



Arxada UK Tax Strategy – 2021-2022

About

Arxada, formerly part of Lonza Group, is a global specialty chemicals business with leading positions in Microbial Control Solutions and Specialty Products Solutions. Arxada provides a broad portfolio of differentiated products targeted at a range of end markets, supported by its leading regulatory capabilities, IP expertise, and established track record in R&D.

Arxada delivers unique, innovative solutions to help customers protect their products from harmful microorganisms, improve health and safety and reduce their environmental footprints.

Arxada has a global footprint spanning 32 countries across five continents. Its world-leading team of around 2,900 employees serve over 5,000 customers across a wide range of industries. Arxada is owned by Bain Capital Private Equity and Cinven.

Arxada's approach to tax risk management and governance

Arxada is committed to high standards of corporate governance, transparency and responsibility. We pay tax in the countries in which we operate in accordance with local laws and international guidelines. These taxes include, corporate income taxes, employment taxes, social security, indirect taxes (such as VAT and sales and use taxes), taxes on ownership and use of property, customs and excise duties and environmental taxes.

Responsibility and accountability for the Arxada Tax Strategy rests with the Chief Financial Officer and Head of Tax. The Board of Directors of Herens HoldCo AG has ultimate responsibility and approves this strategy. Local finance teams and the Global Tax Team are responsible for the day to day operation of the group's tax affairs. These teams, comprising suitably qualified finance and tax professionals, identify, evaluate and monitor tax risks in line with our commitment to comply with all relevant tax laws. Where there is significant uncertainty or complexity we seek advice from external tax advisors.

Arxada's attitude to tax planning

In structuring and managing our commercial operations, we consider all appropriate tax laws, with a view to ensuring compliance and maximising value for our shareholders. All business transactions have commercial and economic substance. Where alternative structures achieve the desired commercial outcome with increased tax efficiency these may be selected. Any tax planning needs to generate value for our shareholders whilst considering the impact on Arxada's reputation, relationships with tax authorities and other stakeholders. Arxada seeks advice from external tax advisors in areas of significant uncertainty or risk.



Level of risk Arxada is prepared to accept

We seek to continuously review and improve the effectiveness of our tax control framework in order to identify and manage tax risks. When taking positions on tax returns we follow a 'more likely than not' approach and expect such positions to stand up under audit.

Arxada does not engage in or condone tax evasion or the facilitation of tax evasion.

Relationship with tax authorities

Arxada looks to develop and maintain positive and transparent working relationships with all tax authorities, seeking to resolve issues in a constructive and timely manner. Where appropriate, we will seek to obtain pre-transaction clearances to reduce uncertainty.

Application of this Strategy

This Strategy applies to all Directors, employees and third parties whose actions impact the management of Arxada's tax affairs. In particular this includes, but is not limited to:

- Arxada Directors and Executive Leadership Team
- All members of the Global Tax team
- All regional and local Finance Directors and HR Directors and their reports that have responsibility for managing or supporting tax matters
- Any other employee that has responsibility for managing or supporting tax matters
- External advisors who support on tax matters

This strategy was approved by the board of Herens Holdco AG on 19 November 2021.

This UK Tax Strategy complies with paragraph 16(2), Schedule 19 of the UK Finance Act 2016 and applies to the Arxada group companies in the UK for the period from 1 July 2021 to 31 December 2022.