

Anti-facilitation of Financial Crime Policy

Scope:

- This policy applies to all the business divisions within the AG Barr Group
- The policy covers the following aspects of financial crime:
 - Financial Fraud
 - Thefts
 - Tax Evasion

1. POLICY STATEMENT

- 1.1 It is our policy to conduct all of our business honestly and ethically. We take a zero-tolerance approach to the facilitation of financial crime, whether under UK law or under the law of any foreign country.
- 1.2 We are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate and implementing and enforcing effective systems to counter financial crime facilitation.
- 1.3 We will uphold all laws relevant to countering financial crime, including the Economic Crime and Corporate Transparency Act 2023 and the Criminal Finances Act 2017.

2. ABOUT THIS POLICY

- 2.1 The purpose of this policy is to:
 - (a) set out our responsibilities, and of those working for us, in observing and upholding our position on preventing the facilitation of financial crime; and
 - (b) provide information and guidance to those working for us on how to recognise and avoid financial crime.
- 2.2 As an employer, if we fail to prevent our employees, workers, agents or service providers from facilitating financial crime, we can face criminal sanctions, including an unlimited fine, as well as exclusion from tendering for public contracts and damage to our reputation. We therefore take our legal responsibilities seriously.
- 2.3 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 customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisers, representatives and officials, politicians and political parties.
- 2.4 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 any Group Company or on our behalf in any

capacity, including employees at all levels, directors, officers, agency workers, seconded workers, volunteers, interns, agents, contractors, external consultants, third-party representatives and business partners, or any other person associated with us, wherever located.

4. WHO IS RESPONSIBLE FOR THE POLICY?

- 4.1 The Audit and Risk Committee has overall responsibility for ensuring this policy complies with our legal and ethical obligations, and that all those under our control comply with it.
- 4.2 The Risk Committee has primary responsibility for the implementation of this policy and for monitoring its use and effectiveness. Heads of department have day-to-day responsibility for the implementation of this policy, dealing with any queries about it, and auditing internal control systems and procedures to ensure they are effective in preventing the facilitation of financial crime.
- 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.

5. WHAT IS FINANCIAL CRIME FACILITATION?

5.1 Financial crime, for the purposes of this policy, covers three main areas:

- (a) **Fraud** is defined as deception with the intent to result in personal or financial gain. Within the Fraud Act 2006, offences consist of the following:
 - (i) Fraud by false representation
 - (ii) Fraud by failing to disclose information
 - (iii) Fraud by abuse of position
 - (iv) Obtaining services dishonestly
 - (v) Cheating public revenue
 - (vi) False accounting
 - (vii) Fraudulent trading
 - (viii) Participation in a fraudulent business
 - (ix) False statements by company directors
- (b) **Theft** is defined as dishonestly obtaining property belonging to another with the intent of permanently depriving the owner of that property.
- (c) **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.
- (d) **Foreign tax evasion** means evading tax in a foreign country, provided that the 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

5.2 **Facilitation** means being knowingly concerned in, or taking steps with a view to commit fraud, theft or tax evasion, or aiding, abetting, counselling or procuring the commission of that offence. Financial crime facilitation is a criminal offence when it is done deliberately and dishonestly.

- 5.3 Under the Economic Crime and Corporate Transparency Act 2023, an organisation may be criminally liable where an employee, agent, subsidiary, or other “associated person” commits fraud intending to benefit the organisation and the organisation did not have reasonable fraud prevention procedures in place. In certain circumstances, the offence will also apply where the fraud offence is committed with the intention of benefiting a client of the organisation. It does not need to be demonstrated that directors or senior managers ordered or knew about the fraud. The offence sits alongside existing law; for example, the person who committed the fraud may be prosecuted individually for that fraud, while the organisation may be prosecuted for failing to prevent it. Penalties include criminal prosecution and an unlimited fine.
- 5.4 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.
- 5.5 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).
- 5.6 In this policy, all references to tax include national insurance contributions.

6. WHAT YOU MUST NOT DO

- 6.1 It is not acceptable for you (or someone on your behalf) to:
- (a) engage in any form of facilitating financial crime;
 - (b) aid, abet, counsel, or procure the commission of a financial crime by another person;
 - (c) fail to promptly report any request or demand from any third party to facilitate financial crime, or any suspected financial crime 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 financial crime 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 financial crime is 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.
- 7.3 You must notify your manager 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 or supplier asks to be paid into an offshore bank account, without a good reason, or a supplier asks to be paid in cash, indicating that this will mean the payment is not subject to VAT. Further “red flags” that may indicate potential financial crime are set out in Clause 12.

8. HOW TO RAISE A CONCERN

- 8.1 You are encouraged to raise concerns about any issue or suspicion of financial crime at the earliest possible stage.
- 8.2 If you become aware of any fraudulent activities relating to financial crime by another person in the course of your work, or you are asked to assist another person in their fraudulent activities, whether in respect to UK or in a foreign country, you must notify your manager or report it in accordance with our [Speaking Up Policy](#) as soon as possible.
- 8.3 If you are unsure about whether a particular act constitutes financial crime, raise it with your manager as soon as possible. You should note that the corporate offence is only committed where you deliberately and dishonestly take action to facilitate the financial crime. If you do not take any such action, then the offence will not be made out. However, a deliberate failure to report suspected financial crime or “turning a blind eye” to suspicious activity could amount to criminal facilitation of financial crime.

9. PROTECTION

- 9.1 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.
- 9.2 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 financial crime by another person;
 - (b) refusing to aid, abet, counsel or procure the commission of a financial crime offence by another person; or
 - (c) reporting in good faith their suspicion that an actual or potential financial crime 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 your manager immediately. If the matter is not remedied, and you are an employee, you should raise it formally using our Grievance Procedure, which can be found on the HR Portal.

10. TRAINING AND COMMUNICATION

- 10.1 Training on this policy forms part of the induction process for all individuals who work for us, and regular training will be provided to all employees (other than those deemed to be very low risk) on an annual basis.
- 10.2 Our zero-tolerance approach to financial crime 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. BREACHES OF THIS POLICY

- 11.1 Any employee who breaches this policy will face disciplinary action, which could result in dismissal for misconduct or gross misconduct.
- 11.2 We may terminate our relationship with other individuals and organisations working on our

behalf if they breach this policy.

- 11.3 The company may initiate criminal proceedings against individual employees who have been found to have acted fraudulently and facilitated financial crime.

12. POTENTIAL RISK SCENARIOS: “RED FLAGS”

The following is a list of possible red flags that may arise during the course of your employment and which may raise concerns related to financial crime. 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 your manager or use the procedure set out in the Speaking Up Policy:

- (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 third party has deliberately failed to register or account for VAT (or the equivalent tax in any relevant non-UK jurisdiction);
- (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 for us as an employee asks to be treated as a self-employed contractor, but without any material changes to their working conditions;
- (e) a supplier or other subcontractor is paid gross when they should have been paid net under a scheme such as the Construction Industry Scheme;
- (f) a third party requests that payment be made to a country or geographic location different from where the third party resides or conducts business;
- (g) a customer to whom we have provided goods requests that their invoice is addressed to a different entity, where we did not provide goods to such entity directly;
- (h) a customer to whom we have provided goods asks us to change the description of the goods on an invoice in a way that seems designed to obscure the nature of the goods provided;
- (i) you receive an invoice from a third party that appears to be non-standard or customised;
- (j) 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;
- (k) you notice that we have been invoiced for a commission or fee payment that appears too large or too small, given the goods stated to have been provided; or
- (l) 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;
- (m) you notice that a third party logistics provider is falsifying credentials, emission records or efficiency data.

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