, the "Group" or "Esh Group") are committed, in accordance with our values and culture and as part of our wider approach to compliance with UK law, to conducting all our business in an honest, ethical and transparent manner.

We aim to act professionally, fairly and with integrity in all our business dealings and relationships and to maintain effective systems and controls designed to ensure compliance with all applicable laws.

This commitment includes adhering to the requirements of Part 3 of the Criminal Finances Act 2017 ("Criminal Finances Act"), which came into force on 30 September 2017 and introduced the Corporate Criminal Offence of failing to prevent the criminal facilitation of tax evasion.

Esh Group will not engage in, facilitate, or be associated with any form of tax evasion. Esh Group has a zero-tolerance approach to the criminal facilitation of tax evasion and will not knowingly assist, encourage, permit or ignore conduct intended to evade taxation obligations.

2. Scope of Application

This Policy sets out the minimum standards that Esh Group expects all employees and Associated Persons to follow.

The purpose of this Policy is to:

- Set out Esh Group's responsibilities and those working for or on behalf of Esh Group in preventing tax evasion facilitation;
- Explain the offences created by the Criminal Finances Act 2017;
- Assist employees and Associated Persons in recognising warning signs and risk indicators;
- Provide guidance on reporting concerns; and
- Support Esh Group's reasonable prevention procedures.

For the purposes of this Policy, an Associated Person includes any person or organisation performing services for or on behalf of Esh Group, including directors, officers, employees, agency workers, consultants, contractors, subcontractors, suppliers, agents, advisers, joint venture participants and other third parties acting for or on behalf of Esh Group.

2.1 Overview

The Criminal Finances Act 2017 introduced the Corporate Criminal Offence (CCO) of failing to prevent the criminal facilitation of tax evasion by another person.

2.2 What is tax evasion and its facilitation?

For the purposes of this policy:

a) 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.

b) 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.

c) 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

2.3 What taxes are included?

The legislation encompasses all forms of tax, including (but not limited to) Payroll taxes, National Insurance Contributions, stamp taxes, CIS, corporation tax, customs duty and VAT, whether in the UK or elsewhere.

2.4 How is a tax evasion Offence committed?

For there to be such an offence under the Criminal Finances Act 2017, each of the following three stages would need to be present:

- There is criminal tax evasion by another party;
- There is the criminal facilitation of that evasion by an associated person i.e. a person acting for or on behalf of the Group,

including employees, employment agencies, professional advisors, subcontractors, self-employed individuals including personal service companies; and

- The Group failed to prevent that facilitation.

In the event that these circumstances apply, Esh Group could be liable to a criminal conviction and a potentially unlimited fine which would almost certainly attract negative publicity, reputational damage and potential commercial repercussions.

2.4 Reasonable prevention procedures

The Esh Group maintains reasonable prevention procedures designed to prevent associated persons from committing tax evasion facilitation offences. These procedures are based on the following principles:

- Top-level commitment;
- Risk assessment;
- Proportionate risk-based procedures;
- Due diligence;
- Communication and training; and
- Monitoring and review.

All employees and associated persons are expected to support and comply with these procedures.

3. Compliance Guidelines

3.1 Your responsibility

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

- You must raise concerns about any issue or suspicion of malpractice at the earliest possible stage. If you are unsure whether a particular act constitutes bribery, advantage, or corruption, or if you have any other queries, these should be raised initially with your Divisional Director. However, if a concern is unresolved, or if sensitivities dictate, you should refer to the procedure set out in the Esh Group Whistleblowing Policy and Procedure. A copy of this can be obtained from SharePoint or via the H.R. team. Further references can also be found in the Esh Group Employee Handbook.

- Examples of circumstances which may give rise to concern are set out in the Esh Group CCO training materials. Any concerns raised will be treated confidentially and investigated appropriately.
- Concerns raised by employees, directors or other workers will be dealt with in accordance with the Esh Group Whistleblowing Policy.
- Any employee who breaches this policy will face disciplinary action, which could result in dismissal for gross misconduct. We reserve our right to terminate our contractual relationship with other workers, consultants, subcontractors, suppliers or other associated persons if they breach this policy.
- Failure to report concerns relating to tax evasion or the facilitation of tax evasion, deliberately ignoring warning signs, or knowingly "turning a blind eye" to conduct that breaches this policy, will be treated as a breach of this policy.
- We aim to encourage openness and will support anyone who raises genuine concerns in good faith, even if those concerns subsequently prove to be mistaken. No individual will suffer detrimental treatment as a result of reporting a concern under this policy.

3.2 Training and communication

This policy will be provided to all new employees as part of their induction and to all existing employees on an annual basis. Certain employees will receive additional training on how to implement and adhere to this policy.

The Group's zero-tolerance approach to the facilitation of tax evasion should be communicated to all suppliers, contractors, and other business partners at the outset of the Group's business relationship with them and as appropriate thereafter. All such parties should be provided with a copy of this policy.

The Group will undertake risk-based due diligence on third parties, including suppliers, subcontractors, consultants, agents and joint venture partners, before entering into business relationships and periodically thereafter where appropriate.

The Group will ensure that the contracts or terms and conditions used with third parties contain terms that require those third parties to comply with all applicable laws relating to the facilitation of tax evasion.

3.3 Training and communication

In the event that any breach of the law and/or this policy is discovered, we will investigate and take appropriate action, which may include (but may not be limited to):

a. Reporting such breaches to the relevant law enforcement bodies and/or regulatory authorities;
b. Instituting disciplinary action against the relevant employees, which could result in dismissal for misconduct; and
c. Terminating our business relationship with other individuals and organisations.

3.4 Monitoring and review

The Group will monitor the effectiveness and review the implementation of this policy annually, or in the event of any reported concerns or potential breaches of policy, considering its suitability, adequacy and effectiveness. Any improvements identified will be made as soon as possible. Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective in countering the facilitation of tax evasion.

All directors, employees, agents, suppliers and partners of the Group are responsible for the successful implementation of this policy and should ensure that they use it to disclose any suspected danger or wrongdoing.

Any changes to this policy shall not constitute a change to the terms and conditions of employment of any person.

- Ends –