

Zero Tolerance Approach

Hilton Food Group plc and its subsidiary companies (collectively known as 'Hilton Foods' & 'we/our/us') conduct all our business with honesty and are committed to acting professionally, ethically and with integrity in all our relationships.

This policy is in line with our commitment to the United Nations Global Compact initiative, as we work against corruption in all its forms as a business community.

We have a zero-tolerance approach to the facilitation of tax evasion, either by Hilton Foods employees, our associates, our representatives or third parties.

We will uphold all laws relevant to preventing tax evasion in all the jurisdictions in which we operate. In the UK this policy serves to comply with our obligations under the UK Criminal Finances Act 2017.

Definitions

Tax Evasion - the offence of cheating the public revenue or fraudulently evading tax. It is a criminal offence. The offence requires an element of fraud, which means there must be deliberate action or omission with dishonest intent. Tax evasion is not the same as tax avoidance or tax planning. Tax evasion involves deliberate and dishonest conduct.

Facilitation of Tax Evasion - being knowingly concerned in, or taking steps with a view to, the fraudulent evasion of tax 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.

Associates - those who act on behalf of Hilton Foods, or any other person who performs services for or on behalf of Hilton Foods. Any acts by associates to facilitate tax evasion by Hilton Foods could result in both Hilton Foods and the associate being prosecuted.

Third party - any individual or organisation we come into contact with through our business activities, including actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies (including their advisers, representatives and officials, politicians, and political parties).

Who Does This Policy Apply To?

This policy applies to all persons working for Hilton Foods or on our behalf in any capacity in every country in which Hilton Foods, its subsidiaries, related joint ventures and associates operate. It applies to employees at all levels including directors, officers, agency workers,

seconded workers, volunteers, interns, agents, suppliers, contractors, external consultants, labour providers, third-party representatives, business partners, sponsors, or any other person associated with us, wherever located.

Who is Responsible for this Policy?

The Hilton Foods Board, represented by the Group CEO and CFO, has overall responsibility for the effective operation of this policy. The Audit Committee have responsibility for oversight of this policy but the regional finance teams have day-to-day responsibility for implementing and overseeing adherence with this policy.

Scope of this Policy

We have set out below our policy to prevent the facilitation of tax evasion, which is based on five guiding principles:

- Risk assessment
- Proportionality of risk-based prevention procedures
- Top level commitment
- Due diligence
- Communication (including training)

Risk assessment

Hilton Foods assesses (via annual risk assessments) the nature and extent of our exposure to the risk of our associates criminally facilitating tax evasion.

The risk assessments require us to “sit at the desk” of all persons working for Hilton Foods or who provide services on our behalf and ask:

1. whether they have a motive, the opportunity and the means to criminally facilitate tax evasion offences, and
2. if so, how this risk might be managed.

The Finance Directors of each business within Hilton Foods have responsibility for ensuring that risk assessments are undertaken in line with this policy; with support from the Internal Audit and Risk team and from external professional advisers as required.

Each risk assessment will be reviewed by the Internal Audit and Risk Team annually and will be included as part of regular reporting to the Audit Committee.

Risks may be categorised under the following headings:

- Country risk: certain countries have higher perceived levels of secrecy or are associated with use as a tax shelter.
- Sectoral risk: some sectors pose a higher risk of facilitating tax evasion than others, such as financial services, tax advisory and legal sectors.

- Transaction risk: certain types of transaction give rise to higher risks, for example, complex tax planning structures involving high levels of secrecy, overly complex supply chains, or transactions involving politically exposed persons.
- Business opportunity risk: such risks might arise in high value projects or with projects involving many parties, jurisdictions or intermediaries.
- Business partnership risk: certain relationships may involve higher risk, for example, the use of intermediaries in transactions where those intermediaries are based in jurisdictions operating lower levels of transparency and disclosure. Entering into a business partnership with organisations that have either no fraud prevention procedures, or known deficiencies in their fraud procedures may involve higher risk.
- Product risk: certain products and services may have a higher risk of misuse.
- Customer risk: the identification of particular characteristics related to customers or products that could indicate that there is a greater risk of the criminal facilitation of tax evasion by an associated person.

A risk assessment should also consider the extent to which internal structures or procedures may themselves add to the level of risk, such as:

- Deficiencies in employee training, skills and knowledge,
- A bonus culture that rewards excessive risk taking,
- Lack of clarity on our policies and procedures for the provision of high risk services and products,
- Lack of clear financial controls or whistle-blowing procedures, or
- Lack of clear messaging from top-level management on refusing to engage in tax fraud.

Proportionality of risk-based prevention procedures

The term 'preventative procedures' within this policy is used to mean both:

- formal policies adopted to prevent criminal facilitation of tax evasion by those acting on our behalf, and
- practical steps taken to implement these policies, enforcement of compliance with the policies, and the monitoring of the policies' effectiveness.

Our prevention procedures are designed to be both practical to implement and reflective of the level of risk identified through the risk assessments.

Our prevention procedures include:

- An annual risk assessment on which the procedures are based,
- Board level commitment to preventing the criminal facilitation of tax evasion,
- This policy, which describes our approach to mitigating risks of involvement in the criminal facilitation of tax evasion, such as those arising from the nature of our business and areas of operation,
- Processes for monitoring and enforcing compliance with procedures,
- A clear pathway for reporting wrongdoing by persons associated with us as detailed in our [Whistle-blowing policy](#).
- Protection for whistle-blowers (with no retribution), and
- Fully transparent executive bonus schemes.

Prevention policies and procedures will be regularly reviewed, at a minimum interval of every three years.

Top level commitment

The Hilton Foods Board is committed to:

1. A zero tolerance stance on preventing the criminal facilitation of tax evasion,
2. Oversight of the development and review of preventative procedures,
3. Endeavour to only work with partners who have reasonable prevention procedures in place,
4. Ensuring consequences for persons associated with us for breaching this policy, and
5. Protecting persons who report suspected facilitation of tax evasion.

The Audit Committee's responsibilities in the development and review of the preventative procedures are to:

1. Designate responsibility for management and implementation of the preventative measures,
2. Endorse this policy and associated publications,
3. Provide leadership and designated responsibility to ensure awareness of the preventative policies both internally and with those providing services on our behalf
4. Designate responsibility for certifying the assessment of risk,
5. Designate responsibility at senior level for disciplinary procedures relating to the breach of our policies, and
6. Provide a commitment to whistleblowing processes and rejecting profit by way of facilitating tax evasion.

Due diligence

Our due diligence procedures are proportionate to the risks identified from the related risk assessments.

We recognise that the reasonableness of prevention procedures should take account of the level of control and supervision that we are able to exercise over a particular person acting on our behalf and our proximity to that person.

The Audit Committee will delegate the implementation of the due diligence procedures to the Finance Directors of each Hilton Foods business, supported by the Regional Finance Directors. The Finance Directors may choose to conduct their due diligence procedures internally, or via the support of external advisers.

The effectiveness of the organisation's procedures will be reviewed by the Internal Audit and Risk Team annually and will be included as part of regular reporting to the Audit Committee. Where necessary the procedures will be amended by the local Finance Directors to reflect the review outcomes.

The Audit Committee will monitor and review our procedures by:

- seeking internal feedback from staff members and looking to other financial crime prevention procedures,
- formalising periodic reviews with documented findings, and
- working with other organisations, such as external advisers, representative bodies or other organisations facing similar risks.

Communication (including training)

Our zero tolerance policy for the facilitation of tax evasion by our representatives and the consequences for anyone found to be complicit in illegal activity will be communicated, where it is considered to be proportionate and appropriate, to all suppliers, contractors and business partners at the outset of our business relationship with them and as appropriate after that.

Communication will be led by the Finance Leadership Team. It will focus on high risk areas of operation and what is expected of representatives who find themselves being asked to provide a service which they believe will be used to facilitate a tax fraud.

We may combine communications on the prevention of the facilitation of tax with other communications, for example on money laundering prevention, or issue standalone communication as required.

We provide training, supported by external advisers, that is proportionate to the risk faced. We consider the specific training needs of those in the highest risk posts and ensure that our representatives understand the process for referring any concerns.

The effectiveness of the training will be monitored and evaluated by the Internal Audit and Risk Team with oversight from the Audit Committee.

We encourage third party associated persons to ensure their own training arrangements are in place.

Guidance and How to Report

Facilitation of tax evasion is a very serious offence. Employees should always feel free to seek the support of their manager on any questions or concerns.

If you have a concern regarding a suspected breach of this policy, or if you are unsure about whether a particular act constitutes tax evasion or foreign tax evasion, please speak up as soon as possible. A corporate offence is only committed where you deliberately and dishonestly take action to facilitate tax evasion. However, a deliberate failure to report suspected tax evasion, or ignoring suspicious activity, could amount to criminal facilitation of tax evasion. To help identify scenarios and situations where there could be a risk of tax evasion, please see the “Red Flags” section in the appendix of this document.

We have created multiple channels to allow you to do this. It is important that you report any concerns as soon as possible.

If you need to report business misconduct:

- Report it to your line manager first, or if this is not appropriate speak to a senior manager, or
- Contact Safecall, our independent whistleblowing service provider– available 24 hours a day, 365 days a year and in your preferred language. All reports are treated confidentially, and you may remain anonymous if you wish.
 - [By telephone](#)
 - [Online](#)

For more guidance, please refer to your local Speak Up Policy or the Hilton Food Group [Whistleblowing policy](#).

Protection for Employees Who Report Tax Evasion Facilitation

We want everyone to feel able to voice concerns openly under this policy. If you suspect that a breach of this policy has occurred, you must report it in accordance with our [Whistleblowing Policy](#) as soon as possible.

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.

All reported concerns will be treated confidentially. We will respect, as far as we are able, any request for anonymity and where this is not possible, we will make efforts to inform you.

Hilton Foods will not tolerate victimisation of any person who raises a concern in good faith, even if it transpires that no malpractice has occurred, or is likely to occur, and will take appropriate steps to protect them, including taking disciplinary action against anyone who is found to be pursuing any form of retaliation or has threatened to do so.

If you believe that you have suffered any form of retaliation as a consequence of reporting a breach or suspected breach of this policy, you should inform a senior manager or call Safecall immediately. If the matter is not remedied, and you are an employee, you should raise it formally using our Grievance Procedure.

Breaches of this Policy

Any employee who breaches this policy will face disciplinary action, which could result in dismissal for misconduct or gross misconduct.

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

Appendix: Red Flags for Identifying Potential Facilitation of Tax Evasion

To help identify scenarios and situations where there could be a risk of tax evasion, below is a range of “Red Flags.” If whilst working for us you encounter any of these red flags or any other situation which you think might be in breach of this policy, you must report them in line with our [Whistleblowing Policy](#). The list is not intended to be exhaustive and is for illustrative purposes only.

- You become aware that a person or third party has made or intends to make a false statement or document relating to tax.
- You learn that a person or third company has failed to disclose income or gains to the relevant tax authority.
- A person or third party you are dealing with sets up or intends to set up a structure to try to hide income, gains or assets from a tax authority.
- You become aware that a third party or person has deliberately failed to register for VAT or the equivalent sales tax in any relevant non-UK jurisdiction, or failed to account for this tax.
- A third party you are dealing with requests payment in cash or refuses to sign a formal agreement, or to provide an invoice or receipt for a payment made.
- You become aware that a third party working for us as an employee asks to be treated as a self-employed contractor, but without any material changes to their working conditions.
- 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.
- You receive an invoice from a third party that appears to be non-standard or customised.
- A third party asks for contracts or other documentation to be backdated.
- A commission or fee payment on an invoice appears disproportionate to the service stated to have been provided.

This policy was last updated in January 2024