

# ARYZTA UK

## Tax Strategy

### **1. Introduction**

This document covers our approach to managing our tax affairs as required in accordance with Finance Act 2016, section 161 and Finance Act 2016, Schedule 19, paragraph 19(2) for the year ending 31 July 2018.

This Tax Strategy applies to all UK taxes as set out in section 15 of Schedule 19 Finance Act 2016 and any reference to 'tax', 'taxes' or 'taxation' are to all taxes as defined within.

This Tax Strategy, which relates to all of our UK entities, was approved for publication by the UK Board on 30 July 2018 and applies thereafter until it is superseded. This Tax Strategy will be owned by the Board of Directors ('Board') and will be reviewed annually with any proposed amendments ultimately discussed and approved by the Board.

The Board is responsible for ensuring there is an appropriate framework for the implementation of the Tax Strategy and oversight of the identification and management of tax risk. The Board maintains responsibility for implementing new controls where material tax risks are identified.

### **2. Our approach to risk management and governance arrangements in relation to UK taxation**

As part of our tax policy, we are committed to remaining compliant with tax law and practice in the UK. We have a centralised tax function which is involved in any significant business transactions to ensure tax risks are managed and in line with local tax law. Where commercial or operational changes are material, the Chief Financial Officer would be involved and the Head of Tax would report to the Chief Financial Officer on any potential tax risks. Should these be significantly complex or of a technical nature in relation to the risk, we would seek professional advice from our tax advisors.

We are conscious of the implications should our tax policy be challenged and the reputational consequences. We actively seek to have policies and processes in place to identify, evaluate, and monitor these risks and to ensure they remain in line with the Group's objectives.

### **3. *Our attitude to tax planning***

Tax planning opportunities are considered when there are changes to the commercial arrangements or operations as part of the overall business strategy. Primarily to ensure no additional tax cost to the Group and they are structured as efficiently as possible whilst complying with the relevant UK tax law. Should opportunities arise to limit taxation within the letter of the law, for example incentives, reliefs and exemptions, these would be considered with our tax advisors.

The UK group does not undertake aggressive or artificial tax planning, the sole purpose for which would be obtaining a tax advantage. Furthermore, and in line with the Group's Code of Conduct, Group companies and employees worldwide must comply with the local and regional laws and regulations wherever the Group conducts business.

### **4. *The level of risk that we are prepared to accept for UK taxation***

In line with our broader business risk, we would have a low tolerance towards tax risk. The Board is conscious of the negative publicity that may arise if an aggressive approach was taken to tax planning in the UK and the impact this may have on investors. We therefore seek advice from professional tax advisors on specialist tax matters and are committed to complying with tax law.

### **5. *Our approach towards our dealings with HMRC***

We have an open relationship with our Customer Compliance Manager ("CCM") in HMRC and liaise directly with the CCM on various tax matters. We meet regularly and provide updates on the UK business at these meetings.

We also ensure we file our tax compliance and submit our tax payments on a timely basis. Additionally, any requests from our CCM/HMRC are responded to in an open, honest, and timely fashion.