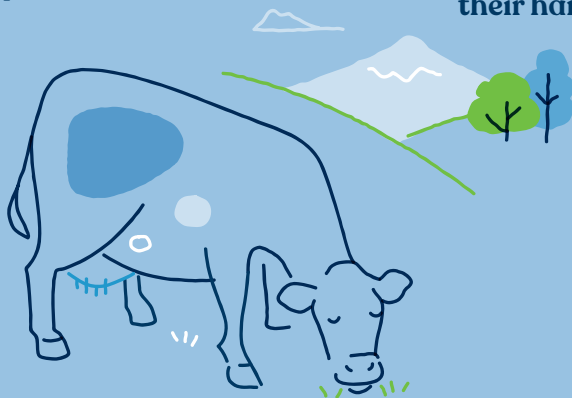


# Our Approach to Tax

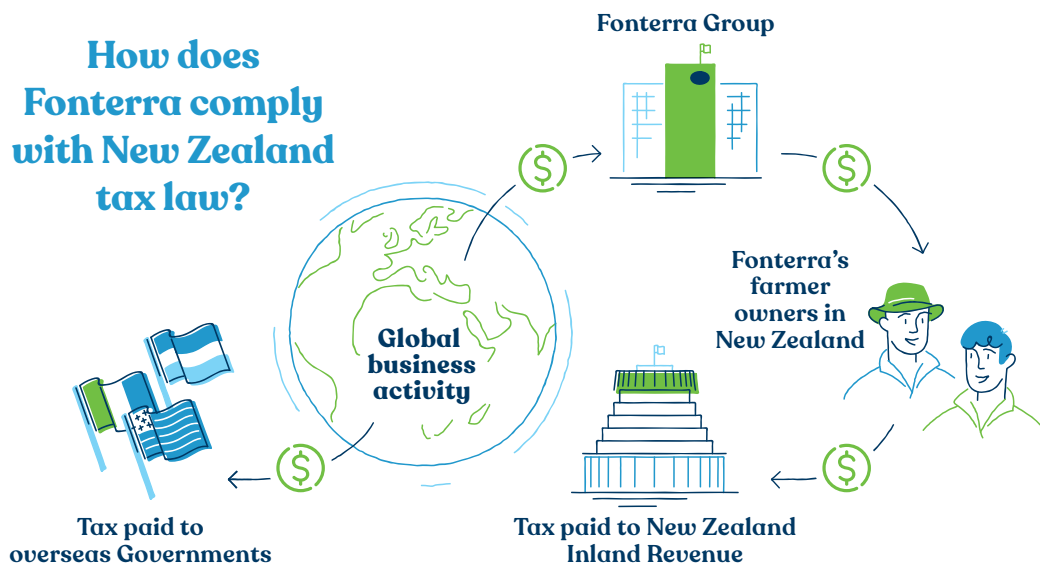
Over  
**\$13.5bn** paid to farmers and taxed in their hand



## Clear principles guide how we manage our tax obligations in New Zealand and around the world:

- We pay our fair share of tax in all jurisdictions
- We do not use tax havens to avoid our tax responsibilities
- We recognise that collecting and paying tax to Governments is integral to our corporate social responsibility
- Tax arrangements must be transparent and ethical
- We report and pay the right amount of tax to ensure legal compliance wherever we operate
- We optimise our tax in ways that are socially responsible.
- Disclosures are made in accordance with local and international regulations

## How does Fonterra comply with New Zealand tax law?



Co-operatives and corporates are different and New Zealand tax law reflects this. Unlike corporates, co-operatives are allowed to pass their income to shareholders so it is taxed at their level. We choose this option, and in FY22 over \$13.5 billion was paid to our farmer shareholders for them to pay the tax.

## What does this mean?

Our approach is aligned to our values and commitment to operate responsibly.

Tax compliance means we can continue to create economic value through export growth.

Best practice compliance creates strong relationships with tax authorities globally.

## Who makes sure we do the right thing?

We are transparent and work with tax authorities to ensure we continue to act responsibly.

