

Ferrero Group

UK Tax Strategy

In accordance with Paragraph 16(2) Schedule 19 Finance Act 2016 this represents the tax strategy of the UK subsidiaries of the Ferrero Group as listed at Appendix 1 ("the UK Companies") in effect for the year ended 31 August 2021.

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

Company objectives in relation to the tax variable

The UK Companies, in accordance with the principles set out in the Group Tax Policy, has set out the following six objectives to be pursued continuously in managing their tax affairs.

- *Tax value*: Efficiently manage the "tax burden" arising from its business activities, in compliance with all the relevant laws and obligations and with the principles and purposes of the tax system.
- *Risks and reputation*: Control and manage tax risks and protect the reputation of the UK Companies through appropriate policies, procedures, organisational solutions and communication tools, including appropriate internal audit testing of such controls.
- *Tax compliance*: Ensure that the UK Companies act with integrity and taxes due are correctly determined, respecting the timing and the requirements associated with them, to avoid disputes with the tax authorities.
- *Promotion of a virtuous corporate culture*: Promote awareness to the values - transparency, honesty, correctness 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 counterpart 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.

Risk appetite and risk management

In observance and implementation of the principles contained in the Group Tax Policy, the UK Companies strive to achieve "certainty" on the tax positions they adopt. Where the tax obligations are unclear or subject to interpretation, the UK Companies will seek and retain evidence of external advice that, considering the probability of the different scenarios, a possible dispute over the position adopted would be resolved in their favour.

In cases where, based on an objective assessment by management, margins of uncertainty persist on the interpretation or incompleteness of tax laws, the UK Companies will act in full transparency with the tax authorities. The UK Companies, in collaboration with the tax

authorities, will determine the appropriate level of taxation, using all relevant tools made available by the law.

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

The UK Companies, in line with the policies of the Ferrero Group, will not undertake transactions, establish business relationships or implement corporate structures with the prevailing purpose of tax savings, in the absence of economic substance or other valid non-marginal reasons.

Approval

This strategy, as adopted for the previous financial year, remains appropriate for the financial year ended 31 August 2021 and has been approved by the boards of Ferrero UK Limited and other UK subsidiaries of Ferrero International S.A. They consider the publication of this UK Tax Strategy as complying with their duties under paragraph 19(2) of Schedule 19 to the Finance Act 2016.

Appendix 1
UK subsidiaries of the Ferrero Group

Ferrero UK Limited
Ferholding UK Limited
Thorntons Limited (incl. its subsidiaries as below)
 Strand Court Properties Limited
 Gartner Pralines Limited
 Imco (3496) Limited
Eat Natural Limited (incl. its subsidiary as below)
 Apricot Natural Limited
Hand2Mouth Limited