

## COCA-COLA HBC NORTHERN IRELAND LIMITED

### OUR TAX STRATEGY

#### Coca-Cola HBC at a glance

The Coca-Cola Hellenic Bottling Company Group (Coca-Cola HBC) is a leading bottler partner of The Coca-Cola Company. This means that the Coca-Cola Company manufactures and sells concentrates, bases and syrups to its bottling partners, owns the brands and is responsible for consumer brand marketing initiatives. Coca-Cola HBC uses the concentrates and syrups to make, package, merchandise and distribute the final branded products to our trade partners and consumers.

Coca-Cola HBC has a broad geographic footprint with operations in 29 countries, serving a population of approximately 715 million people. The Group offers a diverse range of non-alcoholic ready-to-drink beverages in the sparkling, juice, water, sport, energy, plant-based, tea and coffee, adult sparkling categories as well as snack and premium spirit categories.

Coca-Cola HBC is headquartered in Zug, Switzerland and has a premium listing on the London Stock Exchange and secondary listing on the Athens Exchange.

Coca-Cola HBC Northern Ireland Limited (Coca-Cola HBC NI) is a member of the Coca-Cola HBC Group. Coca-Cola HBC NI was incorporated in Northern Ireland in 1939 and has a strong heritage across Northern Ireland, refreshing local consumers for over 80 years.

Our business is located at our Knockmore Hill plant in Lisburn, Co. Antrim. This facility employs approximately 478 staff to produce, distribute, market and sell a wide range of soft drinks. Our portfolio includes international brands such as Coca-Cola, Fanta, Sprite and Schweppes, as well as local brands such as Deep RiverRock.

The vision of CCH Group is to be the leading 24/7 beverage partner in every country in which it operates. This means having a diverse portfolio to meet every drinking moment around the clock. As part of the journey towards becoming a 24/7 total beverage partner, Coca-Cola HBC NI entered the Premium Spirits market in 2020 by joining with existing brands and taking on the distribution, sales and marketing of those products within Northern Ireland.

Further information on our business can be found [here](#).





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## **Coca-Cola HBC's tax mission statement**

When considering tax, Coca-Cola HBC ensures that due consideration is given to its corporate and social responsibilities and the value it places on earning community trust. Further, the Group Tax Department seeks to support the business in creating, building and protecting shareholder value, within the parameters of our tax code of conduct. This is evidenced through the publication of the Group's annual [Tax Transparency Report](#) which provides information on the Group's tax related sustainability footprint and shares data regarding total taxes paid globally by Coca-Cola HBC operations.

The Coca-Cola HBC Tax Mission Statement defines the strategic tax goals and objectives of the business and the Group Tax Team's role in delivering these. This includes observing all applicable laws, rules and regulations in meeting our tax compliance and reporting responsibilities everywhere we operate. The Group's tax code of conduct supports the tax mission statement and sets out the principles that define how our Group operates and are aligned to the Group's [strategic framework](#).

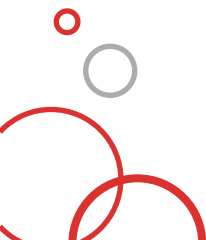
## **Our approach to tax in the UK**

A key principle within the [global tax policy](#) is to drive consistent tax behaviours in Coca-Cola HBC. The global tax policy is relevant to Coca-Cola HBC NI and to that end, our approach to tax in the UK is aligned with the Group's global approach to tax, in particular our global tax policy, which has been approved by the Coca-Cola HBC Audit Committee, Group Head of Tax and Group CFO.

## **Our governance over tax**

In the UK, our local CFO, a member of our UK Board, is accountable for tax matters. Through the local CFO, the Board of Directors gains visibility of any significant tax developments impacting our business.

Our local CFO plays an important role in the management of our tax affairs and authorises all tax returns, including for example those related to corporation tax and VAT. Day to day responsibility for tax matters is delegated to the Tax Manager, who in turn is supported by the Tax Accountants and external advisors. In order to ensure that the Group's approach to tax in the UK is consistent with that of the other territories in which the Group operates, an Area Tax Manager provides support to the UK Tax Team and acts as a bridge to the Group Tax Team.



The local CFO will also liaise directly with the Group Head of Tax as necessary.

We aim to ensure that all decisions with a tax impact are taken at an appropriate level. In that regard, our chart of authority outlines when the advice of our in-house tax specialists is required and what matters should be escalated to the Group Tax Team. Further, key accountabilities and responsibilities over tax matters are widely understood and documented.

### **How we manage our tax risks**

We aim to ensure that all personnel with tax responsibilities, or whose business activities may have a tax impact, have a consistent understanding of how tax risk is identified, assessed, reported and managed. Further, responsibility for tax risk lies as closely as possible to the sources of risk.

In order to help manage our tax risks, we ensure that our personnel are appropriately qualified to fulfil their tax responsibilities and through ensuring that they have the skills and technical expertise required. In the UK, our Tax Manager and Area Tax Manager together with our external advisors play an important role in proactively identifying tax risks. Our Business Risk Officer is also involved in tax matters to ensure that tax risk is equally addressed in the same way as all other risks which apply to our business.

Further, our local CFO is the business's Senior Accounting Officer (SAO). This means that the local CFO has been appointed by Coca-Cola HBC NI to hold responsibility for establishing and maintaining appropriate tax accounting arrangements and must submit an annual declaration to HMRC confirming that we have reliable tax processes in place. As part of that process, the local CFO, with the support of the UK Tax Manager and Area Tax Manager will evaluate the key tax risks impacting the business, and consider whether there are appropriate controls in place to mitigate those risks.

### **Our tax risk tolerance**

We have a low risk approach to tax and our objective is to be fully compliant with the tax legislation. This is aligned with the Group's approach to tax.

We have a tax control framework in place in order to ensure that we are compliant with tax laws. Our tax control framework helps to ensure that we identify and mitigate tax risks. We seek external advice or engage directly with HMRC where uncertainties exist.





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## **How we work with HMRC**

Coca-Cola HBC's approach to working with tax authorities is documented within the Group's tax code of conduct and applies to Coca-Cola HBC NI's relationship with HMRC in the UK. In particular, we readily provide information to HMRC as and when it is requested and will proactively engage with HMRC in order to reach certainty on tax matters and to reduce the likelihood of any disputes arising.

## **Our approach to tax planning**

In making a decision which has tax consequences, we will actively consider a number of factors, including the impact on our public profile, the impact on the communities we operate in, the impact on our relationship with the tax authorities and the strength of the opinion from our external tax advisors. Our tax affairs are aligned with the commercial substance of our business.

*Our tax strategy has been published in accordance with Paragraph 22(2) Schedule 19 Finance Act 2016 and has been approved by the Board of Directors of Coca-Cola HBC Northern Ireland Limited.*