

PERNOD RICARD GROUP TAX POLICY

This paper sets out the global tax policy of the Pernod Ricard Group and applies to all qualifying UK group entities for the financial year ending 30 June 2024. In making this paper available, the UK Group is fulfilling its responsibilities under Schedule 19 of the Finance Act 2016.

A significant contribution to local communities

Pernod Ricard is committed to complying with all applicable laws and regulations in force in each of the countries in which it operates, along with applicable international standards.

In 2023, Pernod Ricard's income tax charge on recurring items (profit from recurring operations and financial result from recurring operations) was €691m.

In addition to corporate income tax, Pernod Ricard pays and collects numerous other taxes and contributions as part of the Group's economic contribution to the communities in which it operates. These include:

- Sales taxes;
- Customs and excise duties;
- Payroll taxes;
- Property taxes;
- Any other local taxes specific to each country.

Pernod Ricard's total contribution is estimated at around €7 billion (unaudited data).

Our approach to tax

The Group applies the following principles in tax matters:

- supporting operational activities in compliance with applicable regulations;
- conducting itself with integrity in all tax matters;
- managing tax on both a pro-active and efficient basis to preserve and maximise the value generated for the Group and its shareholders.

Pernod Ricard has subsidiaries in some 70 countries in which it operates. Whenever possible, management makes every effort to liquidate any dormant or quasi-dormant subsidiary inherited from past acquisitions.

The Group remains vigilant as to the operational and commercial reality of its transactions and refuses to take part in any artificial tax arrangements. The Group will only use tax incentives after considering their impact on its brands, reputation and Sustainability and Responsibility. Pernod Ricard especially does not promote tax evasion under any form.

Transfer pricing

Pernod Ricard's strategy and organisation are built on a model involving an ongoing relationship between Brand Companies and Market Companies. The Brand Companies generally own, protect and develop the intellectual property. They are also responsible for developing overall brand strategy as well as solutions and ways to activate them. The Market Companies implement this strategy locally.

Related party transactions are done in accordance with the Group's transfer pricing policy, which is based on the arm's length principle (i.e. on terms that would have been agreed between independent parties).

An efficient organization

Pernod Ricard has a team of qualified and well-trained tax and customs specialists who report to the EVP Finance, IT and Operations. Tax matters are subject to clear internal control principles which are available to all employees on the Intranet. Processes are in place to prevent tax evasion.

Tax legislation in the countries where Pernod Ricard operates is complex and may be open to interpretation. The Group manages such uncertainties with the support of internal and external tax experts. Tax provisions are measured based on the Group's best estimate using available information (in particular that provided by the Group's legal and tax advisors) and regularly presented to the Audit Committee.

Promotion of international transparency

Pernod Ricard is committed to being open and transparent with tax authorities and to disclosing relevant information to enable them to carry out their work. Pernod Ricard places particular importance on working positively, proactively and transparently with them. This is both to build open and sustainable relationships and to resolve potential disputes quickly.

Pernod Ricard complies with the country-by-country reporting obligations.

The Group also participates in the development of corporate tax policies, tax transparency initiatives and tax legislation through public consultations.