

NEW LOOK

CRIMINAL FACILITATION OF TAX EVASION POLICY

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TERRITORIES COVERED	All
APPLICABLE TO	All
POLICY OWNER	Company Secretary

1. Purpose

“Tax evasion” is a major issue in world trade, despite the many dedicated efforts to prevent it. It is very damaging and diverts money and resources from those who need them most, hindering economic and social development.

Tax evasion affects us as an organisation if it is criminally facilitated anywhere in our business (i.e., including where it occurs outside the UK). Under no circumstances should we be facilitating tax evasion.

We run our business with integrity and in an honest and ethical manner. All of us must work together to ensure we remain untainted by tax evasion facilitation.

This policy and your participation is a crucial element of that effort. It has the full support of the New Look directors.

2. Scope

This policy applies to colleagues, agency workers, contractors, agents, and suppliers of New Look globally. It sets out the steps all of us must take to prevent tax evasion facilitation associated with New Look and to comply with relevant legislation.

3. Responsibilities

Overall responsibility for this policy

The Legal, Risk and Compliance and Tax teams share responsibility for this policy. They will annually reflect on the policy to make sure it is being adhered to and ensure it is up to date. In doing this they act in the interest of our business as a whole, and it is therefore the responsibility of all of us to help them in this. The Head of Tax will report regularly to the Board on any compliance issues in relation to this policy, if required.

Risk within the business will vary by area of the business and geographical location. Directors and Heads Of are responsible for assessing the level of risk within their unit/location in relation to tax evasion activities at risk of occurring and, with the approval of the Legal, Risk and Compliance and Tax teams, putting in place any necessary additional measures.

All colleagues, agency workers, contractors, agents, and suppliers of New Look must be familiar with and observe this policy. It will count for nothing unless we all act together as one.

Everyone this policy applies to is responsible for:

- Reading and **being aware** of the contents of this policy;
- **Complying** with this policy and any related policies; and
- **Reporting** cases where you know, or have a reasonable suspicion, that tax evasion facilitation has occurred or is likely to occur.

We will not penalise anyone who loses business as a result of stopping or refusing to take actions that could lead to or are suspected of facilitating the evasion of tax.

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Being Aware: *Common indicators of tax evasion facilitation*

We should all be aware of how liability might arise, so that we can flag and prevent it. Common indicators of tax evasion facilitation (i.e., red flags) include those listed below. There may well be others:

- Request for payment by cash
- Overly complex payment mechanisms
- Services/goods provided to jurisdictions that do not subscribe to Common Reporting Standards
- Services/goods provided to jurisdictions that have a low Organization for Economic Cooperation and Development (OECD) tax transparency rating.
- Transactions involving overly complex supply chains.
- Transactions involving private banking facilities.
- Records are incomplete or missing.

Reporting: *What should you do if you think something is wrong?*

Each of us has a responsibility to speak out if we discover anything corrupt or otherwise improper occurring in relation to our business. We cannot maintain our integrity unless we do this.

If you discover or suspect that tax evasion has been facilitated or may be facilitated, whether by:

- Another staff member
- A third party who represents us.
- One of our suppliers or competitors
- Anyone else—perhaps even a customer

You must notify your line manager or Head of. Alternatively, you can contact the Legal Team at UKLegal@NewLook.com or use our confidential Speak Up Helpline: 0800 0465676 <http://newlook.ethicspoint.com> (more details on this available in the Speak Up Whistleblowing Policy on Runway and Buzz).

You can do this anonymously.

You must make your report as soon as reasonably practicable. You may be required to explain any delays. You are not required to inform your manager if you do not feel comfortable or it involves your direct line manager.

Consequences of failing to comply

We take non-compliance with this policy very seriously.

Failure to comply puts both you and the business at risk, both of reputational damage and unlimited fines.

You may commit a criminal offence if you fail to comply with this policy. The criminal law relating to tax evasion carries severe penalties.

Because of the importance of this policy, failure to comply with this policy may lead to an investigation under our disciplinary procedures if you are a colleague, which may result in disciplinary action up to and including dismissal without notice. Failure to comply may lead to termination of our relationship if you work with us in a different capacity.

If you have any questions or concerns about anything in this policy, do not hesitate to contact the Tax, Legal or Risk and Compliance Teams.

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4. Core Policy

THE OFFENCES: TAX EVASION, FACILIATION AND FAILURE TO PREVENT

What is tax evasion?

Tax evasion is the illegal non-payment or under-payment of taxes. It usually happens by falsely declaring or not declaring taxes due to a tax authority. It is a criminal offence and can be committed by an individual, e.g., in relation to income tax or VAT, or a legal entity such as a company, e.g., in relation to corporation tax.

What is facilitation of tax evasion?

Someone illegally facilitates tax evasion if they deliberately and dishonestly help someone else to evade tax. They might do this by advising the individual or company that is seeking to evade tax, by putting arrangements or structures like a trust, bank account or direct debit in place, or by hiding or falsifying records that would show that tax is not being properly paid.

Examples as to how this could happen in connection with our business are shown below:

- a) a supplier asks us to pay them cash in hand or via some complex payment mechanism that allows them to evade tax (**tax evasion**);
- b) a supplier gives us falsified documents showing an incorrect tax residency status of a supplier which will reduce the supplier's tax liability (**tax evasion**) and the relationship manager at New Look knowingly accepts this in order to maintain the relationship (**facilitation of tax evasion**);
- c) a colleague colludes with a supplier to invoice a New Look subsidiary based outside the UK for work performed in the UK to avoid VAT (**tax evasion by the supplier, and facilitation by the colleague**);
- d) a payroll manager sets up a payment for part of a high-earning colleague's wages to go to an offshore account in order to mitigate the colleague's 'tax liabilities' (**tax evasion by the colleague, and facilitation by the payroll manager**).

The Criminal Finances Act 2017 (CFA) – The Offence of Failing to Prevent

The CFA came into force in the UK on 30 September 2017. It doesn't change the offences of tax evasion or facilitation, but it did introduce a new corporate criminal offence of failure to prevent the criminal facilitation of tax evasion.

This means that in the scenarios above, New Look as a business could also be criminally liable unless we can show we took reasonable measures to try and prevent such things happening.

The offence has three elements, all of which must exist for criminal liability to arise:

- a) criminal tax **evasion** by a taxpayer (e.g., by a customer or supplier of New Look);
- b) criminal **facilitation** of that tax evasion by a person associated with New Look. The 'Associated Person' could be anyone authorised to do things on our behalf. That includes colleagues, directors, or freelancer working for New Look, or our agents, intermediaries, representatives, or service providers; and
- c) **failure by New Look to prevent** our colleague, agent etc from committing the criminal facilitation.

This corporate offence can be committed regardless of whether the tax evaded is owed in the UK or in a foreign country.

There is only one defence to the corporate offence: when the tax evasion facilitation offence was committed, New Look had reasonable prevention procedures in place. This policy - and the communication and awareness of it - are at the heart of those prevention procedures.

OUR POLICY

New Look's stance on the criminal facilitation of tax evasion

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Involvement in the criminal facilitation of tax evasion exposes New Look and the person facilitating the evasion to a criminal offence. It will also damage our reputation and the confidence of our customers, suppliers, and business partners.

Our position is simple: we conduct our business to the highest legal and ethical standards. We will not be party to tax evasion or the facilitation of tax evasion any form. Such acts would damage our reputation and expose us, and our staff and representatives, to the risk of fines and imprisonment.

We therefore take a zero-tolerance approach to tax evasion facilitation by our people and our third-party representatives. We are committed to:

- Rejecting the facilitation of tax evasion, and
- Not recommending the services of others who do not have reasonable prevention procedures in place.

Tax evasion may be more widespread in some countries and business sectors than others. In some cases, we may be told that unless we facilitate tax evasion, we will not win business. That does not matter. If we were to be involved in even one instance of tax evasion facilitation, we would have shown that we engage in such conduct. We do not.

This ethical stance is good for our business and is non-negotiable.

OUR APPROACH

Risk assessment

We aim to ensure our tax evasion facilitation procedures are proportionate to the risks we face.

We have performed an assessment of the risk of our organisation being exposed to tax evasion facilitation and review this assessment on an annual basis. This policy has been developed in response to the results of that risk assessment. During the annual reviews of our risk assessment, we will make appropriate changes to this policy where necessary.

Records

It is essential that we keep full and accurate records of all our financial dealings—transparency is vital. False or misleading records could be very damaging to us. What those records are will depend on the department you are in.

5. Training

All New Look staff will receive training on this and related policies. New joiners (except retail staff below Store Manager level) will receive training as part of their induction, via an e-module which covers both anti-bribery and CFA awareness. Further training will be provided once a year as a refresher or whenever there is a substantial change in the law or our policy and procedure.