

## LRS Anti-Tax Evasion Policy

### 1. What is the purpose of this policy?

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It is the policy of Lucozade Ribena Suntory ("**LRS**") to conduct all of our business in an honest and ethical manner. We take a zero-tolerance approach to facilitation of tax evasion, whether under UK law or under the law of any foreign country. We are committed to acting professionally, fairly and with integrity in all our business dealings and relationships, wherever we operate, and to implementing and enforcing effective systems, processes, policies and procedures to counter tax evasion.

We will uphold all laws relevant to countering tax evasion including the Criminal Finances Act 2017.

The purpose of this policy is to set out both LRS' and your responsibilities, and provide information and guidance to those working for us on how to recognise and avoid tax evasion.

In this policy, we use the terms "tax evasion", "foreign tax evasion" and "tax evasion facilitation". These are defined below.

#### **Meaning of 'tax evasion'**

Tax evasion is the offence of cheating the public revenue or fraudulently evading UK tax. It is a criminal offence. Tax evasion is not the same as tax avoidance or tax planning. Tax avoidance is not illegal and involves taking steps, within the law, to minimise tax payable (or maximise tax reliefs); tax evasion involves deliberate and dishonest conduct.

#### **Foreign tax evasion**

This is the evading of tax in a foreign country, provided that conduct is an offence in that country and would be a criminal offence if committed in the UK. As with tax evasion, there must be deliberate action, or omission with dishonest intent.

## **Tax evasion facilitation**

This involves being knowingly concerned in, or taking steps with a view to, the fraudulent evasion of tax (whether UK tax or tax in a foreign country) by another person, or aiding, abetting, counselling or procuring the commission of that offence. Tax evasion facilitation is a criminal offence where it is done deliberately and dishonestly.

In this policy, all references to tax include national insurance contributions (and their equivalents in any non-UK jurisdiction)..

## **2. Who is covered by this policy?**

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This policy applies to LRS and its subsidiary companies and all staff (both within LRS and its subsidiaries). Staff includes any individual working at any level or grade, including without limitation directors, senior managers, officers, employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, seconded staff, home workers, casual workers and agency staff, volunteers, interns, agents, or any other person associated with us, wherever located.

Every individual to whom this policy applies should ensure that the obligations contained in this policy will be communicated clearly to third parties and, wherever reasonably appropriate, should seek to put contractual provisions in place with those third parties to ensure compliance with public bodies, officials, politicians and political parties.

“Third party” includes any individual or organisation you come into contact with during the course of your work for LRS, and includes anyone providing services to LRS directly related to obtaining, retaining, or facilitating business or handling business matters, and therefore includes actual and potential customers, suppliers, consultants, distributors, representatives, business contacts, agents, advisers, and government and public bodies, officials, politicians and political parties.

Our zero-tolerance approach to tax evasion must be communicated to all clients, suppliers, contractors and business partners at the outset of our business relationship with them and as appropriate thereafter.

## **3. What do I need to do relating to third party due diligence?**

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We require staff to conduct reasonable due diligence before entering into a relationship with a third party, and to monitor that relationship once formed. We need to know whom we are dealing with and need to take steps to ensure that they are conducting business on our behalf ethically and in accordance with the principles of this policy. This is likely to include, as a minimum, background checks on the third party, and an annual review of that third party's activities.

#### **4. What is the policy on record keeping?**

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It is our policy to maintain a system of internal accounting controls and systems, and to make and keep books, ledgers and records which, in reasonable detail, accurately and fairly reflect transactions and the disposition of assets, and the reasons behind those transactions and disposals. False, misleading or incomplete entries in such records or in other documents are strictly prohibited. This policy covers all transactions, including for example terms and conditions of sales and purchases, promotional activities and other contractual arrangements.

No undisclosed or unrecorded fund or account may be established for any purpose.

Both the knowing submission (by any member of staff) and acceptance (by accounting or other personnel) of false receipts or invoices is strictly prohibited and is subject to disciplinary action. We reserve the right to take such further action as is required to protect LRS' position in this regard.

#### **5. Who is responsible for the policy?**

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Everyone to whom this policy applies is responsible for the success of this policy and should ensure they use it to disclose any suspected danger or wrongdoing.

LRS' ExCom has overall responsibility for ensuring this policy complies with our legal and ethical obligations, and that all those under our control comply with it.

The LRS Head of Tax & Treasury has primary and day-to-day responsibility for implementing this policy, monitoring its use and effectiveness, dealing with any queries about it, and auditing internal control systems and procedures to ensure they are effective in preventing the facilitation of tax evasion.

Management at all levels are responsible for ensuring those reporting to them understand and comply with this policy and are given adequate and regular training on it.

## 6. What are my responsibilities?

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You must ensure that you read, understand and comply with this policy and all other systems, processes, policies and procedures that LRS has in place to counter tax evasion, including the [Travel and Expenses Policy](#). In particular, you must avoid any activity that may lead to a breach of this policy, and you must notify your manager or the LRS CFO or report through the confidential *safeCALL* helpline (see our [Ethics and Compliance Hotline Policy](#)) as soon as possible if you believe or suspect that a breach of this policy has occurred, or may occur in the future. For instance, if an employee or supplier asks to be paid into an offshore bank account, without good reason, or a supplier asks to be paid in cash, you must notify your manager. If in doubt, report: we would rather you were over cautious. Further "red flags" that may indicate potential tax evasion or foreign tax evasion are set out in the appendix to this policy.

The prevention, detection and reporting of tax evasion and foreign tax evasion are the responsibility of all those working for us or under our control. You are required to avoid any activity that might lead to, or suggest, a breach of this policy.

It is not acceptable for you (or someone on your behalf) to:

- a) engage in any form of facilitating tax evasion or foreign tax evasion;
- b) aid, abet, counsel or procure the commission of a tax evasion offence or foreign tax evasion offence by another person;
- c) 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;
- d) engage in any other activity that might lead to a breach of this policy; or
- e) 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.

## 7. How to raise a concern

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You are encouraged to raise concerns about any issue or suspicion of tax evasion or foreign tax evasion at the earliest possible stage.

If you become aware of any fraudulent conduct (whether in relation to UK tax or tax in a foreign country) by another person in the course of your work, or you are asked to assist another person in their fraudulent evasion of tax (whether directly or indirectly), or if you believe or suspect that any fraudulent evasion of tax has occurred or may occur, you must notify your manager or the LRS CFO, or report through the confidential *safeCALL* helpline (see our [Ethics and Compliance Hotline Policy](#)) as soon as possible.

If you are unsure about whether a particular act constitutes tax evasion or foreign tax evasion, raise it with your manager or the LRS CFO or through the confidential *safeCALL* helpline (see our [Ethics and Compliance Hotline Policy](#)) as soon as possible: a deliberate failure to report suspected tax evasion or foreign tax evasion, or "turning a blind eye" to suspicious activity could amount to criminal facilitation of tax evasion.

## 8. Protection

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Individuals who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. We aim to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.

We are committed to ensuring no one suffers any detrimental treatment as a result of:

- a) refusing to take part in, be concerned in, or facilitate tax evasion or foreign tax evasion by another person;
- b) refusing to aid, abet, counsel or procure the commission of a tax evasion offence or a foreign tax evasion offence by another person; or
- c) reporting in good faith their suspicion that an actual or potential tax evasion offence or foreign tax evasion offence has taken place, or may take place in the future.

Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If you believe that you have suffered any such treatment, you should inform the LRS CFO immediately. If the matter is not remedied, and you are an employee, you should raise it formally using our [Grievance Procedure](#).

## 9. What happens if I breach this policy?

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A breach of this policy may result in disciplinary action, up to and including summary dismissal or the immediate termination of your contract without compensation. It may also lead to criminal prosecution, unlimited fines, imprisonment and/or civil litigation. Please note that your actions may also subject LRS to criminal and civil liability. We therefore take our responsibilities very seriously.

## **10. Training and communication**

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Training on this policy forms part of the induction process for all individuals who work for us, and regular training will be provided as necessary. Such training may form part of wider financial crime detection and prevention training.

We will seek to ensure that mandatory training on this policy is regularly provided to those employees, workers and associated persons who have been identified as being at risk of exposure to criminal tax evasion.

Our zero-tolerance approach to tax evasion and foreign tax evasion must be communicated to all suppliers, contractors and business partners at the outset of our business relationship with them and as appropriate after that.

## **11. Monitoring and review**

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This policy was implemented following an LRS risk assessment. It is recognised that risk exposure may change due to external factors. Accordingly, we will continually monitor the levels of risk and react accordingly. LRS 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 tax evasion.

You are invited to comment on this policy and suggest ways in which it might be improved. Comments, suggestions and queries should be addressed to the LRS Head of Tax & Treasury. This policy does not form part of your contract of employment and it may be amended at any time.