

# Britvic plc Tax Strategy

## Introduction

This document, approved by the Chief Financial Officer and the Britvic Tax Committee, sets out Britvic's policy and approach to conducting its tax affairs and dealing with tax risk. The publication of this strategy statement is regarded as satisfying the statutory obligation under Para 16(2), Schedule 19, Finance Act 2016.

This document is publicly available via Britvic's website and will be periodically reviewed by the Group's Tax Committee. Any amendments will require approval by the Britvic plc Board of Directors or Britvic Tax Committee. It was effective for the year ending 30 September 2024 and remains in place.

## About Britvic

Britvic is a leading soft drinks company, with brand owning and manufacturing operations in Great Britain, Ireland, France and Brazil.

Across these four markets, the company has developed a strong portfolio of its own brands as well as producing and selling a number of PepsiCo's soft drinks brands, under exclusive agreements, in Great Britain and Ireland.

Through export and licensing, Britvic also has sales in other territories internationally.

Britvic currently employs c.4,500 people and has offices in the UK, France, Ireland, and Brazil as well as in the Netherlands, America and Singapore where the group has sales, distribution operations and service activities.

## Britvic Group Tax Position

Britvic is a UK company listed on the London stock exchange. The group's total tax rate is a result of the reported profits of our various subsidiaries and the effective corporate tax rates in each country, which varies from country to country.

Britvic's total effective tax rate in the 52 weeks to 30 September 2023 was 20.9% up from 19.9% in 2022.

The main reason the effective tax rate was higher than the prior year was the profit mix across the jurisdictions and the effective tax rate in the UK increasing from 19% to 22% for Britvic.

As Britvic is a September year end for FY23 the UK corporation tax rate was a combined rate of 6 months at 25% and 6 months at 19% resulting in an effective UK corporation tax rate of 22%.

Britvic operates a number of central functions, and the costs of these functions are recharged on an arms-length basis to the business areas that they support. Additionally, in utilising its supply chain efficiently across the Group, there are some sales of product between companies in different tax jurisdictions. Where these transactions take place, they comply with the Group's transfer pricing policy and are not considered to be at material levels.

## **Tax Principles**

- Britvic believes that its tax activities should adhere to both the letter and spirit of the law.
- Britvic believes in being open and constructive in all dealings with tax authorities and, where we disagree with a tax authority's assessment in relation to the technical application or commercial substance, we will defend our position in accordance with the law of that jurisdiction.
- Britvic believes that it should pay taxes due in each country at the right time in accordance with all relevant laws and regulations in the territories in which we operate. This is supported by the Group's Transfer Pricing policy which ensures that transactions between companies within the group are undertaken on an arm's length basis.
- Britvic believes it is right to claim the proper statutory reliefs offered by tax authorities in the countries in which we operate to support the growth of our business.

## **Tax Governance**

Britvic's tax governance is delivered through four key areas of internal control which input into the Group's Audit Committee and Board as follows:

- Group Tax Committee
- Central tax function with the appropriate level of resource and capability
- Internal Audit Function
- Group wide risk registers

The Group Tax Committee regularly convenes to review the tax strategy, policies and relevant tax matters and to monitor governance and status of tax risks throughout the group. Members of this committee include a number of senior employees and is chaired by the Chief Financial Officer.

Additionally, Britvic operates a central tax function which reports into the Chief Financial Officer ensuring that tax activity is conducted efficiently and accurately and within the law to ensure that the tax strategy and policies are adopted and followed consistently across the Group.

Britvic also maintains an internal audit department which conducts regular audits to review key business processes, governance and controls, including tax, and reports to the Britvic plc Audit Committee. Tax risks can arise as a result of operating in new or multiple jurisdictions, interpretation differences, changes in business operations, tax laws and regulations.

For new jurisdictions or where tax regimes are potentially more uncertain or complex Britvic will obtain external specialist advice as required. A framework is in place to ensure that processes and controls are in place for managing and monitoring these risks with any material issues reported and a process for resolution agreed promptly with HMRC or other relevant tax authority.

There is also a robust risk management framework within Britvic to ensure that there is a clear owner for all business risks with major risks being reported to the Board at

least twice a year. Britvic maintains an overall risk register, including a tax risk register, which is regularly reviewed and updated to support the proactive management of risk.

### **Engaging with tax authorities**

Britvic seeks to maintain open, constructive and professional relationships with the tax authorities in territories in which we operate.

Britvic complies with local rules and regulations on documentation retention and provides any relevant information requested by the relevant tax authority promptly, to help accurately establish the company's tax liabilities.

Britvic engages in timely conversations with tax authorities where there are significant changes in the group's business, major transactions, systems and processes or any other operations that might have a material impact on the tax characteristics of the group or where the interpretation of the law or practical application thereof is unclear.

### **Use of external tax advisors and tax planning**

Where appropriate, Britvic uses external tax advisors to support the Group's tax compliance requirements, particularly in new jurisdictions or to understand complex rules or new tax regulations. In addition, tax advice is obtained where required to support the business's commercial activities. Britvic engages in tax mitigation planning to:

- Legitimately manage tax risks arising from expanding global operations, commercial and business evolution and changing tax rates and regulations, including mitigating the risk of double taxation
- Minimise the risk of non-deduction of interest for working capital, acquisitions, movement of capital within the group and return of capital to shareholders
- Implement legitimate tax efficient ownership for acquisition, re-organisation or disposal of investments.

Britvic does not engage in aggressive tax planning or the utilisation of artificial structures to avoid tax or circumvent the normal operation of the tax system.

### **Britvic's overall tax contribution**

Britvic pays corporate income tax on its profits in whichever jurisdiction they arise which includes, but is not limited to, the UK, France, Ireland, Brazil and America.

Through job creation, Britvic also contributes to the economies it operates in through income tax and social security contributions. Additionally, Britvic pays indirect tax revenues including VAT, sales taxes, import and export duties and environmental levies in countries where applicable.