

Facilitation of Tax Evasion Policy

1.0 POLICY STATEMENT

- 1.1 At Veolia it is our policy to conduct all of our business in an honest and ethical manner. Our Values outline the standards and behaviours that Veolia upholds as a company. By living our Values we can maintain the highest ethical standards in the conduct of our business affairs.
- 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 Veolia's behalf.
- 1.3 The purpose of this particular 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, agents and other persons who perform services on behalf of the business, such as contractors, suppliers, agents and intermediaries.^[1]
- 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 All associated persons must strictly comply with this policy. It is important that you take time to read and comply with this policy.

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') is effective from 30 September 2017. The penalties under CCO include an unlimited financial penalty and/or ancillary orders such as confiscation orders or serious crime prevention orders. Non-compliance could result in a criminal investigation by HMRC, with any prosecutions being brought by the Crown Prosecution Service (CPS). Any foreign tax offence under CCO will be investigated by the Serious Fraud Office (SFO) or National Crime Agency and prosecutions will be brought by either the SFO or CPS.

^[1] In other words all individuals working at all levels and grades, including senior managers, officers, directors, employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, seconded staff, homeworkers, casual workers and agency staff, volunteers, interns, agents, sponsors, or any other person associated with us, or any of our subsidiaries or their employees, wherever located (collectively referred to as workers in this policy).

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- 3.2 Aside from the implications of a prosecution, or resulting regulatory action, we could be excluded from tendering for all public contracts (i.e. any municipal or PFI bids) 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 (likely amounting to gross misconduct, leading to dismissal) as well as the potential for an employee to incur personal criminal liability. Please refer to our Disciplinary Policy (available on the intranet) for examples of offences which are normally regarded as gross misconduct.

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 A 'person' as set out above could mean a company i.e. Veolia. Tax evasion by, or carried out on behalf of Veolia is absolutely prohibited.

5.0 WHAT IS THE FACILITATION OF TAX EVASION

- 5.1 CCO offences can only apply to Veolia when there has been 'fraudulent tax evasion' facilitated by an 'associated person' to Veolia, 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) Allowing waste to bypass a weighbridge on a landfill site.
 - ii) Misclassification of waste such that a lower rate of Landfill Tax is fraudulently paid.
 - iii) An employee in the Accounts Payable department knowingly processes invoices from a supplier showing a false VAT number.

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- iv) An employee in the Accounts Receivable team agrees to invoice a different / offshore customer entity (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 Veolia Anti-Corruption and Bribery Policy, available on the BMS ([Ref POL/1/025](#)), 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 either the facilitation of, or actual 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 tax department 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 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.
- 7.5 Our zero-tolerance approach to tax evasion must be communicated to all suppliers, contractors and business partners at the outset of our business relationship with them and as appropriate thereafter.

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. 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 tax department. If you wish to raise a concern using the confidential employee Ethical Financial Whistleblowing telephone helpline, as the nature of the concern is such that you feel it cannot be raised internally, then the telephone number is: 0808 234

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6953. Further information can also be obtained from the Whistleblowing (Public Interest Disclosure) Policy & Procedure.

9.0 WHO IS RESPONSIBLE FOR THE POLICY?

9.1 The Chief Executive Officer, 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 tax department 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 those reporting to them are made aware of and understand this policy and are given adequate and regular training on it.

10 MONITORING AND REVIEW

10.1 The Risk Committee will monitor the effectiveness and review the implementation of this policy, regularly considering 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.



Gavin Graveson
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