

# Pret A Manger – UK Tax Strategy

## Introduction

From our humble beginnings as a single sandwich shop, Pret has always had ambitions to contribute positively in this changing world and to engage honestly with our customers. The scale of the Coronavirus pandemic, which has continued into FY2021, has had a significant impact on Pret's business and the wider retail and hospitality sector. The third wave of the Coronavirus pandemic in the first half of 2021, and the delayed easing of government restrictions throughout this year meant that Pret has continued to be financially impacted, albeit less so towards the end of FY2021 due to the successful rollout of the vaccine and increased consumer confidence. Despite this, Pret has continued to grow as a business and adapt to new ways of delivering fresh and delicious food and drinks to its customers in a safe manner.

Supporting the transparency that is now legally required is something that aligns with our endeavour to do the right thing. This document is published in accordance with Paragraph 16(2), Schedule 19 of Finance Act 2016, for the publication of a tax strategy in the financial year ended 31 December 2021.

## Our approach to tax

Pret's objective is to be a responsible tax-payer and operate both within the letter and spirit of the legislation, in line with our core value of "Doing the Right Thing".

Pret's tax strategy is approved by the Board of Directors. This is reviewed annually to ensure its implementation remains suitable, effective and aligned with our core company values, together with the specific HMRC requirements towards risk management and governance, our attitude to tax planning, the level of tax risks that we are willing to accept and our approach to dealing with HMRC.

## Our approach to risk management and governance in relation to tax

The ultimate responsibility for Pret's tax strategy remains with the Board of Directors of the group.

Pret is an international group, complying with tax laws and paying taxes in the countries in which we operate, namely the United Kingdom, the USA, Hong Kong and France.

Pret's Senior Accounting Officer ensures that the group complies with the requirements to maintain and continually improve the tax accounting arrangements and tax risk identification process. The responsibility of the day to day tax affairs are managed by individuals within the Tax and Finance Departments. This is supported by regular communication with suitably qualified external advisers and through discussion at the Audit Committee.

## Our Attitude towards tax planning

Despite the financial challenges of FY 2021, Pret is committed to paying the right amount of tax.

Pret does not take an aggressive stance in its interpretation of tax legislation and does not use ‘tax havens’ to reduce the group’s corporation tax liability nor does it use marketed or aggressive tax avoidance schemes. Pret is committed to significant investment in new shops and, where possible, will utilise the framework of business reliefs that are available, such as capital allowances.

External tax advice is sought where there is uncertainty over the interpretation of new or existing legislation, or where there are technical areas which are sufficiently complex enough to warrant external third-party guidance.

### **The level of tax risk that Pret is willing to accept**

Pret has a low threshold for tax risk in accordance with the stated objective to be a responsible taxpayer.

Pret seeks to reduce the level of tax risks as much as is reasonably practicable. Where there is uncertainty to the application and interpretation of the law, Pret will seek external advice to assist with the analysis and support the decision-making process.

### **Our approach towards dealing with HM Revenue & Customs (“HMRC”)**

Pret meets to discuss significant transactions and changes in the business with HMRC, and is open and collaborative with our communications. We will endeavour to provide all requested information and maintain an open dialogue to resolve any requests from HMRC in a timely manner and to the best of our ability. During FY 2021, Pret has had regular communication with HMRC, to ensure that they are fully transparent and that HMRC are kept up to date with any business changes and control of tax processes as the business has responded to the Coronavirus Pandemic.