
WARBURTONS TAX STRATEGY

As approved by the Board of Directors.

Scope

This strategy applies to the group of companies headed by Warburtons 1876 Ltd in accordance with paragraphs 19 and 25 of Schedule 19 to the Finance Act 2016. A list of the entities to which it applies is set out below. In this strategy, references to 'Warburtons 1876 Ltd', 'Warburtons', or 'the Group' are intended to apply to all these entities. The strategy has is being published in accordance with paragraph 16(4) of the Schedule.

This strategy applies from the date of publication until it is superseded. References to 'UK Taxation' are to the taxes and duties set out in paragraph 15(1) of the Schedule which include Income Tax, Corporation Tax, PAYE, NIC, VAT, Insurance Premium Tax, and Stamp Duty Land Tax. References to 'tax', 'taxes' or 'taxation' are to UK taxation and to all corresponding worldwide taxes and similar duties in respect of which the Group has legal responsibilities.

Aim

Warburtons is committed to full compliance with all statutory obligations and full disclosure to relevant tax authorities. The group's tax affairs are managed in a way which takes into account the group's wider corporate reputation in line with Warburtons' overall high standards of governance.

Governance in relation to UK taxation

- Ultimate responsibility for Warburtons tax strategy and compliance rests with the Board of Warburtons 1876 Ltd;
- Executive management of the group is delegated by the Board to the Finance Director and the Leadership Board of Warburtons.
- The Leadership Board's requirement to monitor the integrity of Warburtons financial reporting system, internal controls and risk management framework, expressly includes those elements relating to taxation;
- The Chief Transformation Officer ('CTO') is the Board member with executive responsibility for tax matters;
- Day-to-day management of Warburtons tax affairs is delegated to the Financial Reporting & Treasury team, who report to the Finance Director;
- The Financial Reporting & Treasury team is staffed with appropriately qualified individuals;
- The Board ensures that Warburtons tax strategy is one of the factors considered in all investments and significant business decisions taken;
- The Financial Controller (Financial Reporting & Treasury) reports to the Leadership Board and the Main Board on Warburtons tax affairs and risks during the year.

Risk Management

- Warburtons operates a system of tax risk assessment and controls as a component of the overall internal control framework applicable to the group's financial reporting system;
- Warburtons seeks to reduce the level of tax risk arising from its operations as far as is reasonably practicable by ensuring that reasonable care is applied in relation to all processes which could materially affect its compliance with its tax obligations;
- Processes relating to different taxes are allocated to appropriate process owners, who carry out a review of activities and processes to identify key risks and mitigating controls in place. These key risks are monitored for business and legislative changes which may impact them and changes to processes or controls are made when required;
- Appropriate training is carried out for staff both within and outside of the Financial Reporting and Treasury team who manage or process matters which have tax implications;
- Advice is sought from external advisers with specialised knowledge of taxation where appropriate.
- Where necessary Warburtons will seek guidance from HMRC on complex issues.

Attitude towards tax planning and level of risk

Warburtons manages risks to ensure compliance with legal requirements in a manner which ensures payment of the right amount of tax in full when it falls due.

When entering into commercial transactions, Warburtons seeks to take advantage of available tax incentives, reliefs and exemptions in line with, and in the spirit of, tax legislation. Warburtons does not undertake tax planning unrelated to such commercial transactions.

The level of risk which Warburtons accepts in relation to UK taxation is consistent with its overall objective of achieving certainty in the group's tax affairs. At all times Warburtons seeks to comply fully with its regulatory and other obligations and to act in a way which upholds its reputation as a responsible corporate citizen. In relation to any specific issue or transaction, the Board is ultimately responsible for identifying the risks, including tax risks, which need to be addressed and for determining what actions should be taken to manage those risks, having regard to the materiality of the amounts and obligations in question.

Relationship with HMRC

Warburtons seeks to have a transparent and constructive relationship with HMRC through regular meetings and communication in respect of developments in Warburtons' business, current, future and retrospective tax risks, and interpretation of the law in relation to all relevant taxes.

Warburtons ensures that HMRC is kept aware of significant transactions and changes in the business and seeks to discuss any tax issues arising at an early stage. When submitting tax computations and returns to HMRC, Warburtons discloses all relevant facts and identifies any transactions or issues where it considers that there is potential for the tax treatment to be uncertain.

Any inadvertent errors in submissions made to HMRC are fully disclosed as soon as reasonably practicable after they are identified.

Tax Principles

Warburtons' Principles of Tax Advice are a written codification, for internal use, of Warburtons' approach to management of tax risk.

1) Compliance

The Group will:

- Fulfil statutory requirements to make returns and payments to the tax authorities within relevant statutory time limits;
- Adopt an open and honest approach with the relevant authorities;
- Ensure that processes are sufficiently robust to manage effectively areas of tax risk;
- Ensure that tax disclosures are in accordance with relevant UK accounting standards and Company law; and
- Ensure that business processes enable the clarity of information to appropriately support claims for allowances.

2) Transparency

We support a relationship with tax authorities, based upon mutual trust and respect which will enable constructive dialogue and responsiveness by all parties in order to fulfil our responsibilities.

List of entities covered by this Tax Strategy:

Warburtons 1876 Ltd

Warburtons Holdings Ltd

Warburtons Ltd

Burneys Ltd

Alliedtropic Ltd

RBJ Ltd

Warburtons Asset Management Ltd

Warburtons Foods Ltd.