HAMAMATSU
PHOTON IS OUR BUSINESS

HAMAMATSU PHOTONICS UK LIMITED

ANTI FINANCIAL CRIME POLICY

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Anti Financial Crime Policy

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1. Introduction

In accordance with the Criminal Finances Act 2017, the Bribery Act 2010, the Money Laundering, Terrorist Financing and Transfer of Funds Regulations 2017 (as amended), and subsequent UK legislation including the Economic Crime (Transparency and Enforcement) Act 2022, the Company sets out this policy to demonstrate its commitment to preventing tax evasion, the facilitation of tax evasion, bribery, corruption and money laundering.

Hamamatsu Photonics UK Ltd (HPUK) is committed to the highest standards of ethical conduct and integrity in all business activities and maintains a zero-tolerance approach to all forms of financial crime within the UK or abroad. The Company is also committed to acting fairly and with integrity in all its business dealings and relationships. It has also implemented effective systems to counter tax evasion, bribery, corruption and money laundering.

2. Purpose and scope of Policy

This Policy sets out the Company's position on tax evasion, bribery, corruption and money laundering and applies to all employees and associated persons including contractors, agents, suppliers and business partners.

The objectives of this Policy are to ensure compliance with applicable laws, promote awareness of risks, implement effective controls, and provide clear reporting mechanisms.

The objectives of this Policy are to:

- ensure compliance with all applicable legislation.
- enable the identification and mitigation of risks.
- encourage vigilance and reporting of suspicious activity.
- support effective systems of internal control and due diligence.

3. Legal obligations

3.1. Tax evasion

Under the Criminal Finances Act 2017, it is a criminal offence for a corporate body to fail to prevent the facilitation of tax evasion by an associated person.

Employees and associated people must not engage in, or facilitate, any form of tax evasion. Reasonable prevention procedures including risk assessment, due diligence, training and monitoring must be maintained.

You can be held personally liable for any such offence and may be subject to criminal prosecution under existing legislation.

The Company will maintain reasonable prevention procedures including:

- risk assessment.
- proportionate controls.
- due diligence procedures.
- communication and training.
- monitoring and review.

What is tax evasion / avoidance?

Tax evasion is illegal.

It involves deliberately not paying the correct amount of tax, for example by:

- hiding income.
- falsifying invoices or records.
- not declaring earnings to tax authorities.

In simple terms: breaking the law to avoid paying tax.

Tax avoidance is usually legal but can be risky.

It involves arranging your affairs to reduce your tax bill, often by using rules or loopholes in the tax system.

The corporate criminal offence of facilitation only applies to tax evasion. The third party must be found guilty of tax evasion before the Company can be found to have facilitated it.

3.2. Anti-bribery

A bribe is an inducement or reward offered, promised or provided to gain any commercial, contractual, regulatory or personal advantage.

Under the Bribery Act 2010, it is an offence to offer, promise, give, request or accept a bribe.

The Company strictly prohibits giving or receiving bribery and facilitation payments. You can be held personally liable for any such offence.

The giving of business gifts to clients, customers, contractors and suppliers is not prohibited provided the following requirements are met:

- the gift is not made with the intention of influencing a third party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage.
- it complies with local laws.
- it is given in the Company's name, not in the giver's personal name.
- it does not include cash or a cash equivalent (such as gift vouchers).
- it is of an appropriate and reasonable type and value and given at an appropriate time.
- it is given openly, not secretly.
- it is approved in advance by a director or senior manager within the Company.

3.3. Anti-Money Laundering

The Company complies with the Money Laundering Regulations 2017.

Money laundering includes handling, possessing, or facilitating the use of criminal property.

4. Obligations

Our company is obligated to:

- receive, consider and report as appropriate the disclosure of any suspicious activity.
- maintain customer identification procedures to “know your customer”.
- maintain adequate records of transactions.

Employee obligations are:

- follow the Company’s policies and procedures.
- notify their line manager or Key Officer is they suspect money laundering.
- follow the Customer due diligence (know your customer checks).

You can be committing an offence under the Money Laundering laws if you suspect laundering activity is or has taken place, if you do not report it.

5. Customer due diligence (“know your customer”)

Before entering a business relationship with a new customer, we must verify their legitimacy and business activities:

- verify the customer address.
- check if they are in a country that is subject to any trade embargo or sanctions.
- verify their business activities.
- verify their financial standing.
- request details of interests and beneficial ownerships – with reference to the latter, this is any individual who holds more than 25% of the shares, voting rights or interest in a company.

6. Penalties

As an employer, if the Company fails to prevent its employees, workers, agents or service providers facilitating tax evasion, bribery, corruption or money laundering, the Company can face both criminal sanctions including an unlimited fine and associated reputational damage.

As an employee, a breach of any of the provisions of this Policy will constitute a disciplinary offence and will be dealt with in accordance with the Company’s disciplinary procedure. Depending on the gravity of the offence, it may be treated as gross misconduct and could render the employee liable to summary dismissal. You may also be subject to criminal prosecution under existing legislation.

As an “associated person” a breach of this Policy could lead to the suspension or termination of any relevant contract, sub-contract or other agreement.

7. Policy statement

All employees and associated persons are required to:

- comply with any anti-tax evasion, anti-bribery, anti-corruption, anti-money laundering legislation that applies in any jurisdiction in any part of the world in which they might be expected to conduct business.

- act honestly, responsibly and with integrity.
- safeguard and uphold the Company's values by operating in an ethical, professional and lawful manner always.

Tax evasion, bribery, corruption and money laundering of any kind is strictly prohibited. Under no circumstances should any provision be made, money set aside or accounts created for the purposes of facilitating the payment or receipt of a bribe be made by a person or "associated person" to the Company.

8. Responsibilities and reporting procedure

HPUK commits to:

- setting out a clear anti-tax evasion, anti-bribery, anti-corruption, anti-money laundering facilitation policy and keeping it up to date.
- making all employees aware of their responsibilities to always adhere strictly to this policy.
- raising awareness of the risks of financial crime with employees so that they can recognise and avoid this.
- conducting periodic risk assessments.
- targeting training of services where the perceived risk is higher.
- promoting good ethical behaviour by staff.
- encouraging its employees to be vigilant and to report any suspicions of financial crime.
- investigating instances of financial crime and referring to the police where appropriate.
- acting against any individual(s) involved in such activities.

9. Risk Assessment

The Company will conduct regular risk assessments to identify exposure to financial crime risks.

A risk register will be maintained and reviewed periodically.

10. Raising Concerns

The Company encourages employees and associated persons to report any concerns or suspicions of unlawful activity promptly to their line manager, HR Manager, or the Managing Director. Reports will be handled confidentially where appropriate, and the Company will take suitable action where required.

Anyone raising concerns in good faith will be supported and protected from any detrimental treatment, even if the concern later proves to be unfounded

11. Review of policy

This policy will be reviewed annually or sooner if legislation or best practice changes.