

A photograph of a group of diverse people, including a woman in the center wearing a blue denim vest, toasting with glasses of red wine. They are outdoors, with a building and greenery in the background.

2022

Tax Transparency
Report

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About this Report

This Tax Transparency Report (Report) has been prepared to provide a general overview of Endeavour Group's tax profile for the 52-week period ended 26 June 2022 (F22). It should be read in conjunction with Endeavour Group F22 Annual Report, which provides a detailed overview of Endeavour Group's financial performance for F22. Any currency referred to in the Report is in Australian dollars, unless otherwise stated.

Information presented in this report is, unless stated otherwise, current as at 30 June 2022.

Any reference to Endeavour Group, Endeavour, 'we', 'our', or 'us' refers to Endeavour Group Limited ACN 159 767 843 ('Endeavour') and its controlled entities (together 'Endeavour Group' or 'the Group').



Acknowledgement of Country

We acknowledge the Traditional Custodians of Country throughout Australia and recognise their continuing connection to land, waters and community. We pay our respects to Elders past, present and emerging and commit to continued listening to and learning from First Nations' voices.



A positive imprint on the communities in which we operate

We are passionate about creating a more sociable future: helping people come together and making memories that leave a positive imprint.

The way we create those moments matters. In everything we do, in each choice we make, we strive to create a sociable, sustainable future, thinking beyond today for our communities, our team and our planet.

Our values set the standard: we're real, we're inclusive and we're responsible.



A message from our CFO

On behalf of the Board, I am very pleased to present Endeavour Group's first Tax Transparency Report for the 2022 financial year.

Endeavour Group operates Australia's largest retail drinks network and the largest portfolio of licensed hotels. Our brand symbol - the imprint - represents the positive mark we aspire to leave on each other and on the communities we serve, as individuals and as a team, and focuses all of us every day on the responsibility to the communities in which we operate.

As the leading retail drinks and hotels business in Australia, we are pleased to report our \$1.9 billion of taxes paid to, and collected on behalf of, Australian Federal and State Governments in F22.

Endeavour Group pursues an approach to tax that is principled, transparent and sustainable in the long term. We are committed to ensuring that we maintain robust tax governance practices and full compliance with all statutory obligations.

Endeavour Group acknowledges the importance of transparency and accountability. This report provides an overview of Endeavour Group's tax profile and approach to tax governance and risk management. The information contained in this report is released on a voluntary basis in accordance with the recommendations and guidelines contained in the Board of Taxation's *Voluntary Tax Transparency Code*. The report should be read in conjunction with our 2022 Annual Report, which is available on our website at www.endeavourgroup.com.au.



Shane Gannon
Chief Financial Officer
Endeavour Group Limited

About Endeavour Group

Endeavour Group operates Australia's largest retail drinks network under the much-loved Dan Murphy's and BWS brands, and the largest portfolio of licensed hotels in communities across the country. These have the support of the digital capabilities of endeavourX, the product and services capabilities of Pinnacle Drinks and other specialty drinks businesses.

We have a 28,000-strong team of great people passionate about 'creating a more sociable future, together.' It's the reason we do what we do, guiding the way we work and keeping us focused on what matters most. That is, bringing people together to share memorable moments, building sustainable, connected communities and acting responsibly to leave a lasting, positive imprint.

Our Values



Our Ways of Working

Our approach to tax matters

Endeavour Group operates in an environment which is diverse, dynamic and continually evolving. It is exposed to various risks which must be effectively managed for the Group to live its purpose and pursue its strategic and business objectives. Endeavour Group is committed to maintaining the culture, framework and mechanisms required to manage its risks, including tax risk, in accordance with our compliance obligations and corporate governance principles and in line with our team, customer, community and shareholder expectations.

Endeavour Group's tax governance and risk management is guided by our Board approved Tax Governance Policy. This policy sets out our approach to managing tax risk and is subject to periodic review. The policy is aligned with Endeavour Group's Corporate Governance Framework and Risk Management Framework, which establishes clear lines of accountability, effective delegation and adequate oversight.

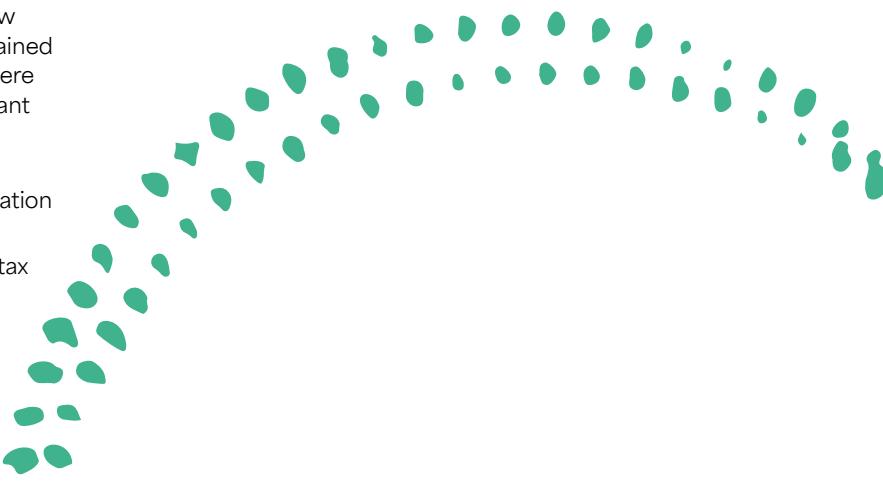
Endeavour Group strives to adopt a low level of risk tolerance in relation to its taxation matters, by applying the following principles:

- We seek to comply with all applicable tax laws, regulations and disclosure requirements.
- We have implemented a robust tax risk management framework to identify, assess and manage tax risk, with escalation and reporting of tax issues to the Audit, Risk and Compliance Management Committee and the Board, where appropriate.
- Early engagement of the Group Tax function in significant transactions to ensure proactive review and management of tax implications.
- Tax laws are inherently complex and subject to interpretation and change over time. Where a tax law or its interpretation is unclear, external advice is obtained to determine the appropriate tax treatment and, where practical and appropriate, we consult with the relevant tax authorities to proactively seek clarification.
- All material positions taken in the tax compliance process must be supportable in terms of documentation and legal interpretation.
- We do not participate in aggressive tax planning or tax avoidance arrangements.

Engagement with revenue authorities

Endeavour Group aims to maintain transparent and collaborative relationships with all tax authorities through regular communication, in particular engaging proactively on significant tax issues. We engage appropriately on the development of tax laws, either directly or through trade associations and other similar bodies.

Endeavour Group is subject to regular tax reviews and interacts with tax authorities on a range of issues as part of the ongoing engagement by these tax authorities. Subsequent to the Demerger from the Woolworths Group, the Australian Taxation Office (ATO) has determined that Endeavour Group is a "Top 100" public taxpayer based on its size relative to other taxpayers. As part of the "Top 100 Justified Trust Program", the ATO conducts income tax and GST assurance reviews and has notified Endeavour Group that it will commence these reviews in relation to the 2022 financial year.



Income taxes

The following income tax disclosures were previously published in Endeavour Group's 2022 Annual Report in Note 3.7 to the 2022 Financial Report. These disclosures were prepared in accordance with the relevant Australian Accounting Standards and Interpretations. The 2022 Financial Report reflects the 52-week period ended 26 June 2022 (F22) and comprises Endeavour Group and its controlled entities.

Income tax expense in the Consolidated Statement of Profit or Loss for the financial year comprises both current and deferred tax. Income tax is recognised in the Consolidated Statement of Profit or Loss except to the extent that it relates to items recognised in other comprehensive income, or directly in equity, in which case the tax is also recognised in other comprehensive income, or directly in equity, respectively.

Current tax represents the amount expected to be paid to taxation authorities on taxable income for the year, using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years.

Deferred tax is calculated using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting and taxation purposes. Deferred tax is measured at the rates that are expected to apply in the year in which the liability is settled, or asset realised, based on tax rates enacted or substantively enacted at the reporting date.

Reconciliation of accounting profit to income tax expense

	2022 \$M	2021 \$M
Profit before income tax	719	652
Income tax expense using the Australian corporate tax of 30%	216	196
<i>Tax effect of amounts which are not (taxable)/deductible in calculating taxable income:</i>		
Non-deductible expenses	7	9
Other	1	2
Income tax expense	224	207

Reconciliation of income tax expense to current year income tax payable

	2022 \$M	2021 \$M
Income tax expense recognised in the Consolidated Statement of Profit or Loss	224	207
Deferred tax relating to the origination and reversal of temporary differences	29	53
Current tax expense	253	260
Other adjustments ¹	18	-
Current year income tax payable	271	260

Effective company tax rates

Effective tax rate is calculated as income tax expense divided by profit before income tax.

	2022 \$M	2021 \$M
Effective tax rate for Australian and global operations ²	31.2%	31.8%

¹ Relates to capital gains tax payable on the sale of ALE Property Group recognised in Total comprehensive income and prior year adjustments recognised in the F22 income tax expense that do not impact the current year income tax payable.

² The Group operates primarily in Australia with some operations in New Zealand, which are immaterial to the Group.

Australian tax contribution summary

Endeavour Group's economic contribution to the Australian economy in F22 was \$1.9 billion of taxes paid to, and collected on behalf of, Australian government authorities. Endeavour Group is subject to Federal and State government taxes including income tax and other taxes such as payroll taxes, gaming taxes and fringe benefits tax. Endeavour Group also collects and remits taxes such as PAYG withholding tax, goods and services tax (GST) and wine equalisation tax on behalf of the Australian Government.

Total taxes paid and collected

\$1,927M

Taxes paid by Endeavour Group and its controlled entities¹

	2022 \$M
Corporate Income tax ²	244
Other taxes	
Gaming tax ³	599
Payroll tax	72
Customs and excise duties	288
Other (including fringe benefits tax)	4
Total taxes paid	1,207

Percentage of taxes paid by Endeavour Group and its controlled entities¹



¹ Represents payments made by Endeavour Group and its controlled entities during F22 in relation to Australian taxes.

² Corporate Income tax paid includes payments made during F22 for prior year instalments and final payments and F22 income tax instalments.

³ Represents gaming taxes payable on gaming revenue for F22 and excludes payments for Victorian gaming entitlements, which are recognised as intangible assets. On 16 August 2022, in the ordinary course of business, \$310 million in additions to intangibles were recognised for Victorian gaming entitlements renewing Endeavour's right to operate electronic gaming machines in its hotels in Victoria. The useful economic life of these gaming entitlements is 10 years.

International dealings

Endeavour Group Limited has a wholly owned subsidiary, Endeavour Group International (NZ) Limited that actively trades as a grape grower and winery in New Zealand. During F22, the dealings between the Endeavour Group's Australian operations and this subsidiary were immaterial.

Taxes collected by Endeavour Group and its controlled entities¹

	2022 \$M
Net GST ²	368
Wine equalisation tax ³	101
PAYG withholding from employee salary & wages	251
Total taxes collected	720

Percentage of taxes collected by Endeavour Group and its controlled entities¹



¹ Represents taxes collected and remitted by Endeavour Group and its controlled entities during F22 in relation to Australian taxes.

² Net GST represents GST collected on Australian sales less input tax credits claimed on supplies.

³ Wine Equalisation tax is imposed on wine made, imported or sold wholesale in Australia.

► **Further information**

Further information about Endeavour Group's operations is available on our website www.endeavourgroup.com.au