

## 1. SCOPE

Premier Foods has established a tax strategy approved by the Board to formally record the Group's approach to governance, risk management, tax planning, our risk appetite and our relationship with HMRC.

The Group is committed to compliance with all applicable laws in the UK and the countries in which it operates. We consider tax risks and opportunities as part of running our business, we take a prudent approach and do not enter into transactions designed to obtain artificial or aggressive tax outcomes.

Our strategy is compliant with the requirements of Schedule 19, paragraph 16(2) of the Finance Act 2016 and relates to the 52 weeks ended 02 April 2022.

## 2. OBJECTIVES

The strategic tax objectives are:

- Complying with applicable tax laws, rules, regulations and disclosure requirements for each relevant jurisdiction
- Interpreting tax laws using relevant guidance and discussing with tax authorities where appropriate ensuring that all major business decisions are considered from a tax perspective and supported with documentation of facts, conclusions and risks involved
- Managing tax risks and ensuring the reputation of the Group is not compromised, including ensuring appropriate external advice is taken where necessary
- Complying with tax rules to ensure that we pay the right amount of tax at the right time
- Ensuring adequate systems and controls are in place to allow tax liabilities to be correctly calculated. This enables compliance with the Senior Accounting Officer regulations that appropriate tax accounting arrangements are in place
- Maintaining the existing good relationships with HMRC and minimising the Group's risk assessment
- Managing tax compliance and ensuring reporting processes are in line with the above tax objectives.

## 3. OUR APPROACH TO GOVERNANCE, RISK MANAGEMENT AND TAX PLANNING

Tax falls within the overall governance framework established by the board of directors to control the operations of the Group. In addition, HMRC requires that the Senior Accounting Officer, the Chief Financial Officer (CFO), maintains appropriate tax accounting measures and must certify annually that such arrangements are maintained.

Group Tax is in day-to-day contact with Group Finance and other operational finance functions and also with the wider business functions when required. This allows for a free flow of information and ensures that Group Tax and the business work closely together. The in-house tax function contains tax-trained and non tax-trained staff who are all required to undertake continuous professional development to ensure they maintain the relevant knowledge and skills required for their role. Group tax is responsible for monitoring and documenting tax risks on an on-going basis.

There are regular meetings between the Head of tax and the CFO and Group Finance. These enable Group Tax to provide an update of outstanding issues relating to past years and discuss current topics and potential future developments.

All significant planning opportunities and arrangements will be presented to the CFO for consideration where Group Tax have assessed them to be in line with our tax strategy. These will ultimately be presented to the Board for approval.

In considering tax saving initiatives the overall approach of Group Tax will be cautious and will take into account the following considerations:

- Tax assets that are available within the business that could be utilised to mitigate any exposures
- External tax advice is usually obtained for complex tax matters, where the law is unclear or where there is significant tax at stake
- The potential upside, likelihood of success and magnitude of downside risk
- The public perception towards tax avoidance including ensuring the Group's reputation is not compromised
- Tax authorities' attitudes to tax planning and the effect on our relationship with them
- The approach will reflect the desire to avoid risks that would be considered negatively by shareholders or could adversely affect the risk assessment by HMRC.

#### **4. OUR RISK APPETITE**

Our appetite for risk is low and we aim to comply fully with UK tax rules to ensure we pay the right amount of tax at the right time.

Notwithstanding this, we accept that UK tax law is complex and we seek appropriate assurances regarding the position taken, through the use of external advisors and where appropriate directly from HMRC.

#### **5. OUR APPROACH TO DEALING WITH HMRC**

We have an open and collaborative working relationship with HMRC. We are transparent in our communications with HMRC and act with integrity at all times.

We aim to:

- proactively manage tax issues by engaging with HMRC upfront where there is significant uncertainty in the interpretation of UK tax law;
- respond to queries from HMRC promptly and constructively;
- make full and unprompted disclosure to HMRC if we discover inadvertent errors in historic tax returns; and
- Contribute to consultations in relation to developments in UK tax laws that may affect the Group and where we feel our view would be helpful to HMRC