



## **Tönnies UK – 2020 TAX STRATEGY**

This paper sets out the tax strategy of Tönnies UK companies (hereinafter “Tönnies UK”). Tönnies UK is part of the Tönnies Group headquartered in Rheda-Wiedenbrück, Germany (hereinafter “Tönnies Holding”).

In compliance with paragraphs 19(2) and 22(2) of Schedule 19 of the Finance Act 2016, Tönnies UK is publishing its tax strategy for the year ending 31 December 2020. We confirm that this strategy applies to CPC Food Ltd. and its UK subsidiaries, Tican UK Holdings Ltd. and its UK subsidiaries and Tican Process Holding Ltd. and its UK subsidiaries. The tax strategy also applies to the following UK entities:

- Tönnies Fleisch UK Ltd.

Our business has a strong focus on corporate responsibility, and we see responsible administration and payment of taxation as a responsibility of our business.

Our overall tax strategy is to:

- Meet all legal requirements and to make all appropriate tax returns and tax payments.
- Seek to utilise available tax reliefs and incentives where available in a manner which is consistent with the government’s policy objectives.
- Consider the tax impact in major or complex business decisions, for example acquisitions.
- Operate in an environment where we consider tax in the context of our reputation and brand.
- Comply with appropriate tax risk processes, and ensure there is Board oversight into this compliance.

### **Tönnies UK risk management and governance arrangements**

We want our tax affairs to be transparent and compliant with tax legislation, and recognise that managing tax compliance is increasingly complex. Our internal structure is set up to ensure:

- The Board of directors understand the importance of tax compliance, and how it is achieved.
- There is a constant dialogue between the Board and those individuals tasked with the operation of our finance function, regarding the way our business manages its tax risk.
- The business portrays a positive view towards tax compliance and the importance of meeting our obligations.

We keep under review how we meet our tax obligations, by seeking external tax advice, investing in tax training for our staff and also how we manage our relationship with tax authorities.

Day to day tax business is delegated to the local UK management. Thus, all tax matters are under the responsibility of the local management of Tönnies UK, except for any issues with potential cross-border implications, which are coordinated and reconciled with the tax department of Tönnies Holding.



### **Tönnies UK group attitude regarding tax planning**

We undertake tax planning as part of our overall business strategy. Professional advice is sought on a transactional basis, with the depth of such advice being driven by our assessment of the risk presented by each opportunity. We do not undertake aggressive tax planning, the sole purpose for which would be obtaining a tax advantage. We have a responsibility to minimise our tax risk and our exposure to negative publicity through non-compliance.

### **Tönnies UK group attitude towards risk**

The Board sees compliance with tax legislation as key to managing our tax risk. We understand the importance of tax in the wider context of business decisions and have processes in place to ensure 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.

The Board is conscious of the negative publicity attracted by a bad attitude towards tax, and sees strong internal processes and a good relationship with our professional advisors as the best way to manage this reputational risk.

It is important to Tönnies UK to comply with all tax requirements. Thus, the level of risk it is willing to accept with regard to tax matters is low.

### **Description of the relationship with HM Revenue & Customs (HMRC)**

Our communication with HMRC is focussed around timely tax compliance, for example meeting relevant filing and payment deadlines for taxes the company pays.

We employ the services of professional tax advisers to act as our agents, and in a number of cases they liaise with HMRC on our behalf. This is seen by the Board as a way to ensure we get the most out of our relationship with HMRC, thus reducing our tax risk.

Tönnies UK attempts to be transparent in its tax operations and will openly address any significant changes with regard to tax matters to HMRC.

This tax strategy was approved by the Board of Tönnies group on 17. March 2021 and has been published on 17. March 2021.