

SKF Tax Policy

A tax strategy should always serve the business and commercial objectives. Since the commercial objectives and strategies undergo changes over time, tax strategies will do the same.

SKF's general tax strategy is to pay corporate income tax where we make profits. SKF aims at being a good corporate citizen and paying a fair share of corporate income tax is an important aspect to this.

We act in accordance with applicable laws and are at the same time guided by the international tax standards developed by international organizations, such as the OECD. We observe the letter of the law of the countries we operate in, as well as the spirit of the law.

Inter-company pricing works within the framework of the arm's length principle. Profits should be allocated between group units based on analyses of risks, functions and capital employed, all in accordance with the Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations, issued by the OECD.

We believe in good and sound relationships with tax authorities in the jurisdictions we operate in and should always try to be as transparent as is practical and appropriate.

Tax compliance is an important factor in SKF's internal control system (SICS) which is managed and controlled by SKF's Group Audit. SICS is also reviewed and audited by our external auditors.

Authorised for external communication