



## Sovini Criminal Finances Act 2017 Compliance Statement

All entities within the Sovini Group are committed to promoting the highest standards of probity in the business practices we carry out directly and those that can be associated with us through our procurement arrangements and supply chains.

To this effect, we have built on the sound practices that we already have in operation to detect and prevent any form of fraud, corruption and money laundering, to put reasonable procedures in place to prevent the criminal facilitation of tax evasion.

Our commitments in this area show how we comply with the requirements of the Criminal Finances Act 2017 and are endorsed at the highest level by the Sovini Parent Board and the Boards of the individual entities within our Group structure.

Listed below are the reasonable procedures we have adopted to assess the highest areas of risk for tax evasion offences, the due diligence we will undertake with those we chose to buy goods and services from, the clear messages for zero tolerance of this type of activity and our ongoing watchfulness in the form of monitoring and review.

### **Risk Assessments**

Following the Royal Assent of the Criminal Finances Act in April 2017, an initial scoping exercise was undertaken to assess the areas of our business activities that present the greatest risks for tax evasion by all persons associated with the Sovini Group, both individuals and bodies corporate.

The Assessment, undertaken by Senior Officers with knowledge and oversight of all entities within the Sovini Group, identified key transactions and processes for inclusion on the 'Risk Register'. This ensures:

- Risks associated with tax evasion facilitation are given specific definition, are ranked in terms of potential impact and are prioritised for action
- Identified risks are assigned to 'risk owners' who have key responsibility for:
- The effective operation of internal control measures
- Escalation of any issues that indicate risks are not being adequately controlled and raising of alerts where concerns exist
- Risk monitoring on an on-going basis, providing information for assurance reporting in conjunction with Internal Audit and the Group Business Assurance Committee, to the relevant Boards

## **Due Diligence**

To ensure we protect against tax evasion opportunities that may arise from new business ventures, partnerships we develop and contracts we enter into, we will carry out comprehensive due diligence checks.

The level of checks will be proportionate to the size of the transactions proposed and the level of risk it presents for tax evasion offences. Each due diligence exercise will be tailored to the specific circumstances concerned and may involve external legal advice, as required.

## **Contractual Terms and Conditions**

As part of our procedures to ensure those who we choose to purchase goods and services from uphold our standards and good practice, we have amended the terms and conditions of our contracts.

To be accepted as an approved supplier, businesses need to demonstrate that they have effective procedures in place to detect and prevent potential tax evasion offences. Our central Procurement Team will also carry out periodic checks to test the effectiveness of these arrangements, during the lifespan of contract terms.

We will terminate the contracts of any organisation found to be responsible for Corporate Criminal Offences under the Criminal Finances Act, which is associated with the business they conduct with the Sovini Group.

We will also make appropriate alerts to the Her Majesty's Revenue and Customs (HMRC) where we believe active facilitation of tax offences is occurring or there is potential for it to occur.

## **Zero Tolerance Approach**

Our stance outlined above for those within our supply chain will apply equally to our own employees. If after thorough internal investigation or as a result of any individual prosecutions, our employees are found to be responsible for criminal tax evasion or facilitation they will be subject to disciplinary procedures and may be dismissed.

## **Reporting and Investigation**

Similar to the effective arrangements we have in place for the reporting, investigation and control of fraud, corruption and money laundering, we have developed a 'tax evasion response plan'.

This involves a number of our Officers being trained in aspects of compliance with the Criminal Finances Act, including appropriate investigations of concerns raised through operation of the risk register, implementation of control measures and external reporting, where required.

Via our internal communication mechanisms we have made the identity and means of contact of our trained officers widely available to our staff and those involved in our governance structures.

Throughout the Sovini Group we also deploy effective confidential reporting (whistleblowing) policies and procedures. We will support and protect individuals that raise concerns but do not wish to be identified and will investigate any alerts of tax evasion activity, made anomalously.

When required to share information with the HMRC or any other official investigation agency where suspected criminal activity has taken place, the exemptions that are outlined in UK data protection legislation (Data Protection Act and General Data Protection Regulations) will apply and personal data may be shared.

This will also apply to client information in line with Proceeds of Crime Act.

## **Monitoring and Review**

To ensure our response to the risks of corporate criminal offences remains effective and is appropriately resourced, all designated risk owners throughout the Sovini Group are required to continually monitor the areas they are responsible for and raise concerns if any potential failings are identified.

As our business grows and expands we will also ensure any new potential risks are identified, assigned and appropriate control measures are put in place.

To raise awareness of the requirements for constant vigilance around tax evasion facilitation offences and to ensure appropriate responses are made where any concerns exist, we will provide training for all our employees and Boards, which will be periodically refreshed.

**Signed:**

**Dated:** 10<sup>th</sup> April 2018



**Roy Williams**  
Group Chief Executive

