

Tax Policy



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Group tax policy

ALK is a global allergy solutions company with a wide range of allergy treatments, products, and services. We aim to build on our heritage as a pioneer in allergy immunotherapy and to bring allergy products and solutions to as many people as possible around the world who have allergies.

Introduction

At ALK, we recognise the social, environmental, and economic impact of our operations and aim to run our business on a profitable and sustainable basis. We strive to achieve this by building a reliable and responsible profile among our stakeholders as a company characterised by professionalism, honesty, and integrity. These commitments are reflected in our approach to taxes which is summarised in this policy.

The policy applies to all ALK companies and our foreign branches and representations globally and includes both direct and indirect taxes.

Governance

The group tax policy is evaluated annually. The policy is evaluated by the Audit Committee and approved by the Board of Directors. The responsibility for implementation and compliance with the policy rests with the Board of Management. Company guidelines have been established to ensure compliance with both international and local tax regula-

tions and guidelines.

The responsibility for tax risk management lies with the CFO and is overseen by the Audit Committee as part of the periodic tax risk reporting process, according to the Audit Committee's annual reporting cycle.

Tax compliance

We are committed to complying with all applicable national and international tax regulations in all jurisdictions where we perform our operations. We strive to submit complete, accurate and timely disclosures to relevant tax authorities.

We focus on complying with transfer pricing requirements by applying the 'arm's length' principle to all intercompany transactions, in line with applicable best practice guidelines issued by the OECD. The guidelines ensure that profits are taxed in the country where the economic activities generating the profits are performed, and where the value is created. The transfer pricing regulation is considered equally important in all the countries where we operate. At the same time, we aim to maintain a balance between international and local tax requirements, both to minimise the consolidated transfer pricing adjustment risk for ALK, and to limit double taxation.

Tax risk mitigation

We acknowledge that complying with inter-

national tax rules is increasingly complex, as the interpretation of legislation and case law may change over time or may not always be clear. As a result, we are exposed to different tax risks, which we actively manage and mitigate to ensure a high degree of certainty in our tax position.

Tax risks are systematically collected and monitored by cooperation between relevant stakeholders in ALK. All identified risks are evaluated on a continuous basis and included in the group tax provision where appropriate.

Where exposures are material, and where an exposure by its complexity and/or current nature warrants it, we seek the opinion of an external advisor who is specialised in the area.

As part of our tax risk mitigation approach, we contribute to an open, constructive, and transparent dialogue with tax authorities, by providing all relevant information in a timely manner, that can reasonably be required to assess the position. Where possible and relevant, we will seek to minimise uncertainties regarding tax through binding rulings. In situations where a disagreement with the tax authorities cannot be resolved through dialogue, the disagreement will be resolved via tax tribunals or the courts, to ensure the correct tax treatment.

Furthermore, we pursue mutual agreements with tax authorities in different states where the Group operates, where appropriate. ALK has established a whistle-blower scheme which allows for the confidential and anonymous reporting of any issues or con-



cerns relating to the management of taxes in a responsible way.

Business structure and tax planning

We have a clear and transparent business structure, which is presented in our annual report. Our business structure is driven by commercial considerations and not to gain tax benefits. The primary focus when carrying out our business is commercial, and tax planning takes place within that context. We only adopt a tax position if it is defensible and explainable.

We aim to manage tax in a way that has a balance between tax compliance, driving efficiencies and managing tax expenses. When deciding on business initiatives, tax consequences are analysed in line with other financial aspects. However, the tax element



is never decisive.

We do not establish tax or legal business structures for the sole purpose of avoiding tax, nor do we engage in aggressive tax planning. Furthermore, we do not carry out activities in so-called tax havens (countries classified as a tax haven by the EU).

We only engage in available tax incentives where they apply to our business and where we are eligible according to legislators' intentions.

Transparency

We provide relevant tax information in our annual report, allowing readers to under-

stand our taxes. The disclosures comprise a breakdown of the elements impacting the tax on profits/losses for the year, and an overview of the development of the deferred tax, including information on unrecognised tax assets.

We also disclose information about our entities worldwide and the activity of each entity. We continuously strive for clarity in our tax disclosures and follow closely developments in this field internationally.

The Board of Directors has approved this policy on 10 November 2021.