

Tax Policy

Our position

Coloplast is committed to running an ethical, transparent, and responsible business. This is tied to our company values: Respect & Responsibility. We consider a fair tax policy and a robust management of this policy as part of our commitments and Coloplast wants to be known and trusted as a company that upholds the highest standards of ethical business practices, irrespective of country and markets.

Coloplast sees taxes as fundamental for any country to finance its public services and infrastructure. Through direct and indirect tax payments, businesses are an important source of income for governments. For Coloplast, respecting local tax laws, regulation guidelines and industry standards are important to the company's reputation and brand. We acknowledge that even legal and compliant transactions and structures may have reputational impact if the underlying business reasons are not communicated in a clear and transparent manner.

Accountability and Governance

Tax is a core part of Coloplast's corporate responsibility and governance and is overseen by the Audit Committee on behalf of the Board of Directors.

The responsibility for tax risk management lies with the group CFO, who is responsible for allocating the sufficient resources to ensure compliance with the tax policy.

The principles of the policy apply to all entities of the group and are reflected in internal operational guidelines and processes established to ensure that the policy is imbedded in the daily operation. Adherence to the tax policy is governed by the Corporate Tax and Compliance team in a tax control framework, systematically monitoring tax risks, compliance and controlling activities.

The Corporate Tax and Compliance team is a team of qualified and trained tax professionals with the right level of expertise, experience and understanding of how the tax legislation impacts Coloplast's operation. External advice is sought when a transaction or interpretation of tax legislation falls outside the scope of expertise of the Corporate Tax and Compliance team.

Potential concerns related to the tax policy, operations and controls can be reported via the established whistleblower hotline.

Compliance

Being compliant with applicable national and international tax rules and regulation is important to Coloplast. We are committed to upholding tax legislation in all the countries we operate in and ensuring to pay the correct amount of taxes at the right time.

We monitor that all tax returns are prepared and filed on time, providing complete and accurate disclosure to relevant tax authorities.

At Coloplast, tax planning is based on applicable law and is aligned with the substance of the economic and commercial activity of our business.

Complying with tax rules can be complex as the interpretation of legislation and case law may not always be clear and may change over time. While managing our total tax expenses, we aim to comply with the letter of the law as well as the legislators' intention with the law.

Where tax regulations are unclear or subject to interpretations, external advice or confirmation from tax authorities will be sought to gain clarity on the tax position and to ensure that our position will, more likely than not, be settled in our favor.

Within these principles, Coloplast will pursue tax opportunities, including seeking government sponsored tax incentives, if they arise and will proactively obtain knowledge to have a competitive effective tax rate and to avoid double taxation.

Business structure

Business structures and transactions within Coloplast must have a business purpose or commercial rationale. Coloplast does not allow commercial needs to override compliance with applicable laws, nor base commercial activities on artificial or opaque structures that are intended for tax avoidance or have no commercial substance.

The group structure, as also presented in the annual report, is driven by commercial considerations. Subsidiaries are generally owned directly by Coloplast A/S unless local holdings are relevant for business purposes. Cross-country ownership structures inherited as part of group acquisitions are, if not serving a commercial purpose, winded up when practically possible.

Coloplast does not use low tax jurisdictions to avoid taxes. Our presence in countries widely regarded as 'tax heavens' is based on business activities and the medical needs of users in those territories.

The nature of being a global corporation implies that goods are sold, services are carried out, and intangible assets are exploited between Coloplast entities across geographical borders and different tax regimes. Consequently, transfer pricing is particularly important when managing the tax affairs for Coloplast.

At Coloplast, we pay close attention to transfer pricing requirements and focus on pricing the value of these inter-company transactions on arms-length basis according to best practice guidelines issued by the OECD. These guidelines ensure that taxes are paid where the business activities generate value and are performed within a normal cause of commercial activity.

Coloplast apply a centralized business model referred to as a principal structure. A principal structure means that all legal entities, except for the principal, perform their functions on contract on behalf of the principal. As a result, entities contracted by the principals are allocated an operating profit according to a benchmarked net profit margin based on the activity performed, the remaining residual profit is subsequently allocated to the principal.

The principles set forth in this policy extend to our relationships with employees, customers, suppliers, and other partners. Coloplast will not engage in arrangements whose purpose is to create tax benefits in excess of what is reasonably understood to be intended by relevant tax rules.

Transparency

Coloplast believes that transparency in our tax approach can strengthen trust in both the corporate tax system and the management of tax by multinational companies. Therefore, we are committed to disclosing relevant information about our tax practices.

On an annual basis, Coloplast discloses:

- The updated tax policy, as approved by the Board of Directors
- An overview of the group structure including a list of all entities, ownership information, geography, and scope of activities (in the Annual report)
- A tax report containing Country by Country Information on the effective tax rate and tax payments.

Relationship with authorities

Coloplast seeks to have an open and transparent relationship with the tax authorities and actively participates in relevant cooperative compliance relationships.

Coloplast is seeking an open and transparent relationship with tax authorities, responding to relevant tax authority enquiries in a straightforward and timely manner to assist in the evaluation of tax liabilities.

Coloplast is actively participating in cooperative compliance relationship with tax authorities where both parties engage in a proactive and constructive dialogue to discuss risks and uncertainties of significant transactions or of how specific tax rules apply to our business.

Our dialogue with tax authorities is based on full disclosure of all the relevant facts and circumstances.

Seeking and accepting tax incentives

Coloplast claims available incentives and tax reliefs where they apply in areas where we have business substance.

Governments often implement tax rules and incentives encouraging companies to increase investments to stimulate economic development or employment.

When assessing new business cases for expansions, such government sponsored tax incentives will be included in the overall assessment of the business case. The incentives will be pursued if they arise and are aligned with our business operation objectives, and we will proactively obtain knowledge of such incentives to have a competitive effective tax rate. For instance, Coloplast benefits from increased tax deduction/tax credits for research and development activities in Denmark, France and US and tax incentives/tax credits on investments in Costa Rica, Hungary and Portugal.

When accepting tax incentives offered by a government authority to support investment, employment, and economic development, Coloplast will seek to implement these in the manner intended by the relevant framework.

Supporting Effective Tax Systems

Coloplast engages constructively in national and international dialogue with governments, business groups and civil society to support the development of effective tax systems, legislation, and administration, and support target 16.6 in UN's Sustainable Development Goals.

Coloplast supports initiatives to help develop capabilities of tax authorities and systems if requested.

Coloplast promotes responsible tax practice through our involvement in industry associations, governmental or external bodies, and in our relationship with suppliers, contractors, and customers.

Approved by Board of Directors
[November 2025]