

Novozymes' U.K. Tax Strategy

Scope and application

This document sets out Novozymes' strategy and approach to conducting its tax affairs in the U.K.

This strategy applies to the list of entities set out below and is effective from the date of publication until it is superseded.

Novozymes regards the publication of this tax strategy as complying with the duty under paragraph 16(2) Schedule 19 Finance Act 2016 to publish a tax strategy for the year ended December 31, 2020.

Risk management and governance arrangements

Novozymes' Position Statement on Tax sets out the group's approach to conducting its tax affairs. The policy is mandatory across all of Novozymes' group entities. It is the responsibility of management to ensure that the Position Statement on Tax is implemented and adhered to across the group.

Management may wholly or partly delegate responsibilities for tax to another Novozymes related entity or group function, including Group Tax. Group Tax and the finance employees responsible for U.K. affiliates are in regular dialogue. This dialogue ensures that issues that may have a material tax impact are addressed and items that create tax risk are effectively managed.

Attitude towards tax planning and level of risk

Novozymes' Position Statement on Tax sets the standards for Novozymes' conduct of business in relation to its U.K. tax affairs, including tax planning and level of risk. The Position Statement on Tax comprises of six objectives:

- Novozymes follows national and international tax laws as well as the OECD guidelines on transfer pricing
- Novozymes works with tax risk management to handle financial and reputational risk
- Novozymes works to obtain a competitive tax level given the scope of our commercial operations and governmental tax incentives
- Novozymes seeks good relationships with tax authorities to ensure compliance and to minimize risk of disagreements and double taxation
- Novozymes proactively engages in bilateral tax agreements to increase predictability
- Novozymes seeks dialogue and openly and honestly communicate on tax with the aim of giving our stakeholders relevant insight to understand our financial results. As for other business information, communication needs to be balanced with respect to confidentiality.

Relationship with HMRC

In accordance with Novozymes' Position Statement on Tax, Novozymes seeks good relationships with all tax authorities, including HMRC.

We are committed to the principles of openness and transparency in our approach to dealing with tax authorities wherever we operate around the world. All dealings with the tax authorities and with other relevant bodies will be conducted in a collaborative, courteous and timely manner.

List of entities covered by this Tax Strategy

- Novozymes U.K. Ltd.