

# Financial Policies Relating to Employees

Incorporating:

**Anti-Bribery and Corruption Policy**

**Anti-Fraud Policy**

**Anti-Facilitation of Tax Evasion Policy**

**Anti-Money Laundering Policy**



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# 1. The Policies

- 1.1. It is the policy of Peel L&P Group Management Limited, Peel Group Management Limited (Peel) and its subsidiary companies to conduct all of its business in an honest and ethical manner. Peel takes a zero-tolerance approach to bribery, corruption, fraud, money laundering and facilitation of tax evasion.
- 1.2. Peel is committed to acting professionally, fairly, honestly and with integrity in all its business dealings and relationships wherever it operates, implementing and enforcing effective systems to counter bribery, corruption, fraud, money laundering and facilitation of tax evasion.
- 1.3. Peel will uphold all laws relevant to the content of this policy in all the jurisdictions in which it operates. Peel does, however, remain bound by the laws of the UK in respect of its conduct both at home and abroad.
- 1.4. Peel recognises that breach of these policies can lead to:
  - 1.4.1. Financial loss to Peel and/or other entities or individuals
  - 1.4.2. fines;
  - 1.4.3. imprisonment;
  - 1.4.4. excluded from tendering for public contracts;
  - 1.4.5. serious reputational damage.
- 1.5. These policies apply to all employees (whether temporary, fixed term, or permanent), consultants, contractors, trainees, seconded staff, home workers, casual workers, agency staff, volunteers, interns, agents, sponsors, development partners or any other person or persons associated with Peel (including third parties), or any of Peel's subsidiaries or their employees, no matter where they are located (within or outside of the UK). These policies also apply to Officers, Trustees, Board, and/or Committee members at any level. Peel requires all to act honestly and with integrity and to safeguard Peel's integrity and approach.
- 1.6. In the context of these policies, third-party refers to any individual or organisation Peel meets and works with. It refers to actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies – this includes their advisors, representatives and officials, politicians, and public parties.

- 1.7. Any arrangements Peel makes with a third party is subject to clear contractual terms, including specific provisions that require the third party to comply with minimum standards and procedures relating to these policies. These policies can be found in the Supply Chain Code of Conduct.
- 1.8. As part of Peel's contracting processes, Peel expects the same high standards from all its consultants, advisors, contractors, suppliers and other business partners including obligations requiring compliance with all applicable laws, statutes, regulations, codes and policies. Peel requires that relevant and compliant policies and procedures are maintained and enforced relating to such matters and prohibits any activities, practices or conduct which may constitute or cause any breach of, or offence under, any such laws, statutes, regulations, codes, policies and procedures. Peel also expects that its consultants, advisers, contractors, suppliers and other business partners will hold their own contractors, suppliers and other business partners to the same high standards.
- 1.9. These policies should be read in conjunction with all Peel's related employee policies available on the intranet.

## **2. Policy Aims and Objectives**

- 2.1. The key aims and objectives of these policies are:
  - 2.1.1. to set out Peel's responsibilities, and of those working for Peel, in observing and upholding its position on bribery, corruption, fraud, money laundering and facilitation of tax evasion;
  - 2.1.2. provide information and guidance to those working for Peel on how to recognise, deal with and report any concerns that they may have about inappropriate behaviour purporting to bribery, corruption, fraud, money laundering or facilitation of tax evasion issues;
  - 2.1.3. to establish the principle that bribery, corruption, fraud, money laundering and facilitation of tax evasion will not be tolerated across Peel.
  - 2.1.4. to clarify the action(s) Peel will take against anyone found guilty of or attempted bribery, corruption, fraud, money laundering or facilitation of tax evasion; and

- 2.1.5. to set out a framework for a fast and appropriate response to instances of alleged bribery, corruption, fraud, money laundering or facilitation of tax evasion issues.
- 2.2. The overall objective is to limit Peel's exposure to bribery, corruption, fraud, money laundering or facilitation of tax evasion issues and thus to minimise the risk of related financial loss either to Peel or to another entity or individual and/or adverse effects on Peel's image, reputation and its employees.

### **3. Compliance with Policies**

- 3.1. Employees must ensure that they have read, understood and complied with these policies.
- 3.2. The prevention, detection and reporting of bribery, other forms of corruption, fraud, money laundering and facilitation of tax evasion in any part of Peel are the responsibility of all those working for Peel or those under its control. All employees are required to avoid any activity that might lead to, or suggest, a breach of these policies.
- 3.3. Employees are encouraged to raise concerns about any issue or suspicion relating to a breach of any of these policies even if the employee is unsure about whether a particular act constitutes a breach of policy. The Finance & Operations Director must be notified at the earliest possible stage if it is believed or suspected that a conflict with this policy has occurred or may occur in the future.
- 3.4. An employee who breaches any of these policies may face disciplinary action, which could result in dismissal for gross misconduct.

### **4. Raising Concerns**

- 4.1. Employees are an important element in Peel's stand on bribery, corruption, fraud and facilitation of tax evasion. Employees are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. Should an employee be unsure whether a particular act constitutes a breach of any of these policies, or if they have any other queries, these should be raised with at least one of the following parties:
  - 4.1.1. the employee's Line Manager;
  - 4.1.2. People Team (peopleteam@peel.co.uk);

- 4.1.3. Directors or a member of the Senior Management Team;
- 4.1.4. In confidence via the hotline managed independently by Safecall (0800 915 1571).
- 4.2. Employees should refer to Peel's Whistleblowing Policy for further advice on how to raise concerns.
- 4.3. In the case of fraud, the Public Interest Disclosure Act 1998 gives further guidance on how to raise concerns and the support and safeguards available to those who do so. The full act may be viewed online at <http://www.legislation.gov.uk/ukpga/1998/23/contents>.
- 4.4. Concerns raised will be treated in confidence and will be properly investigated. However, if any allegation made by an employee is identified as unfounded and malicious this will be dealt with as a disciplinary matter.
- 4.5. Peel and its Senior Management will deal firmly with any proven financial malpractice.
- 4.6. Where, after a proper audit investigation has been carried out, there is evidence that financial impropriety has occurred Peel will normally expect the circumstances to be referred to the Police for advice, further investigation and if considered appropriate by the Crown Prosecution Service prosecution of the offender. In addition, steps will be taken to recover funds fraudulently obtained.
- 4.7. In addition to police involvement, Peel's Disciplinary Procedure will be applied in cases of suspected fraud. Fraud of any kind is within the definition of gross misconduct and perpetrators may, on completion of the Disciplinary Procedure, be subject to summary dismissal.
- 4.8. Where it is found that fraud or corruption has occurred due to a breakdown in Peel's systems or procedures the Directors, in consultation with the Finance & Operations Director, are responsible for ensuring that appropriate improvements in systems of internal control are implemented in accordance with audit recommendations.
- 4.9. With regard to whistleblowing, more information around raising a concern and protection is provided within the Whistleblowing Policy.

## **5. Being a Victim of Any of these prohibited activities**

- 5.1. It is important that employees tell their Line Manager as soon as possible if they are

- 5.1.1. offered a bribe by a third party;
- 5.1.2. are asked to make one;
- 5.1.3. suspect that this may happen in the future;
- 5.1.4. suspect tax evasion or fraud;
- 5.1.5. believe that they are or Peel is a victim of another form of unlawful activity.

## **6. Protection**

- 6.1. Employees who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. Peel aims to encourage honesty and transparency and will support anyone who raises genuine concerns in good faith under these policies, even if they turn out to be mistaken.
- 6.2. Peel is committed to ensuring no one suffers any detrimental treatment as a result of refusing to take part in bribery, corruption, fraud, money laundering and facilitation of tax evasion or because of reporting in good faith their suspicion that an actual or potential offence has taken place or may take place in the future.
- 6.3. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If an employee believes that they have suffered any such treatment, they should inform their Line Manager (or, if the complaint relates to their manager, to the Associate Director of People and Compliance) immediately. If the matter is not remedied, it should be raised formally using Peel's Grievance Procedure.

## **7. Training and Communication**

- 7.1. Training on these policies forms part of the induction process for all new employees. Employees will also receive regular, relevant training on adherence to these policies particularly where it is felt knowledge needs to be enhanced or those identified with or exposed to higher risk work activities. Employees will be asked to formally accept that they comply with these policies annually.
- 7.2. Peel maintains a zero-tolerance approach to bribery, corruption, fraud, money laundering and facilitation of tax evasion whether under UK law or under the law of any foreign country. This must be communicated to



all suppliers, contractors and business partners at the outset of Peel's business relationship with them and as appropriate thereafter as set out in the Supply Chain Code of Conduct.

## **8. Responsibility for these Policies**

- 8.1. The Board Directors have overall responsibility for ensuring these policies comply with Peel's legal and ethical obligations, and that all those under Peel's control comply with them.
- 8.2. Peel is committed to ensuring there is transparency in its own businesses and in its approach to tackling bribery, corruption, fraud, money laundering and the facilitation of tax evasion throughout its supply chains consistent with its obligations under the Criminal Finances Act 2017.
- 8.3. All senior management have primary and day-to-day responsibility for implementing these policies, monitoring their use and effectiveness, dealing with any queries and ensuring internal audit of control systems and procedures to ensure they are effective in countering bribery, corruption, fraud, money laundering and facilitation of tax evasion.
- 8.4. Management at all levels are responsible for ensuring those reporting to them are made aware of and understand these policies and are given adequate and regular training on them.
- 8.5. Peel believes that all its employees at any level of management have a general responsibility to implement these policies in their day to day activities

## **9. Monitoring and Review**

- 9.1. The Finance & Operations Director will monitor the effectiveness and review the implementation of these policies, regularly considering their suitability, adequacy and effectiveness.
- 9.2. Any improvements identified will be made as soon as possible.
- 9.3. Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective in countering bribery, corruption, fraud, money laundering and facilitation of tax evasion.
- 9.4. All employees are responsible for the success of these policies and should ensure they use them to disclose any suspected danger or wrongdoing.



9.5. Employees are invited to comment on these policies and suggest ways in which they might be improved. Comments, suggestions and queries should be addressed to the Associate Director of People and Compliance.

9.6. This policy does not form part of any employee's contract of employment, and it may be amended at any time.

## 10. Contacts

10.1. Peel internal contact for these policies is Matthew Colton, Finance & Operations Director, email [mcolton@peel.co.uk](mailto:mcolton@peel.co.uk)

10.2. External contacts for these policies are:

**Safecall (Confidential)**

0800 915 1571

**Public Concern at Work (Confidential Charity)**

<http://www.pcaw.co.uk>

# Anti Bribery and Corruption Policy

## 1. Definition of Bribery

- 1.1. Bribery refers to the act of offering, giving, promising, asking, agreeing, receiving, accepting, or soliciting something of value or of an advantage so to induce or influence an action or decision.
- 1.2. A bribe refers to any inducement, reward, or object/item of value offered to another individual in order to gain commercial, contractual, regulatory, or personal advantage.
- 1.3. Bribery is not limited to the act of offering a bribe. If an individual is on the receiving end of a bribe and they accept it, they are also breaking the law.
- 1.4. Bribery is illegal. Peel must not engage in any form of bribery, whether it be directly, passively, or through a third party.
- 1.5. Examples include:
  - 1.5.1. **Offering a bribe** – A Peel employee offers a potential client, tickets to a major sporting event, but only if they agree to do business with the Peel;
  - 1.5.2. **Receiving a bribe** - A supplier gives a Peel employee's relative a job, but makes it clear that in return they expect the employee to use their influence within Peel to ensure Peel continues to do business with them;
  - 1.5.3. **Bribing a foreign official** – A Peel employee arranges for the business to pay an additional payment to a foreign official to speed up an administrative process, such as clearing Peel's goods through customs.

## 2. What Employees Must Not Do

- 2.1.1. Employees must not under any circumstances on their own behalf or on behalf of the Peel:
- 2.1.2. give, promise to give, or offer, a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given;

- 2.1.3. give, promise to give, or offer, a payment, gift or hospitality to a government official, agent or representative to "facilitate" or expedite a routine procedure;
- 2.1.4. accept payment from a third party that the employee knows or suspects is offered with the expectation that it will obtain a business advantage for the third party concerned;
- 2.1.5. accept a gift or hospitality from a third party if the employee knows or suspects that it is offered or provided with an expectation that a business advantage will be provided by the employee or Peel in return;
- 2.1.6. threaten or retaliate against another employee who has refused to commit a bribery offence or who has raised concerns under this policy;
- 2.1.7. engage in any activity that might lead to a breach of this policy.

### **3. Gifts and Hospitality**

- 3.1. This policy does not prohibit normal and appropriate hospitality (given and received) to or from third parties so long as the giving or receiving of gifts meets the following requirements:
  - 3.1.1. it is not made with the intention of influencing the party to whom it is being given, to obtain or reward the retention of a business or a business advantage, or as an explicit or implicit exchange for favours or benefits;
  - 3.1.2. it is not made with the suggestion that a return favour is expected;
  - 3.1.3. it is in compliance with the law;
  - 3.1.4. it is given in the name of the Peel, not in an individual's name;
  - 3.1.5. it does not include cash or a cash equivalent for example, a voucher or gift certificate;
  - 3.1.6. it is appropriate for the circumstances for example, giving small gifts around Christmas or as a small thank you to Peel for helping with a large project upon completion;
  - 3.1.7. it is of an appropriate type and value and given at an appropriate time, taking into account the reason for the gift;

- 3.1.8. it is given/received openly, not secretly;
  - 3.1.9. it is not selectively given to a key, influential person, clearly with the intention of directly influencing them;
  - 3.1.10. it will not be perceived as of excessive value;
  - 3.1.11. it is not offered to, or accepted from, a government official or representative or politician or political party, without the prior approval of Peel.
- 3.2. Employees must not under any circumstances solicit gifts from any of Peel's customers/clients, suppliers or any other business partners or offer gifts to any such person or organisation without the written consent of Peel. Any unsolicited gifts which are received must be returned immediately.
- 3.3. Where it is inappropriate to decline the offer of a gift for example, when meeting with an individual of a certain religion/culture who may take offence, the gift may be accepted so long as it is declared to Peel, who will assess the circumstances.
- 3.4. As good practice, gifts given and received should always be disclosed to Peel. Gifts from suppliers should always be disclosed.
- 3.5. The intention behind a gift being given/received should always be considered. If there is any uncertainty, advice should be sought.
- 3.6. All gifts and hospitality offered by or to a Peel employee (whether accepted or not) should be recorded in the employee's personal gift and hospitality register and disclosed no less frequently than annually to their Line Manager in accordance with Peel's Gifts and Hospitality Policy

## 4. Facilitation Payments and Kickbacks

- 4.1. Peel does not make, and will not accept, facilitation payments or 'kickbacks' of any kind. *Facilitation payments are typically small, unofficial payments made to secure or expedite a routine government action by a government official. They are not commonly paid in the UK but are common in some other jurisdictions. Kickbacks are typically payments made in return for a business favour or advantage.*
- 4.2. Furthermore and notwithstanding the specificity of clause 4.1 above, if an employee is asked to make any other payment on Peel's behalf, the employee should always be mindful of what the payment is for, whether

the amount requested is proportionate to the goods or services provided and in the event of any uncertainty or concern should report the request to the Finance & Operations Director for approval.

- 4.3. The employee should always ask for a receipt detailing the reason for the payment and the amount.
- 4.4. Should the employee have any suspicions, concerns or queries regarding a payment, it should be raised with their Line Manager.
- 4.5. Employees must avoid any activity that might lead to, or suggest, that a facilitation payment or kickback will be made or accepted by Peel.

## **5. Political Contributions**

- 5.1. Peel will not make donations, whether in cash, kind, or by any other means, to support any political parties or candidates. Peel recognise that this may be perceived as an attempt to gain an improper business advantage.

## **6. Charitable Contributions**

- 6.1. Peel accepts (and indeed encourages) the act of donating to charities – whether through services, knowledge, time, or direct financial contributions (cash or otherwise) – and agrees to disclose all charitable contributions it makes.
- 6.2. Employees must be careful to ensure that charitable contributions are not used to facilitate and conceal acts of bribery.
- 6.3. Peel will ensure that all charitable donations made are legal and ethical under local laws and practices, and that donations are not offered/made without prior approval.

## **7. Donations**

- 7.1. Donations of any kind made by or on behalf of Peel must always be approved by the Chief Executive Officer

# Anti Fraud Policy

## 1. Definition Of Fraud

- 1.1. The term 'fraud' is used to describe theft involving the distortion, suppression or falsification of financial records. This may include such acts as:
  - 1.1.1. deception;
  - 1.1.2. bribery;
  - 1.1.3. forgery;
  - 1.1.4. extortion;
  - 1.1.5. corruption;
  - 1.1.6. conspiracy;
  - 1.1.7. embezzlement;
  - 1.1.8. misappropriation;
  - 1.1.9. false representation;
  - 1.1.10. concealment of material facts and collusion.
- 1.2. For practical purposes fraud may be defined as the use of deception with the intention of obtaining an advantage, avoiding an obligation or causing loss to another party. The criminal act is the attempt to deceive, and attempted fraud is therefore treated as seriously as accomplished fraud.
- 1.3. Computer fraud is where information technology equipment has been used to manipulate programs or data dishonestly for example, by altering, substituting or destroying records or creating spurious records, or where the use of an IT system was a material factor in the perpetration of fraud.

## 2. Fraud Investigation

- 2.1. Peel will:
  - 2.1.1. institute and maintain cost-effective measures and procedures to deter fraud;

- 2.1.2. take firm and vigorous action against any individual or group perpetrating fraud;
- 2.1.3. encourage employees to be vigilant and to report any suspicion of fraud, and provide suitable channels of communication and ensure sensitive information is treated appropriately;
- 2.1.4. rigorously investigate instances of alleged fraud and pursue perpetrators to seek restitution of any asset fraudulently obtained together with the recovery of costs;
- 2.1.5. assist the police and all other appropriate authorities in the investigation and prosecution of those suspected of fraud;
- 2.1.6. the detection, prevention and reporting of fraud is the responsibility of all Peel's employees.

### **3. Prevention**

- 3.1. The day to day responsibility for the prevention and detection of fraud rests with Peel managers who are responsible for:
  - 3.1.1. identifying the risks to which systems, operations and procedures are exposed;
  - 3.1.2. developing and maintaining effective controls to prevent and detect fraud;
  - 3.1.3. ensuring that controls are being complied with.
- 3.2. In addition, People Team led activities have an important part to play in preventing and detecting fraudulent activities. These include:
  - 3.2.1. screening of references for new employees as part of the recruitment process;
  - 3.2.2. comprehensive criminal record checks as appropriate;
  - 3.2.3. staff appraisals;
  - 3.2.4. detailed exit interviews;
  - 3.2.5. making policies and procedures available to all staff as part of a comprehensive induction process.



# Anti Facilitation of Tax Policy

## 1. Definition of Tax Evasion

- 1.1. Tax evasion is the illegal non-payment of taxes, wholly resulting from the making of a false declaration or no declaration at all of taxes due to the relevant tax authorities. Tax evasion and its facilitation are criminal offences and can result in criminal prosecution and unlimited financial penalties.
- 1.2. Tax evasion and its facilitation can take many forms. Some common examples and potential 'red flags' are listed in this policy.
- 1.3. However, these are not all encompassing and therefore if employees have a question or doubt as to whether a matter may represent tax evasion or its facilitation, they must seek guidance in accordance with this policy.
- 1.4. The existing legislation prohibiting tax evasion has been extended and supplemented by the provisions of the Criminal Finances Act 2017. The types of processes and procedures that can limit the risk of facilitating tax evasion are based around six guiding principles, which are:
  - 1.4.1. risk assessment;
  - 1.4.2. proportionality of procedures;
  - 1.4.3. top level commitment;
  - 1.4.4. due diligence;
  - 1.4.5. communication and training;
  - 1.4.6. monitoring and review.

## 2. What Employees Must Not Do

- 2.1. It is not acceptable for an employee (or someone on an employee's behalf) to:
  - 2.1.1. engage in any form of facilitating tax evasion or foreign tax evasion;
  - 2.1.2. aid, abet, counsel or procure the commission of a tax evasion offence or foreign tax evasion offence by another person;

- 2.1.3. fail to promptly report any request or demand from any third party to facilitate the fraudulent evasion of tax (whether UK tax or tax in a foreign country), or any suspected fraudulent evasion of tax (whether UK tax or tax in a foreign country) by another person, in accordance with this policy;
- 2.1.4. threaten or retaliate against another individual who has refused to commit a tax evasion offence or a foreign tax evasion offence or who has raised concerns under this policy;
- 2.1.5. engage in any other activity that might lead to a breach of this policy.

### **3. Potential Risk Scenarios: "Red Flags"**

- 3.1. The following is a list of possible red flags which may raise concerns related to tax evasion or foreign tax evasion and which you need to be aware of in case they arise during the course of your employment with Peel. The list is not intended to be exhaustive and is for illustrative purposes only.
- 3.2. If an employee that encounters any of these red flags while working for Peel, they must report them promptly to their Line Manager or using the procedure set out in the Whistleblowing Policy.
- 3.3. Potential red flags may be:
  - 3.3.1. An employee becomes aware, in the course of their work that:
    - 3.3.1.1. a third party has made or intends to make a false statement relating to tax;
    - 3.3.1.2. has failed to disclose income or gains to, or to register with, HMRC (or the equivalent authority in any relevant non-UK jurisdiction);
    - 3.3.1.3. has delivered or intends to deliver a false document relating to tax, or has set up or intends to set up a structure to try to hide income, gains or assets from a tax authority.
  - 3.3.2. An employee becomes aware, in the course of their work, that a third party has deliberately failed to register for VAT (or the equivalent tax in any relevant non-UK jurisdiction) or failed to account for VAT;

- 3.3.3. A third party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made. This cash payment may be requested to be paid to or through another entity, paid to bank accounts in another country, paid in another currency or paid in advance where it is not accepted practice for that to occur;
- 3.3.4. An employee becomes aware, in the course of their work, that a third party working for Peel as an employee asks to be treated as a self-employed contractor, but without any material changes to their working conditions;
- 3.3.5. A supplier or other subcontractor is paid gross when they should have been paid net, under a scheme such as the Construction Industry Scheme;
- 3.3.6. A third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
- 3.3.7. A third party to whom Peel have provided services requests that their invoice is addressed to a different entity, where Peel did not provide services to such entity directly;
- 3.3.8. A third party to whom Peel have provided services asks Peel to change the description of services rendered on an invoice in a way that seems designed to obscure the nature of the services provided;
- 3.3.9. Peel receives an invoice from a third party that appears to be non-standard or customised;
- 3.3.10. A third party insists on the use of side letters or refuses to put terms agreed in writing or asks for contracts or other documentation to be backdated;
- 3.3.11. Peel notices that they have been invoiced for a commission or fee payment that appears too large or too small, given the service stated to have been provided;
- 3.3.12. 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 Peel.

## 4. Bookkeeping and Accounting

- 4.1. Books, records and accounts must be kept which accurately and fairly reflect all transactions.
- 4.2. No payments should be made, approved, or processed where there is any suspicion that any part of the payment is to be used for any purpose other than that described by the documents supporting the payment. No 'off the books' or unrecorded funds or accounts should be permitted.
- 4.3. Examples of prohibited record keeping activities include:
  - 4.3.1. making records showing a payment to one person when, in fact it was made to someone else;
  - 4.3.2. submitting inaccurate expenses;
  - 4.3.3. records that inaccurately characterise or describe the true nature of transactions or payments;
  - 4.3.4. claims for services, products or equipment not received;
  - 4.3.5. creating or maintaining unrecorded funds or assets of Peel (including unrecorded 'petty cash').

# Anti-Money Laundering Policy

## 1. Definition of Money Laundering

- 1.1. Money laundering is the process of channelling 'bad' money into 'good' money to hide the fact that the money originated from criminal activity, and often involves three steps:
  - 1.1.1. placement - cash is introduced into the financial system by some means;
  - 1.1.2. layering - a financial transaction to camouflage the illegal source;
  - 1.1.3. integration - acquisition of financial wealth from the transaction of the illicit funds.
- 1.2. Money laundering is the term used for a number of offences involving the proceeds of crime or terrorism funds. Organised crime groups and corrupt elites launder the proceeds of crime through the UK to fund lavish lifestyles and reinvest in criminality.

## 2. What Employees Must Not Do

- 2.1. Employees must not under any circumstances on their own behalf or on behalf of Peel:
  - 2.1.1. conceal, disguise, convert, transfer criminal property, or remove it from the UK;
  - 2.1.2. enter into or become concerned in an arrangement which an employee knows, or suspects, facilitates the acquisition or retention, uses or controls criminal property by or on behalf of another person;
  - 2.1.3. acquire, use, or possess criminal property;
  - 2.1.4. engage in any other activity that might lead to a breach of this policy.
- 2.2. The offences above are the primary money laundering offences and thus prohibited acts under the Money Laundering and Terrorist Financing Regulations 2019. There are also two secondary offences: failure to disclose any of the primary offences and 'tipping off'. Tipping off is where someone informs a person or people who are, or are

suspected of being involved in money laundering, in such a way as to reduce the likelihood of their being investigated or prejudicing an investigation.

### **3. Potential Risk Scenarios “Red Flags”**

3.1. The following is a list of possible red flags which may raise concerns related to money laundering and which you need to be aware of in case they arise during the course of your employment with Peel. The list is not exhaustive and is for illustrative purposes only. There are three classifications of red flags:

3.1.1. Customer/client behaviour red flags, including:

- 3.1.1.1. avoiding personal contact without good reason;
- 3.1.1.2. changing agent or legal advisor a number of times without apparent reason;
- 3.1.1.3. using an advisor geographically distant from himself or the location of the transaction;
- 3.1.1.4. overusing an advisor closer to the transaction;
- 3.1.1.5. requesting or seeking to push the speed of the transaction;
- 3.1.1.6. attempting to disguise the true owner or proprietary interests of the business or the parties to the transaction;
- 3.1.1.7. the client is known to have convictions for acquisitive crime or criminal connections;
- 3.1.1.8. the client informs an employee that funds are coming from one source and then at the last minute the source changes.

3.1.2. Source or amount of finance red flags, including:

- 3.1.2.1. use of disproportionate amount of cash;
- 3.1.2.2. funds sent to and from jurisdictions with a high level of banking secrecy;
- 3.1.2.3. a significant amount of private funding from an individual running a cash-intensive business;

- 3.1.2.4. the involvement of a third party without an apparent connection to the business or without a full explanation for their participation;
- 3.1.2.5. funding which is inconsistent with the socio-economic profile of the individuals involved;
- 3.1.2.6. a 100% cash deal;
- 3.1.2.7. structured payments below money laundering thresholds.
- 3.1.3. Business red flags, including:
  - 3.1.3.1. the ownership structure is overly complicated when there is no legitimate or economic reason;
  - 3.1.3.2. business transactions involve countries where there is a high risk of money laundering;
  - 3.1.3.3. and/or the funding of terrorism;
  - 3.1.3.4. false or suspicious documents are used to back-up transactions;
  - 3.1.3.5. the level of activity is not consistent with Peel's understanding of the client's business or level of legitimate income;
  - 3.1.3.6. a failure to produce adequate paperwork detailing the business and its formation;
  - 3.1.3.7. a history of aborted transactions;
  - 3.1.3.8. unverifiable information produced.

## 4. Prevention

- 4.1. Finance has responsibility for the prevention and detection of money laundering. However, all employees have a duty to raise any issues or risks identified through the course of their work. These include:
  - 4.1.1. verifying identity based on documents, data or information obtained from a reliable source;
  - 4.1.2. obtain information on the purpose and intended nature of the business relationship, considering both customer and

geographical risk factors in deciding what due diligence is appropriate;

- 4.1.3. checks generally be undertaken before it establishes a business relationship or carries out an occasional transaction, or if it suspects money laundering or terrorist funding or doubts the veracity of any information obtained for the purposes of identification or verification;
- 4.1.4. maintain ongoing monitoring of its business relationships by scrutinising transactions throughout the course of the relationship to ensure that the transactions are consistent with Peel's knowledge of the customer.
- 4.1.5. Peel does not accept cash payments and does not operate a petty cash system.