

Our Approach to Tax and Transparency

Orbia Management and the Board of Directors have developed a comprehensive tax policy emphasizing transparency, compliance, and responsible tax practices. At Orbia we are committed to complying with all applicable tax laws, rules and regulations. We aim to maintain trust with our stakeholders, contribute to the economies in which we operate, and fulfill our broader responsibilities towards society.

Compliance with Laws and Regulations: We are committed to strict compliance with all applicable tax laws, rules, and regulations in the jurisdictions in which we operate. We strive to accurately determine and comply with our tax obligations, including all reporting and payment requirements. We work closely with our internal and external tax advisors to stay updated on changes to tax legislation and implement any necessary adjustments in our compliance processes.

Tax Planning and Risk Management: While striving for compliance, we also recognize the importance of responsible tax planning within the boundaries of the law. Tax planning aims to maximize efficiency while minimizing risks. Our tax planning activities prioritize economic substance over artificial structures, and we engage in legitimate tax planning strategies to ensure that we utilize available incentives, deductions, and credits while considering long-term implications. However, we will not engage in aggressive tax planning that lacks economic substance or seeks to exploit tax loopholes.

Transparency and Disclosure: We are committed to maintaining a high level of transparency in our tax practices. We recognize the growing demand for transparency regarding tax and financial information. We voluntarily disclose relevant tax-related data in accordance with international standards, including country-by-country reporting. In addition, we ensure that all relevant tax information is accurately disclosed in our financial statements and reports in compliance with applicable accounting standards and regulations. This enables stakeholders to assess our tax practices, contributions to economies, and compliance with tax obligations in various jurisdictions.

Tax in ESG: We believe tax plays a critical role in our approach to compliance and transparency in the areas of environmental, social, and governance (ESG). Tax is an accelerator in reaching our ESG goals by serving as a crucial tool for incentivizing sustainable practices and responsible corporate behavior. Orbia is a purpose-driven organization, and our sustainable approach to taxes enables our organization to innovate by being eco-friendly, addressing social issues, and promoting transparent corporate governance. By aligning our tax governance framework with sustainability, we integrated ESG into our tax strategy, fostering a sustainable organization.

Ethical and Social Responsibility: We conduct our tax activities in an ethical manner, ensuring alignment with our broader corporate values. We acknowledge our responsibility to contribute to the societies in which we operate by paying our fair share of taxes. We do not engage in tax evasion, aggressive tax planning, or any artificial structures that lack commercial substance. Our tax activities are consistent with our sustainability initiatives, supporting environmental protection and social development.

Relationship with authorities: We seek to develop cooperative relationships with tax authorities based on trust and mutual respect. We actively cooperate with tax authorities and respond to their inquiries promptly and transparently. Our aim is to foster an open dialogue and build constructive relationships with tax authorities in a straightforward and timely manner where both parties engage proactively in discussions related to Orbia's tax compliance good standing, tax planning strategy, transfer pricing policy, and significant business transactions. In addition, we seek to enter into early dialogue with tax authorities to resolve misunderstandings, disagreements, and material uncertainties about the tax rules and regulations that apply to our operations. Finally, we will not bribe or otherwise induce tax officials or government officials with the aim of obtaining beneficial outcomes with respect to Orbia tax matters.

Governance and Accountability: Our tax function and tax policy are driven by a robust tax governance framework. Effective governance ensures accountability, clear roles and responsibilities, and regular monitoring of tax compliance and reporting. Our commitment does not stop here; we seek feedback and perform benchmarking analysis. We regularly review and update our tax policy to ensure its alignment with best practices and ever-changing regulatory environments.



Public Country-by-Country Reporting

In line with tax transparency global demands, the Public Country by Country Reporting (PCbCR) below is being disclosed for Orbia’s 2024 calendar year, from select data filed by our parent entity Controladora GEK SAPI de CV.

Amounts in USD\$ '000											Main Business Activity(ies)										
											Research and Development	Holding / Managing IP	Purchasing / Procurement	Manufacturing / Production	Sales, Marketing or Distribution	Admin, Mgmt or Support Services	Services to Unrelated Parties	Internal Group Finance	Holding Shares / Other Equity	Dormant	Other
	Third party revenue	Interco revenue	Total Revenue	Profit Before Tax	Income Tax Paid [A]	Income Tax Accrued [B]	Difference [B-A]	Employees	Tangible assets	Retained Earnings											
Significant non-EU countries																					
Brazil	460,015	123,332	583,347	(7,990)	2,848	1,829	(1,019)	2,660	186,198	40,299			X	X	X				X		
Colombia	560,494	221,025	781,519	2,999	6,321	5,558	(763)	1,802	234,234	102,112			X	X	X	X					
Israel	119,347	321,587	440,934	(60,886)	-	-	-	989	208,835	3,518	X		X	X	X				X		
Mexico	1,826,782	1,192,074	3,018,856	(138,206)	63,045	75,534	12,488	4,043	1,099,944	(3,726,221)	X	X	X	X	X	X		X	X		X
United States	1,483,700	1,328,025	2,811,726	226,555	50,614	42,338	(8,276)	2,535	1,654,261	1,675,365	X	X	X	X	X	X			X	X	
United Kingdom	592,471	115,526	707,998	139,562	30,244	36,181	5,937	1,260	240,338	271,000	X	X	X	X	X	X			X	X	X
EU countries																					
Austria	2,299	-	2,686	(544)	16	16	-	1	26	(900)					X						
Belgium	30,028	689	30,718	(5,240)	5	-	(5)	42	3,577	(9,701)					X						
Czech Republic	48,519	17,109	65,628	(3,231)	42	43	1	331	26,217	17,986				X	X						
Denmark	102,111	34,690	136,801	613	4,563	3,419	(1,144)	264	36,632	(3,487)				X	X						
Finland	17,055	1,274	18,329	(859)	-	-	-	49	3,173	4,628				X	X						
France	96,672	1,852	98,523	(5,920)	79	185	106	250	21,254	2,493				X	X						
Germany	725,277	96,861	822,138	(64,749)	1,196	1,109	(86)	796	289,003	180,271	X		X	X	X				X	X	X
Greece	-	-	-	-	-	-	-	3	-	(52)										X	
Hungary	24,269	11,956	36,225	715	269	269	-	46	1,216	11,599				X	X						
Ireland	41,842	1,270	43,112	1,419	443	268	(175)	28	7,242	21,140				X	X						
Italy	85,638	18,912	104,551	8,775	2,617	2,649	31	260	25,187	49,101				X	X						
Lithuania	20,103	978	21,081	931	87	87	-	37	2,592	12,192					X						
Netherlands	245,900	658,142	904,042	(20,588)	3,433	81	(3,351)	1,075	123,594	(44,128)	X	X	X	X	X	X			X	X	X
Poland	80,390	127,672	208,062	4,730	3,100	1,085	(2,016)	805	68,628	66,955				X	X	X					
Slovakia	8,153	214	8,367	(447)	137	4	(133)	17	529	3,413					X						
Spain	40,982	14,901	55,883	1,617	297	325	28	56	13,604	6,509				X	X						
Sweden	38,844	21,115	59,960	(4,509)	6	6	-	101	17,881	(11,409)				X	X						

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	Third party revenue	Interco revenue	Total Revenue	Profit Before Tax	Income Tax Paid [A]	Income Tax Accrued [B]	Difference [B-A]	Employees	Tangible assets	Retained Earnings											
EU Black List																					
Panama	10,824	241	11,064	(506)	104	64	(40)	14	8,165	5,302			X	X	X						
Russia	74	-	74	(566)	-	-	-	4	3	(3,603)									X		
EU Gray List																					
Turkey	125,061	41,952	167,013	(7,444)	-	651	651	431	35,686	(28,727)				X	X						
Vietnam	-	-	-	(7)	-	-	-	-	-	39										X	
Other countries																					
Australia	54,222	3,434	57,656	(5,316)	688	459	(229)	115	10,116	16,866				X	X				X		
Switzerland	57,428	3,910	61,338	(2,556)	-	-	-	5	8,770	(4,036)				X	X						
Singapore	6,929	161	7,090	(3,123)	-	-	-	2	3	(7,324)					X	X			X		
Other investments	37,335	8,937	46,272	(115,148)	207	360	153	1,193	1,125,096	597,210					X	X			X	X	
Rest of the world	1,128,668	287,143	1,415,811	40,661	34,033	28,080	(5,952)	5,372	543,637	417,665			X	X	X	X			X	X	
Total	8,071,432	4,654,984	12,726,804	(19,258)	204,392	200,600	(3,792)	24,586	5,995,642	(333,926)											

Note: The effective tax rate may not be indicative of the actual taxes paid during the reporting period. This is due to several factors, including non-consolidation of entities and impact of losses. The effective tax rate calculation is based on consolidated financial information. However, certain entities or operations may not be consolidated for tax purposes, leading to differences between the effective tax rate and the taxes paid. The effective tax rate may also be influenced by the recognition of tax losses or loss carryforwards, which can reduce taxable income and consequently, the taxes paid. These losses may not align with the financial reporting period or the jurisdictional tax rules, further impacting the relationship between the effective tax rate and the actual tax payments.