



Tax Strategy for Asahi Group's UK entities

December 31, 2022

The publication of this statement is in accordance with the statutory requirement under para 19(2) of Schedule 19 Finance Act 2016. This statement applies to the Asahi Group UK entities¹ for fiscal year ended of December 31, 2022

1. General provisions

Our tax policy is fully aligned to the wider strategy of the group as outlined in its corporate philosophy and policies. The corporate philosophy² is at the heart of Asahi Group. Building upon this philosophy, we have "Asahi Group's Tax Code of Conduct" which sets out the fundamental thinking of the Asahi Group towards the conduct of tax affairs, and its implementation is assured by a set of guidelines and procedures that apply to Asahi Group companies and their employees.

2. Tax policy

Asahi Group has "The Asahi Group Fundamental Financial Principles & Individual Finance policies for Specific Areas". It sets forth the Asahi Group's fundamental governance framework regarding tax compliance. It requires commitment to abide by relevant tax legislations and practices in the territories we operate, including the UK.

3. UK tax risk management

The overall tax strategy of Asahi Group UK entities is to ensure that:

- Tax risks are managed in an established and robust way
- All tax legal requirements including tax compliance and reporting responsibilities are fully met
- Tax reliefs and incentives where available are utilized in a way which is consistent with the aim of the legislation
- All tax processes are documented and key controls identified
- Transactional taxes such as VAT are managed through the functionality of IT systems
- Tax impacts are always considered when implementing business decisions, including reorganisations and restructuring

Each Asahi Group UK entity has identified the following key roles and responsibilities:

- Each CFO (or finance director) of Asahi Group UK entities has ultimate responsibility for the tax affairs of that Asahi Group UK entity
- Day to day management of tax matters is further delegated to the person in charge of tax such as the Head of Tax.

4. Attitude to tax planning and appetite for UK tax risk

We attach the utmost importance to our business activity, and we undertake effective planning to enhance the conduct of that business activity. Accordingly, all tax planning that we implement is linked with a business purpose. Our tax planning is conducted in a manner that strikes a balance between cost-saving in accordance with the legislative intent underlying the relevant laws and contributing to society.

We do not use aggressive tax structures that are intended for tax avoidance, have no commercial substance, or do not accord with the spirit of local and international laws.

5. Working with HMRC

HMRC are consulted where clarification is required on the application of UK tax. Asahi Group UK entities have an open relationship with their HMRC Customer Compliance Manager and the HMRC Large Business team with whom the Group has regular communications.

¹ The Asahi Group UK entities which have adopted this Tax Strategy are as follows:-

- UK sub-group 1 – Asahi International Ltd, Asahi Brands UK Limited, Meantime Brewing Company Limited, Meantime Brewing (Retail) Company Limited, Asahi Premium Brands Ltd, PGM Procurement Ltd, Asahi UK Ltd, Cornish Orchards Limited and Nectar Imports Limited,
- UK sub-group 2 – Demball limited and Ben Nevis Distillery (Fort William) Ltd
- UK sub-group 3 – SAB Financing Southern LLP, SAB Australia Beverage Holdings LLP, SAB Asia Capital LLP, Carlton and United Breweries (UK) Holdings Ltd., Foster's Brands Ltd, FBG Holdings (UK) Ltd, and Pirate Life (Europe) Ltd.
- UK sub-group 4 – Allpress Espresso UK Limited.
- Other qualifying companies – Asahi Europe & International Ltd

² Please refer to the web-site (https://www.asahigroup-holdings.com/en/whoweare/corporate_brand.html) about the corporate philosophy, namely, Asahi Group Philosophy.