

# Policy Statement

It's our policy to conduct all of our business in an honest and ethical manner. We take a zero-tolerance approach to facilitation of tax evasion, whether under UK law or under the law of any foreign country.

We're committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate, implementing and enforcing effective systems and controls to counter tax evasion.

We uphold all laws relevant to countering tax evasion including the Criminal Finances Act 2017.

The purpose of this policy is to:

- a) set out our responsibilities, and the responsibilities of those working with us, in observing and upholding our position in preventing the criminal facilitation of tax evasion; and
- b) provide information and guidance to those working with us on how to recognise and avoid tax evasion.

We take our legal responsibilities seriously. As an employer, if we fail to prevent our employees, workers, agents or service providers facilitating tax evasion, we can face criminal sanctions including an unlimited fine, as well as exclusion from tendering for public contracts and damage to our reputation.

In this policy, third party means any individual or organisation you come into contact with during the course of your work for us, and includes actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisers, representatives and officials, politicians and political parties.

This policy doesn't form part of any contract for services or employee contract. We may amend this policy at any time and require all those that work with us to remain aware of it.

# Tax Evasion Policy Q&A

## **Who must comply with the policy?**

Our tax evasion policy applies to anyone working with us or any of our Group companies, or anyone acting on our behalf, including all employees, directors, officers, agency workers, seconded workers, interns, agents, contractors, external consultants, third-party representatives and business partners, sponsors, or anyone else associated with us, wherever located.

## **Who is responsible for the policy?**

The board of directors is responsible for ensuring the policy complies with all our obligations, and that all others comply with the policy. The Group Tax Team is responsible for implementing the policy, monitoring its use and dealing with any queries. The Internal Audit Team are responsible for auditing related internal control systems and procedures. Finally, management at all levels are responsible for ensuring those reporting to them are fully aware and understanding of the policy.

## **What are tax evasion and facilitation of tax evasion?**

**Tax evasion** means acting to cheat the public revenue or fraudulently evading UK tax, with deliberate action or dishonest intent. It is a criminal offence.

**Tax evasion facilitation** means being knowingly involved in, or taking steps towards, the fraudulent evasion of tax by another person. It also includes aiding, abetting, counselling or procuring the commission of that offence. When done deliberately and dishonestly, it is a criminal offence.

Tax evasion is **not** the same as tax avoidance. Tax evasion involves deliberate and dishonest conduct, while tax avoidance involves taking steps to minimise tax payable in line with current law and regulations.

## Do's and don'ts

You must **NOT**:

- ✗ engage in any form of facilitating tax evasion or foreign tax evasion.
- ✗ aid, abet, counsel or procure the commission of tax evasion by someone else.
- ✗ fail to promptly report any request or demand to facilitate the fraudulent evasion of tax, or suspected fraudulent evasion of tax, by someone else.
- ✗ engage in any other activity that would breach this policy.
- ✗ threaten or retaliate against someone who has refused to commit a UK or foreign tax evasion offence, or someone who has raised concerns.

You **MUST**:

- ✓ Ensure you read, understand and comply with this policy.
- ✓ Avoid any activity that might lead to a breach of this policy.
- ✓ Notify your line manager or the confidential Whistleblowing helpline as soon as possible if you suspect a conflict with the policy has occurred or might occur in the future.

## How do I raise a concern?

It's a good idea to raise concerns about any issue or suspicion of tax evasion as early as possible. If you become aware of any fraudulent evasion or tax by another person while you're working with us, if someone asks you to assist them in their fraudulent evasion of tax, or if you believe any fraudulent evasion of tax might occur, notify your line manager or our Whistleblowing helpline as soon as possible.

If you're not sure about whether an act is tax evasion, raise it with your line manager or through the helpline as soon as possible. Bear in mind that it's only a corporate offence when action is deliberately and dishonestly taken to facilitate tax evasion. Also keep in mind that deliberately failing to report suspected tax evasion, or turning a blind eye, could count as criminal facilitation.

### **Will my concerns be treated confidentially?**

Yes. Those who raise concerns or report someone else's wrongdoing sometimes worry about the possible consequences for them, but we can assure you that these will remain confidential and we will support anyone who raises genuine concerns in good faith, even if they turn out to be mistaken.

This means that we will make sure no one suffers detrimental treatment as a result of refusing to be involved in a fraudulent tax evasion offence by another person.

Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If you believe you've suffered any of these in connection with raising a concern, you should inform our Group HR Manager immediately. If the matter is still not remedied, employees should raise it formally using our Grievance Procedure.

### **Will I receive any training?**

We'll provide training on this policy to any persons we have identified as working in areas of the business at higher risk of exposure to criminal tax evasion.

Our zero-tolerance approach to tax evasion must also be communicated to all our suppliers, contractors and business partners as soon we start a business relationship with them, including in our supplier T&Cs.

### **What happens if the policy is breached?**

If you breach the policy you'll face disciplinary action, which could result in dismissal for misconduct or gross misconduct.

If any individuals or organisations working on our behalf breach the policy, we may terminate our contract with them.

### **Read on to learn about "red flags" to look out for...**

# Potential Risk Scenarios ("Red Flags")

**This is a list of possible "red flags" which may raise concerns about tax evasion. This list doesn't cover everything - these are just some of the things to look out for. If you encounter any of them, you must report them promptly to your line manager or using the whistleblowing procedure.**

*(Third party means any individual or organisation you encounter through work, including clients, potential clients, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies.)*

1. An intentionally misleading or inaccurate employment status assessment has been made for someone working for us, so they are deemed self-employed and their income is not subject to PAYE and NIC deductions.
2. An intentionally misleading or inaccurate Supervision, Direction or Control assessment has been made for an agency worker, so that they are deemed self-employed and their income is not subject to PAYE and NIC deductions by the agency.
3. Someone working for us has used tax rebated red diesel in their private vehicle which is used on public roads.
4. You become aware that someone working for us or for a third party:
  - a) has made, or intends to make, a false statement relating to tax;
  - b) has failed to disclose income or gains to, or register with, HMRC;
  - c) has delivered or intends to deliver a false document to a tax authority relating to tax;
  - d) has set up or intends to set up a structure to try to hide income, gains or assets from a tax authority.
5. A person working for us or a third party has deliberately failed to register for VAT or failed to account for VAT.

6. A third party requests payment in cash and/or refuses to provide an invoice or receipt for a payment made.
7. A person working for us or a third party makes cash payments to a worker for wages without deducting appropriate payroll or CIS deductions.
8. An employee has asked to be treated as a self-employed contractor, but without any changes to their working conditions.
9. A person working for us or a third party is paid gross when they should have been paid net, under a scheme such as the Construction Industry Scheme.
10. A person working for us or a third party has asked for payment to be made to a different person than the business providing the services, or to a bank account in a foreign country where the third party resides or conducts business.
11. A third party to whom we have provided services asks us to change the description of the services on an invoice, in a way that seems to obscure the nature of the services provided.
12. You notice that we have been invoiced for a commission or fee payment that appears too large or too small for the service provided.
13. 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.

To report any suspicion of tax evasion, call our confidential helpline on:

**0800 0147 060**

Or email: [whistleblower@persimmonhomes.com](mailto:whistleblower@persimmonhomes.com)