

# Tax insights

Tax is a core part of corporate governance and responsibility at Novozymes. As stated in the company tax policy, Novozymes is committed to being open and transparent about its tax policy and tax affairs.

The information provided in this document is an addition to the tax related information presented in the Novozymes Report.

## Novozyymes' total tax contribution

Total tax contribution consists of taxes borne by Novozymes and taxes collected by Novozymes. Taxes borne are the corporate income taxes and other taxes and duties incurred by Novozymes, whereas taxes collected are taxes collected on behalf of Novozymes' employees on wages and withholding taxes collected on dividends to shareholders.

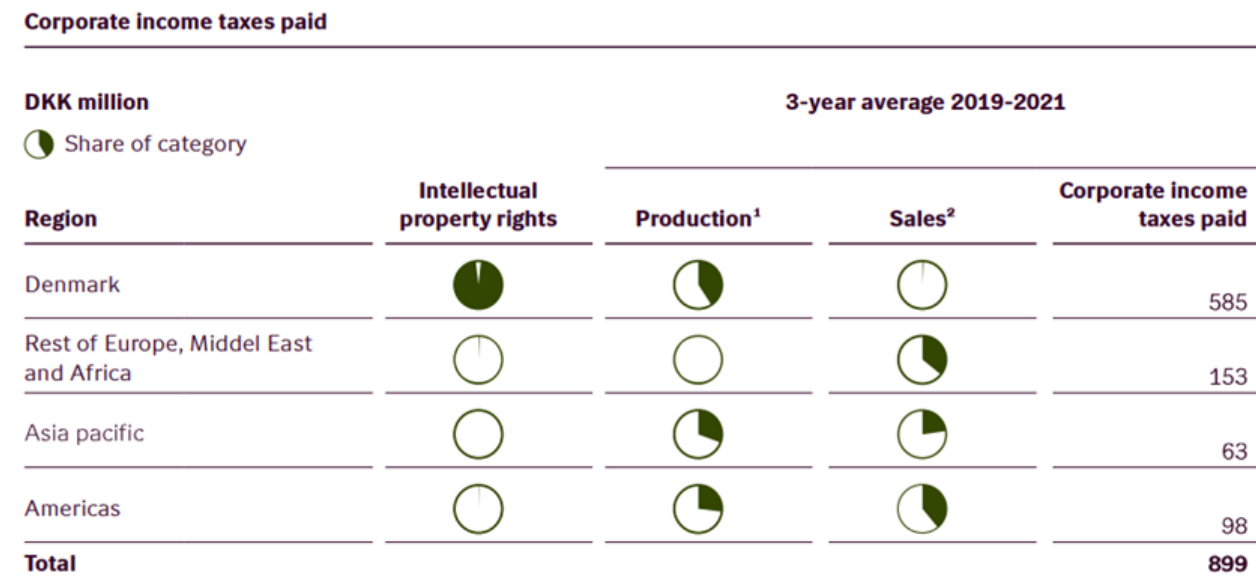
| DKK million (approximate numbers)   | 2021         | 2020         |
|---|--------------|--------------|
| Corporate income taxes and other taxes and duties paid by Novozymes               | 1.200        | 1.450        |
| Taxes collected and withheld by Novozymes on behalf of employees and shareholders | 1.425        | 1.400        |
| <b>Total tax contribution</b>   | <b>2.625</b> | <b>2.850</b> |

The total tax contribution fluctuates from year to year due to factors such as payment of corporate income taxes on account, tax depreciations on investments, etc.

## Average corporate income taxes paid per region

The Novozymes Group continuously works to fulfil its tax obligations in the countries where operating. The essential transfer pricing methodology for the Group is a principal structure meaning that legal entities perform their functions on contract on behalf of the Danish principal and are allocated an activity-based profit according to a benchmarked profit margin. Most of the intercompany transaction value within the Novozymes Group is covered by bilateral APAs.

For information on average corporate income taxes paid per region, see the figure below.



1. Based on FTEs in production 2. Based on location of the customer