



Valeo Foods Group – Prevention of the Facilitation of Tax Evasion Policy

1. Introduction

Valeo Foods Group¹ (the “Group”, “Valeo”, “we”, or “us”) takes a zero-tolerance approach to the facilitation of tax evasion. The Group is committed to conducting all aspects of its business in keeping with the highest legal and ethical standards and expects all Valeo personnel and other persons acting on its behalf to uphold this commitment. The Group will not engage in, facilitate, or be associated with any form of tax evasion.

The purpose of this Prevention of the Facilitation of Tax Evasion Policy (this “Policy”) is to ensure that all Group employees and agents are aware of their legal and regulatory obligations, as well as to provide guidance on how not to fall victim to facilitating tax evasion.

The Group will uphold all laws relevant to preventing the facilitation of tax evasion in all jurisdictions in which we operate. We are, however, bound by the requirements of Part 3 of the Criminal Finances Act 2017 (“Criminal Finances Act”) that took effect from 30 September 2017 in the UK, in respect of our conduct both at home and abroad.

This Policy is being communicated to all those who work for us and is applicable to all Valeo Foods Group Personnel globally, agents, representatives and other associated persons such as contract/subcontract and third-party employees of Valeo Foods Group including all subsidiaries, associates, joint ventures and affiliated companies (collectively, the “Valeo Foods Group” or the “Group”). All personnel are required to read and familiarise its contents and seek to uphold its operation. Any breach of this Policy will be regarded as a serious matter and is likely to result in disciplinary action.

This policy has been approved by Valeo Foods Group’s executive management and approved by the Board of Directors. Any internal concerns or questions should be raised at a local level, in accordance with the relevant business procedure.

In addition, the policy is reviewed and monitored regularly. The GCFO (Group Chief Financial Officer) has responsibility for the supervision and implementation of this policy.

This policy is reviewed bi-annually and if any amendments are needed this will be actioned to comply fully with tax reporting and governance requirements in the jurisdictions in which we operate, it is overseen by our Group Head of Tax.

Valeo Foods has internal qualitative targets that focus on the overall impact of the policy, aiming to create a system that discourages tax evasion, fosters trust, and encourages fair contribution.

¹ Valeo Foods Group refers to Platform Superco Limited and all its direct and indirect subsidiaries.

2. Scope and Purpose

2.1. Overview

The Criminal Finances Act, referred to in the Introduction of this Policy, introduced the corporate criminal offence of failing to prevent the facilitation of tax evasion by another person. For this offence to be committed, each of the following three stages must be demonstrated:

- an instance of criminal tax evasion by another party;
- the criminal facilitation of that evasion by an associated person, i.e. a person acting for or on behalf of the Group; and
- the Group failed to prevent that facilitation.

In the event that these circumstances apply, Valeo could be susceptible in the UK (and potentially in another jurisdiction) to criminal conviction, a potentially unlimited fine, and the consequent negative publicity. The only defence then available is to prove that the Group had a system of reasonable prevention procedures in place at the time.

2.2. Procedures in place

Valeo will periodically conduct a high-level risk assessment to identify those aspects of the business where the Group, its employees, and representatives may be most at risk of facilitating tax evasion. The risk assessment, together with this Policy and the procedures it describes, form an integral part of Valeo's prevention procedures.

Those who work in areas within the business identified as being at particularly high risk of facilitating tax evasion, will receive additional training and support to recognise potential tax evasion situations and to prevent activities which could facilitate tax evasion. The Criminal Finances Act has broad territorial scope, so this Policy and procedures apply to Valeo's operations globally.

This Policy is an important part of the "reasonable procedures" that are required for preventing the facilitation of tax evasion, which include:

- setting out the responsibilities of the Group and those working for or on behalf of the Group, in observing and upholding Valeo's position in relation to not facilitating tax evasion; and
- providing information and guidance to those working for or on behalf of the Group on how to recognise and deal with potential tax evasion issues.

This Policy sets out the minimum standards and requirements that we expect to be adhered to and the Group reserves the right to amend it at any time. Where the local laws or customs in any country in which the Group is carrying out business provide that a higher standard of conduct is required then that higher standard must be followed at all times and anyone acting for or on behalf of the Valeo must do so in accordance with all applicable local laws.

The Group Executive and Board believes that the procedures now in place are proportionate to the risks posed and fully endorses this Policy. The responsibility to reinforce this Policy via oversight, guidance and monitoring has been delegated to Group Head of Tax and Group Chief Financial Officer.

2.3. What is facilitation by an *associated person*?

The definition of *associated person* in the Criminal Finances Act is drawn very widely and includes an individual or entity who could be construed as acting for or on behalf of the Group; for example, its employees, agents, and contractors, wherever they are located.

Facilitation is used in the broadest possible sense. It encompasses all forms of assistance, support, or encouragement. As an example, the following activities could constitute the criminal facilitation of tax evasion:

- A. An employee agrees to make payments into a bank account in a different name or location to that of the recipient in the knowledge that the intention of the recipient is not to declare receipt of the funds.
- B. An employee agrees to accept an invoice that includes an inaccurate description of the goods or services to be provided in the knowledge that the mis-description is a mechanism through which the supplier intends to evade tax.
- C. An agent acting on behalf of the Group falsifies documentation so that a customer can evade tax.

The facilitation of tax evasion, like tax evasion itself, is a criminal offence and requires “deliberate” and “dishonest” conduct. Accidental, ignorant, or negligent conduct will not amount to a criminal offence (although, of course, such conduct may bring disciplinary or regulatory consequences). For the purposes of this Policy, it should be assumed that a person may also facilitate tax evasion through “omission” by deliberately turning a blind eye. When considering whether behaviour is “dishonest”, you should assume this includes the case where another person, acting reasonably, is likely to regard the behaviour as dishonest, even if you personally do not think that it is dishonest.

2.4. What is tax evasion?

Tax evasion is a criminal offence under the law of the UK and in most countries where Valeo operates.

In the case of the UK, there are a number of separate criminal offences that may be described as “tax evasion”. These include any deliberate, dishonest act or omission that is intended to prejudice or divert funds from the UK tax authority, HMRC (“cheating the public revenue”), as well as a number of statutory offences consisting of being knowingly concerned in, or taking steps with a view to, the fraudulent evasion of specific taxes (e.g. VAT). Tax evasion typically involves deliberate non-reporting of tax which is due, and can therefore be distinguished from tax avoidance or tax planning.

There is no requirement for there to be an actual loss to a tax authority or gain to the taxpayer. Tax evasion requires an element of “intention” (i.e. knowledge) and “dishonesty”: tax cannot be evaded accidentally. When considering whether behaviour is “dishonest”, you should assume this includes the case where another person, acting reasonably, is likely to regard the behaviour as dishonest, even if you personally do not think that it is dishonest.

2.5. What taxes are included?

All forms of tax arising in a jurisdiction where the Group operates including, but not limited to, payroll taxes, social security taxes, transfer taxes (e.g. stamp duty), corporation tax, capital gains taxes, indirect taxes (e.g. customs duty and VAT) and withholding taxes.

3. Compliance Guidelines

3.1. Your responsibilities

The prevention, detection, and reporting of the facilitation of tax evasion is the responsibility of all those working for or on behalf of the Group or under its control. Such persons are required to avoid any activity that might lead to, or suggest, a breach of this policy.

If you are aware (or have reason to suspect) that anyone performing services for or on the behalf of the Group has engaged in (or is planning to engage in) the facilitation of tax evasion, those concerns must be reported to both the Group Head of Tax and the Group Chief People Officer as soon as possible.

Any concern that you report will be treated in confidence and will be investigated. Concerns raised by employees or directors will be dealt with in accordance with the Group's Whistleblowing Policy. It is our policy that no employee will suffer demotion, penalty, or other adverse consequences for refusing a transaction which could risk the Group and its associated persons becoming involved in the facilitation of tax evasion, even if such refusal may involve loss (including business, income, or other loss) to the Group. In such circumstances, employees are encouraged to stand firm and speak up.

There may be circumstances when internal reporting of a breach of this Policy may not be possible. For circumstances such as these, Valeo has contracted an external whistle blowing helpline, available to all personnel anywhere in the Group. If the reporter wishes to remain anonymous and/or it is not appropriate to report the matter internally, the independent whistleblowing helpline can be called to maintain anonymity. The whistleblowing helpline is private and confidential and can be reached at any time of day or night via www.safecall.co.uk, via which local contact details and local language reporting options are available.

Any employee who breaches this policy will face disciplinary action, which could result in dismissal for gross misconduct. The Group reserves its right to terminate its contractual relationship with other parties if they breach this Policy.

Failing to report concerns about anyone acting for or on the behalf of the Group, "turning a blind eye" to unacceptable conduct, or deliberately ignoring signs which suggest that a third party is, or may be, engaging in tax evasion are all considered to be breaches of this Policy.

4. Training and Communication

This Policy will be provided to all new employees as part of the onboarding process and to all existing employees annually, by the respective HR lead for their division. Depending on the employee's risk profile, certain employees may receive additional training on how to implement and adhere to this Policy, including the use of e-learning modules.

The Group's zero-tolerance approach to the facilitation of tax evasion should be communicated to all suppliers, contractors and other business partners at the outset of Valeo's business relationship with them and as appropriate thereafter, as outlined in the Group's Supplier Code of Conduct.

Prior to entering into a contract, the Group may conduct research into the relevant third party to ensure that they are not engaging in the facilitation of tax evasion or putting Valeo at risk of engaging in such facilitation.

All Group contracts, or terms and conditions, used with third parties must contain terms that require those third parties to comply with all applicable laws relating to the prevention of the facilitation of tax evasion.

5. Monitoring and Review

The Group will monitor the effectiveness and review the implementation of this Policy regularly, considering its suitability, adequacy, and effectiveness. Any improvements identified will be made as soon as possible. Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective in countering the facilitation of tax evasion.

All directors, employees, agents, suppliers and partners of Valeo are responsible for the success of this Policy and should ensure that they use it to disclose any suspected danger or wrongdoing.

You are invited to comment on this Policy and suggest ways that it might be improved. Comments, suggestions and queries should be addressed to the Group Head of Tax.

Last Updated: June 2024

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