

SELECTA's approach to tax

Introduction

Headquartered in Switzerland since 1957, Selecta is a European leader in unattended self-serve coffee and convenience food, operating in 16 European countries. An annual turnover of EUR 1.5 billion is a testament to the passion and dedication of more than 9,000 highly skilled Selecta employees, providing great quality coffee brands and convenient food and beverages concepts for the workplace, on-the-go as well as hotels, restaurants and cafes (“HoReCa”).

Selecta maintains a Code of conduct that is solidly aligned and consistent with Selecta's values. It contains strict and unambiguous prohibitions against artificial and false records, which extends to tax filings and information shared to with tax authorities. Each employee must clarify that he or she will abide by this Code of conduct.

Consistent with its Code of conduct, Selecta is committed to aligning its position with the local tax authorities in each relevant European jurisdiction it operates and to having open and constructive discussions with those local tax authorities. Selecta follows a policy of full disclosure in its dealing with the European tax authorities.

Our commitment is underpinned by the following principles:

1. Tax strategy

a. Tax planning

Selecta does not engage in artificial arrangements, i.e. those without business or commercial substance. Rather, Selecta considers tax outcomes which support its business model and aligns with its commercial activities. Selecta has a responsibility to its shareholder to be financially efficient and deliver a sustainable tax rate.

b. Relationship with the tax authorities

Selecta seeks to build and sustain a relationship with tax authorities that are constructive and base on mutual respect. Selecta works collaboratively with the tax authorities to answer queries and provide information whenever possible in a timely manner. Such collaboration extends to closing tax audits. Selecta's tax team is always open to discussion.

c. Transparency

Selecta supports the principle behind multilateral initiatives toward greater transparency that increase the understanding of the tax system and build public trust.

2. Risk management

a. Governance and control environment

Selecta Head of Treasury & Tax and the Group tax director are accountable for our tax approach. They are also responsible for ensuring that policies and procedures that support the approach are implemented, maintained and consistently applied across Europe.

Selecta is subject to tax in different European jurisdictions. Selecta takes appropriate advice from reputable tax firms.

b. Risks assessments

Selecta is routinely subject to tax audits and reviews. Such examinations can take long to conclude. Provision is made for known issues based on management's interpretation of country-specific legislation and the likely outcome of negotiation or litigation. The assessment and management, as well as the risk, are regularly reviewed by senior management, internal audit and external consultants.

Our published global tax strategy applies to all UK subsidiaries of the Selecta group and covers all UK taxes. It satisfies schedule 19 of the UK Finance Act 2016 in respect of the period ending 30 September 2017.