

Royal Unibrew Group

GROUP TAX POLICY



August 2022

Purpose and scope

The purpose of the corporate tax policy for Royal Unibrew Group is to define a global management of taxes including governance and risk management.

The Group tax policy applies to all Royal Unibrew Group entities and will be updated yearly and approved by the Board of Directors.

The policy also applies to all decisions that directly or indirectly affect reporting and/or payment of taxes regardless of the nature of the tax as long as it falls or could fall under the liability of any Royal Unibrew Group entity.

Roles and responsibilities

The following persons and organisational units have responsibilities and roles in relation to the tax activities.

- Audit Committee and the Board of Directors
- CEO & CFO
- Head of Group Accounting (Group Tax)
- Regional Finance Directors/Managers

CFO responsibilities:

The CFO has overall responsibility for the group's tax management. The CFO maintains the dialogue with Audit Committee concerning tax management.

Group Tax responsibilities:

- Maintaining a global tax framework to accommodate the Royal Unibrew Group Model
- Global transfer pricing Policy
- Validation of new legal structures, financing and business flows
- Tax advisory towards the rest of the Group
- Maintaining a global control-framework
- Consolidating the Group tax position
- Managing tax risk reporting and mitigation plan

Regional Finance Directors/Managers responsibilities:

- Securing local tax compliance and filing
- Navigating the Global Tax framework
- Managing tax risks relating to project execution
- Monitoring, controlling and reporting taxes to Group

Transfer Pricing

Royal Unibrew seeks to record its profits across the subsidiary companies around the world on an arm's length basis in accordance with internationally accepted best practices, recognising the relative contributions of people, assets, intellectual property and risks borne by the various businesses.

The resulting allocation of profits is regularly tested for compliance with this standard. Royal Unibrew has taken action to ensure that it meets the enhanced transfer pricing disclosures and documentation requirements by tax authorities and OECD.

Tax risk management

Royal Unibrew seeks to comply with all tax legislation to its business operations and, in doing so, aims to minimise its tax risk by actively seeking to identify, evaluate, monitor, and manage tax risks.

Royal Unibrew recognize that the complexity of a global tax policy requires a clear strategy on managing risk. This is supported by the Royal Unibrew tax risk management principles that are based on a two-tier system:

- A bottom-up reporting of identified tax risks from local management that is assessed and consolidated centrally, and
- A centralised evaluation of the systemic risks related to operating based on a global business model

The risks are consolidated on a quarterly basis and prioritized based on likelihood and impact. Actions are planned on how to most efficiently mitigate and prevent identified tax risks. The Royal Unibrew Material Risk Policy forms a central element of the tax and VAT governance in relation to project activities and Group structure by securing that decisions with material impact on the tax risk profile will be decided by management based on recommendations from Group accounting.

Controlling is performed on an annual compliance list where local management confirms that they have fulfilled the statutory filing requirements in the jurisdictions where they operate. Tax risks are reported to management on a quarterly basis together with assurance that sufficient contingencies are in place.

It is the policy of Royal Unibrew to seek local tax advice independently from appointed Group auditors in matters directly concerning dispositions regarding corporate tax, transfer pricing, VAT and excise taxes from advisors. This to avoid conflict of interest and to uphold compliance related to auditors rules of independence. Group appointed auditors can attest the tax return for Royal Unibrew as long as local legislation does not prevent this.

Appropriate training is carried out for staff who manage or process tax matters. We recognise that tax legislation can be complex and sometimes subject to interpretation and this uncertainty could give rise to tax risk. Where there is uncertainty in how the relevant tax law should be applied, external advice is used to support the Group's decision-making process. We may also look to engage with global tax authorities ("Tax Authorities") to disclose and resolve issues, risks, and uncertain tax positions.

Relationship with Tax Authorities

We seek to have collaborative and co-operative relationships with Tax Authorities through regular meetings and communications in respect of developments in Royal Unibrew business as well as our view on current, future, and retrospective tax risks.

All interactions with Tax Authorities are conducted in an open, collaborative, and professional manner. Royal Unibrew ensures that Tax Authorities are kept aware of significant transactions and changes in the business. Where possible, any tax issues arising are discussed with the relevant Tax Authorities at an early stage.

When submitting tax computations and returns to Tax Authorities, we disclose all relevant facts and circumstances. We may meet with relevant Tax Authorities to discuss any transactions or issues where there is potential for the tax treatment to be uncertain.

Tax Planning

As part of the Global tax policy Royal Unibrew has defined guiding principles for a number of occasions where difficult decisions must be made on recurrent basis:

- **Tax Heavens:** When establishing subsidiaries and branches Royal Unibrew will solely consider this based on the business opportunities that represents them self. Royal Unibrew does not engage in establishing subsidiaries or branches in any jurisdictions where this is not supported by a business decision and a physical footprint
- **Structuring:** Royal Unibrew does not rely on legal structures that are constructed to avoid or artificially defer corporate tax payments or unduly shift the tax jurisdiction governing transactions
- **Tax incentives:** Royal Unibrew operate in jurisdictions where the government has introduced incentives to encourage specific investments & activities. Such incentives commonly reduce the corporate tax rate temporarily or postpone tax payments through advanced depreciations. Royal Unibrew seek to benefit from such tax incentives where this is industry standard for being competitive
- **Stakeholder tax planning:** Royal Unibrew generally expect vendors, partners and customers to share Royal Unibrew's values in respect to tax planning. To the extent possible Royal Unibrew monitor the behaviour of partners from project to project. Based on this screening Group Tax, together with management, continuously evaluate if stakeholders act within Royal Unibrew values of integrity and accountability and take appropriate actions.