

## Tax Policy

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The Board of Directors of Chr. Hansen Holding A/S (“Chr. Hansen”) has adopted the following Tax Policy:

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### **Governance and accountability**

- The Board of Directors approves our Tax Policy while the Audit Committee oversees awareness and adherence to the Tax Policy and follows up on the effectiveness of the tax compliance and risk management. The Executive Board represented by the CFO is responsible for communicating the Tax Policy, ensuring tax compliance, and identifying and mitigate potential tax risks while Group Tax is executing on the day to day operational elements.
- Employees who have any concerns around our way of managing taxes in a responsible way can report such concerns through the Whistleblower Hotline. New employees are informed about our Tax Policy as part of their introduction program, where relevant.
- We pay corporate income taxes, customs duties, excise taxes, stamp duties, employment and other business taxes in all jurisdictions where applicable. The handling of our tax affairs is aligned with Chr. Hansen being a sustainable company.

### **Compliance**

- We are committed to provide complete, accurate and timely disclosures to all relevant tax authorities in each jurisdiction where we operate.
- We respect not only the letter, but the spirit of the law and we ensure that our tax professionals and staff have the necessary training to engage and manage our tax position appropriately.
- We apply the arm’s length principle to our inter-company transactions in line with best practice guidelines issued by the OECD. This is applied consistently across our business contingent on local laws.

### **Business structure**

- Our business structure is established exclusively to support our commercial operation. This means that we do not use tax structures that are intended for tax avoidance, have no commercial substance, and do not meet the spirit of local or international law.

- We are transparent about our legal entities and ownership around the world.

**Management of tax risk**

- Our approach to tax risk management is integrated within our broader enterprise risk management and compliance framework. Our processes, policies and governance operate to ensure compliance with tax laws and regulations in each jurisdiction where we operate and are designed to identify and mitigate material tax risks.
- We proactively engage in bilateral tax agreements (APAs) negotiated at competent authority level to increase predictability and to mitigate transfer pricing risks.

**Relationships with tax authorities and other stakeholders**

- When dealing with tax authorities we will be timely, appropriate, honest and open. Whenever relevant, we cooperate and seek clarification of uncertainties in dialogue with the relevant tax authorities. We respect the expertise of tax authorities but reserve the right to disagree with the interpretation of laws and regulations. In such cases, we seek clarification of the disagreement by way of legitimate means.
- We may engage with governments on proposed changes to tax legislation where appropriate, either directly or via representative bodies. Such dialogue will always be respectful and factual.

**Seeking and accepting tax incentives**

- We will consider government sponsored tax incentives where such incentives are governed by law and generally available. The predominant part of tax incentives obtained are related to our R&D activity and larger investments.

**Transparency**

- We support initiatives to increase public trust and transparency in national and international tax regimes, and we engage with our stakeholders to build understanding and clarity of our tax positions. We provide relevant tax information in our financial statement allowing readers to understand our taxes.

**UN's Sustainable Development Goals**

- We are a worldwide taxpayer and a responsible approach to tax play a vital role. Our tax policy, and the tax payments we make, support the local governments in the implementation of the SDGs directly (through SDG #16 in developing effective, accountable, and transparent institutions) and indirectly.

**Carbon taxation**

- We support taxation initiatives to achieve decarbonization objectives when well construed, introduced gradually and support continued international competitiveness.

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The principles apply to all employees, directors and officers in Chr. Hansen.

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