

## UK TAX STRATEGY STATEMENT

### UK Tax Strategy

This document has been prepared in accordance with the requirements of Schedule 19 Finance Act 2016 for FRESH COSMETICS LTD (“the Company”) to publish its UK tax strategy online and sets out the Company’s approach to tax for the year to 31 December 2023.

### Overview

The Company’s UK tax strategy reflects the principles set out in LVMH Code of Conduct which is published on LVMH’s institutional website. The LVMH Code of conduct provides a common framework and a set of principles that inspire our business conduct and guide us in the exercise of our responsibilities.

The adherence to national and international laws and regulations and the application of best practice policies are fundamental principles underpinning the LVMH Code of Conduct. We are committed to respecting both the letter and the spirit of the law and to pursuing the values and principles in the LVMH Code of Conduct to ensure responsible behavior.

As a subsidiary of a globally-renowned luxury goods group (“LVMH Group”), we have a strong focus on corporate responsibility and consider the due administration of our tax obligations to be a key responsibility. Our approach reflects that of the LVMH Group globally.

Furthermore, we recognise the importance of being transparent in respect of the taxes we pay.

### Risk management and governance arrangements

We are committed to ensuring that our tax affairs are transparent and compliant with UK tax legislation and recognise that the tax compliance obligations for UK companies are becoming increasingly complex.

The Company’s UK tax strategy is guided by an overall adherence to corporate responsibility. The day-to-day tax affairs of the Company is relatively straightforward, under the responsibility of the local Chief Financial Officer and local team which can be assisted by UK tax advisors and professional accountants who are experts in their respective fields, in line with the high standards of the LVMH Group.

The Management has set out the Company’s tax objectives and guiding principles as follows:

- To comply with all applicable tax laws and regulations;
- To seek to utilise available tax reliefs and incentives, where available, in a manner which is consistent with the government’s policy objectives;
- To meet its compliance obligations in a timely and accurate manner; and,
- To collaborate with HMRC to resolve any issues.

The Company is obliged to nominate a Senior Accounting Officer (“SAO”) who is personally responsible for ensuring that the Company has taken reasonable steps to establish and maintain tax accounting arrangements that enable the tax liabilities to be calculated accurately in all material respects.

The corporation tax returns of the company are prepared by our external UK tax compliance providers and are based on information supplied by the Company. These are reviewed and approved by the Company prior to submission to HMRC.

The reporting and payment of Indirect taxes and Payroll taxes are subject to the system and controls approved by the SAO as appropriate tax accounting arrangements.

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The Company also receives support from the LVMH Group. The Group provides an additional level of tax technical expertise to the Company on matters of group relevance (e.g. the application of Group Relief) and is in charge of informing the group companies of important UK developments with the help of external UK advisers.

It is the Company's policy to seek advice from external tax experts in respect of non-routine transactions or exceptional items (e.g. an acquisition or disposal of assets) to ensure that the tax consequences are identified and appropriately reported.

The Company recognizes its obligations under the Corporate Criminal Offence (CCO) regime and strives to take steps to ensure that it complies with it. The company expect all its employees, agents, business partners, or other persons associated with, not to engage in any activity which facilitates tax evasion.

### **Tax planning**

The Company takes a conventional approach to a tax planning.

Any operation and project undertaken by the Company must be aligned to its commercial transactions and to its economic activity.

It is the policy of the Company to claim any appropriate tax incentives and reliefs.

### **Attitude towards Risk**

The Company is not prepared to accept anything other than immaterial levels of risk in respect of the application of UK legislation.

The Company considers timely compliance with tax legislation to be key to managing the Company's tax risk and does not engage in artificial tax schemes. As explained above, the company benefits from Group oversight on certain specific tax matters and makes use of the expertise of external tax advisers to manage its tax risk exposure.

Tax legislation is often complex and subject to interpretation. Consequently, if uncertainty arises in relation to a significant or complex tax position, the Company may seek to minimise any uncertainty by entering a dialogue with HMRC.

### **The Company's approach towards its dealings with HMRC**

The Company seeks to maintain an open, cooperative and professional working relationship with HMRC and its Customer Compliance Manager ('CCM').

The LVMH Group Tax team meets on an annual basis with the CCM to provide a group-wide business update, to receive feedback from HMRC in respect of HMRC's risk assessment of the Group and to follow up on any individual issues which relate to the Company.

It is the Company's intention to promptly advise HMRC of any tax compliance discrepancies which have been identified and to regularise the situation.

The Company employs the services of professional tax advisers to act as its agents, and where appropriate, they liaise with HMRC on its behalf on a real-time basis.