

TREASURY WINE ESTATES

Treasury Wine Estates Limited (“TWE”)

UK Tax Strategy for the financial year ending 30th June 2022

Introduction

TWE is one of the world’s largest wine companies, listed on the Australian Securities Exchange (ASX). TWE is focused on delivering shareholder value through the production of quality wine, and the marketing and selling of quality wine brands to consumers around the world.

TWE employs approximately 3,000 winemakers, viticulturists, sales distribution and support staff across the globe.

This tax strategy is published on behalf of TWE’s UK subsidiaries (covering both UK sub-groups and its standalone qualifying UK company¹) as required by Schedule 19 of the Finance Act 2016 in the UK. It covers the financial year ending 30th June 2022 and will be reviewed and published annually. It will remain in force from the date of publication until superseded by the publication of the following year’s tax strategy.

TWE regards the publication of this UK tax strategy as complying with the requirements in accordance with paragraph 19(2) of Schedule 19 of the Finance Act 2016 (in respect of UK sub-groups) and paragraph 22(2) of Schedule 19 of the Finance Act 2016 (in respect of qualifying UK companies).

Tax Governance and Tax Risk Management

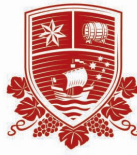
TWE’s approach to tax is governed by a Board-approved Tax Governance Policy and a Tax Risk Management Framework (“TRMF”) which all TWE companies (including those in the UK) must adhere to. TWE’s Group Tax team is led by the Global Head of Tax, Risk and Assurance (based in Australia) who, in conjunction with the Chief Financial Officer, has overall responsibility for the Tax Governance Policy and TRMF as well as the global management of TWE’s tax affairs. Day-to-day responsibility for managing UK taxes resides with the TWE European tax team, with support from TWE’s Group Tax team.

The Tax Governance Policy sets out TWE’s Tax Strategy which is designed to achieve three broad objectives:

- Alignment to the business strategy
- Management of the tax environment
- Management of the tax reporting and compliance requirements

¹ For the purposes of Schedule 19 of the Finance Act 2016, TWE Ltd’s UK subsidiaries who have adopted this UK Tax Strategy are as follows: -

- UK sub-group 1 – Treasury Wine Estates EMEA Limited, TWE Finance (UK) Limited, Beringer Blass Wine Estates Limited, FBL Holdings Limited, and Treasury Wine Estates UK Brands Limited. The head of UK sub-group 1 is Treasury Wine Estates EMEA Limited.
- UK sub-group 2 – Cellarmaster Wines Holdings (UK) Limited and Cellarmaster Wines (UK) Limited. The head of UK sub-group 2 is Cellarmaster Wines Holdings (UK) Limited.
- Qualifying UK company (that does not fall into either of the above UK sub-groups) – Southcorp XUK Limited.



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TWE's Tax Strategy is supported by the following key operating principles, including:

- Commitment to ensure compliance with all tax laws in the countries in which TWE operates
- Appropriate engagement with tax authorities where necessary
- Adherence to a Board-approved documented TRMF by all tax staff globally
- Preservation of TWE's corporate reputation by having regard to tax issues that impact corporate governance

TWE's tax team based in the UK are responsible for managing TWE's tax obligations in Europe, and reports to TWE's Audit and Risk Committee on a bi-annual basis on the timeliness of all European tax obligations and tax audits/disputes for a given period.

Approach to risk management arrangements and the level of risk that TWE's UK companies are willing to accept, in relation to UK taxation

TWE has a whole of enterprise Risk Management Framework ("RMF"), which has been approved by the TWE Board. In adopting the RMF, TWE seeks to:

- Ensure major business risks are identified, understood and appropriately managed
- Ensure business processes focus on areas where risk management is needed and
- Create an environment where staff take responsibility for identifying and managing risk as a matter of course

Tax (including tax in the UK) is considered in the context of TWE's overall RMF. The TRMF indicates TWE's approach to dealing with tax risks. Under the TRMF, transactions and dealings are considered in light of the degree of uncertainty in tax treatment and the consequence of adopting a particular position. This determines the level of internal approval required and the need for external professional advice. TWE's low tax risk appetite (in the UK and elsewhere) is specifically stated in the RMF which means that any tax risks identified above this level are proactively managed under the TRMF.

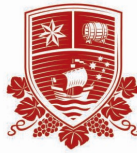
Specifically, TWE will only adopt tax positions in the UK (and elsewhere in the world) where the position adopted is more likely than not to be correct. Underpinning this is the value that TWE places on its reputation as a responsible taxpayer and its aim to preserve its corporate reputation by having regard to tax issues that impact corporate governance.

Attitude towards tax planning (so far as affecting UK taxation)

TWE has a low tax risk appetite in the UK, as is the case with all other tax jurisdictions in which it operates.

As a consequence, its attitude towards tax planning is to ensure that its transactions and dealings are consistent with this low tax risk appetite in the UK and also the rest of the world.

TWE is committed to complying with all tax laws in the UK as well as paying the required share of UK taxes, whilst balancing its responsibilities to its shareholders.



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TWE seeks to interpret UK tax legislation consistently and structures its business activities in a tax efficient manner whilst remaining compliant with all UK, and other country, applicable tax laws. This includes taking advantage of tax reliefs and concessions where appropriate, for example utilisation of brought forward UK tax losses.

TWE will not undertake contrived or artificial transactions or those with no commercial or economic substance with no aim other than the gaining of a UK tax advantage.

In accordance with the TRMF, professional opinions are typically sought from reputable external advisers when the application of legislation is unclear or on transactions where the potential tax at stake is significant.

Approach towards dealings with HMRC

TWE seeks to manage its tax affairs proactively and transparently and as part of this overarching approach, TWE is committed to maintaining an open and direct reciprocal relationship with HMRC, where all dealings are undertaken in a professional, courteous and timely manner.

Strong and proactive working relationships are maintained and TWE is committed to keeping its HMRC Customer Compliance Manager informed of relevant matters through regular communication and meetings in respect of the business and the tax implications, and to supply all required information accurately and on a timely basis.

When submitting tax returns to HMRC, all relevant facts are disclosed as appropriate and any errors in submissions made to HMRC are fully disclosed as soon as is reasonably practical.

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