

## Corporate Tax Policy

The Board of Directors of Finolex Industries Limited (hereinafter “Finolex/ Company/ FIL”) hereby approves this Corporate Tax Policy (“Policy”) which is included within its Corporate Governance Rules, in order to expressly articulate the tax strategy of the Company and the general commitment to compliance with and the further development and implementation of good tax practices by the Company.

### 1. Purpose

This Policy is intended to set forth the Company’s tax strategy, based on excellence and a commitment to the application of good tax practices within the framework of the corporate and governance structure of the Company.

The Company’s tax strategy consists basically of ensuring compliance with applicable tax laws and regulations within the framework of fulfilling the corporate interest and supporting a long-term business strategy that avoids tax risks and inefficiencies in the implementation of business decisions.

To that end, the Company takes into account all legitimate interests, including public interests, that converge in its business. In this connection, the taxes that the Company pays in the territories in which it does business are their main contribution to sustaining public expenditures and, accordingly, one of their contributions to society and to the achievement of goal eight of the Sustainable Development Goals (SDGs) approved by the United Nations (UN).

### 2. Scope of Application

This Policy applies to all the subsidiaries of the Company, as well as to all investees over which the Company has effective control, within the limits established by law.

This Policy shall also apply, to the extent relevant, to the joint ventures, temporary joint ventures and other equivalent associations, if the Company assumes the management thereof.

### 3. Main Principles of Conduct

Compliance by the Company with its tax obligations and its relations with tax authorities shall be governed by the following main principles of conduct, the application of which corresponds to each of them in accordance with the standards set out in section 5 below:

- i. compliance with tax rules in the territories in which the Company operates, paying all taxes due in accordance with the legal system.
- ii. the making of decisions on tax matters by the Company based on a reasonable interpretation of applicable legal provisions and in close connection with their activities.
- iii. the prevention and reduction of significant tax risks, ensuring that taxes bear an appropriate relationship to the structure and location of activities, human and material resources, and business risks.
- iv. the strengthening of the relationship with tax authorities based on respect for the law, fidelity, reliability, professionalism, cooperation, reciprocity and good faith, without prejudice to the

legitimate disputes that, observing the aforementioned principles and in the defence of the corporate interest, may arise with such authorities concerning the interpretation of applicable legal provisions.

- v. the provision of information to the management decision-making bodies on the main tax implications of the transactions or matters submitted to it for approval, when they are a significant factor in making a decision.
- vi. envisaging the taxes that Group companies pay in the countries and territories in which they operate as the principal contribution to sustaining public expenditures, and therefore as one of their contributions to society.

#### 4. Good Tax Practices

Applying the foregoing principles, the Company assumes the following good tax practices:

- i. not to use artificial structures unrelated to business for the sole purpose of reducing tax burden nor, in particular, enter into transactions with related entities solely to erode the tax basis or to transfer profits to low-tax territories.
- ii. avoid opaque structures for tax purposes, which are understood as structures calculated to prevent knowledge by the competent tax authorities of the party ultimately responsible for the activities or of the ultimate owner of the assets or rights involved.
- iii. not to create or acquire Companies resident in countries or territories that Indian legal provisions deem to be tax havens.
- iv. follow the recommendations of the good tax practices codes implemented in the countries and territories in which the Company does business, taking into account the specific needs and circumstances of the Company.

Without prejudice to any revision of this Policy by the Company's Board of Directors within the framework of ongoing improvement of the Governance and Sustainability System, the Company's commitment concerning compliance with, further development, and implementation of the Code shall extend to any other good tax practices that stem from the recommendations of the Code in effect at any time, even if not expressly set forth in this Policy.

- v. cooperate with the competent tax authorities in the detection of and search for solutions for fraudulent tax practices of which the Company is aware that may be used in the markets in which the companies of the Group have a presence.
- vi. provide significant tax-related information and documents that may be requested by the competent tax authorities in the exercise of their powers, as soon as practicable and with the required scope.
- vii. notify the appropriate body of the tax authority and sufficiently discuss therewith all significant issues of fact of which it has notice, in order to commence the appropriate investigative proceedings, if any, and to promote agreements and consents during the course of inspection proceedings, to the extent reasonably possible and without impairing good corporate management.
- viii. make available to anyone who so desires the reporting channels required for them to report conduct that may involve the commission of an improper act or an act contrary to law or the Governance and Sustainability System, including the rules of conduct established in the Code of Ethics, and therefore including conduct in the tax area.

## 5. Application of the Policy within the Framework of the Corporate and Governance Structure of the Company

The application of this Policy shall be governed by the following principles in accordance with the configuration of the Company's corporate and governance structure:

With respect to the Company, the Board of Directors of the Company, through its chairman, chief executive officer, chief financial officer and members of its management team, shall promote due observance of the principles and good tax practices set forth in this Policy by the Company.

## 6. Monitoring and Control

The Company shall adopt the control mechanisms necessary to ensure compliance with the tax laws and regulations, as well as the principles and good practices set forth in this Policy, as part of proper business management. It shall also use proper and sufficiently qualified human capital and material resources for such purposes.

The Company's Tax Department (or the team that assumes the duties thereof) shall approve and periodically review guidelines for the evaluation and management of tax risk applicable to all Company, which shall include objective standards to classify transactions based on the tax risk thereof, as well as different procedures for the approval thereof, and shall act as the body responsible for tax compliance within the Company, in coordination with the Company's Compliance Unit, proactively and independently endeavouring to ensure compliance with tax provisions as well as with the principles and good practices contained in this Policy.

## 7. Transparency

In compliance with the Company's commitment to transparency in relations and in communication with its Stakeholders, it shall disclose the most relevant information on the performance of the Company in tax matters and its tax contribution to the maintenance of public expenditures in the country and territories in which it operates, endeavouring to ensure that the information is clear, useful and truthful.