



Kemipol Sp. z o.o. – Information on the tax strategy executed in 2022

INTRODUCTION AND INFORMATION OF THE COMPANY

The publication of the Poland Tax Strategy is regarded as satisfying the statutory obligations under Art. 27c of the Corporate Income Tax Act, which state that corporations located in Poland with revenues over €50m are required to prepare and publish tax strategy, which they have implemented. Kemipol Sp. z o.o. (“Kemipol” or “the Company”) fulfills this criteria, and has published and implemented this Tax Strategy (“Tax Strategy”) that is aligned with the principles of the Kemira Global Tax Policy and Transfer Pricing Policy (“Global Tax Policies”).

This Tax Strategy is not designed to be an operational manual with detailed instructions of the execution of the processes. The purpose of this Tax Strategy is to set standards to the way Kemira’s tax matters are managed and executed in the Kemipol. This Tax Strategy follows the principles set in the Global Tax Policies. The Tax Strategy is aligned also with other internal key policies, manuals and instructions related to the tax management, e.g. Kemira Group Financial Manual.

Kemira Oyj

P.O.Box 330 (Porkkalankatu 3)
FI-00101 Helsinki, Finland
www.kemira.com

Tel. +358 10 8611
Fax +358 10 8621 119

Business ID 0109823-0
Registered office Helsinki

The scope of this Tax Strategy covers:

- All corporate income taxes;
- Indirect taxes (VAT, Stamp Duty)
- Customs duties
- Employment taxes
- Property taxes
- Other applicable tax matters

The Tax Strategy is approved by the Tax Director of Kemira Group.

General information of the Company:

Company: Kemipol Sp. z o.o. (NIP: 8510108249)

Address: ul. Kuźnicka 6
72-010 Police

Industry: Manufacture of chemical products

Tax processes and procedures

General

The Global Tax Policies and the Poland Tax Strategy are based on our corporate strategy, values and the Kemira Code of Conduct. Kemira Group is a responsible corporate citizen in all its operating countries. Kemira's approach to tax is to support responsible business performance. These principles demonstrate our commitment to conduct our business in compliance with all applicable laws and regulations, and according to high ethical standards.

For Kemira, corporate responsibility means both being responsible throughout our own operations and contributing to sustainable development all along our value chain.

As a subsidiary of Kemira Group, Kempol follows Kemira Group's strategy in tax matters and is obliged to comply the group's tax strategy and policies. Kemira's global tax team is responsible for managing and executing Kemira's Tax Policy and Transfer Pricing Policy. The global tax team is a part of Kemira CFO organization and it is responsible for preparing, documenting and executing Kemira's tax strategy and tax considerations. The issues prepared and presented by the global tax team are approved by the CFO, the Management Board or the Board of Directors of Kemira Oyj according to Tax Policy. In addition, head of taxes reports annually tax status to the audit committee.

Tax Compliance

We are committed to full compliance with all statutory obligations. Our target is to comply with the applicable tax rules in the Poland for all the tax filing, tax reporting and tax payment obligations. Kemira is committed to react to all tax authorities' requests in a timely manner. Kemira has outsourced the drafting and filing of corporate income tax returns to one 3rd party service provider. Tax return is reviewed and approved by Global tax team.

Kemira Oyj

We apply the OECD standards in cross-border transactions and ensure that the transfer pricing is according to “arm’s length principle”. Kemira must comply with Transfer pricing documentation requirements in each relevant jurisdiction. Compliance with Transfer pricing documentation requirements as well as the responsibilities related thereto are described more in detail in the Kemira Group Transfer Pricing Policy.

Our target is to have high-class tax compliance process (i.e. high quality, correct amounts, right timing). In cases of errors in submission of tax returns and tax computations, we disclose corrections as soon as reasonably practical after errors have been identified.

WHT -settlements is managed by the Poland’s finance team with aid of global tax team and 3rd party service provider.

Sustainable Approach to Tax Planning and Risk Level

We create value to our stakeholders by maximising the tax efficiency of business operations including applying tax incentives and exemptions. We seek to do this in a way that is aligned with our commercial objectives.

We do not operate in tax haven countries for tax reasons. Kemira’s appetite for tax risk is low and therefore it does not engage in artificial arrangements.

Tax Risk Management and Tax Risks

Tax risks are managed in alignment with Kemira’s enterprise risk management system. Kemira’s objective is to communicate general tax related principles within the group in order to harmonize practises and working methods for tax matters.

The day to day Kemipol’s tax affairs is managed by the global tax team with aid of the Poland’s finance team according to the principles of the Global Tax Policies.

Kemira seeks to reduce the level of tax risks by implementing various internal processes, tools and analytics.

Processes relating to different taxes are allocated to appropriate specialists within the global tax team who carry out a review in order to identify key risks and to set mitigating controls in place. Kemira seeks to reduce the level of tax risks by implementing various internal processes, tools and analytics.

Our target is to mitigate tax risks with aid of the following rules:

- observe all applicable laws, rules and regulations, case law and disclosure requirements;
- ensure that all decisions are taken at an appropriate level and supported with documentation evidencing the facts, conclusions and risks involved;

- seek professional advice and opinions from independent external advisors in complex and uncertain tax matters; and
- aim to certainty on tax positions.

Information on voluntary forms of cooperation by the taxpayer with the National Tax Administration.

We are transparent and proactive in all interactions with tax authorities. We have open and positive working relationship with tax authorities. We are committed to prompt disclosure and transparency in all tax matters with tax authorities. In cases of different interpretations between ourselves and tax authorities, Kemira aims to resolve such differences in a constructive and professional way with the intention to bring matters to a swift conclusion.

We seek to develop and maintain good working relationships with the tax authorities and aim at open and constructive dialogue with them. However, Kemipol did not apply and did not participate in the Tax year in voluntary forms of cooperation with the National Tax Administration within the meaning of Article 27c section 2, para. 1 letter b of the CIT Act.

Information about the fulfillment of tax obligations by the Company in the territory of the Republic of Poland, including the number of information about reportable transactions for MDR purposes submitted to the National Tax Administration (Art. 86a § 1 point 10 of the Tax Code)

Kemipol is a Polish tax resident and operates in accordance with applicable tax law and follows the relevant international standards. The Company takes the necessary measures to correctly and timely fulfill the obligations arising from the provisions of the tax law in the territory of the Republic of Poland. In 2022, the Company carried out the tax obligations in the following taxes: corporate income tax, value added tax, real estate tax (as a taxpayer), personal income tax, social security contributions (ZUS), wft (as a tax remitter).

In 2022, the Company has submitted a MDR report to National Tax Administration regarding the dividend. Apart from that, the Company did not recognized any reportable tax schemes.

Information about transactions with related parties

In the fiscal year 2022, Kemipol has had the followinf transactions with related parties within the meaning of art. 11a paragraph. 1 point 4 of the Corporate Income Tax Act, which exceeded 5% of the balance sheet total of assets within the meaning of the accounting regulations, determined on the basis of the last approved financial statements of the Company:

1. **Kemira OYJ** - Transaction type: Sale of products and purchase of goods
2. **Grupa Azoty Zakłady Chemiczne "Police" S.A.** - Transaction type: Sale of products, goods and services and purchase of goods and services

Information about restructurings

In the fiscal year 2022, Kemipol neither carried out nor planned any restructuring activities that could affect the amount of tax liabilities of the Company or related entities within the meaning of Art. 11a paragraph 1 point 4 of the Corporate Income Tax Act.

Information of the submitted applications

In 2022, the Company did not file the following requests to the tax authorities:

- general interpretation of tax laws within the meaning of Article 14a of the Tax Ordinance;
- individual interpretations of tax laws within the meaning of Article 14b § 1 of the Tax Ordinance;
- binding rate information within the meaning of Article 42a of the VAT Act;
- binding excise information within the meaning of Article 7d(1) of the Excise Tax Law

Information about tax settlements in countries applying harmful tax competition

In the fiscal year 2022, Kemipol did not make any tax settlements in territories or countries applying harmful tax competition indicated in executive acts issued pursuant to art. 11j paragraph. 2 of the Corporate Income Tax Act and in the announcement of the minister competent for public finance issued pursuant to Art. 86a § 10 of the Tax Ordinance.