



Introduction

GN will continue enabling people to Hear More, Do More and Be More, driven by innovation leadership and commercial & eco-system excellence. Specifically, in the years ahead, GN will increasingly leverage synergies between both divisions and drive growth by delivering unique and increasingly individualized customer experiences in products and solutions.

GN's commitment to the UN Sustainable Development Goals

The tax GN pays is an important part of our wider economic and social impact and a key mechanism by which GN contributes to the development of the countries where it operates. GN is committed to paying tax responsibly, complying with tax regulations and acknowledges its responsibility to stakeholders to meet expectations of good tax practices. This supports one of the six most relevant SDGs that GN seeks to support, *SDG 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all*, as well as *SDG 16 Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions for all*.

GN regards this as a critical element of our commitment to develop our business in a sustainable, responsible, and socially inclusive way.

Governance and accountability

The GN Tax Policy is reviewed annually and approved by the Board of Directors. It applies to all employees and entities in all jurisdictions we operate.

The Audit Committee oversees awareness and adherence to the Tax Policy and follows up on the effectiveness of the tax compliance and risk management. GN executive management, represented by the CFO, is responsible for communicating the Tax Policy, ensuring tax compliance, and identifying and mitigating potential tax risks. Group Tax and finance organisations around the world execute the day-to-day operational elements.

By attracting and retaining highly qualified individuals, providing on-going technical training and with assistance of external consultants, where deemed appropriate, GN ensures that tax professionals and staff have the necessary skills to manage our tax position appropriately.

Compliance

[GN Ethics Guide](#) articulates clear expectation that all employees must comply with all applicable laws and regulations when conducting business on behalf of GN. This means that we prepare and file all tax returns in the form specified and at the time required. Furthermore, GN prepares and retains the documentation required by the tax laws or which will be needed to answer any questions raised by tax auditors.

GN does not undertake transactions which lack commercial substance or are designed solely for the purpose of creating tax benefits. Our decisions are driven by our assessment of economic substance of business activities and any tax planning is based on reasonable interpretation of applicable laws.

In order for appropriate tax to be paid in the jurisdictions where profits are generated and for the group internal remunerations to be at arm's length, GN ensures that the pre-tax profit margin in affiliates are comparable to those of unrelated market participants.

Business structure and management of tax risk

GN business structure is established exclusively to support commercial operation and not to achieve any abusive tax result.

GN is transparent about our legal entities and ownership around the world, and we have no entities in 'tax havens'.

As a business, GN is subject to taxation in the many countries in which we operate. The tax legislation in these countries differs, is often complex and subject to interpretation by management and the government authorities.

Our approach to tax risk management is integrated within our broader enterprise risk management and compliance framework. Our processes, policies and governance operate to ensure compliance with tax laws and regulations in the jurisdictions where we operate and are designed to identify and mitigate material tax risks.

Relationship with tax authorities and other stakeholders

GN seeks to develop and maintain professional and transparent relationships with tax authorities. We provide full access to relevant information demonstrating the integrity of our tax processes, returns and payments.

GN engages in a constructive dialogue with governments on proposed changes to tax legislation where appropriate, either directly or via representative bodies. Such dialogue is always based on mutual respect, professionalism, and trust.

GN does not seek to induce tax or other government officials with the aim of obtaining beneficial tax treatment. GN has a zero-tolerance policy towards bribery and corruption of any kind. All employees are expected to adhere to [GN Anti-corruption policy](#) and regular mandatory training is in place to ensure awareness and compliance.

One way of mitigating tax risks is by concluding Advance Pricing Agreements (APA), which are ahead-of-time procedural agreements between taxpayers and tax authorities in two or more countries, determining the appropriate intra-group pricing for certain transactions for a pre-determined amount of time. GN pursues APAs to a limited extent as a meaningful way of avoiding transfer pricing disputes.

Seeking and accepting tax incentives

A number of territories in which GN operates offer tax exemptions and reliefs of various kinds. GN accesses government sponsored tax concessions with strict adherence to the rules and in line with the economic substance of activities and intent of such benefits. Incentives utilised by GN mainly relate to R&D activities (e.g., R&D tax credits) in jurisdictions where such incentives are available to all market participants.

Transparency

GN supports initiatives to increase public trust and transparency in national and international tax regimes, and we engage with our stakeholders to build understanding and clarity of business tax consequences.

We comply with all currently applicable reporting and disclosure requirements on taxes and support the international initiatives in this respect.