

Group Policy

# Loomis – Group Tax Policy

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## 1. Introduction

Loomis is the specialist in creating an efficient cash flow in society. We offer comprehensive solutions at all levels of society including financial institutions, retailers, other commerce related business and the public sector. Our 25,000 employees operate in about 400 branch offices spread across more than 26 countries.

The Tax Policy outlines the general framework and Tax Principles for how Loomis deals with tax related matters.

This policy applies to all Loomis group companies' in which Loomis has decisive control. This policy applies to corporate income taxes, employee related taxes, withholding taxes, VAT and all other levies and duties paid to tax authorities in the countries in which Loomis operates.

## 2. Update and approval

The Board of Directors shall review and adopt this Policy annually or, if deemed necessary, whenever there is a need or requirement to do so.

## 3. Roles and responsibilities

### Board of Directors

Tax is a responsibility of the Board of Directors of Loomis AB through the Audit Committee.

### Group CEO

The responsibility of Loomis' President & CEO (the "CEO"), as delegated from the Board, in relation to the Policy, is to:

- Ensure the Policy is implemented
- The right resources and organization are in place to ensure compliance with the Policy
- Internal procedures are documented and that adequate control systems are in place
- The CEO instructions aligns with the Policy

### Group CFO

The CEO delegate's tax related matters to the CFO. The responsibility of Loomis' CFO (the "CFO"), as delegated from the CEO, in relation to the Policy, is to:

- Take ownership of and revise the Policy when necessary and at least annually
- Ensure that the information presented to the Audit Committee is accurate and identifies the relevant matters.
- That risks under the Policy are managed in accordance with the Policy and hereto applicable guidelines.

**Head of Group Tax**, as delegated from the CFO, has the overall responsibility for tax matters within the Loomis Group with the exception of employee related taxes and group accounting for taxes. Country Finance Managers (in alignment with HR) are responsible for employee related taxes and Group Financial Control is responsible for group accounting for taxes (IFRS).

Head of Group Tax is responsible for the Loomis Tax Guidelines and acts as a central coordinator globally in order to ensure consistency and synergies on how corporate income taxes, transfer pricing, and value added taxes are to be handled within the Loomis Group. The Loomis Tax Guidelines stipulates in more detail who is responsible for what and when Head of Group Tax needs to be involved.

The CFO approves the Loomis Tax Guidelines. When deemed necessary, the Loomis Tax Guidelines are updated by Head of Group Tax and the CFO approves any changes.

The responsibility of the “**Country Finance Managers**”, as acting on behalf of their businesses, in relation to the Policy is to:

- Be responsible for staying informed about- and to operate in accordance with this Policy, Loomis Tax Guidelines and related instructions
- Measure, report, monitor and manage tax risks at the subsidiary level
- Managing tax compliance, tax reporting including mandatory tax disclosures

## 4. Tax Principles of the Loomis Group

### 4.1. General tax considerations

Loomis is a responsible taxpayer and acts in accordance with the Loomis Code of Conduct. Taxes are paid according to law and regulation in all countries where Loomis operates. At Loomis, we have a responsibility to our shareholders to control the tax cost as all other costs and to manage the effective tax rate. While meeting these responsibilities we shall act with integrity and transparency to enable relevant stakeholders to understand our tax affairs. The objective is that the right amount of tax is paid in the right country while protecting the Loomis brand as well as creating value for the shareholders.

### 4.2. Tax Compliance

All Loomis entities shall comply with local requirements on tax compliance including submitting corporate income tax, payroll and VAT returns, as well as submitting all other information such as mandatory disclosures, required by local authorities in a correct and timely manner. Where tax laws does not give clear guidance, prudence and transparency shall guide any decisions. The Group will seek to have robust arguments for the position taken.

### 4.3. Transfer Pricing

The objective is that all cross border related party transactions within the Loomis Group are priced in accordance with the “Arm’s Length Principle” in order to ensure that profits are allocated and taxed where the value is created.

Head of Group Tax is responsible for the Loomis group’s Transfer Pricing Affairs, Transfer Pricing documentation (Master File and draft Local File) and Loomis Group’s Country-by-Country Reporting. The Transfer Pricing Policy and Transfer Pricing documentation shall comply with OECD’s Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations as well as local requirements. Transfer Pricing matters must always be managed by the Head of Group Tax due to the importance of having a coordinated, consistent and structured Transfer Pricing Policy on a global basis. Group Treasury is responsible for having Arm’s Length prices on financial transactions within the Loomis Group. Group IT is responsible for having arm’s length prices on the Group IT transactions within the Loomis Group.

### 4.4. Tax Planning and Business considerations

Loomis’s tax positions should be aligned with the group companies’ underlying business and be commercially motivated. Loomis does not engage in any aggressive tax planning or support the use of artificial structures that are established solely for tax avoidance. Loomis will not have presence in so-called tax havens, unless this is justified for business reasons.

It is the policy of the Group to have a cautious approach to risk and work towards achieving a high degree of certainty in its current and future tax liabilities.

### 4.5. Relationships with Tax Authorities

Honesty and transparency is paramount in all dealings with local tax authorities and other similar governmental bodies. Loomis engages with tax authorities with integrity and respect and work collaboratively to resolve disputes and obtain agreement.

### 4.6. External tax advice

Tax rules are not always clear and the legislation is often subject to interpretation and uncertainties. In these cases, Loomis shall seek advice from third-party advisors and the advice should be business oriented and be in line with the Tax Policy of the Group. Loomis Group primarily seeks tax advice from large, international and reputable accounting and law firms.

## 5. Tax risk management

Head of Group Tax shall be aware of all material uncertain tax positions (UTP). Head of Group Tax will give advice when appropriate, or may take an active role in dealing with certain UTP’s. This shall be decided on a case-by-case basis.

Country Finance Managers are fully responsible for identifying and reporting tax risks within their area of responsibility. Tax risks are reported on a quarterly basis in a web-based tool disclosing details of all our tax exposures and provisions. Head of Group Tax monitors the locally reported tax risks also on a quarterly basis. Any significant tax risks within Loomis shall be reported immediately to the Head of Group Tax and the CFO.

The Board of Directors and the Audit Committee are updated on tax matters on a quarterly basis or more frequent, if deemed necessary.

## **6. Tax risk accounting and tax disclosures**

Loomis follow IFRS (International Financial Reporting Standards) including IAS 12 *Income Taxes*, IFRIC 23 *Uncertainty over Income Tax Treatments* and IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. Material provisions for uncertain tax positions or disputes are disclosed in the quarterly reports, in the tax note and/or in the contingent liabilities section of the Annual Report.

## **7. Exemptions and deviations**

Any material exemptions from this Policy shall be approved by the Board of Directors.

Any identified deviation from this Policy shall be reported to Head of Group Tax.

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