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POLICY FOR

CORPORATE CRIMINAL OFFENCE

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This document was approved by David Taylor on 09 October 2024 for use by managers, staff and employees throughout Energy Assets Group and such of its contractors as are obliged by the terms and conditions of their contracts to comply with this document.

Energy Assets Group documents are revised, when necessary, and users should ensure that they are in possession of the latest edition by referring to the Document Management System

REVISION LIST

Revision	Date	Prepared by	Reviewed by	Approved by
01	09/10/2024	Group Tax Manager	Chief Financial Officer	Chief Executive Officer
Revision Comment: New Document				
Revision Comment: Periodic review and update				
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Revision Comment:				

DISCLAIMER

This document is provided for use by all Companies within the Energy Assets Group. The Energy Assets Group means all Companies directly or indirectly under the Control of Energy Assets Group Holdings Limited. Where this document is used by any other party it is the responsibility of that party to ensure that this document is correctly applied.

Compliance with this document does not confer immunity from prosecution for breach of statutory or other legal obligations.

REQUIREMENTS

In this document:

shall: indicates a mandatory requirement to be complied with in full without deviation.

should: indicates a requirement that is intended to be complied with and is the preferred option, unless a suitable and sufficient risk assessment is completed to show that the alternative method delivers the same, or better level of protection. Such a risk assessment should be documented.

POLICY FOR GROUP TAX

1. INTRODUCTION AND BACKGROUND

- 1.1 The Group takes a zero-tolerance approach to all forms of tax evasion and the facilitation of tax evasion by employees, members and associates, whether the tax evasion occurs in the UK or elsewhere. The Group takes active steps in seeking to eliminate the risk, and all Group employees and members should adhere to the principles and procedures set out in this Policy.

The Criminal Finances Act came into effect in the UK in 2017. It introduced the specific Corporate Criminal Offence (“CCO”) for the facilitation of tax evasion by persons associated with corporate entities. Further details are below.

All Employees and Members of the Group should read this guidance in full and be aware of its importance and implications of non-compliance.

The Senior Leadership Team takes overall responsibility for the Policy and will review it annually. The Group’s General Counsel function will update the Policy to ensure that it is fully compliant with all legal, regulatory and ethical requirements. The Policy will be reviewed regularly and is subject to risk assessments.

2. DEFINITIONS

- 2.1 Unless the context otherwise requires, capitalised terms used in this Policy shall have the respective meanings given to them below:

- “CEO” means the Chief Executive Officer of the Energy Assets Group.
- “CFO” means the Chief Financial Officer of the Energy Assets Group.
- “Control” means the power to direct the management and the policies of the company whether through ownership of the voting capital (50% + 1 share) or by contract or otherwise.
- “Senior Leadership Team” means the CEO, CFO, Group Managing Director - EA Metering & Data, Managing Director – EA Construction, Managing Director – EA Networks, , and Group Shared Services Director.
- “Group Tax Manager” means the Group Tax Manager of Energy Assets Group who reports to the CFO.
- “Energy Assets Group” means Energy Assets Group Holdings Limited and any company over which it exercises direct or indirect Control.
- “Policy” means this CCO Policy for the Energy Assets Group.
- “Subsidiary” means any company over which the Energy Assets Group exercises control.

3. WHAT IS THE CORPORATE CRIMINAL OFFENCE (“CCO”)?

The CCO rules make it a specific criminal offence to facilitate tax evasion, whether this involves UK taxes or those of a non-UK jurisdiction. Broadly, if a person “associated” with the Group facilitates criminal tax evasion, the Group could be liable to prosecution and face an unlimited fine and serious reputational damage. Persons “associated” include employees, members, associates and suppliers. Therefore, the rules can apply equally to situations because of the actions of another party as much as those working for the Group.

There are three stages to the CCO, all of which must occur for an offence to have taken place under that legislation. However, there are still likely to be severe consequences if any one of the stages below applies:

- Stage 1 There is criminal tax evasion by a taxpayer under existing law

Stage 2	There is criminal facilitation of the offence by a person “associated” with the Group
Stage 3	The Group failed to prevent its representative from committing the criminal act at Stage 2

Under the relevant legislation, the only defence against a conviction for the Group would be for it to prove that, when the tax evasion facilitation was committed:

It had in place such prevention procedures as it was reasonable in all the circumstances to expect the Group to have in place, or

It was not reasonable in all the circumstances to expect the Group to have any prevention procedures in place.

4. UNDERLYING POLICY AND PRINCIPLES

The Group is committed to operating legally and ethically, complying with all applicable legislation and guidance. Therefore, the purpose of this Policy is to set out clearly how the Group can prevent, as far as is practically possible, the facilitation of tax evasion. The Policy also explains the role of all its employees, members, associated persons, and other parties in ensuring compliance with the Policy.

Under the Act, the Group could face an unlimited fine should it face a criminal conviction for committing tax evasion or failing to prevent the facilitation of tax evasion. The offence would be held on a public register and effect on the Group’s reputation would be severely damaging.

The legislation applies to UK tax and non-UK tax issues (where the offence takes place in the UK). It applies to all employees, members and associated persons who work for and on behalf of the Group.

Potential examples have been set out in Appendix A with scenarios that could arise involving the facilitation of tax evasion.

5. DETAILS OF THE POLICY

Tax evasion is the illegal non-payment or underpayment of tax, through cheating the public revenue or fraudulently evading tax in the UK and other jurisdictions; it is a criminal offence. The offence requires an element of fraud, which means there must be deliberate action, or omission, with dishonest intent. This Policy and the appropriate legislation cover tax evasion both in the UK and abroad.

To comply with the Criminal Finances Act and other associated legislation and regulation, employee, members or associated person of the Group must not:

- Engage in any form of facilitating tax evasion in the UK or abroad;
- Aid, abet or procure the commission of a tax evasion offence either in the UK or abroad;
- Fail to report any request or demand from any party to facilitate tax evasion or suspected fraudulent activity pursuant to the evasion of tax by any other party;
- Engage in any activity that might lead to a breach of this Policy;
- Threaten or otherwise retaliate against someone who has refused to commit a tax evasion offence in the UK or abroad or who has raised concerns under this Policy; or
- Engage in any offence under the law consisting of being knowingly concerned in, or taking steps with a view to, the fraudulent evasion of tax.

6. WHO IS COVERED BY THIS POLICY?

6.1 Employees/Members

15/10/2024

This Policy applies to all individuals working at all levels and grades for the Group, wherever they are located (whether permanent, fixed-term or temporary).

6.2 Associated persons

Associated persons or any agents, distributors, consultants, contractors, trainees, apprentices, seconded staff, home workers, casual workers, and agency staff, volunteers, agents, sponsors, representatives, or any other person associated with the Group.

6.3 Other parties

In the Policy, other party means any individual or organisation an employee or an associated person encounters during their work and includes actual and potential customers, suppliers, distributors, business contacts, agents, advisers and government and public bodies, including their advisers, representatives, and officials, politicians and political parties.

7. RESPONSIBILITIES OF EMPLOYEES, MEMBERS AND ASSOCIATED PERSONS

All employees, members and associated persons have a personal responsibility to ensure that they have read, understood, and comply with this Policy. Employees shall notify their line manager or report under our Whistleblowing Policy, as soon as possible, if they believe or suspect a breach of this Policy has occurred.

For example, if you receive a request for assistance in circumstances where you know or suspect that another party intends to use that assistance to enable them to evade tax fraudulently, you should resist responding to the request immediately, and state that you will need to consult your line manager, and then report as above as soon as possible.

Employees or members who breach this Policy will face disciplinary action that could result in dismissal or gross misconduct.

Employees or members who refuse to be complicit in tax evasion, or those who raise concerns or report another party's wrongdoing, might worry about possible repercussions. The Group is committed to ensuring that no one suffers any detrimental treatment because of refusing to take part in illegal tax evasion or corruption, or because of reporting in good faith their suspicion about a potential breach of this Policy. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. Employees or members who believe that they have suffered any such treatment should inform HR or another appropriate member of management.

8. PROMOTING THE CCO POLICY

8.1 The Group shall ensure that:

- this CCO policy is available to all employees and members on EA Connect;
- awareness training on the Policy is undertaken as part of the induction process for all new employees and members, with key personnel undertaking annual refresher training; and
- its zero-tolerance position and expectation of compliance, together with this Policy, are communicated to all associated persons at the start of a business relationship and as appropriate after that.

8.2 This policy ensures all employees and members are aware of;

- What Corporate Criminal Offence is and how it applies to the Group;
- Their responsibilities to prevent the facilitation of tax evasion;
- The risks of engaging in criminal tax evasion;

- How to report suspected instances of tax evasion.
- 8.3 The Group shall provide induction training to all its employees, in particular to employees involved in or engaged with the compliance and finance functions.
- 8.4 All entrants to the Group shall be given a copy of this CCO Policy and shall be advised of their responsibilities to prevent and report such action.
- 8.5 All entrants are required to read and understand the CCO Policy and provide their confirmation of the same.
- 8.6 The procurement team have responsibility to review the Group's internal control system and they should receive adequate and proper training.
- 8.7 It is the responsibility of Third Parties to ensure that they have access to suitable training.

APPENDIX A EXAMPLES

This list of examples is not intended to be an exhaustive list, nor are they set out as definitive indicators of tax evasion or the facilitation of such an offence. These suggestions are intended to act as indicators of actions that should prompt further due diligence of consideration of the steps you are being asked to take or parties you are engaged with.

- 1) You become aware, in the course of your work, that another party:
 - a) Has made or intends to make a false statement relating to tax;
 - b) Has failed to disclose income or gains to, or to register with, HMRC (or the equivalent authority in any relevant non-UK jurisdiction);
 - c) Has delivered or intends to provide a false document relating to tax; or
 - d) Has set up or intends to set up a structure to try to hide income, gains or assets from a tax authority.
- 2) You become aware, in the course of your work, that another party has deliberately failed to account for VAT or to account for VAT correctly.
- 3) Another party requests payment in cash, rather than through an account with a recognised bank or refuses to sign a formal contract or fee agreement or refuses to provide a proper invoice or receipt for a payment made.
- 4) You become aware, in the course of your work, that someone working for the Group as an Employee asks to be treated as a self-employed contractor, but without any material changes to their working conditions, or a family member or friend requests this treatment without adequate support for that treatment.
- 5) Another party requests that payment is made to a country or geographic location different from where the party resides or conducts business.
- 6) A party to whom the Group has provided goods or services requests for an invoice to be addressed to a different entity, where the Group did not provide goods or services to that entity.
- 7) A party to whom the Group has provided goods or services, asks for a change to the description on an invoice of the goods provided or services rendered in a way that seems designed to obscure the nature of the goods or services provided.
- 8) You receive an invoice from another party that appears to be non-standard or customised.
- 9) Another party refuses to put terms in writing or asks for contracts and other documentation to be backdated.
- 10) You notice that the Group has been invoiced for a commission or fee payment that appears too large or too small, given the service that was provided.
- 11) Another party requests or requires the use of an agent, intermediary, consultant, distributor, or supplier, who is not typically used by or known to the Group. This includes any requests to use suppliers for whom the AVA process has not been initiated and/or completed.
- 12) Any requests to maintain the secrecy of a transaction, beyond the usual confidentiality associated with business arrangements.
- 13) A transaction is proposed that is anonymous or to be arranged by people with whom you have not had a face-to-face relationship.

APPENDIX B POLICY REVISION FORM

Serial Number of Revision Proposal (version/year)	
Date of Revision Proposal	
Originated by: Employee, Position & Department	

Proposed Revisions:

Section Number:

Page Number:

Sign offs:

Name	Position	Date and signature
Originator:		
Other:		
Reviewer:		
Approver:		

Effective date of changes:

ENDNOTE

Comments

Comments and queries regarding the technical content of this Policy should be directed to:

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