

ENGINEERED SYSTEMS (ELECTRICAL) LTD
Unit 1 Waterside Industrial Park, Waterside Road,
Leeds, LS10 1RW

ANTI MONEY LAUNDERING (PROCEEDS OF CRIME) POLICY

PURPOSE:

ENGINEERED SYSTEMS (ELECTRICAL) LTD are committed to ensuring that it has adequate controls to counter money laundering activities and terrorist financing activities, in line with relevant legislation including the Money Laundering Act 2018, Proceeds of Crime Act 2002 and the Terrorism Act 2000.

SCOPE:

Our policy is to do all we can to prevent (wherever possible) the organization and its employees from being exposed to money laundering. We aim to identify potential areas where money laundering may occur, and comply with all legal and regulatory requirements, especially with regard to the reporting of actual or suspected cases.

CONTROL MEASURES:

- Ensure employees understand the types of money laundering offences.

Money Laundering is the term used for a number of offences involving the proceeds of crime or terrorist funds. These acts, along with the definition of Criminal property, are defined in the relevant legislation. Although the term 'money laundering' is generally used when describing the activities of organized crime, for most people likely to discover or be affected by it, it involves a suspicion that someone they know, or know of, is financially benefiting from dishonest activities. It does not matter how small the amount of money involved is. It also includes the proceeds of crimes that take place abroad. Money laundering offences may be committed by an organization or by individuals working for it.

Principal Money Laundering Offences
Concealing - where someone knows or suspects a case of money laundering but conceals/disguises its existence.
Arranging - where someone involves themselves in an arrangement to assist in money laundering.
Acquisition - where someone seeks to benefit by acquiring, using, or possessing the property concerned.
Third Party Offences
Failure - to disclose one of the three principal offences.
Tipping Off - informing persons who are involved or are suspected of being involved in money laundering.

- Ensure employees can identify suspicious activity.

Any transaction involving an unusually large amount of cash should cause questions to be asked about the source. This will particularly be the case where monies paid exceeds the amount necessary to settle a transaction, and the person involved requests a non-cash return of the excess. This will include double payments. The reason for the use of trusts or offshore funds for handling the proceeds or settlement of a transaction should also be questioned.

- Ensure employees know what to do if they suspect suspicious activity.

Any case should be reported immediately to the employee's supervisor or relevant director. They will then decide whether the transaction is suspicious and whether to make a report to the police or to the National Economic Crime Centre, through the issue of a Suspicious Activity Report using the SAR Online system.

- ENGINEERED SYSTEMS (ELECTRICAL) LTD do not accept large cash payments. Care shall be exercised, and further enquiries shall be pursued where a third-party intermediary becomes involved in a transaction, the identity of a party is difficult to establish or is undisclosed, a vehicle company is used by a third party, the ultimate ownership is concealed or difficult to establish, or a party is evasive as to the source or destiny of funds.

CONSEQUENCES OF NON-COMPLIANCE:

If money laundering is found at any place of production, we require the supplier or other business we work with to implement a corrective action plan within a suitable time limit. Where we find that our suppliers or other companies that we work with have breached this policy, committed repeat violations or failed to take corrective action within a suitable time limit, may lead to termination of any working agreement or contract with them.

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The consequences for employees committing an offence are very serious. As well as criminal proceedings, any employee in breach of this policy shall be relieved of their duties. While it is considered most unlikely that our employees would commit one of the three principal offences, the failure to disclose a suspicion of a case of money laundering is a serious offence in itself, and there are only very limited grounds in law for not reporting a suspicion. We stress the importance of employees reporting their suspicions but also point out that failure to do so is only an offence if your suspicion relates in the event to an actual crime.

USEFUL ADVICE AND SUPPORT

Further information can be found on the National Crime Agency website www.nationalcrimeagency.gov.uk.

Signed by the executive responsible for Compliance:

A handwritten signature in black ink, appearing to read 'Michael Keith', with a long horizontal stroke extending to the left.

Michael Keith
Managing Director
Date: 28th August 2025