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# GRENCORE GROUP PLC

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Tax Strategy

For the Year Ending 25 September 2020



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## 1. Introduction

The purpose of this document ('Tax Strategy') is to set out Greencore Group plc's policy and approach to taxation. Greencore Group plc ('Greencore' or the 'Group') first published a Board approved Tax Strategy in respect of the financial year ending 29 September 2017, with an updated Tax Strategy published in both September 2018 and September 2019. This Tax Strategy reflects further updates to the Group's tax policy and has also been approved and endorsed by the Board of Greencore Group plc. The tax strategy outlined in this document applies to Greencore's financial year ending 25 September 2020. This published Tax Strategy covers all taxes and duties.

## 2. Greencore Group plc

Greencore is Irish headquartered, listed on the UK stock exchange and is a constituent of the FTSE 250. Greencore is a leading manufacturer of convenience foods, employing in excess of 11,000 people across Ireland and the UK, at more than 40 locations across the two jurisdictions.

## 3. Group Tax Policy

Greencore operates a responsible approach to the management of taxes in the jurisdictions in which it operates. Paying and collecting the right amount of taxes at the right time is an important part of the Group's role as a business and contribution to society and the tax strategy supports the Group's overall business strategy in that regard.

Greencore considers tax governance and tax compliance to be important elements of its oversight and risk management systems, whilst recognising the need to protect shareholder value through making appropriately risk assessed decisions in all areas of taxation.

## 4. UK Context

The Finance Act 2016 introduced legislation which requires groups of a certain size to publish their tax strategy, or those parts relevant to UK taxation. This part of the Group Strategy is considered to meet the statutory obligation under Para 16(2), Schedule 19, Finance Act 2016 for Greencore Beechwood Ltd and all UK subsidiaries and covers all UK taxes and duties.

The published tax strategy must cover the following areas (all in relation to UK taxation only):

- Approach to risk management and governance arrangements
- Attitude to tax planning
- Level of tax risk tolerated
- Approach toward dealing with Her Majesty's Revenue and Customs ('HMRC')

## **Approach to risk management and governance arrangements**

The Group's tax affairs, including UK tax affairs, are subject to the same risk management and governance arrangements as other financial areas of the business. A dedicated, in-house tax team, who are responsible for the day to day management of tax, reports, through the Chief Financial Officer ('CFO'), to the Board of Directors, which has adopted the tax strategy. The Greencore Board has ultimate responsibility for governance arrangements.

Tax is the overall responsibility of the CFO, with day to day management overseen by the Group Financial Controller and carried out by the Group tax function. This centralised team determines the Group tax strategy and approach to planning and identifies and manages the global tax risks of the Group. They do this by:

- regular communication with finance staff within the UK and Irish business to keep informed of any significant business changes;
- regular communication with Group treasury and legal departments about intra-group finance and shareholdings;
- involvement in all business acquisitions and disposals, including review of financial and tax due diligence reports into acquisition targets;
- monitoring proposed changes in tax legislation across all relevant locations to identify the potential impact for the Group; and
- liaising with tax authorities.

The Greencore Risk Management Group reviews tax compliance processes as part of its rolling agenda of internal audit reviews, with a formal, annual exercise to identify newly arising tax risks, to the extent that such risks have not been identified through the regular and routine interaction of the tax function with the wider business teams.

## **Attitude to tax planning**

The Group undertakes tax planning in terms of ensuring optimisation of available tax reliefs and exemptions where possible. Tax planning is only undertaken where it supports the commercial and economic goals of the business, with constant regard to the Group's reputation and standing in the UK and other jurisdictions. The seven principles set out below underpin the Group's tax policy and code of conduct in all jurisdictions:

- i. The Group will only engage in reasonable tax planning, driven by commercial and economic activity that does not lead to an abusive result;
- ii. The Group will utilise available tax incentives and exemptions where appropriate;
- iii. The Group will interpret relevant tax laws in a reasonable way, consistent with the relationship of cooperative compliance with tax authorities in the jurisdictions where the Group has operations;
- iv. The Group will follow the terms of the relevant Double Tax Treaties between jurisdictions in which they operate, along with relevant Organisation for Economic Co-operation and Development ('OECD') guidelines when dealing with issues such as transfer pricing and tax residency. The Group will engage constructively in international dialogue on the review of global tax rules;

- v. The Group will be open and transparent with all relevant tax authorities and will provide necessary information to allow those authorities to perform risk reviews and tax audits;
- vi. The Group will work collaboratively with all relevant tax authorities to achieve early agreement on disputed issues and certainty on a real-time basis where possible;
- vii. The Group will work to increase transparency in tax reporting.

The in-house team is supported by external professional tax advisors in all areas of taxation and in all jurisdictions.

#### **Level of risk tolerated**

There are no pre-prescribed levels of tolerable risk. Given the size of the Group, risks will naturally arise from time to time, the Group therefore cannot remove tax risk completely but aims to manage it to an appropriate level. The risks are evaluated as they arise and the advice of external advisors and HMRC is sought where uncertainty remains.

#### **Approach toward dealing with tax authorities**

The Group engages with tax authorities and has a close, collaborative relationship with HMRC through the Customer Compliance Manager programme. The Group will seek to achieve early agreement on disputed issues and certainty on a real time basis where possible, providing necessary information to allow HMRC to perform risk reviews and tax audits. This is achieved through pro-active and transparent discussions with HMRC.

Where there is uncertainty around the interpretation of tax law, the Group will engage with external tax advisors or tax authorities, where appropriate.