

# UK

# Tax Strategy

Approved by the Board of Directors of Danone Holdings (UK)  
Approved by the Tax Director of Danone Group  
September 2022



# CONTEXT

The publication of this UK Tax Strategy statement is regarded as satisfying the statutory obligation under Para 19(2), Schedule 19, Finance Act 2016 in line with Danone's profile for the accounting period ended 31 December 2021. Danone UK refers to all UK entities within the Danone Global Group.

Since 1972, Danone's mission has been built on dual objectives, achieving business success at the same time as ensuring social progress.

We believe that our company's responsibility does not stop at the factory gates but extends to cover all our stakeholders: employees, shareholders, suppliers, consumers, customers, collaboration partners and the communities in which we work.

At Danone, everything we do must respect our ethical standards and the laws of all countries where we operate. Our Business Code of Conduct sets out our commitment to our stakeholders and the standards of behaviour to which all of us at Danone must adhere. This is vital not only for the effectiveness and the sustainability of our business, but also for the continued reinforcement of our dual economic and social commitments.

The Danone Business Code of Conduct is available at <http://www.danone.com>

Danone's tax affairs are managed in a way which takes into account Danone's wider reputation, brand, and social and corporate responsibilities. In line with our "dual social and economic project", we are committed to managing our tax policy in a responsible, transparent, and sustainable way. This supports the way Danone does business.

The Danone UK Tax Strategy is aligned with the principles of the Danone Global Tax Policy, which is available within the 2021 Tax Transparency Report at [www.danone.com](http://www.danone.com).

# The Danone UK Tax Strategy comprises of 4 key components:

## **ENSURING COMPLETE COMPLIANCE**

We are committed to full compliance with all statutory obligations. We seek to comply with our tax filing, tax reporting and tax payment obligations in the UK; to ensure that the right amount of tax is paid at the right time.

In relation to cross-border transactions, we apply the OECD standard and ensure that the transfer pricing policies implemented respect the “arm’s length principle”.

Whilst we seek to get things right first time we work in an environment of continuous improvement. Any inadvertent errors in submissions made to HM Revenue & Customs are fully disclosed as soon as reasonably practical.

## **SUSTAINABLE APPROACH TOWARDS TAX PLANNING AND LEVEL OF RISK**

The ambition of the UK Tax Strategy is to bring value to our stakeholders; to maximise the tax efficiency of business transactions including taking advantage of available tax incentives and exemptions. We seek to do this in a way that is aligned with the commercial objectives.

When proposing tax solutions, we will not implement aggressive tax planning schemes that would disconnect from the conduct of the business or enter into artificial tax planning arrangements.

We have a low-risk appetite in respect of taxation and seek to minimise the risk of uncertainty or disputes. Any potential planning is assessed against the Business Code of Conduct.

## **CONSIDERED RISK MANAGEMENT**

The Global Tax Director for Danone owns and implements the Group's approach to tax which is approved by the main board. The Global Tax Director is also responsible for ensuring that policies and procedures that support the approach are in place, maintained and used consistently around the world and that the regional tax teams have the skills and experience to implement the approach appropriately.

The UK approach to tax is approved by the board of Danone Holdings (UK) and the Global Tax Director. The Board of Danone Holdings (UK) delegates responsibility for the supporting governance framework and management of tax risk to the One Danone Business Services Director. Day-to-day responsibility sits with the UK Head of Tax.

We follow Danone's risk management system as part of our internal control process. We regularly seek professional opinions and advice from independent external advisors on tax matters, on areas of complexity or uncertainty to support the UK in complying with its tax strategy. We identify, assess, and manage tax risks and account for them appropriately. We implement risk management measures including controls over compliance processes and implement and monitor their effectiveness.

## **OPEN AND TRANSPARENT RELATIONSHIP WITH HM REVENUE & CUSTOMS**

We are convinced that increased transparency towards tax administrations will ultimately contribute to reduce unfair competition and hence benefit our business. Danone UK seeks to have a transparent and constructive relationship with HM Revenue & Customs. However, situations may arise where positions are challenged and 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, we will work constructively and proactively with HM Revenue & Customs with a view to achieving an early resolution to any matters arising.