PAULIG GROUP: UK TAX STRATEGY

Updated 13 June 2025

Paulig Group (‘Paulig’) is a family-owned, international enterprise in the food & beverage industry, founded in 1876. Paulig provides all things tasty; coffees and beverages, Tex Mex and spices, snacks and plant-based choices. The company's brands are e.g. Paulig, Santa Maria, Risenta, Poco Loco and Zanuy.

Paulig is publishing its tax strategy in accordance with Schedule 19 of the Finance Act 2016, for the year ending 31st December, 2024. This UK tax strategy is applicable to Paulig’s UK subsidiaries:

- Santa Maria UK Ltd
- Snack Food Poco Loco UK Ltd
- Panesar Food Limited
- Global Choice Foods Limited
- BJ Packaging Solutions Limited
- Panesar Foods (Holdings) Limited

In Paulig we understand and acknowledge our corporate responsibility and are committed to paying the right amount of taxes in the right country and at the right time. We pay taxes in each country based on the value creation principle. In addition to direct income taxes, we contribute to society in the form of payroll taxes, pension and social security contributions, value added taxes, customs duties as well as excise, real estate and environmental taxes.

Our UK tax strategy is based on the same guiding principles that are defined in Paulig’s global Tax Policy: Compliance with regulations; Transparency, Integrity and co-operation with authorities; Effective management of tax risks; and Business partnering and shareholder value. These principles are also guiding our tax strategy in the UK operations.

In the below chapters we provide further information about our UK Tax Strategy, in accordance with the Section 19 of the Finance Act 2016.

(A) Approach to Tax Risk Management and Governance

Tax risks can be categorized to operational, technical and legislative tax risks. Operational tax risks may incur due to compliance failure. We believe at Paulig that internal guidelines, training, control points and pre-defined processes are key measures to effective mitigation of operational tax risks. We also put efforts to timely and appropriate documentation of transactions as a means to mitigate future tax risks.

Technical tax risks may derive from uncertainty in the interpretation or application of tax law. In order to mitigate such technical tax risks, we ensure that our in-house tax resources are on appropriate level and external advice is obtained when necessary. Furthermore, we seek to engage in proactive processes with tax authorities whenever feasible.

Legislative tax risks may incur in case of failure to identify or implement changes in tax legislation. To mitigate legislative tax risks, we closely monitor any planned developments in tax legislation in UK and other Paulig countries and engage early in internal processes to implement the necessary changes in our relevant processes.

In case any potential tax risks are identified by in-house Finance employees, they are first discussed with Paulig Group's Tax Director and, if necessary, with other relevant persons in Paulig's Finance and/or Legal functions. Also external tax advisers may be engaged, if necessary. As soon as possible, an action plan is created by the above-mentioned stakeholders for mitigating the potential tax risk and ensuring compliance with tax regulations.

(B) Approach to Tax Planning

We are committed to following the UK and other applicable tax regulations as well as paying and collecting all relevant direct, indirect and other taxes timely and according to the tax legislation in all countries where we operate. Our transfer pricing model is based on the value creation principle: taxes are paid where the economic value is created. We apply the arm's length principle in all inter-company transactions as set forth in the OECD Transfer Pricing Guidelines.

Business decisions at Paulig are always based on commercial rationale and the tax function aims at supporting the business in a tax-efficient manner. We do not carry out aggressive tax planning, establish or maintain artificial structures to get tax benefits, or operate in any tax havens. Instead, the location of our group entities is fully driven by business reasons (e.g., location of customers, suppliers, raw materials or know-how).

In order to protect shareholder value, we aim at tax-efficiency and obtaining competitive tax position in our commercial activities. This means particularly preventing double taxation and utilizing the legal tax planning possibilities, such as tax loss carry forwards, tax groups, potential tax incentives provided by laws, and exemptions allowed by the applicable legislation.

(C) Acceptable Risk level in Taxation

Since our guiding tax principles at Paulig include compliance with regulations and tax risk mitigation, our appetite for tax risk is low. We are committed to following our internal procedures to mitigate tax risks as efficiently as possible, as described above in Chapter (A).

(D) Approach to Co-operation with HMRC

We strive for completing and filing all UK tax returns and other statutory tax disclosures in due time. The transfer pricing documentation with relevant benchmark analysis is updated annually and disclosed to HMRC when requested.

We are transparent with HMRC and openly communicate our approach to tax. We aim at predictability in tax matters which means that we prefer open dialogue, proactive communication and advance rulings with tax authorities where possible. We seek to develop co-operative relationships with HMRC based on mutual trust and transparency. We are committed to providing all necessary information to HMRC promptly when requested.