



Nestlé Good food, Good life

Nestlé in the UK - Tax Strategy

In compliance with section 161, paragraph 19(2) and paragraph 25(2) of Schedule 19 Finance Act 2016, the UK entities of Nestlé SA are publishing their Tax Strategy for the year ending 31 December 2020 onwards.

The Nestlé SA Group has developed [Principles of Tax Management and Foundations](#) for the long-term Group Tax Strategy. The principles are based on the recognition that Tax is an integral element of Nestlé's overall corporate social responsibility, and on the fundamental objective of tax compliance, legitimate and responsible planning. These Principles and Foundations are in line with the [Nestlé Corporate Business Principles](#) and the [Code of Business Conduct](#), and are cascaded down to, and monitored across, the Tax Organisation, both at Group and Market levels.

Nestlé in the UK has a tax governance structure in place that is led by a professional UK in-house tax team covering all aspects of UK taxes and activities. The tax team is responsible for UK tax compliance, planning and tax risk management. It operates within the Finance and Control department and receives support from specialised Shared Service Centres, the Group Tax Department ("Group Tax") and professional external advisers.

Tax Strategy

- We have a fiduciary duty toward our shareholders to manage and plan our total tax costs of doing business, in compliance with the tax law and practice in the UK, the Nestlé Corporate Business Principles and the Nestlé Group Tax Management Principles, taking into account potential impacts on stakeholders and our reputation.
- Our Tax Organisation, as a business partner function within Finance and Control, aims to create and protect shareholders' value and minimize tax risks through proactive tax management of our business operations. We do not have any performance objective (KPI) based on effective tax rates or tax payments.
- We engage in sustainable tax planning by analysing and managing the tax impacts of current and future business operations and transactions, based on genuine business rationale and with a long-term view of sustainability and predictability.
- We do sustainable, business driven planning related to the Group's business models, its supply and value chains, structure, organisations, assets, investments and financing.
- Nestlé complies with the Group Transfer Pricing Policy which is in line with the Organisation for Economic Co-Operation and Development ("OECD") transfer pricing principles.



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Working with the tax authority

- We pay the right amount of tax at the right time as agreed by the tax authority and in line with the UK tax law and applicable practices.

Working with the tax authority (continued)

- We engage in open and transparent dialogue with the tax authority, encouraging a cooperative approach to tax compliance.
- Material issues will be discussed at an early stage with the tax authority, where possible, in advance of implementation.
- In the event that an error is discovered, we will make full voluntary disclosure of the relevant facts to the tax authority in order to correct the situation on a timely manner and adopt actions to prevent reoccurrence where applicable.

Tax governance, structure and organisation

- The Board of Directors believes in the importance of a strong compliance culture that is fully embedded across the business.
- We ensure that we meet our Tax Strategy by operating and maintaining an Accounting and a Tax governance control framework.
- We take our UK SAO (Senior Accounting Officer) obligations seriously and have a continuous review programme embedded into our Tax Governance Framework.
- We ensure tax personnel keep up to date with developments by attending suitable training courses, professional seminars and by technical reading.
- We obtain external advice where warranted by circumstances and complexities. Consultants are selected with reference to skills, experience and value.
- We regularly update our internal stakeholders and the tax authority on material matters affecting all aspects of management of UK taxes.
- We will liaise effectively with Nestlé Group Tax to ensure that a group perspective is reflected when we seek to optimise the market position.
- We evaluate and manage business risks regularly, consider and apply changes in legislation.



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Nestlé UK Group confirm that this Tax Strategy was approved and applied by the following entities:

BUXTON MINERAL WATER LIMITED

CEREAL PARTNERS UK

NESPRESSO UK LTD

NESTEC YORK LTD

NESTLÉ HOLDINGS (U.K.) PLC

NESTLÉ UK LTD.

NESTLÉ UK PENSION TRUST LTD.

NESTLÉ UK PENSIONS RESERVOIR TRUST
LIMITED

NESTLÉ WATERS (UK) HOLDINGS LIMITED

NESTLÉ WATERS GB LIMITED

NESTLÉ WATERS UK LTD

OSEM UK LTD

PURLAW COMPANY

RAW PRODUCTS LIMITED

VITAFLO (INTERNATIONAL) LIMITED

VITAFLO INTERNATIONAL HOLDINGS
LIMITED

VITAFLO LIMITED

TERRAFERTIL UK LIMITED

NESTLÉ PURINA UK COMMERCIAL
OPERATIONS LIMITED

NESTLÉ PURINA UK MANUFACTURING
OPERATIONS LIMITED

TAILSCO LIMITED

PRINCES GATE SPRING WATER LIMITED

PRINCES GATE WATER LIMITED

PRINCES GATE WIND POWER LTD

LILY'S KITCHEN LIMITED

LILY'S KITCHEN NOMINEE LIMITED