Bacardi Global Tax Policy Statement

Global Tax Policy Statement for Financial Year Ending 31 March 2020

**Overview**This statement describes the global tax policy of Bacardi and applies to Bacardi U.K. Limited and all qualifying UK companies in the Bacardi Group for the financial year ending 31 March 2020. By making this statement public, Bacardi U.K. Limited is fulfilling its responsibilities under paragraph 19(2) of Schedule 19 to the Finance Act 2016.

**Company History**Founded in 1862, the BACARDÍ rum business, like the family that owned it, was Cuban. In October 1960, revolutionary government forces illegally confiscated all company assets in Cuba – a devastating blow for a business just shy of its 100th anniversary. Shortly after the Cuban Revolution, Bacardi established its global corporate headquarters in Bermuda, which manages all Bacardi global brands. This strategic move served as a geographical bridge between Europe, where Bacardi targeted growth, and the U.S., where its products were already established.

Today, Bacardi is a leading global spirits company. Our Bermuda operations control and manage our global spirits business, as well as give back to the local community as part of our commitment in investing in the areas where we live and work through charitable efforts.

**Our Corporate Responsibility Commitment**Our Code of Conduct established by Bacardi’s Board of Directors, applies to all employees and guides our professionals in their key responsibilities, their professional conduct, and how they work with third-party partners. As stated in the Code of Conduct, Bacardi also recognizes the substantial interest of governments in the regulation and taxation of cross border trade in alcoholic beverages. As such, Bacardi and its employees must always abide by all applicable laws related to customs, taxes, cross border trading and transporting of product.

**Our Approach to Tax Policy, Oversight and Engagement with Tax Authorities**The Bacardi Group’s approach to tax is to comply with all tax laws and regulations, both in letter and in spirit, in all the jurisdictions in which we operate. We are committed to following all the prescribed measures as set forth in The Organisation for Economic Cooperation and Development *Transfer Pricing Guidelines for Multinational Enterprises and Tax Administration*(“OECD Guidelines”) regarding transparency, including Country by Country reporting and Transfer Pricing documentation.

Bacardi seeks to cooperate and pro-actively engage in open dialogue with tax authorities, including HM Revenue & Customs, to minimize the potential for disputes. We also disclose any relevant information that is required to enable tax authorities to carry out a sufficient review. We also seek advance agreement with tax authorities where possible and appropriate in the circumstances.

Our Group’s approach regarding tax is overseen by our Global Tax Team which operates under the guidance and control of the Group’s Bermuda-based senior management group, the Global Leadership Team, and is reviewed by our Audit Committee, approved by our Board of Directors, as necessary, and then implemented by our local finance teams.

Bacardi pays the appropriate amount of income tax in countries where our activities take place, consistent with the OECD Guidelines. In addition to direct (income based) taxes, Bacardi is also responsible for other indirect (non-income based) taxes. These include, but are not limited to: value-added tax (“VAT”), excise taxes, customs duties, employer-related taxes, property taxes, capital taxes, and withholding taxes. Where there are complex factual circumstances and/or local laws, we also work with local advisors and subject matter experts to ensure that areas of uncertainty are properly addressed.

**Our Approach to Tax Planning and Risk**Bacardi protects the interests of its stakeholders by ensuring that available tax incentives and allowances are claimed where it makes commercial sense to do so. The Global Tax Team works with our local finance managers to manage the tax affairs of Bacardi in the relevant jurisdictions in which it operates. This may include tax compliance, tax planning in response to commercial activities or business needs, tax controversy support and management, tax risks, and ensuring that implementation of Bacardi tax policies are carried out at the local level. Bacardi adopts a conservative approach to tax risk management.