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| **Sonova Tax Strategy for Sonova Israel Ltd**  |
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In accordance with Sonova’s Global Code of Conduct[[1]](#footnote-1) and Sonova’s Tax Principle Statements[[2]](#footnote-2), the Sonova Group strives to maintain the highest standards in complying with laws, rules, regulations, reporting and disclosures requirements. This also applies for tax matters.

Sonova Israel is a member of the Sonova Group. This document summarizes the tax strategy of the entire Sonova Group of companies and in particular Sonova Israel.

1. **Commitment to Tax Compliance**

Sonova Israel Ltd. keeps its financial accounts up-to-date, accurate and complete and records all business transactions fully and fairly in accordance with Sonova’s Financial Reporting and Accounting Policy.

For Sonova Israel Ltd., tax compliance means:

* to conduct transactions with Group-internal and external business partners in a tax compliant way;
* to submit tax filings and other disclosures to tax agencies in a timely and accurate way in accordance with applicable regulations; and
* to pay all taxes due on time.

Sonova Headquarters monitors the increasing scope of international regulations e.g. the BEPS (Base Erosion and Profit Shifting) initiatives or EU Directives. The Sonova Group is committed to achieving the highest compliance standards considering all national and international tax aspects. New international compliance parameters are being embraced by the Sonova Group and applied in an expedited way.

1. **Tax Planning**

Pursuant to Sonova’s Global Code of Conduct and Sonova’s Tax Principle Statements, Sonova Headquarters structures business transactions - including the flow of goods - based on commercial rationale and business reasoning that are in accordance with applicable tax laws and regulations.

Sonova Israel Ltd. operating business is structured in compliance with applicable tax regulations. If there are multiple options which provide equivalent business solutions and which comply with all applicable laws, the most tax efficient approach is suggested provided that the tax planning initiatives do not adversely impact the reputation of the Sonova group.

The Sonova Group and Sonova Israel Ltd. do not make use of off-shore or other artificial structures disconnected from the actual business needs.

1. **Managing of Tax Risks**

Through an established system of internal accounting controls, Sonova Israel Ltd. follows applicable standards and robust internal processes and controls to identify, evaluate, manage and report tax risks.

If the application of tax law is unclear, requires interpretation, or is beyond Sonova Israel Ltd. internal expertise, tax advice shall be obtained from external advisors.

Sonova Israel Ltd. is convinced that tax risks are best prevented by promoting tax knowledge and awareness and preventing unnecessary disputes by fostering an open and collaborative attitude towards tax authorities, government officials and other third parties. For this reason Sonova Israel Ltd. maintains open and collaborative conduct with the tax authorities and governmental bodies.

1. **Relationship with Tax Administrations**

Sonova Israel Ltd. cultivates an open, proactive and cooperative attitude towards the tax administration

Sonova Israel Ltd. is committed to making fair, accurate and timely disclosures in correspondence and tax returns, and to responding to queries in a timely manner and to providing all relevant information to enable tax authorities to carry out their review.

1. <https://report.sonova.com/2021/app/uploads/2019-11-Sonova-Code-of-Conduct.pdf> [↑](#footnote-ref-1)
2. <https://report.sonova.com/2020/app/uploads/2019-02-Sonova-Tax-Principles.pdf> [↑](#footnote-ref-2)