



# TAX POLICY

---

Responsible tax behaviour is an essential part of our ESG (Environmental, Social and Governance) strategy. We believe the taxes we pay contribute to the communities in which we operate. Openness and transparency in our operations and our approach to tax is important to us, which is supported by our sustainability strategy and our overall business strategy. Part of being a responsible taxpayer means taking the long-term into account and carefully weighing the interests of all stakeholders.

---

## TAX PRINCIPLES

TKH's tax strategy is based on the following key principles:

### **Tax is an integrated part of doing business**

We believe that tax should follow business, and consequently profits should be allocated to the countries in which business value is created. To calculate transfer prices, we apply the arm's length principle. TKH does not use tax havens or tax-avoiding structures. Businesses may respond to locally available tax incentives and exemptions.

### **Taxes are paid in accordance with all applicable laws and regulations**

We are guided by international standards such as the OECD Guidelines. We take into account the letter as well as the spirit of tax laws and regulations. This also guides us when choosing business partners or structuring transactions.

### **We maintain an open and constructive dialogue with tax authorities**

Wherever we operate, we seek to establish and maintain an open and constructive dialogue with tax authorities and other government bodies, based on the disclosure of all relevant facts and circumstances.

### **Initiatives are approached with diligence**

We believe that TKH may engage in tax planning initiatives and use incentives promoted by government authorities. However, we also believe that with such planning due consideration needs to be given to TKH's legitimate interests, reputation, brand, and corporate social responsibility. TKH uses available and appropriate tax incentives where we have a qualifying business activity.

## TAX GOVERNANCE

TKH operates in more than 30 countries around the world and is subject to various forms of tax legislation. Tax legislation is often complex and subject to interpretation, so expert understanding and careful judgement is key. Failure to comply with applicable regulations could lead to fines, claims, and reputational damage.

Our tax principles provide guidance on exercising judgement and ensure a consistent understanding of TKH's position on risk and compliance.

### **Tax risk management**

Our approach to tax risk management is consistent with and embedded in TKH's general approach to risk management. We actively and continuously identify, assess, monitor, and manage tax risks and compliance to ensure that they remain aligned with our business and strategic objectives, taking into account TKH's appetite towards tax risks.



### Tax governance

TKH's Executive Board is ultimately responsible for TKH's Tax Policy. TKH's tax function (Group Tax) is embedded in TKH's finance organization and therefore falls within the responsibility of TKH's Chief Financial Officer. TKH's Tax Director regularly informs the Executive Board on key strategic tax topics, including updates on tax developments within or around the TKH organization and their potential implications for TKH.

### RISK APPETITE

We use business structures that are driven by commercial considerations, reflect commercial and economic activity, and have genuine substance. We do not engage in artificial tax arrangements.

Compliance with applicable tax laws and regulations is our overriding principle. We aim to comply with the letter as well as the spirit of the law. Where there is significant uncertainty or complexity in tax legislation, we seek advice from reputable external experts to be confident that our tax returns are correct and, where deemed appropriate and possible, obtain upfront certainty by reaching agreements with tax authorities.

### TAX ORGANISATION

Group Tax is organised within TKH to ensure compliance with tax laws and regulations in the countries where it operates. TKH has a decentralized organizational structure, assigning responsibilities as far down the organization as possible. Tax is also organized along these lines, whereby close cooperation takes place between the Group Tax and local management.

This means that Group Tax has an active and operational role in managing the tax position of the companies belonging to the TKH Group. Group Tax is responsible for managing the tax position of our Dutch entities. This includes Dutch tax compliance and non-Dutch tax compliance related to the activities of our Dutch entities.

With respect to the international tax position, Group Tax has a leading role in safeguarding the interest of TKH Group. This also includes compliance with BEPS, Country-by-Country reporting and DAC6. In this role, Group Tax preserves the alignment of all companies with the tax policy and will review the local tax positions from a group perspective.

Part of this responsibility can be delegated to local management when the taxation involved is an inseparable part of the operations of the business, the tax position is a stand-alone position, not influencing the TKH Group NV tax position in the Netherlands, or specific/specialised tax knowledge is required and present (only) in the relevant business / operations. For example, this applies when managing the tax position of foreign group companies. In such cases, Group Tax retains a supervisory and monitoring role, gives requested and unrequested advice and will inform and support the respective department/company or group of companies on developments in taxation, and will preserve TKH Group's interests (relating to tax).