

Foot Locker UK – 2018 Tax Strategy

The Foot Locker, Inc. Code of Conduct requires all of its employees throughout the world to always operate with honesty, integrity, and fairness in everything that they do. Our business has a strong focus on corporate responsibility. Consistent with these values and focus, we endeavor to fully comply with tax law and practice, including the filing of appropriate tax returns and making tax payments in all of the countries in which we operate, including the United Kingdom (“UK”). Compliance means paying the right amount of tax in the right place at the right time and requires disclosing all relevant facts and circumstances to the tax authorities and claiming reliefs and incentives where available.

In compliance with section 161 and section 19(2) of schedule 19 Finance Act 2016, the companies listed below are publishing their tax strategy for the year ending 31 December 2018. This strategy will apply to the following UK companies:

Foot Locker UK, Ltd.
Freedom Sportsline Limited
(Hereinafter, both entities are referred to as “Foot Locker UK”)

Risk Management and Governance

We recognize that managing tax compliance is increasingly complex with potential compliance and reporting, transactional, and reputational risks. Our internal structure is set up to ensure that diligent professional care and judgment will be employed to assess tax risks in order to arrive at well-reasoned conclusions on how risks should be managed. Where there is uncertainty as to the application or interpretation of tax law, appropriate written advice evidencing the facts, risks, and conclusions may be sought from third party advisers to support the decision-making process.

The Board of Directors understands the importance of tax compliance and how it is achieved. There is regular dialogue between the Board and those individuals tasked with the operation of our tax and finance functions regarding the way our business manages its tax risk. The business portrays a positive view towards tax compliance and the importance of meeting our tax obligations. We regularly review how we meet our tax obligations by, inter alia, seeking external tax advice when appropriate and investing in tax training for our staff.

Tax Planning

Foot Locker UK, in line with its responsibilities to shareholders, will engage in tax planning as part of its overall business strategy to ensure it pays the right amount of tax within the limits of UK law. Any tax planning undertaken will have commercial and economic substance. We will not undertake tax planning that is controversial or artificial because we have a responsibility to minimize our tax and reputational risks.

Tax Risk

The Board sees compliance with tax legislation as key to managing our tax risk. Accordingly, Foot Locker UK does not accept risk in relation to UK taxation that is outside normal commercial levels of risk that arise from risk of inadvertent error or a difference in interpretation of legislation. We understand the importance of tax in the wider context of business decisions and have processes in place to ensure that tax is considered as part of our decision making process. We have relationships with professional advisers that allow us to seek expert advice on specialist areas of tax. Our approach is to ensure we are compliant and understand our responsibilities with regards to tax, rather than looking for ways to aggressively avoid payment of tax.

Relationship with HM Revenue & Customs (“HMRC”)

Foot Locker UK seeks to comply with its tax filings, tax reporting, and tax payment obligations. From time to time, our views on the appropriate tax treatment in any given case may differ from those of the tax authorities. Where such circumstances arise, all dealings with HMRC will be conducted in a collaborative, courteous, and timely manner. The aim would be to strive for early agreement on disputed matters and to achieve certainty wherever possible.