



Tax Strategy

Reviewed & updated December 2021





Froneri

Froneri is a leading global ice cream business, operating in over 23 markets across the world. The group produces ice cream, frozen food and chilled dairy products and is the second largest manufacturer of ice cream globally. The Froneri family includes over 12,000 employees, who are all supporting Froneri to become the world's greatest ice cream company.

Froneri is a joint venture, owned in equal shares between the European private equity firm PAI Partners, and Nestlé, the world's leading nutrition, health and wellness company.

The Froneri group is headquartered in the UK and Froneri Lux Topco Sarl is the ultimate corporate entity in the group.

Introduction

This document sets out the tax strategy for the Froneri group. The group's direct contribution to taxation spans corporation income taxes, indirect taxes and employment taxes payable and reportable to fiscal authorities globally.

This document has been prepared to comply with the requirements of paragraph 16(2) and paragraph 25(1), Schedule 19 of the Finance Act 2016. The UK tax strategy has been reviewed and approved by the Chief Financial Officer [CFO] in December 2021. The Froneri Tax Strategy is reviewed and updated annually, with this latest version applying for the financial year ending 31st December 2021.

Approach to Tax Strategy

Froneri is a leading ice company and our focus will always be to create the very best ice cream products possible, to both satisfy and excite the consumer. The primary role of the tax function within Froneri is to ensure a strong level of tax compliance across all areas of taxation. Providing a strong base of compliance allows the business to focus on the key commercial matters.

Froneri has a responsibility towards all its stakeholders to ensure that it behaves in a responsible way on tax matters and ensure that the right amount of tax is paid in each country we operate in. This includes the responsibility to Froneri's shareholders to make sure Froneri does not pay excessive levels of taxation and that double taxation is avoided whenever possible. Decisions within Froneri are commercially driven and the role of the tax function is to support the commercial operations.

Responsibility for Tax matters

The board delegates the day to day executive management of the group to the Management Board of Froneri International Limited, with the CFO of the Froneri group being the Board member with executive responsibility for finance and tax matters. The CFO is supported on all tax matters, including Tax Governance and Froneri's Tax Strategy, by Froneri's Head of Tax and Froneri's Group Finance Director.

Within each market where Froneri operate there is a senior management team, including a Country Head and a Head of Finance. The Head of Finance is responsible for local level tax matters, with support from external advisers, the Head of Tax and the wider tax team as required.

Approach to risk management and governance arrangements

Froneri has in place a Tax Governance Framework to ensure that tax governance matters are suitably supported and considered. Froneri actively seeks to identify, evaluate, monitor and manage tax risks.

Froneri is compliant with its Senior Accounting Officer requirements and actively assesses opportunities to further develop internal controls where these are considered beneficial.

The Head of Internal Audit assesses Froneri's internal controls and reports on all matters to Froneri's Audit Committee. The Head of Tax and Head of Internal Audit work closely together to ensure that suitable internal controls support Froneri's tax procedures and that these controls are maintained and monitored appropriately.

The UK's Corporate Criminal Offence legislation was introduced in the Criminal Finances Bill 2017 and Froneri is committed to ensuring that reasonable preventative procedures are put in place to provide protection from any material risks identified.

Attitude to tax planning and tax risk

Froneri values certainty on tax-related matters and will take steps to reduce tax risks where possible and practical. The Froneri group aims to report the right and proper amount of tax due according to where value is created and is committed to paying taxes due and ensuring compliance with all applicable legislative requirements in both the UK and globally.

The group only adopts tax planning arrangements to the extent that it supports commercial activities, and with the firm requirement that Froneri remains compliant with all relevant tax legislation. Where there is uncertainty over interpretation of tax law, Froneri will consult with external advisors and the relevant tax authority as necessary, to minimise uncertainty and risk.

Working with Tax Authorities

The group operates a transparent approach to its interaction with all tax authorities. Froneri is committed to meeting its compliance obligations in a timely manner, making accurate returns and providing adequate disclosure on returns and in relation to specific transactions. Any inadvertent errors made, should they occur, will be fully disclosed as soon as reasonably practicable after they are identified.

The group undertakes regular meetings with Tax Authorities to discuss tax matters and business developments.