

## **Tax strategy of the Pfleiderer Group**

Since its beginnings more than 125 years ago, Pfleiderer has attached great importance to sustainable corporate management.

The payment of corporate taxes is an important contribution to prosperity, progress and social cohesion in the countries and communities in which we operate. Pfleiderer is therefore also clearly committed to transparent and responsible action in the area of corporate taxation.

The Pfleiderer Group's tax strategy aims to ensure that Pfleiderer and its subsidiaries meet their tax obligations in full and on time. This includes dutiful compliance with tax laws and regulations. In the interest of sustainable business, we reject artificial tax arrangements without a business basis.

### **Scope**

The provisions of this tax strategy apply to Pfleiderer Group B.V. & Co KG and all its subsidiaries in Germany and abroad.

On the one hand, the Pfleiderer Group pays income taxes, withholding taxes, excise taxes and customs duties along the value chain in all countries in which the Group operates. In addition, value-added tax and personal taxes are collected and paid.

## **Compliance with tax regulations**

Pfleiderer takes compliance with laws, guidelines and requirements very seriously and ensures this by means of continuous controls and clean documentation. Pfleiderer always operates within the framework of the respective tax and customs laws, the application decrees of the tax authorities and current case law and meets relevant tax obligations properly and on time.

In the case of intra-group transactions and services, the allocation of results should correspond to the respective contribution to value creation. Intra-group transactions are carried out according to the arm's length principle in accordance with the OECD standard and are recorded by documenting the underlying facts, the respective business purpose and the pricing mechanism.

To ensure this, Pfleiderer has a Group tax department. This department performs the tax and customs function for all subsidiaries in the German tax group and other subsidiaries.

Comprehensive controls are in place to monitor and ensure the payment of all taxes payable and the fulfilment of relevant tax disclosure obligations in accordance with the respective legal requirements.

## **Cooperation with financial and customs authorities, auditors and tax advisors**

In all its actions, Pfleiderer follows the requirements of the law. Good cooperation with the local tax and customs authorities, our auditors and external tax consultants plays a decisive role in this. A constructive relationship is established based on mutual respect and a goal-oriented dialogue is conducted.

## **Risk management**

The aim is to identify corresponding risks for the Pfeiderer Group and the personal risks of our executive management board at an early stage through effective risk management and to minimise them through suitable measures. For this reason, Pfeiderer continuously monitors risks and makes adequate risk provisions. To this end, the Group Tax Department is in continuous dialogue with all business managers (risk owners) and is thus always informed about current developments that could have possible tax implications.

Together with Group Risk Management, all relevant issues are analysed and evaluated. In order to ensure effective risk management, tax issues that represent a potential tax risk are reported to the management of the Pfeiderer Group.

PCF GmbH, Neumarkt

Nov 25th 2022