

**INFORMATION ON THE EXECUTION OF  
TAX STRATEGY FOR 2021**

sia Abrasives Polska Sp. z o.o.

ENGLISH VERSION

## Glossary

For the purposes of this document, the following terms shall have the following meanings:

<b>Term/Abbreviation</b>	<b>Definition/Description</b>
2021	Tax year started on January 1, 2021 and ended on December 31, 2021
Company, sia Abrasives	sia Abrasives Spółka z ograniczoną odpowiedzialnością
Group	All affiliated companies of Robert Bosch Group worldwide
CIT Act	The Act of February 15, 1992 on Corporate Income Tax (consolidated text: Journal of Laws of 2021, item 1800, as amended)

## The introduction

The document presents how sia Abrasives Spółka z ograniczoną odpowiedzialnością, part of the Robert Bosch Group, executed its tax strategy in 2021.

sia Abrasives, as a taxpayer of corporate income tax with a turnover exceeding EUR 50 million generated in the financial (tax) year ended on December 31, 2021, is obliged to prepare and publish information on the implemented tax strategy for the financial (tax) year ended on December 31, 2021.

This information on the implemented tax strategy was prepared in accordance with Art. 27c of paragraph 2 of the CIT Act.

## sia Abrasives

Sia Abrasives Polska Sp. z o.o. is one of the biggest suppliers of abrasives on the Polish Market. The scope of sia Abrasives Polska Sp. z o.o. business activity includes a comprehensive range of products as well as solutions for all materials, and a wide range of applications and abrasives in various shapes and forms.

### Chart 1. Basic information about the Company

<b>Company name</b>	sia Abrasives Polska Spółka z ograniczoną odpowiedzialnością
<b>Company registered office</b>	ul. Prosta 21, Łozienica 72-100
<b>Identification data</b>	KRS (National Court Register) number: 0000118228 NIP (Taxpayer Identification Number) number: 8511000620 REGON (Business Statistics Number) number: 81045374300000
<b>Share capital</b>	33 450 000 PLN
<b>Date of entry into the register of entrepreneurs of the National Court Register</b>	2002-06-13
<b>Number of employees (average employment) in 2021</b>	395

**Processes and procedures for managing the performance of obligations under tax law and ensuring their proper performance**

The basic principles of the Company's conduct in tax matters were based on binding tax regulations, available interpretations and explanations of the Polish tax authorities, binding rulings as well as generally applicable good practices that provide the correct calculation and payment of tax liabilities. In order to properly and effectively fulfil its tax obligations, the Company follows tax directives and procedures that take into account the nature of each of the Company's operations, its internal organization, as well as the specificity of the industry in which the Company operates. Furthermore, implemented internal procedures, directives and regulations covering all specific issues and factors that should be taken into account while verifying the Companies' tax obligations connected with their business activities.

The obligations related to the Company's tax settlements were performed with the participation of experienced and having relevant knowledge employees, local and central tax department (being Center of Excellence), as well as external service providers, which ensured:

- compliance of the Company's tax settlements with the regulations,
- securing the correct manner of fulfilling tax obligations and
- stability of performed processes.

The Company pays particular attention to appropriate procedures aimed at standardizing internal processes and securing the correct method of fulfilling tax obligations. Implementing and documenting key tax processes have enabled the Company to maintain control over tax matters, ensure compliance with tax regulations as well as proper and timely fulfilling reporting and risk management requirements.

The Company has made every effort to ensure that transfer of information between the management as well as employees responsible for making strategic business decisions and the department responsible for the Company's tax settlements was complete and understandable. In the area of risk management and control, the Company implemented procedures/processes to identify potential tax risks through appropriate identification, measure, controls and monitoring, and then to eliminate or reduce them. In the case a tax risk is identified, certain measures in line with relevant procedures were taken to minimize and even completely eliminate it.

**Voluntary forms of cooperation with the National Revenue Administration (KAS)**

The Company did not use any voluntary forms of cooperation with the National Revenue Administration.

**Information on the tax obligations fulfilled by the Company in the territory of the Republic of Poland**

Compliance for the Company means paying the right amount of tax at the appropriate time, and involves disclosing all relevant facts and circumstances to the National Revenue Administration.

In order to ensure compliance with the applicable regulations, in 2021, the Company consulted selected areas of its business with professional advisory companies.

The Company fulfilled tax obligations in all areas required by tax law, taking into account the range of the Company's operations. In particular, the Company was a taxpayer of the corporate income tax (CIT). Information on the settlement of CIT (i.e. the value of tax revenues, tax deductible costs, tax income, tax due) is regularly published on the website of the Ministry of Finance in accordance with applicable regulations.

In addition, the Company fulfilled its obligations in the field of:

- real estate tax (RET),
- withholding tax (WHT),
- value added tax (VAT),
- personal income tax (PIT)
- and paid social and health insurance contributions (ZUS) on salaries paid to the Company's employees.

Additionally, since the Company's business activity includes various products, services and technologies the Company was also affected by the provisions of Polish law, and thus, the Company was the payer of several statutory fees and taxes, such as:

- the capacity fee;
- the fee for introducing gases or dust into the air;
- the customs duty.

**Information on the number of information on tax schemes submitted to the Head of the National Revenue Administration, broken down by taxes to which they relate**

In 2021 the Company did not identify any tax schemes and therefore did not submit any schemes to the Head of the National Revenue Administration pursuant to Art. 27c of paragraph 2 point 2 of the CIT Act.

**Information on transactions with related entities**

Pursuant to Article 27c section 2 item 3 letter a of the CIT Act, in 2021, the Company made the following transactions for which the value exceeded 5% of total asset balance sheet as defined in the accounting regulations, determined on the basis of the Company's last approved financial statements:

- Sale of finished products by a manufacturer with limited functions and risks;
- Purchase of raw materials, materials and semi-finished products for production purposes;
- Transactions related to obtaining financing.

The Company timely fulfilled its transfer pricing obligations, in particular, it has transfer pricing documentation (master file, local file and benchmarks) for 2021. In addition, the Company timely filed transfer pricing information (TPR-C form) and a statement on the preparation of local transfer pricing documentation.

**Information on restructuring activities planned or undertaken by the Company that may affect the amount of tax liabilities of the Company or related entities**

The Company did not take or planned to undertake any restructuring actions that could affect the tax liabilities of the Company or its related entities within the meaning of Art. 11a paragraph 1 point 4 of the CIT Act.

**Information on making tax settlements for the taxpayer in territories or countries applying harmful tax competition**

The Company did not make tax settlements in territories or countries applying harmful tax competition indicated in the executive acts issued under Art. 11j paragraph 2 of the CIT Act, pursuant to Art. 23v paragraph 2 of the Act of 26 July 1991 on Personal Income Tax (consolidated text: Journal of Laws of 2021, item 1128, as amended) and in the announcement of the Minister competent for public finance issued under Art. 86a § 10 of the Act of 29 August 1997 - Tax Ordinance (consolidated text: Journal of Laws of 2021, item 1540 as amended).

In particular, in the above-mentioned territories/countries, the Company in 2021:

- has not been registered for tax purposes;
- did not submit tax returns or forms;
- did not collect and pay taxes.

**Information on  
applications submitted  
by the Company**

In 2021 the Company did not submit any applications for the issuance of:

- individual tax interpretation;
- general tax interpretation;
- binding rate information;
- binding excise information.