

## Nouryon Tax Strategy

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A clear and responsible position on tax is an essential part of Nouryon's strategy. This strategy paper provides a summary of our tax principles and governance.<sup>1</sup> This document does not attempt to define or quantify the company's overall tax contribution, which besides corporate income tax would also include substantial other types of taxes, such as salary or indirect taxes as well as customs duties and tariffs.

### 1. Tax principles

We regard our tax contribution as an important element of our commitment to grow in a sustainable, responsible and socially inclusive way. Nouryon supports the UN Sustainable Development Goals (SDGs). We recognize that taxation plays an essential role in sustainable development and are dedicated to ensuring we live up to all our tax obligations. With this context, we have adopted the following tax principles:

#### Responsible compliance

We pay tax in accordance with all applicable rules and regulations. In doing so, we aim to comply with both the letter and the spirit of the law.

We prepare and file all required tax returns, providing complete, accurate and timely disclosures to all relevant tax authorities. For this purpose, we employ appropriately qualified and trained tax professionals or engage reputable external tax advisors with an understanding of Nouryon's business.

Nouryon is committed to doing business ethically and responsibly, and this is no different when it comes to taxation. In managing our tax affairs, Nouryon's employees must adhere to the [Code of Business Conduct and Ethics](#) and our external tax advisors must adhere to the [Nouryon Business Partner Code of Conduct](#).

Furthermore, under the [SpeakUp!](#) program, employees or business partners can anonymously report any suspected or known violations which also contributes to ethical and fiscal compliance.

#### Tax follows business

Nouryon allocates profits to countries in which value is created in accordance with international rules and standards, such as the OECD Transfer Pricing Guidelines for Multinational Enterprises.

The remuneration for our intra-group relationships conform to law and follow the 'arm's length principle.' We also do not seek to avoid taxes through improper structures in tax haven jurisdictions.

Our tax principles extend to our relationships with employees, customers and contractors.

#### A cooperative relationship with tax authorities

We seek an open and constructive dialog with tax authorities through the disclosure of relevant facts and circumstances.

We aim to enhance clarity and upfront certainty around tax. We are open with tax authorities, responding to relevant tax authority enquiries in a timely manner to assist in the evaluation of our filings and disclosures as well as the consequential tax liability. As previously mentioned, our 'Responsible Compliance' tax principles are integrated in our [Code of Business Conduct and Ethics](#) and are also aimed at maintaining transparency and compliance with tax rules and regulations, as well as to prevent issues that could adversely affect Nouryon's reputation.

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<sup>1</sup> This document also refers to the company's UK tax strategy pertaining to the taxation of all UK companies within the Nouryon group and, as such, provides the information required by paragraph 16(2), Schedule 19 of the Finance Act 2016.

## Open and transparent

We are transparent about our approach to tax and our tax position.

Our tax filings and disclosures are made in accordance with all applicable regulations, as well as applicable reporting requirements and standards. As a part of this, we prepare and submit a country-by-country report to the tax authorities in the Netherlands, in line with the OECD initiative under the Base Erosion and Profit Shifting (BEPS) project as enacted into Dutch legislation.

## 2. Tax governance

Nouryon's tax strategy is primarily the responsibility of our Chief Financial Officer. Decisions are taken at an appropriate level, determined by the Company's Delegation of Authority as defined by our Board of Directors and structured by means of a Tax Control Framework. This is a tax management and control system, which ensures that the CFO and Nouryon Tax Department are aware of worldwide tax risks and have sufficient insights to adequately address these risks.

External auditors certify that the financial statements prepared by Nouryon represent a fair picture of the financial position of the organization. In the context of the annual audit, the Nouryon Tax Department discusses key transactions and tax risks, as well as any relevant correspondence with the tax authorities, with the external auditors.

