The Boots Group

The Boots Group publication of UK Tax Strategy

Context

This document sets out The Boots Group UK Group approach to tax in accordance with section 16(2) Schedule 19 Finance Act 2016 and relates to the year ended 31 August 2026. This statement applies for all UK entities in the group headed by The Boots Group Limited ("TBG") for the period. This document is subject to annual review.

The Boots Group

The Boots Group operates across 11 countries - including the UK, Ireland, Thailand and Mexico. The Boots Group health and beauty retail businesses serve millions of customers and patients every day. In Germany, its pharmaceutical wholesale division stands as a key healthcare partner, providing essential services to pharmacies and pharmaceutical manufacturers nationwide.

With 3,776 retail stores globally, The Boots Group principal brands include Boots in the UK, Thailand and the Republic of Ireland; Farmacias Benavides in Mexico; and Boots Opticians in the UK. The Boots brand also has a growing presence through franchise partnerships in the Middle East and Indonesia.

No7 Beauty Company, a key part of The Boots Group, manages a portfolio of science-led, consumer-trusted beauty brands including No7, Liz Earle, Soap & Glory, Botanics, Sleek MakeUP and Aromatherapy Associates.

The Boots Group pharmaceutical wholesale business in Germany operates under the Alliance Healthcare Deutschland and GEHE brands. Based in Frankfurt, it supports pharmacies nationwide through modern logistics, digital healthcare services and strong pharmacy co-operations.

The Boots Group also includes strategic investments in retail pharmacy and pharmaceutical wholesale in China, expanding its presence in one of the world's largest healthcare markets. As a pharmacy-led health and beauty retail business The Boots Group plays a vital role in local healthcare ecosystems, delivering accessible healthcare and trusted wellness products to communities across the world.

Approach to Tax Management and Governance

The TBG Vice President, Tax ("VP Tax") owns and manages TBG's approach to tax. There are clearly defined roles and responsibilities which aim to ensure consistent and effective standards of tax management throughout TBG. The values and behaviours which apply to all employees are set out in TBG's Code of Conduct and Business Ethics. The VP Tax has functional responsibility for the management of most taxes. The governance of this responsibility is documented in the TBG Internal Tax Policy.

Significant tax issues and risks are communicated to the TBG Executive Director and the Chief Financial Officer and are approved pursuant to our Internal Tax Policy. We are accountable to our Board of Directors and its Audit Committee for the maintenance and execution of our policies and processes. On a periodic basis, independent assurance oversight is provided by TBG Internal Audit who report to the Audit Committee.

The Tax department, in partnership with the Business and Finance Leaders, who are close to and therefore most familiar with the local businesses, have responsibility for the day to day management of all taxes.

TBG's in-house tax team comprises suitably qualified and experienced tax professionals. The VP Tax is responsible for the ongoing training and development (via Continued Professional Development of relevant Taxation Institutes) of all tax professionals within TBG.

Approach to Tax Risk and Dealing with Tax Authorities

When considering the approach to tax risk and dealing with tax authorities, TBG's approach is to:

- Seek to comply with all laws to which it is subject;
- Absolutely prohibit illegal tax evasion in any of its business operations;
- Not to enter into transactions purely for the avoidance of tax;
- Seek to develop strong professional working relationships with tax authorities in countries in which it does business;
- Seek to manage its tax compliance activities to comply with taxation laws and regulations of countries in which it does business, and require that tax returns are accurate and are filed on time in accordance with the deadlines in each country. Positions taken in tax returns must be supported adequately;
- Seek to pay tax liabilities on a timely basis in accordance with the deadlines for payment in each country in which it does business;
- Seek an external tax opinion or advice in relation to complex and significant issues or where there may be uncertainty.

We endeavour to have an open and transparent relationship with HM Revenue and Customs ("HMRC") and other tax authorities. With regard to HMRC, we are in regular dialogue with our Customer Compliance Manager (who is our central point of contact) to discuss and ensure we are meeting our UK tax compliance obligations. In circumstances where there may be uncertainty on a tax related matter, we will generally seek to discuss the matter with the relevant tax authorities in order to obtain certainty for both the Group and the tax authority concerned.

Tax Planning

TBG Tax works in partnership with the relevant Divisional Business Leaders to identify and evaluate the tax implications of all complex and significant business transactions. TBG's practice is not to enter into transactions purely for the avoidance of tax.

Where tax incentives, reliefs, exemptions and deductions are made available by Tax Authorities TBG will, where applicable, claim the benefit of these.

TBG seeks to apply the "arm's length" standard to all intercompany transactions, to comply with applicable local tax laws and regulations and give due consideration to internationally accepted methodologies and standards for intercompany transactions.