



Savers Tax Strategy

Savers Health & Beauty Limited (“Savers”) is a limited company registered in England and Wales and part of the A.S. Watson Group of companies. The ultimate controlling parent of Savers is CK Hutchison Holdings Ltd (“CKHH”). CKHH is listed on The Stock Exchange of Hong Kong. Subsidiaries of CKHH that operate in the UK are required to ensure that their tax strategy is available to the public free of charge on the internet. Savers follows the CKHH tax strategy as set out below.

Savers - being part of the CKHH Group (“the Group”) - is committed to fully complying with its statutory tax obligations in all the jurisdictions in which it operates, including the payment, reporting and recovery of taxes.

The overall governance and responsibility for the Group’s tax affairs rests with the Group’s Board of Directors and the Group Finance Director.

Day-to-day management of the Group’s tax affairs and tax compliance obligations is delegated to the Finance Directors of the individual entities within the CKHH Group (including Savers) and is handled by experienced and qualified staff, with assistance from professional firms or other external legal counsel where appropriate or necessary. These Finance Directors may also draw on the support of the Head of Group Taxation for the CKHH Group and other personnel within the Group who have responsibility for tax matters, such as the A.S. Watson Head of Group Tax (Europe).

All Group tax matters are overseen by the CKHH Group Audit Committee, which meets at least four times a year.

The Group has developed a Tax Governance Framework to provide guidance on how its tax affairs should be managed. The Tax Governance Framework comprises several elements including the Group’s Tax Strategy, its Tax Policy, and its approach to dealing with tax authorities. Savers follows this Tax Governance Framework.

CKHH Group Tax Strategy

The CKHH Group Tax Strategy may be summarised as follows:

- To comply with tax obligations in each jurisdiction in which the Group operates;
- To ensure that the Group pays the right amount of tax based on the law and regulations in each such jurisdiction;
- To comply with the Group Tax Policies;
- To ensure that the Group’s tax affairs are conducted in accordance with sound business practices and the Group’s commitment to corporate responsibility.

CKHH Group Tax Policies

The core tax policies of the CKHH Group are as follows:

- Tax risks arising from the Group's operations must be actively monitored and managed and material risks must be reported to the Head Office tax team;
- Tax compliance obligations must be properly discharged;
- Robust processes and procedures must be in place to minimise tax risks and compliance errors and must be periodically reviewed to ensure that they are updated to reflect changes in local law and practice;
- Tax evasion or the facilitation thereof by employees or other associated persons (e.g. agents and other persons who perform services for or on behalf of the Group) will not be tolerated or condoned;
- All tax positions taken must be justifiable and based on local law and practice, with due advice being taken from reputable professional firms or advisers where necessary;
- When entering into commercial transactions, the Group may seek to obtain the benefit of tax incentives, reliefs and exemptions implemented by the relevant tax authorities and available under the applicable tax legislation;
- The tax affairs of the Group must be arranged or managed with the objective of supporting its business or commercial activities;
- Related party transactions must be properly managed and documented to ensure they are in compliance with local tax law and practice;
- The Group tax team should be informed and consulted on tax and business matters where appropriate, including the tax consequences of material commercial transactions and decisions made with respect to such transactions.

Dealings with Tax Authorities

The CKHH Group is committed to having a transparent and constructive relationship with the relevant tax authorities in all of the jurisdictions in which the Group has operations. Where appropriate, the Group will seek to keep the relevant authority aware of significant transactions and business developments. All dealings with any tax authority should be conducted in a professional and courteous manner.

The CKHH Group will seek to obtain certainty of the tax treatment of complex or uncertain issues at the earliest opportunity. Resolution of any disputed matters will be sought through open discussion and negotiation with the relevant Tax Authority, but the Group recognises that from time to time there will be a need to litigate to ensure that the technical basis of a Tax Authority's decision is correct or to establish the appropriate understanding or interpretation of the law.

Savers Tax Committee

Savers also installed a Tax Committee which oversees the risk assessment process applied by the business, which includes tax risk management. Through the activities of this Tax Committee, Savers seeks to reduce or eliminate the level of tax risk arising from its operations by ensuring appropriate processes and controls are in place.

The publication of this tax strategy is considered as complying with the requirements of paragraphs 19 of Schedule 19 to Finance Act 2016 for the year ended 31 December 2018 insofar as they relate to Savers.