

The Coca-Cola Company –Tax Policy

This policy has been published in compliance with the duty imposed under paragraph 19(2) of Schedule 19 to the Finance Act 2016 and is in relation to the accounting period ended December 31, 2022.

1. Introduction

The Coca-Cola Company, together with its subsidiaries and affiliates (collectively “the Company”), manufactures, markets, and sells branded beverage products throughout the world. In general, the branded beverage products are sold to authorized bottlers, who prepare, package, distribute, and sell finished beverages. Finished beverage products bearing the Company’s trademarks are sold in more than 200 countries and territories worldwide through bottlers, other distributors, wholesalers, and retailers. The general operating model that we follow today originated with the first bottling agreement in 1899.

A fundamental tenet underlying the administration of global taxes at the Company is compliance with all applicable laws. This principle is aligned with the Company’s fiduciary responsibilities to our shareholders, and our obligation as a trusted corporate citizen.

The COVID-19 pandemic continued to negatively impact our business globally in 2022, including temporary disruptions in certain of our operations.

2. Tax in our Annual Report (Form 10-K)

The Coca-Cola Company’s consolidated financial statements are prepared in accordance with U.S. Generally Accepted Accounting Principles (US GAAP). As a publicly traded company, the Company’s consolidated financial statements are audited by a “Big 4” accounting firm and filed publicly in the United States.

The Company’s business activities around the world incur a substantial amount and variety of business taxes, including corporate income taxes, customs duties, excise taxes, stamp duties, employer portion of payroll taxes, and non-creditable VAT and GST taxes, among others. In addition, we collect and remit other taxes such as employee payroll taxes and creditable VAT and GST taxes. The taxes we pay and collect represent a significant part of our economic contribution to the countries and communities in which our products are sold.

Corporate tax cash payments in a particular year may be different from the corporate tax expense in the financial statements, including timing differences and deferred taxes.

We provide extensive information on taxes in our annual report, Form 10-K. The tax disclosures in our Form 10-K (see pages 49-50 and Note 14 on pages 102-106 of The Coca-Cola Company Form [2021](#) 10-K) summarize in aggregate the significant components of corporate income tax expense for the periods presented.

3. Tax Function Responsibilities and Organization

The Tax function is part of the Company's Finance organization, which reports to the Chief Financial Officer. The Chief Financial Officer has responsibility for ensuring compliance with the Company's tax policy. Day-to-day responsibility for ensuring compliance is delegated to the Vice President and General Tax Counsel (VP of Tax).

The VP of Tax is responsible for managing the Company's Tax function globally, has general supervision of all tax matters of a legal nature concerning the Company, and leads an experienced team of professionals with specific geographic, business, subject-matter, and technical responsibilities. The Company provides training and supports all members of the tax team to ensure the team has the skills, knowledge, and technical expertise to comply with relevant laws and to fulfill the Company's tax policy. These tax team members are qualified tax professionals, many of whom are members (and in some cases executive members) of independent professional institutes subject to rigorous ethical and technical standards. The Company relies on these in-house resources and obtains external advice when necessary.

In addition to reporting directly to the Chief Financial Officer of the Company, the VP of Tax periodically updates and informs the Finance and Audit Committees of the Company's Board of Directors regarding the Company's tax status and significant tax matters.

4. Tax Governance and Risk Management

The Company's [Code of Business Conduct](#)¹ addresses our responsibilities to the Company and its investors, customers, suppliers, consumers, and governments and defines how employees should conduct themselves as representatives and ambassadors of the Company. All employees of the Company are expected to understand the Code of Business Conduct and are required to comply with the Code in addition to all applicable government laws, rules, and regulations. The Company's approach to taxation is grounded in these values.

The Company maintains robust internal policies, procedures, training, and compliance to support its tax control framework and manage risk. Our governance structure in place ensures that tax decisions are made at the appropriate level and ensures that there is consistency across our business. The Company has specific board and management approval requirements and processes for both material, and non-material, commitments made on behalf of the Company. These processes include, for example, the Tax department being involved in changes in corporate structure, all business acquisitions and divestitures, and business transactions.

The Company has robust internal control procedures and processes in place, including quarterly formal review and certification procedures. The Company follows Sarbanes-Oxley (SOX) 404 and other applicable requirements with respect to our income tax and indirect tax processes. These procedures help identify, evaluate, monitor, and report tax issues and risks. These internal control procedures and processes are subject to regular reviews, internal and external audits, and self-assessment programs.

We are committed to being an ethical and responsible business, and good corporate citizen, and have been recognized externally for this by a number of independent third parties, including FTSE4Good, UN Global Compact and 100 Best Corporate Citizens.

The Company owns many global brands, and the broader system, encompassing local bottlers, is also proud of our local roots and strong legacy of giving back and supporting local community initiatives around the world in alignment with the

¹ <http://www.coca-colacompany.com/investors/code-of-business-conduct>

Company's mission, core priorities and purpose. The Company is committed to giving back approximately 1 percent of its prior year's operating income annually to philanthropic causes. This commitment is met through donations made by the Company and The Coca-Cola Foundation, respectively. In 2021, The Company and The Coca-Cola Foundation gave back more than \$109 million to directly benefit more than 350 organizations around the world.²

5. Tax Planning and Level of Risk

As noted, a fundamental tenet of the Company is compliance with applicable tax rules, regulations, and guidelines on a worldwide basis. The Tax department advises the business on the tax consequences of transactions so that the business may structure its affairs in the manner that supports the business's commercial and economic activity in a tax compliant manner. The Company does not engage in artificial tax arrangements. The Company seeks to minimize the risk of uncertainty and disputes. If a significant transaction occurs that may give rise to different interpretations of tax provisions, the Company supplements its in-house analysis with external advice from subject matter experts to determine and apply the most appropriate interpretation. In certain circumstances, the Company also seeks guidance/agreement from the relevant tax authorities.

The Company supports the OECD-led tax reform work on Base Erosion and Profit Shifting (BEPS) and the OECD/G20 Inclusive Framework projects. The Company understands the need for transparency by both taxpayers and tax administrators, the need to mitigate instances of multiple taxation and non-taxation of income, and therefore supports the continuing implementation of harmonized international tax rules that apply in a coherent and coordinated way. The Company's transfer pricing policy is based on the arm's length standard which prices intercompany transactions on a basis consistent with the way unrelated parties would have priced such transactions.

As a result of employment actions and capital investments made by the Company, certain tax jurisdictions provide income tax incentive grants. The Company is committed to apply these grants in the manner intended as set out in the local country's laws.

² [Coca-Cola 2021 Business & Environmental, Social and Governance Report \(coca-colacompany.com\)](https://www.coca-colacompany.com/content/dam/coca-colacompany/documents/2021/BUSINESS%20AND%20ENVIRONMENTAL%20SOCIAL%20AND%20GOVERNANCE%20REPORT%202021.pdf)

6. Relationship with Taxing Authorities

We seek to develop open and mutually respectful relationships with governments and fiscal authorities based on transparency, trust, and mutual adherence to applicable laws. We work collaboratively wherever, and whenever, possible with fiscal authorities to resolve disputes and to achieve early agreement and certainty. We engage with governments on the development of tax laws either directly or through trade associations and other similar bodies as appropriate.

In the U.K., the Company adopts an open, professional and transparent relationship at all times with His Majesty's Revenue and Customs (HMRC). The Company engages in full, open and early dialogue with HMRC in relation to tax planning, compliance, strategy, risks and significant transactions. The Company is committed to making full and accurate disclosures in tax returns and in correspondence with HMRC. The Company seeks to co-operate with HMRC at all times and to deal with issues in a timely and collaborative manner. Should genuine differences of opinion occur regarding the application of the law, the Company's primary objective is to resolve such issues with HMRC through open fact-based dialogue and with reference to the relevant legislation and tax law.