S. Norton
Responsible Recycling

ANTI-FACILITATION OF TAX EVASION POLICY

1.0 POLICY STATEMENT

1.1 At S Norton & Co it is our policy to conduct all of our business in an honest and ethical manner. We are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate, and implementing effective systems to counter tax evasion facilitation.

1.2 We take **a zero-tolerance approach to tax evasion.** This type of conduct is absolutely prohibited whether committed or facilitated by employees or anyone else acting on S Norton & Co's behalf.

1.3 The purpose of this policy is to:
(a) set out our responsibilities, and the responsibilities of those working for us, in observing and upholding our position on the facilitation of tax evasion; and
(b) provide information and guidance to those working with us on how to recognise and deal with these tax evasion issues.

1.4 In this policy, **associated person** means employees and other persons who perform services on behalf of the business, such as contractors, suppliers, agents and intermediaries.

1.5 In this policy, **third party** means any individual or organisation you come into contact with during the course of your work that is not an associated person.

2.0 WHO IS COVERED BY THE POLICY?

2.1 This policy applies to all persons working for us (or any Group Company) or on our behalf in any capacity, including employees at all levels, directors, officers, agency workers, seconded workers, agents, contractors, external consultants, third-party representatives and business partners, or any other person associated with us, wherever located.

3.0 CONSEQUENCES OF BREACH OF THIS POLICY

3.1 The UK's Corporate Criminal Offence of the Failure to Prevent the Facilitation of Tax Evasion ('CCO') has been effective since 2017. The penalties under CCO include an unlimited financial penalty and/or ancillary orders such as confiscation or serious crime prevention orders. Non-compliance could result in a criminal investigation by HMRC, with potential prosecutions brought by the Crown Prosecution Service (CPS).

3.2 Aside from the implications of a prosecution, or resulting regulatory action, we could be excluded from tendering for all public contracts and face severe damage to our reputation. We therefore take our responsibilities in this area very seriously.

3.3 Any breach of this policy will be taken seriously and may result in disciplinary action, which could result in dismissal for misconduct, as well as the potential for an employee to incur personal criminal liability.

4.0 WHAT IS A TAX EVASION?

4.1 Fraudulent tax evasion is a crime and involves dishonest behaviour. A person behaves dishonestly if they know (or turn a 'blind eye' to whether) they have a liability to pay tax but decide not to pay it/declare it. Dishonest behaviour may involve a person simply deciding not to declare money they make. It may involve someone deliberately trying to hide the source of money, or even intentionally misrepresenting where money came from.

4.2 Note that fraudulent tax evasion does not arise where a person makes a mistake or is careless. There needs to be a dishonest intent.

4.3 Tax evasion is not the same as tax avoidance or tax planning. Tax evasion involves deliberate and dishonest conduct. Tax avoidance is not illegal and involves taking steps, within the law, to minimise tax payable (or maximise tax reliefs).

4.4 A 'person' as set out above could mean a company i.e. S Norton & Co., or a third party. Tax evasion by, or carried out on behalf of, S Norton & Co, is absolutely prohibited.

5.0 WHAT IS THE FACILITATION OF TAX EVASION

5.1 CCO offences can only apply to S Norton & Co when there has been 'fraudulent tax evasion' facilitated by an 'associated person' to S Norton & Co, both as defined above.

5.2 The facilitation comprises being knowingly concerned in, or taking steps with a view to, the fraudulent tax evasion of another, as well as aiding, abetting, counselling or procuring another person's offence of tax evasion. Note however that the associated person does not commit a tax evasion offence when they inadvertently, or even negligently, facilitate another's tax evasion. There must be criminal intent and thus the facilitator is an 'accomplice'. At its simplest, this will occur when the facilitator knows that he is helping another person to carry out a fraud.

5.3 Generic examples of the facilitation of tax evasion could include:
i) A buyer agreeing to accept scrap from a supplier that he knows has no intention of paying output tax.
ii) The intentional misclassification of waste such that a lower rate of Landfill Tax is paid.
iii) An employee in the office knowingly processing supplier invoices that show a false VAT number.
iv) An employee in the office agrees to invoice a different customer (who did not receive the supply) and obtains a VAT advantage from doing so.

6.0 HOW CAN THE FACILITATION ARISE?

6.1 It is likely that most 'facilitation' will occur in exchange for an 'inducement'. It is not always as simple as saying that the inducement would be a cash payment of some type. Equally, the 'inducement' could be via a non-cash bribe, e.g. some types of gifts, hospitality, entertainment, sponsorship etc. Additionally, facilitation could arise from 'turning a blind eye' to tax evasion due to intimidation and / or threats.

6.2 The S Norton & Co Anti-Bribery and Corruption Policy sets out a number of ways that 'inducements' could be given, and therefore should be read in conjunction with this Facilitation of Tax Evasion Policy.

7.0 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 are the responsibility of all those working for us or under our control. All workers are required to avoid any activity that might lead to, or suggest, a breach of this policy.

7.3 You must notify your manager or the Finance Director as soon as possible if you believe or suspect that a conflict with this policy is occurring, has occurred, or may occur in the future.

7.4 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 wish to reassure you that if you raise concerns with regards to the application of this policy you will not be subject to any disciplinary action or unfavourable treatment (or any threats relating to these). If you consider that you have been subject to such action or treatment, please contact HR.

8.0 HOW TO RAISE A CONCERN

8.1 You are required and encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage.

8.2 If you become aware of any fraudulent evasion of tax 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 Finance Director as soon as possible.

8.3 If you are unsure whether a particular act constitutes tax evasion, or if you have any other queries, these should be raised with your line manager or the Finance Director.

9.0 WHO IS RESPONSIBLE FOR THE POLICY?

9.1 The Chairman, on behalf of the Board, has overall responsibility for ensuring this policy complies with our obligations, and that all those under our control comply with it. The Finance Director has primary and day-to-day responsibility for implementing this policy, and for monitoring its use and effectiveness. Management at all levels are responsible for ensuring that those reporting to them are made aware of and understand this policy.

10 MONITORING AND REVIEW

10.1 The Audit & Financial Risk Committee will monitor the effectiveness and review the implementation of this policy, and will regularly consider its suitability, adequacy and effectiveness.

10.2 This policy does not form part of any employee's contract of employment and it may be amended at any time.

Graham Donohue
Finance Director
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