Nichino Europe Co. Ltd
Anti-Facilitation of Tax Evasion Policy 2026

Policy owner	General Counsel and Company Secretary
Approved by	Board of Nichino Europe Co. Ltd
Effective date	30 September 2026
Review cycle	At least annually and following any material legal, regulatory or business change
Related documents	Current Employee Handbook; Hospitality and Gifts Policy; Whistleblowing Policy; expenses, procurement, conflicts of interest and disciplinary procedures

1. Purpose and Policy Statement

NEU conducts business with integrity, transparency and in compliance with applicable tax and criminal law. The Company has zero tolerance for tax evasion or the deliberate and dishonest facilitation of tax evasion. No commercial objective, instruction, relationship or perceived benefit justifies conduct prohibited by this policy. NEU will maintain prevention procedures proportionate to the risks presented by its activities, jurisdictions, transactions and Associated Persons.

This policy supplements the standards, Anti-Bribery, Expenses and Company Credit Cards, Public Interest Disclosure (Whistleblowing), Disciplinary Rules and Disciplinary Procedure provisions in the NEU Employee Handbook. Where local law imposes stricter requirements, those requirements apply.

2. Scope

This policy applies to all NEU directors, officers, employees, agency workers, secondees, interns and volunteers, and to any person or organisation performing services for or on behalf of NEU, including agents, distributors, contractors, consultants, advisers, intermediaries, customs representatives, logistics providers, suppliers and joint-venture partners ("Associated Persons"). It applies to conduct in the UK and elsewhere, including conduct concerning foreign taxes and conduct connected with NEU's business in EU Member States.

3. Legal Framework

3.1 United Kingdom

Part 3 of the Criminal Finances Act 2017 creates two corporate offences: failure to prevent the criminal facilitation of UK tax evasion and failure to prevent the criminal facilitation of foreign tax evasion. A relevant body may commit an offence where an Associated Person, acting in that capacity, criminally facilitates tax evasion and the organisation cannot show that it had reasonable prevention procedures in place, or that it was not reasonable in the circumstances to expect such procedures. Liability does not require the board or senior management to have known of or approved the conduct. Conviction may result in an unlimited fine and serious reputational, regulatory and commercial consequences.

NEU's framework follows HMRC's six guiding principles: (1) risk assessment; (2) proportionate risk-based prevention procedures; (3) top-level commitment; (4) due

diligence; (5) communication, including training; and (6) monitoring and review.

3.2 European Union

EU law does not create a single general corporate offence identical to the UK offence. NEU and its Associated Persons must nevertheless comply with the criminal, tax, accounting, anti-fraud and anti-money-laundering laws of each relevant Member State. The EU framework includes Directive (EU) 2017/1371 on fraud affecting the Union's financial interests, including serious cross-border VAT fraud and liability of legal persons, and Directive (EU) 2018/1673 on combating money laundering by criminal law, under which specified tax crimes may constitute predicate criminal activity. EU rules on administrative cooperation in taxation, including Council Directive 2011/16/EU as amended, support reporting and exchange of tax information. This policy must therefore be applied alongside local legal advice in each jurisdiction.

4. Definitions

Tax evasion means deliberate and dishonest conduct intended to evade tax, duties or social security liabilities. It is distinct from lawful tax planning or tax avoidance, although aggressive or artificial arrangements may create heightened risk and must be referred for specialist advice.

Facilitation of tax evasion means deliberately and dishonestly helping another person or entity to evade tax, including by aiding, abetting, advising, concealing, arranging or otherwise being knowingly concerned in the evasion.

Associated Person means an employee, agent or any other person who performs services for or on behalf of NEU, determined by the substance of the relationship and the capacity in which that person acts.

Tax includes taxes, duties, levies and social security contributions imposed in the UK or any other jurisdiction.

5. Prohibited Conduct and Individual Responsibilities

- No person covered by this policy may commit, assist, encourage, conceal, arrange or otherwise facilitate tax evasion.
- No person may create, approve or process false, misleading, incomplete or backdated records, invoices, contracts, expenses, payroll information, customs declarations or tax documents.
- No person may make or accept an off-book payment, misdescribe a payment or transaction, split transactions to avoid controls, or route funds through an unrelated person, account or jurisdiction without a legitimate documented reason and approval.
- No person may comply with a request to pay cash, pay a different entity or bank account, omit VAT or other tax, treat an employee as self-employed, or make a gross payment where withholding may be required, unless Finance and, where appropriate, Legal have verified the legal basis.
- Everyone must complete required training, follow relevant finance, procurement, expenses, contracting and due-diligence controls, retain accurate records and promptly report concerns.

6. Governance and Reasonable Prevention Procedures

- **Top-level commitment:** The Board and senior management are responsible for promoting a culture in which tax evasion and its facilitation are unacceptable.
- **Risk assessment:** NEU will periodically identify and document exposure by country, transaction, product, customer, supplier, payment method, intermediary and service model.
- **Due diligence:** Risk-based checks will be undertaken before appointment and periodically thereafter, including identity, ownership, tax registration, business rationale, reputation, competence, payment details and any adverse information.
- **Contractual controls:** Appropriate agreements will include compliance obligations, audit and information rights, notification duties, training requirements and termination rights proportionate to risk.
- **Financial controls:** NEU will maintain segregation of duties, payment approvals, verification of bank-detail changes, invoice and tax checks, expenses controls and appropriate escalation of exceptions.
- **Communication and training:** This policy will be communicated to relevant Associated Persons. Role-based training will be provided to higher-risk functions, including Finance, Tax, Legal, Procurement, Sales, HR and Logistics.
- **Monitoring and review:** Controls, incidents, training, due diligence and risk assessments will be reviewed and improved where necessary.

7. Warning Signs

- Requests for cash, payment to a personal, third-party or offshore account, or payment in a jurisdiction unrelated to the transaction.
- Pressure to proceed urgently, bypass approval controls, avoid written records or keep an arrangement confidential.
- Duplicate, altered, incomplete, non-standard or misleading invoices; unexplained credits, rebates, commissions or consultancy fees.
- A request to omit VAT, customs duties, withholding tax, payroll tax or social security charges without a clear legal basis.
- Unexplained complexity in ownership, contracting routes, supply chains, intermediaries or payment structures.
- Refusal to provide ownership, tax-registration, bank-account or supporting transaction information.
- Inconsistent descriptions of goods, services, value, origin, destination or counterparty, including customs or transfer-pricing concerns.
- Requests to misclassify workers, expenses, benefits, goods, services or permanent-establishment activity.

8. What to Do if You Have a Concern

Do not proceed with, approve or conceal a transaction that you know or reasonably suspect

may involve tax evasion or its facilitation. Do not investigate the matter yourself or alert the person concerned. Preserve relevant records and promptly report the concern to your Line Manager, the Director of Finance or the General Counsel and Company Secretary. If normal reporting is inappropriate, or confidentiality is required, use the Public Interest Disclosure (Whistleblowing) procedure in the NEU Employee Handbook. In an urgent situation, contact Legal or Finance before acting.

9. Protection, Investigation and Disclosure

NEU prohibits retaliation, victimisation or disadvantage against anyone who raises a genuine concern or refuses to participate in prohibited conduct, even if the concern is not substantiated. Reports will be handled as confidentially as reasonably possible. NEU will assess and investigate concerns promptly, involve professional advisers where appropriate, preserve evidence, take remedial action and consider any legal obligation or public-interest basis to report to HMRC, law-enforcement agencies, tax authorities or other competent authorities. Nothing in this policy requires a person to make an external disclosure personally without advice.

10. Breaches and Consequences

A breach of this policy by an employee may constitute misconduct or gross misconduct and may result in action under the Disciplinary Rules and Disciplinary Procedure in the NEU Employee Handbook, up to and including dismissal. NEU may suspend, remediate or terminate a relationship with an Associated Person who fails to meet these standards. Suspected criminal conduct may be referred to the relevant authorities. Disciplinary or contractual action will be based on the facts and applicable law; a person will not be penalised merely for making a genuine report.

11. Records, Training and Review

NEU will retain appropriate records of risk assessments, due diligence, approvals, training, reports, investigations and remedial action in accordance with its data-protection and records-retention requirements. Relevant individuals must complete training when requested and confirm compliance where required. The General Counsel and Company Secretary, working with the Director of Finance, will review this policy and the effectiveness of related controls at least annually and report material issues to the Board.

12. Related Documents and Legal Sources

- NEU Employee Handbook, September 2026: Standards; Anti-Bribery; Expenses and Company Credit Cards; Public Interest Disclosure (Whistleblowing); Disciplinary Rules; and Disciplinary Procedure.
- Criminal Finances Act 2017, Part 3, and HMRC guidance on corporate offences for failure to prevent the criminal facilitation of tax evasion.
- Directive (EU) 2017/1371 on the fight against fraud to the Union’s financial interests by means of criminal law.
- Directive (EU) 2018/1673 on combating money laundering by criminal law.
- Council Directive 2011/16/EU on administrative cooperation in the field of taxation, as amended, together with applicable implementing law in each relevant Member State.