

Background and scope

This tax policy has been created to articulate and communicate the Troax Group's worldwide tax policy and strategic tax objectives.

This tax policy is applicable for all companies that are controlled by Troax Group AB. The tax policy and the strategic objectives encompass a range of taxes (including corporate income tax, indirect taxes, and employment taxes) and similar levies applicable to the Troax Group.

The Troax Group (also referred to as the "Group") will publish their worldwide tax policy on the Troax website to enable wider stakeholders to take part of it.

To support transparency of the Troax Group's approach to taxation, this document sets out the approach to:

- The Troax Group's approach to tax,
- Tax governance, control and risk management, and
- Stakeholder engagement and management of concerns related to tax

Introduction to Troax Group

Troax Group is an international business group providing safety solutions for manufacturing, warehousing and storage. Troax Group's focus is on solutions for safer indoor environments in manufacturing and warehousing to safeguard the productivity of industrial processes and the people who work there. The Troax Group is a global market leader with a high level of customer service and innovation. The Group has been working with world-leading customers in the automotive, warehousing and construction industries for years. Troax Group's protective solutions can be found in manufacturing industries including those utilizing robotic cells and automation solutions, in automated warehouses with collapse protection, shelving, partitioning and walls, sensor-based monitoring for accident reduction, and storage rooms.

Approach to tax

Troax Group's business activities around the world incur a substantial amount and variety of business taxes. The Group pays corporate income taxes, customs duties, excise taxes, stamp duties, employment and many other business taxes where applicable in the jurisdictions in which the Group does business. In addition, the Group collects and pays employee taxes and indirect taxes such as Value Added Tax (VAT). The Troax Group sees taxes as essential to the societies the Group operates in. Beyond a legal obligation, they support public services and infrastructure that allow the business and communities to thrive.

The Troax Group does not engage in artificial tax arrangements or transactions to obtain tax benefits through low-tax jurisdictions. This approach to taxation applies in Sweden and every country in which Group operates globally.

The Group applies policies and governance to ensure compliance with tax laws in the countries in which the Group do business. Troax Group's Values, incorporated in its Code of Conduct, are the foundations for the Group's approach to taxation.

Tax governance, control, and risk management

Tax risk can arise from unclear laws and regulations as well as differences in interpretation. As is common for many multinationals, Troax Group's most significant source of uncertainty arises where two or more governments adopt different interpretations in relation to pricing intra-group cross border transactions (i.e. the transfer pricing of goods and services between affiliated members of the Troax Group of companies resulting in the same income being taxed in two or more territories). The Troax Group's approach is to manage tax risks and tax costs in a manner consistent with applicable regulatory requirements. Considering reputational factors, the Troax Group does not engage in aggressive tax planning.

The Troax Group has established and maintain robust compliance processes to ensure the integrity of its tax returns, and timely and accurate tax payments. This includes engagement with local tax advisors in all countries in which the Group operate to ensure compliance with local tax laws. The Group has dialogues with tax advisors at least annually to ensure that changes in tax laws and regulations and emerging tax risks, national and international, are being considered.

The Troax Group maintain documented tax policies, strategies and procedures in relation to key tax processes (e.g., transfer pricing and export controls), which are reviewed annually and approved by the audit committee. Tax compliance is part of Troax Group's internal control framework and is subject to management reviews, which are performed on an on-going basis.

Tax risk is monitored and managed by the Group CFO and the Audit Committee (which comprises members of the Troax Group Board of Directors) in collaboration with Troax Group's auditors and tax advisors.

Stakeholder engagement and management of concerns related to tax

Substantive business transactions, for example acquisitions and divestments and intra-group trade determine the Troax Group's approach to tax planning and consequent tax liabilities. This means that business factors and requirements lead to the business structures and consequently the tax approach. The Group access government sponsored tax incentives where appropriate and in line with substantive business activities (e.g. R&D tax credits). The Troax Group seeks advice from external tax advisors as part of internal risk management processes, both as a recurring process (e.g. annual tax returns) as well as when where tax matters are significant or are open to interpretations.

The Troax Group apply the OECD guidelines in order to price its intra-group transactions. Hence, the intention is to follow the arm's length principle for all types of transactions.

The Group explicitly link its tax principles to Troax Group's sustainability strategy and goals, and the Group avoid tax structures that would undermine investments required for these goals.

The Troax Group is committed to transparent and constructive relationships with all relevant tax authorities. The Group aim to pay the right amount of tax at the correct time in each country where the Group operates and to be in compliance with all relevant tax law and regulations. The Troax Group seeks to develop and maintain professional and transparent relationships with tax authorities. Hence, the Group engages with transparency and ensures there is access to relevant information demonstrating the integrity of its tax processes, returns and payments.

The Troax Group requires all employees to comply with relevant and applicable laws and regulations and behave in accordance with the Troax Group Code of Conduct. Tax-related irregularities can be reported anonymously through the company's Whistleblower channel, which is always accessible on the company website. An external legal partner acknowledges all reports and conducts investigations promptly.