

ELECTROLUX GROUP TAX POLICY¹

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¹ Web version.

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GROUP TAX POLICY

1. Introduction

AB Electrolux including subsidiaries (“the Group”) is a global leader in home appliances that have shaped living for the better for more than 100 years. We offer thoughtfully designed, innovative, and sustainable solutions under well-known brands such as Electrolux, AEG, Zanussi, Frigidaire, Electrolux Grand Cuisine, and Anova.

This Group Tax Policy – Web version (“the Policy”)² provides high-level information on procedures regarding all tax matters within the Group and outlines the general framework for how we deal with tax related matters. The Policy will, inter alia, address guiding principles for employees involved in tax matters, their key responsibilities, systems and controls, and details on oversight of tax matters in general. The Policy also sets out our view on taxes and associated risks, professional conduct, and best practice when working with tax authorities, external advisors, and others. The Policy is updated annually to reflect changes in our business as well as the global tax environment. The current version of the Policy is applicable for the financial year ending 31 December 2020.

2. General approach to taxes and risk

The Group strives to be the best-in-class corporate citizen in every jurisdiction where it operates. Our goal is to always pay the correct amount of tax in the correct country and to be fair and resolve differences in opinions with local tax authorities and other governmental organisations in a constructive and positive manner. As double taxation may result in material cash-flow disadvantages for the business, this is an area where we will work closely with tax authorities to resolve situations where our views differ.

The intention is always to pay our taxes, as well as file our tax returns, in a timely and correct manner. This in turn is supported by relevant policies, compliance processes, and IT-support in each jurisdiction as well as relevant training for employees engaged in tax related tasks. We constantly monitor the ever changing tax landscape and whenever changes are made we seek to adopt the new approach, adapt to the same, and improve our internal processes to always be compliant and a best-in-class corporate citizen.

² This policy complies with the UK legislative requirement under paragraph 16(2) Schedule 19 Finance Act 2016.

It is the policy of the Group to have a cautious approach to risk and to actively avoid it when that option exist. Our approach to tax risks are no different and when faced with different options we generally opt for the least risky alternative taking also our responsibility as corporate citizens as well as the responsibility to our shareholders into account.

3. Procedures

3.1. General tax considerations

The Group is, through it's ultimate parent company AB Electrolux, listed on the Swedish Stock Exchange (Nasdaq, Stockholm) and has a diverse shareholder base. The shareholders require that we manage the business in a way that will increase the total value of the company and generate returns on their investment. Taxes are business expenses and should be managed as such. The objective is that the right amount of taxes are paid in the right country while at the same time protecting the brand of the Group as well as creating value for the shareholders.

The Group shall comply with relevant laws and regulations in each country. Where tax laws do not give clear guidance, prudence and transparency shall guide any decisions. We see tax as a very important part of our social responsibility.

3.2. Transfer pricing considerations

Intercompany cross border transactions play a significant role in the strive for success in any major multinational corporation and with these transactions comes transfer pricing considerations. All cross border related party transactions within the Group shall be priced in accordance with the "Arm's Length Principle" as defined in the OECD Transfer Pricing Guidelines for multinational Enterprises and Tax Administrations and included in article 9 of the OECD model treaty. The arm's length principle is incorporated in most countries' local legislation. All transfer pricing documentation is reviewed on a regular basis.

3.3. Responsibilities and professional conduct

The Tax Board consisting of, inter alia, the CFO of the Group and Head of Group Tax is the central decision making body for tax and related matters in the Group. A key role of the Tax Board is to ensure that material tax related matters are handled in a consistent way and in accordance with the Policy as well as other internal and external standards. The Tax Board also functions as a control board for tax related matters and ensures that information on changes needed and ongoing projects etc. are shared internally in order to keep all parts of the organization up to date.

Group Tax has the overall day-to-day responsibility for tax matters and consist of several professionals based in Sweden specializing in, inter alia, transfer pricing, direct/indirect taxes, and international taxation. Group Tax is in turn supported by tax experts based in the regional offices in Brazil, Singapore, and the United States. Furthermore, tax support is provided outside of Sweden and the regional offices by professionals having appropriate tax knowledge to handle tax matters locally and who also have the responsibility to keep Group Tax informed about tax matters. Group tax is also responsible for any tax related content communicated externally, but the information as such is conveyed to external parties by investor relations or the communications department of the Group.

All employees working with tax matters shall strive to act in accordance with the Policy as well as the general code of conduct found [here](#). Any decision taken, tax related or not, shall be guided by the idea of the Group as the best-in-class corporate citizen in every jurisdiction where we operate. Key tax matters are referred to the relevant boards of the Group if needed.

3.4. Tax planning and business considerations

The commercial needs of the Group are paramount and all decisions concerning taxes will be undertaken with this in mind, e.g. acquisitions and divestments. Where different options exist to achieve the same commercial result, tax effects will, together with our responsibility as corporate citizens and towards our shareholders, be taken into account. Under no circumstances will the Group engage in arrangements or establish itself in tax havens solely for tax reasons.

The Group's reputation, brand, corporate and social responsibilities, as well as applicable legal and fiduciary duties of directors and employees is considered in all tax related matters. So also in our business planning.

3.5. Audits, disclosures and other dealings with tax authorities etc.

Compliance with all relevant tax and other disclosure and approval requirements will be adopted and information will be clearly presented to the tax authorities or other relevant governmental bodies. Openness, collaboration, honesty, and transparency is paramount in all dealings with tax authorities and other similiar governmental bodies.

We strive to have an open, honest and transparent relationship with local tax authorities and seek guidance, if available, both before and after undertaking transactions (depending upon the relevant circumstances) and when we wish to clarify positions or obtain

advice/clearances. We aim to achieve a low risk rating with local tax authorities in jurisdictions where such ratings are available. This goes well in line with the policy of the Group which is to have a cautious approach to risk and to actively avoid taking risks where alternative options exist which will have the effect of decreasing the overall risk for the business.

3.6. External tax advice

The Group primarily seeks tax advice from large, international, and reputable accounting or law firms. Advice is generally sought to deal with complex matters and where the local tax expertise is limited and should be business oriented, add value, be in line with the overall policy of the Group, and also be consistent with relevant rules and regulations in each jurisdiction. In case the relevant rules and regulations do not provide for clear guidance the Group will seek to have robust arguments for the position taken and, if available and practicably possible, to seek advice from the relevant authorities beforehand.