

# Global Tax Policy and supplementary note

## Tax policy statement

Our overall vision for tax is to remain compliant and manage risks, as well as maximizing synergies, allowing Suntory to achieve its commercial objectives. The tax policy and commitments/values set out below stem from, and are underpinned by, our ethical principles and standards for business conduct.

***Operate effective tax governance to meet our compliance obligations:*** Our compliance actions and local efforts in meeting our tax filing obligations are the key to proactively mitigate tax risks at acceptable levels. We undertake all business activities in compliance with laws and regulations, and in accordance with a strong sense of our ethical values. Compliance with our Global Tax Policy is regularly reviewed by the CFO and shared with the Global Risk Management Committee as necessary, as material tax issues arise. Through the establishment of a clear reporting line at a global level, we set the requirements for accurate and timely reporting of tax information. We will seek advice from external professional advisors, to leverage our internal resources where appropriate to ensure we remain compliant with our obligations and best practices in tax management, including paying the correct amount of tax in the jurisdictions in which we operate.

***Create synergies by maximizing returns, whilst paying the right amount of tax:*** We, as a good corporate citizen, will actively make contributions to society by paying what we determine in good faith to be the correct amount of tax globally whilst operating in a tax efficient manner. To create sustainable businesses, we will consider the most tax efficient way to complete our business transaction, however transactions undertaken will always have business activities, objectives, and substance as the primary purpose. Though we strive to be tax efficient in order to maximize returns, we will *not* enter into any aggressive tax planning arrangements which we determine have the sole purpose of achieving a tax advantage. All intercompany pricing and service transactions within Suntory will follow the arm's length principles in line with our Transfer pricing policies. Where it is appropriate, we will obtain advance agreements from the relevant tax authorities to extent possible in order to mitigate potential risks. Furthermore, in line with our commitments/values, we remain compliant by following the principles of the OECD guidelines, and the law in the countries in which we operate.

***Pursue long term interests of society and our stakeholders:*** We ensure we conduct business in an ethical and appropriate manner. In particular, we will maintain an open, transparent, and pro-active relationship with tax authorities in the jurisdictions in which we operate. We engage in open and transparent business activities. We will interpret tax law using relevant tax rules and guidance. As appropriate and within the correct forums, we will discuss technical tax matters with tax authorities to assess related risks and minimize tax controversy disputes. We maintain full and timely disclosure of necessary information as required by law and will provide tax authorities with necessary information when queries are made pursuant to local requirements. If any disputes arise, we will maintain an open and constructive dialogue with tax authorities to achieve early agreement and resolution.

***Ensure the business is provided with timely support on tax issues:*** In order to achieve our commercial objectives, we form active links between tax personnel and the wider business. The implementation of internal communication lines facilitates the creation of synergies by knowledge sharing across Suntory. This ensures sufficient tax awareness is provided to internal business partners and support is made available to our business colleagues to enable optimized business decisions. Our tax teams are integrated within the finance teams of the key business service lines allowing us to implement lines of internal communication to connect tax advice and tax management to real time business activity.

### **Key roles and responsibilities**

The CFO for Suntory Holdings reviews the group's global tax position and pursues the commitments/values that are outlined within the policy. Responsibility for tax within the respective business units lies with the CFOs of each business.