

# Tax Policy

## Our position

Respect & responsibility is a guiding principle for Coloplast. Irrespective of country and market, Coloplast wants to be known and trusted as an entity that upholds the highest standards of ethical business practices.

Coloplast sees taxes as an important part of the business, as respecting local tax laws and regulations are important to the company's reputation and brand. The Coloplast tax contribution includes corporate income tax, employee taxes, indirect taxes, property taxes, custom duties, excise duties, and other local taxes.

In Coloplast, taxes are paid where business activities generate value in accordance with internationally accepted standards. Coloplast does not allow commercial needs to override compliance with applicable laws, nor base commercial activities on tax avoidance schemes.

All transactions and tax structures must therefore have a business purpose or commercial rationale as a prerequisite, and Coloplast will only engage in tax planning schemes and structures that can, in full transparency, be shared with, and accepted by the tax authorities. In case of business changes, tax structures etc. are revised accordingly.

Within these principles, Coloplast will pursue tax opportunities if they arise and will proactively obtain knowledge in order to have a competitive effective tax rate and to avoid double taxation.

Tax risks and controlling activities are assessed and monitored in a tax control framework which is under global implementation. Risks identified are mitigated on an ongoing basis. The tax control framework is governed by Corporate Tax.

The tax work responsibilities in Coloplast are divided between Corporate Tax and local finance departments. If necessary and due to complexity, Coloplast will seek external tax advice to ensure compliance.

## Our commitment

Coloplast is committed to:

- Basing tax decisions on our commercial strategy, and e.g. not have legal entities in countries without commercial activities.
- Reporting the fair income in the countries where the value is created in accordance with internationally accepted transfer pricing standards
- Paying the legally due taxes in any country in compliance with applicable tax laws and legislation, hereby specifically supporting target # 16.6 in UN's Sustainable Development Goals
- Seeking open and transparent relationships with the tax authorities and actively participating in relevant cooperative compliance relationships
- Not facilitating suppliers, customers, employees, or other partners in tax evasion
- Providing guidance on the expected effective tax rate in our Annual Report

*The responsibility for the tax strategy and management ultimately rests at the Group CFO. The CFO is responsible for allocation of the right resources to comply with the tax policy approved by the Audit Committee.*