

# TAX POLICY OF THE PODRAVKA GROUP

Tax policy in the food industry covers the way in which taxes (primarily VAT and corporate income tax) and investment incentives, are designed and applied to the production, processing and trade of food, affecting the competitiveness of producers, product prices and the level of investment in the sector.

Approved by the Management Board of Podravka d.d. on 01.12.2025.

Public summary version of the Policy; the detailed internal version is available in the Podravka Group management system.

## 1.0 Purpose

The Tax Policy of the Podravka Group establishes a clear framework for the responsible management of tax obligations, in line with the corporate values and governance structure of the Podravka Group. It is based on consistent compliance with all applicable tax regulations, open and ongoing cooperation with tax authorities and a high level of transparency in making and presenting tax decisions.

As the parent company, PODRAVKA d.d. ensures the aligned application of tax practices across all Group companies, safeguarding the corporate interest and supporting a long-term business strategy that avoids unnecessary tax risks and inefficiencies in the implementation of business decisions.

## 2.0 Scope of application

This Policy applies to PODRAVKA d.d., all subsidiaries and representative offices of the Podravka Group, as well as all business processes related to taxes. The Management Board of PODRAVKA d.d. adopts this Policy and is authorised to revoke it, while the Head of the Tax Department is responsible for its drafting, maintenance and regular review.

The implementation of the Policy in Group companies is carried out by Finance Directors or Managing Directors of individual companies, under the supervision and control of the Podravka d.d. Tax Department. All Group companies are obliged to apply this Policy in accordance with local legislation and regulations, as well as internal acts and decisions of PODRAVKA d.d. that apply to Group companies.

## 3.0 Key behaviour principles

### Payment of taxes where profit is generated

The Podravka Group pays taxes in the countries where business activities actually take place and where profit is generated, in line with market principles.

### Compliance with tax regulations

All Group companies comply with local tax regulations and settle all due tax liabilities in a timely manner.

### Reasonable and responsible interpretation of law

Tax decisions are made based on a reasonable interpretation of applicable regulations, always linked to concrete business activities.

### Relations with tax authorities

The Group builds relationships with tax authorities on the principles of legality, transparency, reliability, professionalism, cooperation, reciprocity and good faith, even where legitimate disputes arise.

### Role of tax professionals

Employees responsible for tax matters provide timely information to internal decision-making bodies on key tax implications of transactions where tax issues are an important factor in the decision.

### Ethical tax planning

The Group uses statutory tax reliefs, incentives and deductions to optimise tax costs, strictly within the framework of ethical and sustainable tax planning.

## 4.0 Prohibited aggressive tax planning practices

### Shifting profits to jurisdictions without real business activity

The Podravka Group does not use structures that shift profits to countries with a more favourable tax treatment where there is no genuine economic activity.

### Unacceptable transfer pricing

It is prohibited to set transfer prices outside arm's-length principles with the aim of artificially reducing the tax base.

### Hybrid and non-authentic arrangements

The use of hybrid and other non-authentic arrangements that serve solely to obtain unjustified tax benefits is not permitted.

### Shell entities and concealment of ownership

The establishment of shell companies in tax havens and the concealment of actual ownership structures and cash flows is strictly prohibited.

### All other aggressive practices

All tax activities that exhibit characteristics of aggressive tax planning are prohibited, and employees are referred to the comparative table of differences between aggressive and ethical tax planning in Annex 1.

## 5.0 What is ethical and what is aggressive tax planning?

### What is ethical tax planning for Podravka?

Ethical tax planning for the Podravka Group means using statutory tax reliefs, incentives and deductions in a way that is consistent with both the letter and the spirit of the law. Tax savings arise from genuine business activities (e.g. investments, employment, product development), with a high level of transparency towards tax authorities and other stakeholders.

Key characteristics include:

- Transparency: clear, understandable and complete information on the tax position and key tax decisions.
- Compliance with regulations and the spirit of the law: avoiding the use of legal ambiguities and non-authentic arrangements.
- Link to business reality: tax effects are a consequence rather than the main driver of transactions.
- Low legal and reputational risk: activities can be justified to tax authorities and the public.

### What is aggressive tax planning for Podravka?

Aggressive tax planning means using ambiguities in regulations, artificial structures and non-authentic arrangements with the aim of maximising tax reduction, contrary to the spirit of the law. This includes arrangements without real economic substance, profit shifting, shell entities and the concealment of real ownership and cash flows.

Key characteristics considered unacceptable:

- Low transparency: complex structures that make it difficult to understand the true purpose of transactions..
- Disconnection from real business: transactions are carried out primarily "for tax reasons".
- High legal and reputational risk: risk of audits, penalties, disputes with tax authorities and loss of public trust.

For the Podravka Group, ethical tax planning means responsible, transparent and lawful tax management, while aggressive tax planning is clearly rejected as contrary to the spirit of the law and to the Group's values. The key aspects that are particularly emphasised are **transparency, compliance with regulations and the spirit of the law, the connection of tax decisions with real business activities, and the protection of reputation and stakeholder trust.**

Contact

For further information on our approach to stakeholder relations and cooperation opportunities, please contact us:

Web: <https://podravkagrupa.com/en/about-us/management/documents/>

The document is publicly available and can be downloaded in PDF format.