

Tax Policy – in brief

Introduction

The Tax Policy defines the Board's view on how tax should be managed within the ICA Group. The purpose of the Policy is to set the framework for the tax management within the ICA Group for it to be consistent with ICA's mission.

According to this view tax should be treated as any other cost within the Group. This implies that the tax costs should be minimized through effective tax risk management and effective tax compliance rather than through implementation of transactions for the sole purpose of minimizing tax cost.

ICA should always aim to follow applicable rules and regulations in the tax area. The decisions made should be driven by commercial reasons only as long as these reasons are compatible with good corporate citizenship.

The Tax Policy covers all taxes, including Corporate Income Tax, VAT, Social security charges, excise duty, real estate tax, personal income tax.

Total corporate income tax level for the ICA Group

The total tax is a result of the corporate income tax in each country where ICA operates. The objective is that the right amount of taxes is paid in the right country, always compliant with relevant laws and regulation in each country. For detailed information about ICA Gruppen's tax rate and taxes paid per country, please see Annual Report.

Tax Risk management

The regulatory requirements in the tax area are increasing. It is therefore of high importance for the ICA Group to implement a systematic method to identify and quantify existing tax risks. It is also important to have distinct guiding principles on responsibility areas and decision making. Strategic and operational decisions should be commercial rather than tax driven.

The Bill of Authority (BOA) of ICA Gruppen sets the framework for the acceptable level of tax risk exposure and the relevant documentation requirement as well as the mandate for final approval.

The following tax risk areas are particularly important for the ICA Group:

- Mergers and Acquisitions
- Operational Risks
- Compliance Risks
- Reputational Risk

Governance

The Policy is subject to annual review by the ICA Gruppen Audit Committee and is approved by the ICA Gruppen Board of Directors.

Any non-compliance with the Policy shall be reported to the Finance Committee of ICA Gruppen.