

## **AKZO NOBEL UK GROUP OF COMPANIES**

### **AKZO NOBEL UK TAX PRINCIPLES**

The Akzo Nobel UK group of companies (“Akzo Nobel UK” or “the Group”) published the Akzo Nobel UK Tax Principles Statement in December 2017, and published an update in December 2018, December 2019 and December 2020. This statement applies to all Akzo Nobel UK group companies.

This UK Tax Principles Statement has been reviewed in December 2021 on the anniversary of the fourth publication of the statement. No amendments are required to be made to the statement.

Akzo Nobel already publishes the Group’s global Tax Principles. This document can be viewed on the AkzoNobel website at:

<https://www.akzonobel.com/en/about-us/governance-/policies---procedures/tax-principles->

A separate document “Tax Principles – 2020” is also available through the above link, and provides additional information about the Group Tax Principles.

The UK Tax Principles Statement complements the Group’s global Tax Principles statement.

Akzo Nobel has a code of conduct which can be viewed on the Akzo Nobel website at:

<https://www.akzonobel.com/en/about-us/governance-/policies---procedures/code-of-conduct>

Akzo Nobel UK is complying with its responsibilities under Section 161 and Schedule 19, Finance Act 2016 in making this document available.

#### **Approach of the Group to UK tax risk management and governance**

Akzo Nobel UK seeks to be transparent in their tax affairs and seeks to be compliant with all relevant UK tax legislation. The Group manages tax governance through internal controls in order to reduce tax risk to an acceptable level.

There is regular communication between the Board of Directors and the finance and tax functions in respect of tax compliance matters. The tax compliance is managed in partnership with external tax advisers. The Group tax department is involved in business and commercial decisions which may have a tax impact. The Group arranges its operations and finances in a tax efficient manner, but all transactions are required to have a commercial rationale and business purpose.

The Group adheres to OECD arm’s length principles in respect of transfer pricing matters.

## **Attitude of the Group towards tax planning**

The Group does not engage in artificial transactions for the purpose of reducing UK tax. However, the Group will consider undertaking a transaction in a way that gives rise to UK tax efficiencies, providing this is aligned to the Group's commercial objectives and complies with the relevant UK tax legislation. The Group also takes advantage of UK tax incentives granted by the UK government such as research and development tax credits.

The Group's tax planning aims are to support the commercial requirements of the business by ensuring that the Group's affairs are carried out in the most tax efficient manner whilst remaining compliant with all relevant laws. Accordingly, the tax function is involved in the commercial decision making processes, and provides appropriate input into business proposals to ensure an understanding of the tax consequences of commercial decisions.

The Group is committed to acting with integrity and transparency. The financial professionals who deal with tax matters are required to adopt this approach in all tax matters. They are also expected to maintain the high ethical standards demanded by the professional bodies to which they belong, and to adhere to the Akzo Nobel Code of Conduct.

The group seeks advice from external tax advisers and legal firms to ensure correct interpretation of relevant tax law.

## **Attitude of the Group towards tax risk**

Akzo Nobel UK recognises that tax risk will arise. It seeks to manage the risk through compliance with UK tax legislation, adhering to the Tax Control Framework referred to in the Group's global Tax Principles statement, and with support from external tax advisers as appropriate.

The Group acknowledges that compliance with tax legislation is critical to managing tax risk. The Group appreciates the importance of tax in the wider context of business decisions and has processes in place to ensure tax is considered as part of commercial decision making processes.

The Group has relationships with professional advisers, which allows the Group to seek expert advice on specialist areas of tax, as required.

Where there is doubt as to the tax treatment of any particular transaction, the Group would only proceed on the basis of advice received from one or more external tax adviser.

**The approach of the Group towards its dealings with HMRC**

The Group's aim is to avoid unnecessary disputes with HMRC. This is achieved through acting in an open, honest and transparent manner in the dealings with HMRC. The Group makes clear and accurate tax disclosure in tax returns and supporting documentation, and complies with all relevant legal disclosures. All information is presented to HMRC as clearly as possible.

In addition, the Group holds regular face-to-face meetings with HMRC to discuss current business initiatives in real time and, where appropriate, will seek pre-transaction clearances from HMRC. The Group conducts all interactions with HMRC in an open, collaborative and professional manner.

The Group seeks to resolve issues with HMRC in a timely manner, and where disagreements arise, and to work with HMRC to resolve issues by agreement where possible.

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