

A close-up, profile view of a woman with dark hair, looking down. She is wearing a small, dark, circular earbud in her left ear. The earbud has the B&O logo on it. She is wearing a pink, textured, fuzzy garment. The background is a warm, orange-toned gradient.

Tax Policy

(Adopted as of 05.07.2023 by the Board of Directors)

B&
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Reg. number: 41257911

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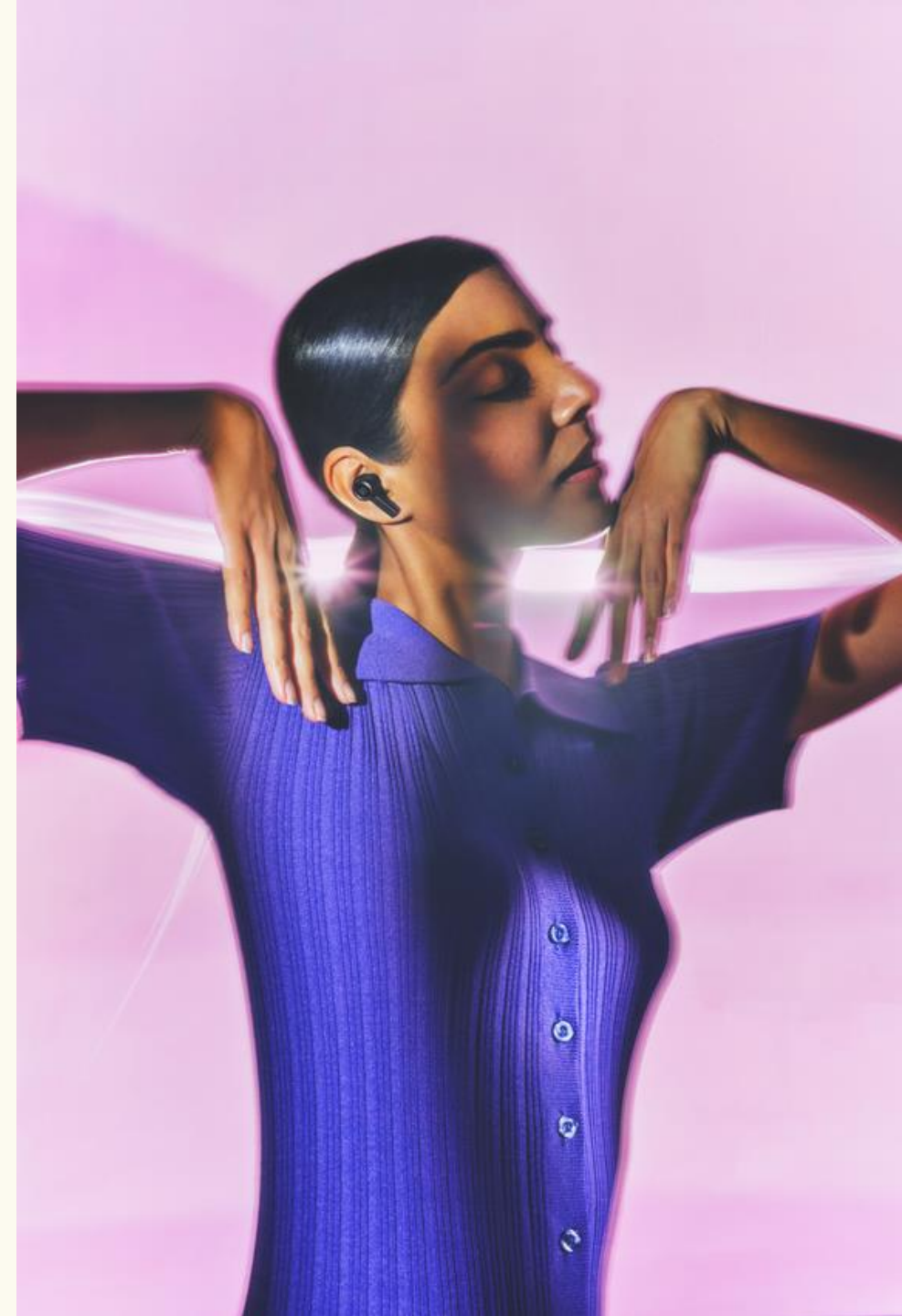
Tax Policy

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Introduction

In order to stand the test of time, we at Bang & Olufsen have continuously adapted our business to match the needs from our customers in terms of craftsmanship, sound and design. Our success is measured not only by our results, but also by how we achieve those results. Bang & Olufsen wants to be recognised as a trusted and responsible partner that acts in accordance with the company's core values.

This is an essential part to create long-term value for our shareholders, customers, partners, employees, investors, other stakeholders and the societies in which the company operates.



Scope of Policy

This Policy applies to all Bang & Olufsen's corporate entities ("Bang & Olufsen") and all Bang & Olufsen's employees globally.



Tax Governance

Bang & Olufsen has its headquarters in Denmark, where the executive management board, design, R&D and group functions are placed in Bang & Olufsen A/S. Primary sourcing, manufacturing and sales functions are placed in Bang & Olufsen Operations A/S, Denmark, and sales are to a large extent provided by Bang & Olufsen Operations A/S via local sales companies (limited risk distributors) to ensure a local presence world-wide.

Bang & Olufsen wants to be recognised as a responsible luxury technology brand acting in accordance with the company's core values. Bang & Olufsen is committed to conducting business responsibly and to integrating environmental, social and governance (ESG) criteria into the company's decision-making processes.

The company acknowledges the important role that taxes – both direct and indirect taxes – have for public finances and in developing effective, accountable, and transparent societal institutions as expressed in the UN Sustainable Development Goals target 16.6.

Bang & Olufsen operates globally with a classical principal structure with an integrated supply chain organisation and by nature therefore have a significant number of intercompany transactions, which are subject to tax legislation and the OECD transfer pricing guidelines.

The Tax department is ensuring that Bang & Olufsen is compliant in a tax perspective and that the tax policy is being adhered to in daily operations.

Tax Disclosure

Bang & Olufsen is monitoring the trends concerning responsible tax reporting. The company aims to provide annually information about taxes to shareholders and stakeholders. In FY 2022/23 Bang & Olufsen has further extended the details in the tax notes in the company's annual report along with the disclosure of this tax policy. Bang & Olufsen is aiming to continuously improve tax reporting.

Compliance

Bang & Olufsen is committed to ensure compliance with the letter and spirit of tax law on the markets where the company operate. The company is committed to prepare and submit tax filings required by law. Prior to filings all tax returns are reviewed by external tax advisors. Bang & Olufsen is committed to file all statutory tax returns correctly, contain accurate information and on a timely manner.



Relationship with Tax Authorities

Bang & Olufsen is aiming for a trustful and honest relationship to the tax authorities in the jurisdictions in which the company operates. Enquiries raised by tax authorities will be dealt with on a timely basis, answered in an open way with a full response to the enquiry.

Tax Incentives

In the countries we operate B&O make use of the deductions and exemptions provided by law. This includes deductions to avoid double taxation. As a part of creating shareholder value, it is expected that the company utilizes incentives that are legally allowed. Examples on utilization of tax incentives are increased deductibility regarding plant and machinery, increased deductibility regarding R&D costs and pay out of tax credits.

Tax Planning

Bang & Olufsen is only operating business driven structures and does not operate in tax havens, jurisdictions stated on EU's blacklist or in jurisdictions which are stated on OECD's list of non-cooperatives. Bang & Olufsen does not make use of aggressive tax planning and does not seek to utilize legislation in a way which is not intended.

Tax Risk Management

Bang & Olufsen strives to mitigate tax risks through strong and effective tax compliance. Bang & Olufsen is not willing to accept tax risks that can lead to reputational harm, or which could adversely impact the relationship with tax authorities. Where the law is unclear or subject to interpretation, the company will leverage on the expertise of external tax advisors before taking decisions.

Advance tax clearance of key transactions will be obtained where tax treatment is uncertain, and if a tax clearance procedure is not available, the company will collect second opinions from external advisors in complex matters.



Policy Review

This policy will be reviewed annually by the Board of Directors.

Policy Owners

Executive Vice President, Chief Financial Officer and the Audit Committee Chair



Definitions

“Bang & Olufsen”	Refers to all Bang & Olufsen corporate entities.
“Company”	Refers to Bang & Olufsen.
“Executive Management Board / EMD”	Refers to the executive officers of the management board of Bang & Olufsen, registered as such, with the Danish Business Authority.
“OECD”	Refers to The Organisation for Economic Co-operation and Development.
“Tax Incentives”	Refers to conscious loss of government revenue due to reduction of tax base (tax allowance) or the tax due (tax credit).





Bang & Olufsen A/S, Bang & Olufsen Allé 1, DK-7600 Struer, Tel. +45 9684 1122, www.bang-olufsen.com, Reg. number: 41257911