

Group Tax Strategy

Our Vision

We ultimately aim to deliver value to our key stakeholders in a sustainable, safe and compliant manner. We have certain principles and areas of priority that enable us to meet our goals and achieve our vision. These principles and priorities apply to tax as they do to any area of management in our organisation. The way we manage tax allows us to deliver value to key stakeholders in a sustainable safe and compliant way, and the way we manage tax is by focussing on the below principles:

Our principles of tax management

- I. Operate effective governance that upholds the **freedom to operate** while ensuring that we have appropriate visibility over the group's tax risks and filings to maintain **compliance** – We will manage our tax affairs in a way which supports our goals, principles, priorities and foundation. We protect the value that we deliver to our stakeholders by ensuring we have suitable governance and control of our operations to meet all our tax compliance obligations across the jurisdictions in which we operate. We deliver value through the operation of a robust risk management framework, which evidences that our key risks are captured, documented and mitigated through the operation of key controls. This framework, along with our group policies, is embedded in practice across our regional operational hubs, with tax specialists overseeing the daily management of our tax affairs. The Head of Tax and tax function have key oversight over the regional hubs, monitoring the day to day operation of tax. The Board of Directors is ultimately responsible for establishing the overall tax governance. and any issues are escalated by the Head of Tax as appropriate.
- II. Demonstrate **energy for change** and through **positive teamwork** partner with the business to understand and advise in real-time on the tax implications of commercial transactions – The tax function is embedded in our business through the Regional Tax Directors who will work closely with the operating business to ensure that tax is considered when undertaking material transactions or business decisions. We have also embedded communication protocols between the tax function and the local finance and business teams, to ensure the tax function regularly provides them with information and briefings. The tax function also provides guidance to the business to ensure we have a focussed standard of delivery, reporting, and interaction between the business and tax hubs on tax matters across all territories. We ensure our staff are suitably qualified for their roles and provide continuous training and development opportunities to them.
- III. Strive for **profitable sales growth** whilst protecting long term **shareholder value**, by structuring operations in a tax efficient manner in line with our principles of **sustainability** - We will seek to comply with both the letter and the spirit of the tax laws that govern our business. We will understand the drivers of our effective tax rate and cash tax liabilities and undertake commercially focussed transactions in an efficient way which allows us to establish a sustainable, predictable tax position which supports our growth, and is comparable to our peers. Any tax planning undertaken is based on genuine commercial activity, and supported by external professional advice as necessary.
- IV. Always operate in a **respectful and inclusive** manner ensuring that we have **open and honest** engagement with our stakeholders including tax authorities – We will always engage with our stakeholders (including HMRC, business partners, customers, analysts, the media, employees and government bodies) in an open, honest and robust manner. We will not take any tax positions we would not be comfortable defending, and will seek to avoid disputes with tax authorities (HMRC and other worldwide authorities) wherever possible. Where disputes arise we will manage them in a timely manner, and will defend our position robustly. We work proactively with HMRC to ensure all our compliance obligations are met, and open and honest discussions are held.

Our published Global tax strategy, has been approved by the Board and satisfies Schedule 19 of UK Finance Act 2016, in respect of our financial year ending 31 December 2017

Dated: 27 July 2017