

LEO Pharma's Tax approach

At LEO Pharma, we aim to be a responsible corporate citizen wherever the Group operates. As a pharmaceutical company with high ethical standards, we take responsibility for our actions, and we recognise that we are accountable not only for what we do, but also for how we do it.

These principles are further embedded in the LEO Code of Conduct and our Position on Corporate Social Responsibility.

In LEO Pharma our tax policy is aligned with these principles.

LEO Pharma is committed to:

- Observing all applicable laws, regulations and rules in order to meet our tax compliance and reporting responsibilities everywhere we operate.
- Sustaining good relationships and co-operation with tax authorities on the basis of full disclosure.
- Supporting approaches to tax that foster sustainability over the long term and are not narrowly focused on short-term outcomes.
- Applying arms-length principles in the pricing of intra-group transactions in accordance with the Organisation of Economic Co-operation and Development (OECD) Guidelines.
- Conducting our business on sound commercial principles and, in doing so, taking account of all relevant costs including tax.
- Applying diligent professional care and judgement to ensure all decisions are well considered.
- Approaching tax risk management as an integral part of all organisational projects and decision-making at LEO Pharma. We support and encourage formal processes for identifying and assessing risks, and develop plans to mitigate their impact.

Governance:

- The Group employs professional tax managers and takes advice from reputable professional firms. These LEO Pharma tax professionals proactively manage and monitor compliance with the above statements.
- The LEO Pharma senior management team approve and monitors compliance with this tax policy.