



# Tax Strategy of the Fronius Group

as of 31 December 2022

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# 1 Tax Strategy of the Fronius Group as of 31 December 2022

The document published by the Fronius Group for the year ended December 2022 is in compliance with our duty to publish a Tax Strategy in accordance with Schedule 19 paragraph 16 (2) of the Finance Act 2016. The enclosed tax strategy is approved by our Board of Directors.

This policy applies to all Fronius companies.

## 1.1 Aim

Our aim is to manage our tax affairs in accordance with all statutory obligations within the guidelines defined by the OECD.

## 1.2 Managing our tax risks

Our tax responsible parties at group and local level comprise of individuals with a mix of industry and business knowledge. We engage tax advisors to provide professional expertise and to support our group in tax compliance work. The tax returns are prepared by the local chief accountant which are reviewed by our external tax advisors. In connection with complex tax projects the tax team of the headquarter is involved any time. All projects require the approval by the CEO and the tax advice required is prepared by a tax advisor in connection with the local accounting team and the tax team of the headquarter. The submission of the tax returns occurs on a timely basis. The UK company also ensures to pay the appropriate amount of tax on time. The statutory accounts of each legal entity within the Group are audited by external auditors each year. The tax calculations and procedures are reviewed during the audit process.

The Group's transfer pricing policy is in line with the OECD guidelines as well as the guidelines of the various jurisdictions in which the Fronius Group operates. The arm's length standard is applied to ensure the parties that intercompany transactions are appropriately remunerated. The Group mandates independent external tax advisors to receive professional opinions and advice.

### **1.3 Attitude towards tax planning and level of risk**

The UK company has external tax advisors who support in relation to corporate tax compliance. The advisors will also be contacted for advice on any other arising tax matters. External advisers will discuss and validate our understanding of the relevant tax legislation and assist us in complying with local tax legislation.

The group's investment decisions are made with the best interests of the business in mind and differing local tax regimes do not impact the decision made. The Group will not engage in tax efficiencies if the underlying commercial objectives do not support the position, or if the arrangements impact upon the reputation, brand, or future relationships with the local tax authority.

The Group is also required to publish a sustainability report which makes a reference to complying with relevant tax laws.

All decisions must be supported by a detailed risk assessment.

### **1.4 Relationship with HMRC**

The Group deals with the HMRC in an open, honest and transparent manner. Appropriate resources in order to comply with tax compliance obligations as they arise are dedicated.

The group ensures the submission of UK tax returns on a timely basis. It is also ensured that the appropriate amount of tax is paid on time.

Any pre transaction clearance will be applied from HMRC to ensure HMRC are in agreement to the group's plan from a tax perspective.