



ANTI-FACILITATION OF TAX EVASION POLICY

Implemented: May 2019

Luxfer Holdings PLC and its subsidiary companies (“Luxfer”) have a zero-tolerance approach to tax evasion and the facilitation of tax evasion, whether under UK law or under the law of any foreign country. This document sets out Luxfer’s and its employees’ responsibilities in observing and upholding Luxfer’s values, as well as the procedures required to comply with the policy.

The Criminal Finances Act came into effect in the UK in 2017 and facilitated the re-enforcement of policies against the act of or facilitation of tax evasion. Luxfer has an expectation of compliance with all laws relevant to countering tax evasion, including the Criminal Finances Act 2017.

Responsibility for this POLICY

The Executive Leadership Team (ELT) will review this policy annually, and Luxfer’s legal personnel will make any changes required to ensure it covers all applicable legal, regulatory and ethical obligations.

Members of the ELT have day-to-day responsibility for implementing this policy within their respective business/platform and have a specific responsibility to set an appropriate standard of behaviour, to lead by example and to ensure that those they manage adhere to this policy and promote the aims and objectives of Luxfer, as well as compliance with relevant legislation.

Internal control systems and procedures shall be subject to regular risk assessments.

All employees are responsible for the success of this policy and should ensure they use it to disclose any suspected danger or wrongdoing.

The Offence:

In general terms, the criminal offence of tax evasion is committed where a person (known here as ‘A’) knowingly takes steps to fraudulently reduce the amount of tax that they should otherwise have paid. A person (‘B’) commits the criminal offence of facilitation of fraudulent tax evasion if they are deliberately and dishonestly concerned in, or take steps with a view to, assisting A to fraudulently evade tax. Both A and B will have committed a criminal offence under existing UK law. The new criminal offence means that Luxfer may also have committed an offence if B criminally facilitated the tax evasion while acting in their capacity as an associate of Luxfer.

Remember:

- The person who knowingly facilitates tax evasion can be as guilty as the person who evades the tax;
- Luxfer may still be guilty of an offence under UK law even if the facilitation activity is committed overseas and, if UK tax is evaded, irrespective of whether it would be illegal under local law;
- If the facilitation activity takes place in the UK or concerns a UK company, branch, person or other entity, the offence will in certain circumstances extend to cover the evasion of tax in jurisdictions other than the UK; and

- Fraudulent tax evasion and the deliberate and dishonest facilitation of fraudulent tax evasion are criminal offences, and Luxfer will, in appropriate circumstances, bring any such activity that it identifies to the attention of the relevant authorities.

POLICY STATEMENT

- 1.1 Luxfer is committed to conducting its business in an honest and ethical way, complying with all applicable legislation and guidance.
- 1.2 The purpose of this document is to:
 - (a) set out a clear policy against tax evasion and the facilitation of such an offence;
 - (b) define the responsibilities of the Luxfer companies, their employees and associated persons in complying with this policy;
 - (c) provide guidance on how to recognize and deal with tax evasion and actions facilitating it;
 - (d) provide guidance on assessing the risk of exposure resulting from potentially facilitating, or potential facilitation of, the offence of tax evasion and the elimination or mitigation of such risk; and
 - (e) encourage employees and associated persons to report any suspicion of such behavior through appropriate channels.
- 1.3 Under the Act, the Company could face an unlimited fine should it face a criminal conviction for committing tax evasion or failing to prevent facilitation of tax evasion. The impact on the Company's reputation would be significantly detrimental and could restrict Luxfer from operating in restricted markets or being awarded contracts.
- 1.4 The legislation also applies similarly to non-UK tax issues and is therefore considered to be applicable to all employees and associated persons that work for and on behalf of Luxfer.
- 1.5 Potential concern flag scenarios have been identified in Schedule 1 to help employees and associated persons identify where they may encounter issues. Each platform is expected to undertake its own risk assessments on this basis as often as is reasonably necessary.
- 1.7 This policy does not form part of any employee's contract of employment and it may be amended at any time.

DETAILS OF POLICY AND PROCEDURE

Tax evasion is the illegal non-payment or under-payment of tax, through cheating the public revenue or fraudulently evading tax in the UK and other jurisdictions, which is a criminal offence. The offence requires an element of fraud, which means there must be deliberate action, or omission, with dishonest intent. This policy and the appropriate legislation covers tax evasion both in the UK and abroad.

To comply with the Criminal Finances Act and other associated legislation and regulation, it is imperative that employees or associated persons of Luxfer, do not:

- Engage in any form of facilitating tax evasion in the UK or abroad;
- Aid, abet or procure the commission of a tax evasion offence either in the UK or abroad;
- Fail to report any request or demand from a third party to facilitate tax evasion or suspected fraudulent activity pursuant to the evasion of tax by any other party;
- Engage in any activity that may lead to a breach of this policy;
- Threaten or otherwise retaliate against another individual who has refused to commit a tax evasion offence in the UK or abroad or who has raised concerns under this policy; or
- Engage in any offence under the law consisting of being knowingly concerned in, or taking steps with a view to, the fraudulent evasion of tax.

Tax evasion is not the same as tax avoidance. Tax evasion involves deliberate and dishonest conduct. Tax avoidance is not illegal and involves taking actions, within the law, to reduce or minimize tax payable (or maximize reliefs). However, aggressive tax planning schemes may be considered to be tax evasion in circumstances where an honest person would not consider that the proposed activity is legitimate and in compliance with the law.

In this policy, all reference to tax includes national insurance contributions.

WHO IS COVERED BY THE POLICY?

EMPLOYEES This policy applies to **all individuals** working at all levels and grades for Luxfer wherever they may be in the world, including directors, officers, managers, and all other employees (whether permanent, fixed-term or temporary).

ASSOCIATED PERSONS agents, distributors, consultants, contractors, trainees, apprentices, seconded staff, home workers, casual workers and agency staff, volunteers, agents, sponsors, representatives or any other person associated with Luxfer. It also applies to subsidiaries, joint ventures and organizations performing services for Luxfer, or their employees, wherever in the world located (collectively referred to as **associated persons** in this policy).

THIRD PARTIES In this policy, **third party** means any individual or organization an employee or an associated person comes into contact with during the course of their work and includes actual and potential customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisors, representatives and officials, politicians and political parties.

YOUR RESPONSIBILITIES

Each employee and associated person has personal responsibility to ensure that he/she has read, understood and complies with this policy. Employees must notify their line manager or report in accordance with our Whistleblowing Policy, as soon as possible, if they believe or suspect a breach of this policy has occurred. For example, if you receive a request for assistance in circumstances where you know or suspect that the customer or third party intends to use that assistance to enable them to fraudulently evade tax, you should resist responding to the request immediately, state that you will need to consult with your line manager and then report as noted above as soon as possible.

Any employee who breaches this policy will face disciplinary action, which could result in dismissal for gross misconduct.

PROTECTION

Employees who refuse to be complicit in tax evasion, or those who raise concerns or report another party's wrongdoing, are sometimes worried about possible repercussions. Luxfer is committed to ensuring that no one suffers any detrimental treatment as a result of refusing to take part in illegal tax evasion or corruption, or because of reporting in good faith their suspicion about a potential breach of this policy. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavorable treatment connected with raising a concern. If an employee believes that they have suffered any such treatment, they should inform their HR manager or other appropriate member of management.

TRAINING AND COMMUNICATION

The managing directors of each business and leaders of other platforms shall ensure that:

- Mandatory training on this policy is provided, and that this training is completed;
- Training on this policy forms part of the induction process for all new employees; and
- Our zero-tolerance position and expectation of compliance, together with this policy, are communicated to all associated persons at the outset of a business relationship and as appropriate thereafter.

SCHEDULE 1

SCENARIOS OF POTENTIAL CONCERN – “CONCERN FLAGS”

This list of concern flags is not designed to be an exhaustive list, nor are they set out as definitive indicators of tax evasion or the facilitation of such an offence. These suggestions are designed to act as indicators of actions that should prompt further due diligence or consideration of the actions you are being asked to take or parties you are engaging with:

- a) You become aware, in the course of your work, that a third party has made or intends to make a false statement relating to tax, has failed to disclose income or gains to, or to register with, HMRC (or the equivalent authority in any relevant non-UK jurisdiction), 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;
- b) You become aware, in the course of your 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;
- c) A third-party requests payment in cash rather than through an account with a recognized bank and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;
- d) You become aware, in the course of your work, that a third party working for us as an employee asks to be treated as a self-employed contractor, but without any material changes to their working conditions, or a family member or friend requests this treatment without adequate support to that;
- e) A third-party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
- f) A third party to whom Luxfer has provided services requests that their invoice is addressed to a different entity, where Luxfer did not provide services to such entity directly;
- g) A third party to whom Luxfer has provided services asks us to change the description of services rendered on an invoice in a way that seems designed to obscure the nature of the services provided;
- h) You receive an invoice from a third party that appears to be non-standard or customized;
- i) A third-party refuses to put terms in writing or asks for contracts and other documentation to be backdated;
- j) You notice that Luxfer has been invoiced for a commission or fee payment that appears too large or too small, given the service stated to have been provided;
- k) 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 Luxfer;

- l) Transactions or invoices requested to be sent to non-UK-resident customers, particularly to those resident in jurisdictions with a low tax transparency rating;
- m) Any requests to maintain secrecy of a transaction, beyond the usual confidentiality associated with business arrangements; or
- n) An anonymous transaction is proposed, or one with or arranged by individuals with whom you have not had a face-to-face relationship.



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ALOK MASKARA
Chief Executive Officer
LUXFER HOLDINGS PLC