



GROUP

CORPORATE CRIMINAL OFFENCE POLICY

Sections 45 and 46 of the Criminal Finances Act 2017

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Purpose

The purpose of this policy is to communicate the group's approach to the Corporate Criminal Offence Act 2017 on the failure to prevent the Criminal Facilitation of Tax Evasion ("CCO"). This policy will:

- summarise the offences under Part 3 of the Criminal Finances Act 2017 (the "Act")
- set out our responsibilities in complying with the Policy to prevent the facilitation of tax evasion within RS Group
- provide information and guidance on how to recognise and deal with facilitation of tax evasion issues.

In this policy, an associated person is defined as a person who performs services for or on behalf of RS Group. This can be an individual or an incorporated or unincorporated body. Typically, this includes suppliers, agency workers, outsourced service providers, contractors, etc.

This policy also applies to all RS Group employees in how they manage their relationships with anyone they meet during their work. This will include actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers and government and public bodies, including their advisors, representatives and officials, politicians, and political. The Board reviewed and approved this policy in January 2024.

Introduction

RS Group Plc together with its subsidiaries and affiliates, is committed to conducting its business in full compliance with all applicable laws. This commitment includes adhering to those requirements of Part 3 of the Criminal Finances Act 2017 (the "Criminal Finances Act") that took effect from 30 September 2017.

The Criminal Finances Act introduced the Corporate Criminal Offence of failing to prevent the facilitation of tax evasion by another person. RS Group will not engage in or be associated with any form of tax evasion anywhere in the world, nor facilitate any such activities.

The Policy is published as part of the commitment of RS Group's senior management to implement and enforce effective systems throughout its business to monitor the risk of and to prevent and eliminate tax evasion, in accordance with the Act. It should be read and understood by all employees, agents, and contractors of RS Group.

The facilitation of tax evasion is a criminal offence. If RS Group is found to have taken part in the facilitation of tax evasion, the Group could face an unlimited fine and significant damage to its reputation. The success of RS Group's anti-facilitation of tax evasion measures depends on all associated persons and third parties helping to prevent tax evasion.

Employees and associated persons of RS Group, are required to familiarise themselves and comply with the Policy, including any future updates that may be issued from time to time by RS Group. Associated persons are obliged to report any suspected facilitation of tax evasion in accordance with this Policy. RS Group will support any associated person that makes such a report, provided it is made in good faith. RS Group will regularly communicate its anti-facilitation of tax evasion measures to all its employees. Training is provided annually for relevant employees who might be in a position to facilitate tax evasion.

RS Group will monitor the effectiveness and review the implementation of this Policy, on an annual basis to consider its suitability, adequacy, and effectiveness.

Summary of Act and Consequences

The Criminal Finances Act came into force on 30 September 2017 the ("Act"). Part 3 of the Act creates the corporate offence of the facilitation of tax evasion, this includes UK and foreign taxes.

Tax evasion involves the deliberate and dishonest use of illegal practices to evade paying the right amount of tax. This could include not reporting all of your income, deliberately not filing an accurate tax return, hiding beneficial ownership and taxable assets from HMRC or diverting funds to hide income from local taxation authorities.

There are three stages that apply to both the domestic and foreign tax evasion facilitation offence:

Stage one: the criminal tax evasion by a taxpayer (either an individual or a legal entity) under existing law.

Stage two: the criminal facilitation of the tax evasion by an "associated person" of the relevant body acting in that capacity; and

Stage three: the relevant body failed to prevent its representative from committing the criminal facilitation act.

A Criminal offence is committed under this legislation where an associated person of RS Group plc deliberately and dishonestly facilitates a taxpayer evading tax, and the group have not put reasonable procedures in place to prevent the evasion taking place.

Should a company be found guilty of failing to prevent the facilitation of tax evasion they could be liable to an unlimited fine and subject to ancillary orders such as confiscation orders or serious crime prevention orders.

Our Responsibility

The directors of RS Group have overall responsibility for ensuring that the Policy complies with the Groups legal and ethical obligations, and that all associated persons under their control comply with it. Management at all levels are responsible for ensuring that those reporting to them understand the Policy and that those considered to be at risk of facilitating tax evasion are given adequate training as regularly as they consider necessary.

You are prohibited from facilitating any tax evasion, whether in respect of a UK or a foreign tax, whilst acting for or on behalf of RS Group. Where there is a UK tax evasion facilitation offence it does not matter whether the relevant body is UK-based or established under the law of another country, or whether the associated person who performs the criminal act of facilitation is in the UK or overseas. In such cases the offence will have been committed and can be tried by the courts of the United Kingdom.

Due diligence should be undertaken, in accordance with RS Groups procurement and risk management procedures, prior to entering into any contract, arrangement or relationship with a third party. The extent of the due diligence carried out depends on the nature of the relationship and the risk of tax evasion occurring. Before entering into any contract, arrangement, or relationship you must make sure that appropriate personnel within RS Group have been consulted and you have the approval of the business to proceed, where necessary in accordance with internal policies.

RS Group must keep accurate and complete financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties. No accounts must be kept "off book" to facilitate or conceal improper payments. You must take particular care to ensure all company records are accurately maintained in relation to any contracts or business activities, including financial invoices and all payment transactions with associated persons.

RS Group requires that associated persons remain vigilant in preventing, detecting, and reporting tax evasion in all aspects of the business. Any issues or concerns should be reported, as soon as possible to the Line Manager, or Legal Department, or through the confidential Speak Up procedure. Any suspected or actual attempts to evade tax should be reported, particularly if you.

- are asked to facilitate tax evasion (or what you perceive to be tax evasion) by a third party,
- suspect that this may happen in the future,
- believe that you or RS Group are inadvertently party to another form of unlawful activity.
- or concerns that other colleagues or associated persons may be facilitating tax evasion.

Prevention and Reporting

RS Group have a zero tolerance to engaging and facilitating Tax evasion, to identify and prevent tax evasion risks, RS Group will regularly conduct risk assessments for each of its key business activities to ensure adherence to this policy. In particular, RS Group will:

- provide annual training to 'at risk' employees on the Act and how to identify and combat tax evasion.
- regularly assess risk areas, for example tenders submitted by suppliers for work which are delivered to Procurement and financial restructuring; and
- undertake appropriate due diligence on third parties and associated persons.
- Adopting a zero-tolerance attitude towards the criminal facilitation of tax evasion.
- Providing a pathway for reporting wrongdoing and providing protection for whistle-blowers
- Implementing new procedures which reduce the opportunity for employees to facilitate tax evasion, and regularly reviewing these for effectiveness and improvement.
- Where internal investigations indicate a person associated with RS Group has facilitated tax evasion, they will be reported to the authorities.

RS Group will fully investigate any instances of alleged or suspected Tax evasion. Any employee who breaches this policy will face disciplinary action and subject to the relevant internal procedures outlined in the Groups policies.

RS Group may terminate its relationship with other individuals and organisations working on its behalf if they breach this policy.

RS Group may also report to the relevant authorities, including the Director of Public Prosecutions, Serious Fraud Office, HMRC Prosecutions Office and the police. RS Group will provide all necessary assistance to the relevant authorities in any subsequent prosecution.