


# TAX CHARTER

29 mars 2022



The Groupe Rocher is a family-owned group built around 9 committed brands (Yves Rocher, Arbonne, Stanhome, Petit Bateau, Dr Pierre Ricaud, Kiotis, ID Parfums Paris, Flormar, Sabon), which today make it a key player in the well-being, beauty, and textile sectors.

Proud of its Breton roots and attentive to the preservation of its local anchorage, the Groupe Rocher has gradually turned towards international markets, and its products are now distributed in 119 countries.

The Groupe Rocher, with deep and solid roots, is built around 4 fundamental values shared by all the Group's brands, which guide its actions and are embodied in each of its endeavors:

- ❖ Commitment
- ❖ Respect
- ❖ Excellence
- ❖ Passion

Thus, the Groupe Rocher supports the vision that today's economies can only rely on fair tax systems that facilitate reasonable investments and foster sustainable and inclusive growth.

In tax matters, the Groupe Rocher is committed to acting responsibly and transparently. To achieve this, the Groupe Rocher establishes and implements its tax policy in accordance with the following 3 key principles:

- ❖ Support the development of the Group's activities and a fair share of tax.
- ❖ Ensure tax compliance in accordance with national and international regulations.
- ❖ Act transparently and maintain a continuous dialogue with all stakeholders in the tax sphere.

This document aims to detail these three principles that guide the Group's tax policy. It constitutes the minimum set of rules that apply to taxation in each country where the Group operates.

The Group's tax policy, structured around these key principles, fully aligns with the Group's commitment to obtain B-Corp certification. This tax policy falls under the purview of the Board of Directors, which approves it. The Group's tax strategy is subject to annual reporting to the Audit Committee.



## *Support the development of the Group's activities and a fair share of tax*

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The Group's tax policy is determined with the aim to:

- Align value creation and profit allocation in compliance with the regulatory framework in which it operates.
- Adapt to various operational and organizational changes.
- Limit tax risk
- While ensuring a competitive and responsible tax share.

The geographical locations of Groupe Rocher subsidiaries are guided by strategic business considerations and the desire to best serve its customers. In the context of structuring projects, tax impacts are only one aspect of a multi-risk analysis that includes commercial and operational, legal, HR impacts etc. Consequently, final structuring decisions are never dictated solely by tax considerations.

When acquiring existing structures, the Groupe Rocher commits to reviewing and restructuring the tax policy of these new entities, including transfer pricing, to comply with the highest level of tax responsibility it imposes on itself. If necessary, this may involve the dissolution of existing entities.

Where eligible, the Group's subsidiaries apply for specific tax measures designed to support them in areas such as investment, employment, or research and development.

Ultimately, the tax policy implemented within the Group aims to ensure that each subsidiary bears its fair share of tax and complies with the letter and spirit of various national and international tax regulations.



*Ensure tax compliance in accordance with national and international regulations*

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The Groupe Rocher is committed to comply with all local and international tax obligations, for all taxes at stake (corporate income tax, withholding tax, import taxes or customs duties, indirect taxes and other taxes levied in the territories where it operates). This is demonstrated notably by the compliance with the many reporting obligations to which Group subsidiaries are subject.

More specifically, about transfer pricing, the Group ensures that intra-group transactions follow the arm's length principle and are compliant with OECD guidelines.

Given the Group's geographical presence in many countries around the world, and its highly integrated value chain, from production to R&D and distribution, Groupe Rocher entities are involved in a large number of cross-border flows, which mainly consist of :

- Sales of goods,
- Services provided by central teams to the Group's various sites; and,
- royalties charged for intangibles licenses.

To ensure compliance with statutory tax requirements, the tax function is managed centrally by the Tax Department, which reports to the Corporate Secretary, and locally by the appropriate contacts, including local CFOs. Where necessary, Group tax specialists are assisted by external consultants. All Group tax specialists work in close collaboration with the Group's operational staff.

Within the Group, tax matters are covered by a dedicated internal control procedure, which in particular defines the "Roles and Responsibilities" of each person involved in tax matters. The application of this procedure is subject to regular controls by the internal audit team. In addition, whenever tax risks are identified, they are brought to the attention of the Board of Directors.

*Act transparently and maintain a continuous dialogue with all stakeholders in the tax sphere and be accountable for actions*

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The standards of cooperation and transparency adopted by the Groupe Rocher in tax matters apply to all relevant stakeholders.

### *Regarding tax authorities*

The Groupe Rocher commits to explore all initiatives and procedures aimed at securing, from a tax perspective, its activities and operations, preventing double taxation, and increasing tax transparency. This includes:

- Unilateral initiatives/procedures proposed by States, such as unilateral transfer pricing agreements or various tax partnership programs that allow prior agreements issued by competent tax authorities.
- Transnational coordinated procedures between multiple tax administrations (e.g., multilateral transfer pricing agreements) or programs advocated by the OECD.
- Various initiatives launched by business associations or other external organizations to promote tax transparency and responsibility.

During tax audits conducted by local tax authorities, the Groupe Rocher engages in open and constructive dialogue with the relevant administrations. The Group commits to providing the legally required information to local tax authorities in a timely manner and in a spirit of cooperation and clarity.

Only as a last resort, when differences in the interpretation of tax rules may persist, the Group can consider litigation or international dispute resolution mechanisms.

### *Regarding employees*

The Groupe Rocher, through its tax Department, provides support and expertise to all employees who encounter tax issues within the scope of their duties.

### *Regarding civil society*

The Groupe Rocher actively promotes responsible tax practices it advocates for through its involvement in industry associations or other governmental or external organizations.

The Groupe Rocher commits to annually publish the main highlights and key figures of its tax policy, covering all taxes, through its non-financial performance statement.

*The Board of Directors of Groupe Rocher approved the Groupe Rocher Tax Charter*

*On March 29, 2022.*