

# Policy Statement Regarding Criminal Finance Act 2017

This statement has been published in accordance with the Criminal Finance Act 2017 (CFA2017). It sets out A&P's commitment to preventing persons associated with A&P from engaging in the criminal facilitation of tax evasion.

## Introduction

The Criminal Finance Act 2017 includes a new Corporate Criminal Offence (CCO) which affects all corporate bodies, with effect from 30 September 2017.

The new CCO makes it an offence for a corporate body to fail to prevent an employee, agent or other 'associated person' of the corporate body from knowingly assisting another party in evading tax, whether that be in the UK or overseas (*NB: this legislation does not relate to the corporate's own tax risks / errors / evasion, but to failing to prevent associated persons from assisting others to evade tax*).

A&P and its trading subsidiaries therefore have to review the risk of this occurring and have appropriate procedures in place to prevent it.

## Risk Assessment

A&P undertakes risk assessment of all its operations both in the UK and overseas to determine the nature and extent of exposure to the risk of any "associated persons" engaging in activity that could facilitate tax evasion.

A&P maintains a register of possible risks of the facilitation of tax evasion by its staff, agents and "associated persons" which as well as listing controls to mitigate those risks also lists any actions required to improve those controls. This register is regularly reviewed and updated, as and when required.

## Implementation of Controls / Procedures to Reduce Risk

Based on the risk register A&P implements reasonable prevention procedures and controls proportionate to the size, complexity and level of risk. These will be reviewed at the same time as the risk register and updated as required.

A&P also seeks to carry out proportionate due diligence on customers and suppliers to ensure that the risk of "associated persons" engaging in the criminal facilitation of tax evasion is identified up front and reflected if necessary in the risk register.

A&P will terminate any relationships with "associated persons" if tax evasion is identified and will include clauses in contracts to facilitate this.

The new CCO will be referred to in A&P, Ethics, supply chain management and subcontracting policies.

## Knowledge and Raising Awareness

Finance Directors within A&P will keep up to date with legislation, regulations and best practice in relation to preventing "associated persons" from engaging in the criminal facilitation of tax evasion. This will be achieved by using resources such as the HMRC website and alerts and tax seminars run by professional advisors.

A&P has nominated the Group Finance Director as the key officer responsible for information and queries on CFA2017 within our organization.

A&P has nominated Directors responsible for information and queries on CFA2017 within the areas that they support. The Group Supply Chain Director is responsible for supply chain management transparency and initiatives. Specific CFA2017 training is provided to staff in roles which are deemed to be high risk.

A&P staff are encouraged to speak to any of the nominated officers listed above if they have any questions or concerns about tax evasion. If any individual suspect that any person associated with A&P and its subsidiaries is engaging in the criminal facilitation of tax evasion, they must disclose their suspicions as soon as possible to one of

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the nominated Directors. In cases where a member of staff believes that informing the nominated Directors would be inappropriate, they should follow A&P's Whistleblowing Policy.

### Consequences of Non-Compliance with A&P Approach

A&P is committed to a zero tolerance towards the criminal facilitation of tax evasion.

Any employee who fails to meet this commitment will be subject to disciplinary action under A&P's disciplinary process, with sanctions including summary dismissal. The employee may also be personally liable to criminal prosecution in the UK under existing tax evasion laws.

In the supplier selection phase of the procurement process, we may remove suppliers from the competition stage that do not comply with A&P's policies, or who have poor supply chain practices.

Contracted suppliers will be required to take the necessary action to improve their service delivery and we will work with them to address any concerns. If the supplier does not improve, A&P may terminate the business relationship.

A&P will take reasonable actions to challenge customers and suppliers that do not meet our standards regarding prevention of the criminal facilitation of tax evasion. Such customers or suppliers may also be liable to prosecution under the provisions of the CFA 2017.

Signed:

David McGinley  
Chief Executive Officer  
Camel Laird Shiprepairers and Shipbuilders Ltd  
Atlantic & Peninsula Marine Services Ltd

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