PS05 ANTI-BRIBERY, CORRUPTION, FRAUD AND ANTI-COMPETITIVE PRACTICES POLICY, INCLUDING ANTI-FACILITATION OF TAX EVASION

POLICY STATEMENT

This policy sets out the policy of the company in relation to preventing bribery, corruption, fraud, and anti-competitive behaviour within the company.

The statutory requirements in the United Kingdom are contained within the Bribery Act 2010, Fraud Act 2006, Competition Act 1998 etc.

The Directors of the company have zero-tolerance for bribery, corruption, fraud, and anti-competitive behaviour. No person working for or on behalf of the company is permitted to undertake any of the above activities.

Compliance with the Company's policy in relation to bribery, corruption, fraud, and anti-competitive behaviour is regarded as part of company policy and the employee's contract of employment and a breach of the policy will result in disciplinary action.

The company policy on managing corruption, bribery, fraud, and anti-competitive activities in the company is based on a six-point strategy:

(1) Top Level Commitment: That the Directors fully support and demonstrate the policy.

(2) Risk Assessment: That the Directors and Managers have defined the risk of contravention in the markets that they are in.

(3) Due Diligence: That the Directors and Manager can trust their employees and the people with whom the business trades.

(4) Communication: That all persons working for and on behalf of the company are aware of the policy on corruption, bribery, fraud, and anti-competitive activities.

(5) Proportionality: That response to breaches of this policy is in proportion to the level of risk. This includes that where breaches of the above laws are identified that they will be reported to the Police, Financial Conduct Authority, Competition and Markets Authority (CMA).

(6) Policy and Compliance Review.

This policy shall be communicated to all employees and other interested parties.

As the person ultimately accountable for compliance at Chiel Construction Limited I approve this policy.



Martin Rush, Managing Director, Sept 26

DEFINITIONS

Anti-competitive activity includes including price fixing, bid rigging, agreeing to market or customer share, sharing commercially sensitive information, and other ways of agreeing not to compete. These agreements are sometimes called 'cartels. An agreement does not have to be in writing for it to be illegal. Companies / individuals can break the law based on an informal conversation or 'gentleman's agreement' with another business, even if the agreement is not carried out.

Other anti-competitive activity includes abuse of a dominant market position. This may occur if a company is unfair to customers or other businesses, for example where customers are treated differently, for example by offering different prices or terms to similar customers, making customers buy products they do not want, for example forcing them to take warranties for products, or charging low prices that do not cover actual costs so to drive out competitors.

Bribery is the offer or receipt of any gift, loan, payment, reward, or other advantage to or from any person as an encouragement to do something which is dishonest, illegal or a breach of trust, in the conduct of the Company's business. This could include seeking to influence a decision-maker by giving some kind of extra benefit to that decision maker rather than by what can legitimately be offered as part of a tender process.

Corruption is the misuse of entrusted power for private gain.

Facilitation payments are payments to induce officials to perform routine functions they are otherwise obliged to perform. Legally required administrative fees or fast-track services are not defined as facilitation payments.

Fraud has various definitions under the Fraud Act 2006 including:

1. Fraud by False Representation, which is making a false representation, dishonestly, knowing that the representation was or might be untrue or misleading, with intent to make a gain for themselves or another, to cause loss to another or to expose another to risk of loss. Examples may include specifying or charging for unnecessary work or claiming for work not done.

2. Fraud by Failing to Disclose Information: The person failed to disclose information to another person when he was under a legal duty to disclose that information, dishonestly intending, by that failure, to make a gain or cause a loss.

3. Fraud by Abuse of Position: The defendant occupies a position in which he was expected to safeguard, or not to act against, the financial interests of another person, abused that position, dishonestly, intending by that abuse to make a gain/cause a loss. The abuse may consist of an omission rather than an act. Examples include:

    - false financial management by act or omission, for personal gain.
    - an employee who fails to take up the chance of a crucial contract in order that an associate or rival company that they have links with can take it up instead.
    - a director of a company who dishonestly makes use of knowledge gained as a director to make a personal gain.
    - an employee who abuses his position to grant contracts or discounts to friends, relatives, and associates.

4. Making or supplying articles for use in frauds including the possession of articles for use in fraud. This includes using counterfeit goods presented as genuine or claiming for work not done.

5. Obtaining services dishonestly. This can include making cash payments as a method of avoiding taxes due.

Gifts are presents such as flowers, vouchers, food, and drink. Event and travel tickets given to employees as an individual are also gifts when they are not to be used in a hosted business context.

Hospitality includes invitations to hosted meals, receptions, and events for business purposes. Genuine hospitality, promotional or similar business expenditure that is reasonable and proportionate is not prohibited by the Bribery Act, but their acceptance must be considered with care. The hospitality received and the way in which it is provided must be considered regarding the influence it has on the recipient and/or any business decisions.

Scope of Acts: The above Acts applies to all activities of a UK-based business no matter where they are carried out in the world. This policy therefore applies to all activities worldwide, whatever the local law, practice or custom may be.

Criminal Penalties

- For bribery or fraud, if employees engage in activities which are contrary to the above Acts, they could face up to 10 years in prison and/or an unlimited fine, and the Company could also be liable to an unlimited fine and Government sanction.

- If companies are found to be involved in anti-competitive activity, the business can be fined up to 10% of its turnover and sued for damages. Individuals can be fined or sent to prison for up to 5 years if they are found guilty of being involved in cartel activity. Company directors can be disqualified from being a director for up to 15 years.

PROCEDURE

1. Duties of Employees

Employees and others working on our behalf, including suppliers and subcontractors, shall always act in accordance with the following provisions.

1.1 Behave honestly, be trustworthy and set a good example.

1.2 Use the resources of the Company in the best interests of the Company and not misuse those resources.

1.3 Make a clear distinction between the interests of the Company and the individual's private interests to avoid any conflict of interest.

1.4 Do not offer or accept bribes.

1.5 Ensure that any community support, sponsorship, and charitable donations do not constitute bribery.

1.6 Do not, without express prior written approval from the Directors, offer or accept any gifts or hospitality to or from clients, contractors, suppliers, other third parties or public officials.

1.7 Do not offer money to any public officials to speed up service or gain improper advantage. This type of bribery is a 'facilitation payment' and it is illegal. If employees are faced with a demand for a facilitation payment, employees must actively resist the payment and then inform the Directors.

1.8 Do not undertake anti-competitive behaviours, including:

- Price Fixing. e.g. agreeing what price to charge with another competitor, to offer discounts or increase prices at the same time),
- Bid Rigging. e.g. agreeing with competitors how much will be bid for a contract or share information about the bid. Taking turns to win contracts. Asking other businesses to bid when the company does not want the contract (called 'cover bids'). Paying other businesses not to bid or to withdraw when a tender is won. Agreeing with other businesses not to bid or to withdrawing the companies bid.
- Agreeing to market or customer share. e.g. agreeing not to approach each other's customers. Agreeing not to compete with them for customers, for example in specific locations or markets.
- Sharing commercially sensitive information. e.g. sharing information with other businesses that might reduce competition between the two companies, for example information about prices, production, suppliers, customers or contractors, the markets the company plans sell or plan to sell to.
- Other activities that break competition law include:
    - buying or selling jointly with your competitors,
    - agreeing with competitors to reduce production / availability of something to raise its market value,
    - restricting how much other businesses can sell product for,

- agreeing with your competitors not to sell to certain customers or deal with certain suppliers,
- having long-term exclusive contracts with any customers or suppliers (unless as part of a formal framework subject to public tender).

1.9 Do not undertake any actual or potentially fraudulent activities such as hiding / claiming poor workmanship, inflated costs, claiming for unnecessary work, knowing using fraudulent / non-genuine materials, falsification of records e.g., job sheets, time sheets, training certificates, plant inspection reports.

1.10 Action to be taken by an Employee if a suspected or actual breach occurs.

1.10.1 If employees are at any time uncertain as to whether employee's actions will comply with this policy, employees must seek guidance from the Managing Director.

1.10.2 Employees must report to the Directors any attempted, actual, or suspected breaches of this policy including any risks and issues which are contrary to this policy document. These reports will be dealt with confidentially.

1.10.3 Should Employees not believe that the company has implemented an adequate investigation or corrective actions, then they may implement the Work Safe – Whistleblowing Policy and report the incident to the relevant external regulatory body e.g., Police and Financial Conduct Association.

2. Directors Duties

Directors, in addition to adopting the responsibilities of Employee as per Section 1 above, shall:

2.1 Be aware of the contents of this Policy and its compliance with the Act.

2.2 Ensure that this policy is communicated to all employees and other interested parties.

2.3 Ensure that when new employees join the company, that they don't breach anti-competitive regulations regards fraudulent use of their previous employer's data.

2.4 Ensure that accurate financial records are kept so to demonstrate that all transactions are completed fairly and legally.

2.5 If providing any form of remuneration via commission or any other basis linked with sales or profits, ensure that persons working for or on behalf of the company comply with this Anti- Corruption, Bribery, Fraud and Anti-Competition Policy.

2.6 Not authorise or otherwise permit any payment of donations to political parties or charities that are directly linked to the obtaining of a business or business advantage.

2.7 Ensure all employees' compliance.

2.8 If suspecting any type of breach of this policy, implement a suitable and investigation, proportional to the level of the risk and take necessary actions to prevent the risk re-occurring.

2.9 Where a breach occurred, inform the relevant regulatory authorities including the Police, Financial Conduct Association and Competition and Markets Authority (CMA).

2.10 Review this policy as part of change events, knowledge transfer, lessons learnt, post-incident and annually.

END

APPENDIX A REGULATORY AUTHORITY CONTACT DETAILS

Regulatory Authority	Website	Telephone
Competition and Markets Authority (CMA)	https://www.gov.uk/guidance/tell-the-cma-about-a-competition-or-market-problem	0800 085 1664
Financial Conduct Authority (FCA)	https://www.fca.org.uk/consumers	0800 111 6768
Local Authority Trading Standards	https://www.gov.uk/find-local-council	-
Crimestoppers	https://crimestoppers-uk.org/give-information/forms/give-information-anonymously	0800 555 111
Police – Non-Emergency Report	-	101
Health and Safety Executive (HSE)	https://www.hse.gov.uk/contact/concerns.htm	0300 003 1647
Environment Agency (EA)	enquiries@environment-agency.gov.uk	0800 80 70 60
Modern Slavery	https://www.modernslaveryhelpline.org/report	08000 121 700
Advisory, Conciliation and Arbitration Service (ACAS) – Employment Issues	https://www.acas.org.uk/contact	0300 123 1100

Anti-Facilitation of Tax Evasion

Chiel Construction Ltd takes a zero-tolerance approach to the criminal facilitation of tax evasion. We are committed to conducting all business in an honest and ethical manner and to upholding all laws relevant to countering tax evasion, including the Criminal Finances Act 2017. It applies to all employees, contractors, agents, and associated persons acting on behalf of the company.

Due diligence checks are conducted on all subcontractors and third-party providers to ensure they have appropriate policies and procedures in place. This includes verifying their CIS status and VAT number with HMRC to confirm registration. We also request copies of their insurance policies, which are reviewed and updated annually to ensure we maintain the most current documentation on file

Any concerns regarding potential tax evasion or its facilitation must be reported immediately through the company's whistleblowing channels, as outlined in PS12 – Work Safe Policy. We provide regular training to employees and associated personnel to help them identify and prevent tax evasion. The company maintains a clear and consistent zero-tolerance approach to tax evasion, which is communicated across all levels.

Risk Assessment

This risk assessment identifies potential areas within the company that may be vulnerable to the criminal facilitation of tax evasion. It evaluates the likelihood and impact of each risk, outlines existing controls, and recommends actions to mitigate these risks.

Risk Area	Likelihood	Impact	Controls in Place	Recommended Actions
Engagement with subcontractors and third-party suppliers	Medium	High	Due diligence checks, contractual clauses.	Enhance vetting procedures and require anti-evasion declarations
Employee awareness and training	High	Medium	Basic training provided	Implement mandatory annual training and refreshers
Financial transactions and record keeping	Low	High	Internal audits, accounting policies	Increase frequency of audits and introduce spot checks
Client engagements and advisory services	Medium	Medium	Service agreements, compliance checks	Review client onboarding procedures and add risk flags
Whistleblowing and reporting mechanisms	Low	High	Whistleblowing policy in place – PS12 – Work Safe Policy	Promote awareness and ensure anonymity of reporting channels