

TAX POLICY 2023  
**DAMPSKIBSSELSKABET NORDEN A/S**

**Purpose**

The purpose of the Tax principles is to define the global management of taxes, including governance and structuring.

As part of NORDEN's responsible approach to tax, NORDEN aims to increase sustainable growth and value creation for society and our stakeholders through reliable and effective tax management.

The principles guide responsible tax behaviour applying to all entities in the NORDEN Group.

**Relationship with authorities**

NORDEN aims to build cooperative compliance with tax authorities to engage in a proactive and constructive dialogue to discuss tax planning strategy, risks, and significant transactions.

NORDEN also seeks to obtain binding rulings and/or seeks guidance, consultation and cooperation from & with local tax authorities in relation to material transactions in countries where this is deemed possible.

NORDEN respects the right of governments to determine their tax regime, rates, and tax collection mechanisms and their obligation to protect a sustainable tax base.

NORDEN seeks to maintain an open and honest dialogue with tax authorities and engages with transparency, respect, and trust. Consequently, responding to enquiries in a straightforward and timely manner to assist in evaluating our tax matters.

**Compliance**

NORDEN's tax base consists of tax paid according to the Danish Tonnage Tax Act's regulations for shipping activities and applicable tax regulations in all relevant jurisdictions.

NORDEN complies with current tax legislation, including transfer pricing rules, of the countries in which we operate and pay the right amount of tax at the right time, in line with NORDEN's corporate responsibility and the expectations of our stakeholders. NORDEN follows applicable Double Taxation Treaties, EU regulation, and relevant domestic, OECD and UN guidance.

NORDEN prepares and files all tax returns required, providing complete, accurate, and timely disclosures to all relevant tax authorities. Furthermore, NORDEN regularly makes our financial statements available in timely and transparent communication, including our tax principles. We comply with all applicable transparency rules, including country-by-country reporting.

NORDEN may make legitimate use of tax incentives and exemptions offered by governments and only where they are aligned with our business and operational objectives. We do not use so-called tax havens according to the European Union tax haven blacklist. NORDEN does not use structures that do not meet the law's intentions or where commercial motives to use a structure are clearly inferior to the tax motives.

**Transfer pricing**

NORDEN uses the arm's length principle pricing in line with OECD Transfer Pricing Guidelines for

Multinational Enterprises and Tax Administration and applies this consistently across our businesses. This entails that NORDEN gives appropriate and timely consideration to transfer pricing requirements by establishing processes, pricing, and other considerations for transactions within the Group and reporting the income derived from such transactions in the tax returns through sufficient documentation.

Under BEPS Action 13, NORDEN is required to prepare a country-by-country (CbC) report with aggregate data on the global allocation of income, profit, taxes paid, and economic activity among tax jurisdictions in which NORDEN operates. This CbC report is shared with tax administrations in these jurisdictions, for use in high level transfer pricing and BEPS risk assessments.

### **Responsibility for tax governance**

The Board of Directors of NORDEN approves general tax principles and exercises governance over corporate tax affairs through regular updates on our tax positions.

The CFO is accountable to the Board of Directors and Audit Committee for tax governance and strategy. Day-to-day operational responsibility for tax governance and management is delegated to the Head of Group Finance, who periodically reports to the CFO and the Audit Committee.

In-house trained tax professionals support the Head of Group Finance, and where appropriate, specialist tax advice and support are sought from external tax advisers.

### **Policy review**

*This policy is subject to review every two years to ensure effectiveness and compliance with NORDEN's strategy and in the case of significant changes, the policy will be presented to the Board of Directors for approval. Latest Review: November 2023.*