



Yeo Valley Group Tax Strategy

This document, approved by the board of Yeo Valley, sets out the Group's approach to conducting its tax affairs and dealing with tax risks for the year ending 2nd June 2019.

Yeo Valley is committed to:

- Following all applicable laws and regulations relating to its tax activities
- Maintaining an open and honest relationship with the tax authorities based on collaboration and integrity
- Ensuring that the tax strategy adopted is consistent with the Group's overall strategy and values
- Applying diligence and care in our management of tax risks, and ensuring that our tax governance is appropriate
- Using incentives and reliefs to minimise the tax cost of conducting our business while ensuring that these reliefs are not used for purposes which are knowingly contradictory to the intent of the legislation

Risk management

Attempting to avoid all tax risk would result in an overly prudent position which is not in line with our objective to maximize shareholder value. The Group's appetite for risk is therefore governed by considering the outcomes of different approaches to tax planning, and assesses the likelihood of each occurring.

Tax risks are assessed on a case by case basis, allowing the Group to arrive at well-reasoned conclusions on how each individual risk should be managed. Where there is uncertainty in how the relevant law should be applied, external advice may be sought to support the Group's decision making process.

When reviewing the tax risks associated with a specific decision or action, the Group ensures that the following are considered:

- The legal and fiduciary duties of directors and employees
- The requirements of any related internal policies or procedures
- The maintenance of the Group's corporate reputation, having particular regard to the way we interact with the communities around us
- The tax benefits and impact on the Group's reported result compared to the potential financial costs involved, including the risk of penalties and interest
- The wider consequences of potential disagreement with tax authorities, and any possible impact on relationships with them

Tax planning

The Group has clearly defined lines of responsibility for its tax affairs, with decisions being taken in line with the Group's tax authority thresholds, ensuring that they are taken at an appropriate level.

www.yeovalley.co.uk

Registered Office: Yeo Valley Farms (Production) Limited.

Yeo Valley HQ, Rhodyate, Blagdon, North Somerset, BS40 7YE.

Registered in England and Wales Company No.01283809



The Group's tax planning is driven by the commercial needs of the business, and anticipated future developments. Where alternative routes exist to achieve the same commercial results, the most tax efficient approach in compliance with all relevant laws will be followed.

The commercial needs of the business will in no circumstances override compliance with all applicable laws and regulations. The tax function is therefore involved in decision making and provides appropriate input into business proposals to ensure a clear understanding of the tax consequences of any decisions made.

In cases where the tax guidance is unclear or the Group does not feel it has the necessary expert knowledge to assess the tax consequences adequately, external advice may be sought to support the Group's decision making process.

Approach towards dealings with HMRC

The Group is committed to the principles of openness and transparency in its approach to dealing with HMRC, and in particular the Group commits to:

- Adopt open and collaborative professional relationships at all times with HMRC
- Engage in full, open and early dialogue with HRMC to discuss tax planning, strategy, risks and significant transactions
- Make fair, accurate and timely disclosure in correspondence and returns, and respond to queries and information requests in a timely fashion
- Seek to resolve issues with HMRC in real time and before returns are filed if possible, and where disagreements arise work with HMRC to resolve issues by agreement where possible
- Be open and transparent about decision making, governance and tax planning
- Reasonably believe that transaction are structured to give a tax result which is not inconsistent with the economic consequences (unless specific legislation anticipates that result), nor contrary to the intentions of Parliament
- Interpret the relevant laws in a reasonable way, and ensure transactions are structured consistently with a co-operative relationship

Signed on behalf of the Yeo Valley Group

Rob Sexton

Finance & Operations Director
Senior Accounting Officer

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