

FERRERO GROUP

UK TAX STRATEGY

In accordance with Paragraph 19(2) Schedule 19 Finance Act 2016 this represents the tax strategy of the UK subsidiaries of the Ferrero Group as listed at Appendix 1 ("Ferrero UK") in effect for the year ended 31 August 2024.

The UK Tax Strategy has been approved by the boards of directors of the UK companies. It is reviewed annually and updated as appropriate.

Background

Ferrero has been a leading confectionary-maker for over 70 years. Ferrero produces many iconic brands that are loved by generations and sold in more than 170 countries these include; Nutella, Ferrero Rocher, Tic Tac and Kinder. The Ferrero Group is also the owner of the Thorntons and the Eat Natural brands.

Tax Objectives

Ferrero UK, in accordance with the principles set out in the Group Tax Policy, have set out the following six objectives to in relation to the management of the Ferrero UK's tax affairs.

- **Tax value:** Efficiently manage the tax obligations arising from its business activities, ensuring Ferrero UK is in compliance with all the relevant laws and obligations.
- **Risks and reputation:** Control and manage tax risks and protect the reputation of Ferrero UK through appropriate policies, procedures, organisational solutions and communication tools, including appropriate internal audit testing of such controls.
- **Tax compliance:** Ensure that Ferrero UK acts with integrity and taxes due are correctly determined, ensuring accurate and timely filings and payments with HMRC.
- **Promotion of a virtuous corporate culture:** Promote awareness to the values - transparency, honesty, accuracy and compliance with the law; at all

levels within the organisational structure.

- **Relations with the tax authorities:** Establish relations with the tax authorities based on good faith and transparency with the aim of enhancing long-term relationships; ultimately leading to being recognised as a reliable taxpayer to establish open and collaborative relationships.
- **Build capability:** Develop and strengthen the personal and professional skills of the resources involved in the tax process and in the management of the risks associated with them.

Tax risk appetite and risk management

Accountability for the UK tax strategy rests with the UK Boards along with the overall stewardship of our UK risk management framework. The responsibility for implementation of the tax strategy and internal tax control framework is delegated to the UK & Ireland Chief Financial Officer, who is also the Senior Accounting Officer, and is supported on a day-to-day basis by an experienced Finance and Tax team.

Ferrero UK has established tax risk management processes that enable the identification, assessment, management and mitigation of key tax risks along with ensuring it complies its tax compliance obligations.

Ferrero UK recognises the need to proactively manage its tax affairs. Where there is uncertainty over the tax treatment, advice may be sought from external tax advisors and/or HMRC, to ensure Ferrero UK remains compliant in all their operations.

Ferrero UK has a zero-tolerance approach towards tax evasion or the facilitation of tax evasion by any person acting for or on behalf of Ferrero UK.

Tax Planning

In line with the principles in the Group Tax Policy, Ferrero UK strives to achieve certainty on the tax positions they adopt. If and where the tax obligations are unclear or subject to interpretation, Ferrero UK will seek appropriate external advice that gives due consideration to tax law and prevailing practice.

In cases where, based on an objective assessment by management, margins of uncertainty persist on the interpretation or incompleteness of tax laws, the Ferrero UK will not take positions that it would not be prepared to fully disclose to HMRC.

Ferrero UK will not undertake tax practices or strategies that could be perceived as intended to erode the tax base or artificially transfer profits.

Ferrero UK, in line with the policies of the Ferrero Group, will only undertake transactions, establish business relationships or implement corporate structures that reflect the economic nature of the arrangements and our operations.

Group approach to relationship with HMRC

Ferrero UK is committed to working with HMRC in an open, collaborative and constructive manner. It is Ferrero UK's policy to establish a positive relationship with HMRC based on good faith and transparency.

Ferrero UK aims to provide information requested by HMRC on a timely basis and to keep HMRC informed of any material business developments and any areas of concern or uncertainty through regular business update meetings.

Appendix 1

UK subsidiaries of the Ferrero Group

Ferrero UK Limited
Thorntons Limited
Strand Court Properties Limited
Gartner Pralines Limited
Imco (3496) Limited
Eat Natural Limited
Fulfil Nutrition GB Limited