



Lansinoh UK tax strategy

Introduction

Our goal is to help mothers nourish and nurture their children. With a range of products and support, from soothing lanolin to breastfeeding pumps and accessories, we have become a savior to mothers worldwide. We are proud to be able to support an ever-increasing number of mothers through our expanding global presence, and our awards serve as a testimony to our products.

We strive to harmonize with society. As a corporation, we regard contributing back to the community as a moral responsibility, and believe that doing so will secure the continued trust of our stakeholders and contribute towards the growth of our business. Paying the right amount of tax at the right time plays a key part of our role as a good corporate citizen.

This tax strategy has been published in accordance with Schedule 19 (2) of the UK Finance Act 2016 and lays out the approach that the UK branch of Lansinoh Laboratories, Inc. ("Lansinoh") takes to managing taxes in the UK. Lansinoh is a member of the Pigeon group ("the group") whose ultimate parent is Pigeon Corporation ("Pigeon"), a global provider of products and services for babies, children and those who need assistance.

This tax strategy has been approved by the Board of Directors of Pigeon Corporation and applies to the financial year ended 31 December 2017.

Compliance

Lansinoh is committed to complying with all laws and regulations. The business Code of Conduct, which applies to all employees within the business, promotes "management with compliance" and requires that employees comply with both the law and the standards and spirit of the communities they serve.

The guiding principles of the Code of Conduct also determine how group taxes are managed. Due to the size of the UK operations, external tax advisors are engaged to prepare all UK statutory tax returns. External tax advice may also be sought in addressing difficult or complex tax matters.

Governance

The Board of Directors owns the tax strategy, and is responsible for governance, tax compliance and oversees tax and finance operations for the group. The CEO of Lansinoh is a member of the Board of Directors and provides updates regarding matters that could materially affect the taxation of Lansinoh, especially those presenting financial or reputational risks. The CFO of Lansinoh is responsible for the finance operations and supervises activities performed by finance and accounting personnel involved in the UK business operations.

Tax risk management

Lansinoh takes a conservative approach to managing taxes and seeks to reduce tax risks wherever possible. Tax risk management forms part of a group-wide approach to managing risks in which a dedicated committee is responsible for identifying, evaluating and proposing responses to various types of risk. In collaboration with other teams, an internal audit department periodically audits the status of risk management in each department.



Approach to arranging our taxes

In accordance with the corporate policies, Lansinoh maintains the highest ethical standards and follows all tax laws and regulations. However, with the commercial aim of bringing continued value to the shareholders it is necessary to manage costs. Opportunities to seek efficiencies using available tax incentives will be considered providing that doing aligns to the group's commercial objectives and the tax authorities' intended purpose, and that the use of such incentives will neither put the reputation of the group at risk nor jeopardize its relationship with the tax authorities where the business operates. Artificial structures which lack commercial substance will not be used. The transfer pricing policy follows OECD guidelines and the arm's length principle is used in performing the valuation of intercompany transactions.

Working with HMRC

Lansinoh is committed to the markets it serves and wishes to maintain a long-term relationship with HMRC based on trust and mutual respect. Accordingly, it fully cooperates with HMRC and acts with integrity and transparency.