



DATED MARCH 2023

ANTI-FACILITATION OF TAX EVASION POLICY

FOYLE FOOD GROUP LIMITED

Making Choice Easy

Foyle Food Group Limited

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Company Reg. No.: NI 034218

1. Policy statement

1.1 It is our policy at Foyle Food Group Limited (“Foyle Food Group”) to conduct all of our business in an honest and ethical manner. We take a zero-tolerance approach to the facilitation of tax evasion, whether under UK law or under the law of any other country.

1.2 We are committed to the highest standards of openness, probity, and accountability wherever we operate. To do this, we implement and enforce effective systems to counter tax evasion facilitation.

1.3 We will uphold all laws relevant to countering tax evasion in all the jurisdictions in which we operate, specifically including the UK Criminal Finances Act 2017.

2. Purpose

2.1 The purpose of this policy is to:

- (a) set out our responsibilities, and of those working for or on behalf of Foyle Food, in observing and upholding our position on preventing the criminal facilitation of tax evasion; and
- (b) provide information and guidance to those working for us on how to recognise and avoid tax evasion.

2.2 If Foyle Food Group fails to prevent our employees, directors, workers, agents or service providers facilitating tax evasion, Foyle Food Group can face criminal sanctions including an unlimited fine, and damage to our reputation. We therefore take our legal responsibilities seriously and we expect anyone employed by or working for or on behalf of Foyle Food to ensure these legal responsibilities are adhered to.

2.3 We have identified that the potential facilitation of tax evasion of our Channel Partners, suppliers and agents are particular risks for the Foyle Food Group business. To address those risks we have completed a risk assessment and mapped our policies and processes to these risks. This risk assessment will be regularly monitored, reviewed and, when necessary, updated. All Foyle Food policies and processes relevant to your role, including this one, should be followed at all times.

2.4 In this policy, **third party** means any individual or organisation you come into contact with during the course of your work for us, and includes actual and potential clients, customers, suppliers, distributors, business contacts, agents, contractors, advisers, other employees and government and public bodies, including their advisers, representatives and officials, politicians and political parties.

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2.5 This policy does not form part of any employee's contract of employment and we may amend it at any time.

3. Who must comply with this policy?

This policy applies to all persons working for us or on our behalf in any capacity, including any employees at all levels, directors, officers, agency workers, seconded workers, volunteers, interns, agents, contractors, external consultants, third-party representatives and business partners, Channel Partners, sponsors, or any other person associated with these entities, wherever located.

4. Who is responsible for the policy?

4.1 The Board of Directors of Foyle Food Group have overall responsibility for ensuring this policy complies with Foyle Foods' legal and ethical obligations, and that all those under our control comply with it.

4.2 The Board of Directors has 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.

4.3 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.

4.4 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 Board of Directors.

5. What is tax evasion facilitation?

5.1 For the purposes of this policy:

(a) **Tax evasion** means the offence of cheating the public revenue or fraudulently evading UK tax, and is a criminal offence. The offence requires an element of fraud, which means there must be deliberate action, or omission with dishonest intent;

(b) **Foreign tax evasion** means evading tax in a foreign (non-UK) 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, the element of fraud means there must be deliberate action, or omission with dishonest intent; and

(c) **Tax evasion facilitation** means 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.

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5.2 Whilst facilitation of tax evasion will not be accepted in any country, there is specific legislation in the UK, Criminal Finances Act 2017, to combat this, and this policy should be followed to ensure your actions do not result in Foyle Food Group committing a criminal offence.

5.3 Under the Criminal Finances Act 2017, a separate criminal offence is automatically committed by a corporate entity or partnership where the tax evasion is facilitated by a person acting in the capacity of an "associated person" to that body. For the offence to be made out, the associated person must deliberately and dishonestly take action to facilitate the tax evasion by the taxpayer. If the associated person accidentally, ignorantly, or negligently facilitates the tax evasion, then the corporate offence will not have been committed. The company does not have to have deliberately or dishonestly facilitated the tax evasion itself; the fact that the associated person has done so creates the liability for the company.

5.4 In this policy, all references to tax include any type of tax wherever it is payable.

6. What you must not do

6.1 It is not acceptable for anyone working for Foyle Food Group (or someone working on Foyle Foods Group's 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 non-UK country), or any suspected fraudulent evasion of tax (whether UK tax or tax in a non-UK country) by another person, to the Board of Directors or otherwise in accordance with the Whistleblowing 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. Your responsibilities

7.1 You must ensure that you read, understand and comply with this policy.

7.2 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.

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7.3 You must raise a concern as soon as possible if you believe or suspect that a conflict with this policy has occurred, or may occur in the future. For example, if an employee is adopting malpractice against the code of conduct of the business it shall be reported immediately.

How to raise a concern

7.4 You are encouraged to raise concerns as soon as possible if you become aware of any fraudulent evasion of tax (whether UK tax or tax in a non-UK 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, whether in respect to UK tax or tax in a non-UK country, or you have faced some sort of harassment or issues around personal/product safety, integrity, quality and legality . If you have any suspicions, concerns or queries regarding a transaction or the interpretation of this policy or suspect anyone of facilitation of tax evasion involving Foyle Foods, you should report your concerns:

- (a) Through internal reporting channels specified in the Whistleblowing Policy. Depending on the issue the relevant grade of officer will investigate the report; which can include Chairman, Chief Executive officer, Senior manager and company auditors.
- (b) Directly to a Site HR manager or Factory Manager
- (c) Directly to Stephen Forsythe (Group Finance Director).

7.5 If you are unsure about whether a particular act constitutes tax evasion or foreign tax evasion, raise it with your line manager or the Group Finance Director as soon as possible. You should note that the corporate offence is only committed where you deliberately and dishonestly take action to facilitate the tax evasion or foreign tax evasion. If you do not take any such action, then the offence will not be committed. However, 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

8.1 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.

8.2 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;

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- (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.

9. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavorable treatment connected with raising a concern. If you believe that you have suffered any such treatment, you should escalate a report through internal reporting channel immediately. If the matter is not remedied, and you are an employee, you have the right to raise it in confidence with the Chief Executive / Chairman, or one of the designated persons according to internal guidelines on responsible investigating officers.

9.1 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.

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

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

10. Breaches of this policy

10.1 Any employee who breaches this policy will face consequences. This will be determined based on the seriousness of the matter, which could include dismissal for misconduct or gross misconduct.

10.2 We may terminate our relationship with other individuals and organisations working on our behalf if they breach this policy.

11. Potential risk scenarios: "red flags"

The following is a list of possible red flags that may arise during the course of you working for us and which may raise concerns related to tax evasion or foreign tax evasion. The list is not intended to be exhaustive and is for illustrative purposes only.

If you encounter any of these red flags while working for us, you must report them promptly to a member of the Board of Directors or officer responsible for investigating, HR site manager, factory manager or the Group Finance Director.

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- (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 supplier 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 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 as an employee asks to be treated as a self-employed contractor, but without any material changes to their working conditions;
- (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 we have provided services requests that their invoice is addressed to a different entity, where we did not provide services to such entity directly;
- (g) a third party to whom we have 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, customised or doctored;
- (i) a third party insists on the use of side letters or refuses to put terms agreed in writing or asks for contracts or other documentation to be backdated;
- (j) you notice that we have been invoiced for a commission or fee payment that appears too large or too small, given the service stated to have been provided; and
- (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 us.

Approved for publication by Stephen Forsythe, Group Finance Director on 1st March 2023

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