



## **CSC UK Tax Strategy FY 2023**

### **Introduction**

This document sets out CSC's strategy and approach towards conducting its tax affairs and managing the tax risks for the Group's UK entities. The UK members are subsidiaries of their ultimate parent company in the US called WMB Holdings, Inc. which is a privately held company.

The document is prepared in compliance with the requirements of Finance Act 2016 Schedule 19, paragraph 16(2). It has been approved by CSC's executive management and has been drafted in coordination with finance teams both in the US and UK who will also review it annually. This strategy has been prepared in line with the Group's policies as set out in the Corporate Governance policy. It is effective for the financial year ended 31 December 2023.

The range of taxes the UK Group pays include Corporation Tax, Value Added Tax (VAT), PAYE and other miscellaneous taxes.

The tax team is primarily located in the US, with a Senior Tax and Treasury Director in the UK and a tax and finance team in the UK to deal with tax compliance as well as to identify and resolve any UK tax issues. The UK finance and tax team also utilises and is supported by a leading accounting firm with regards to UK corporation tax, transfer pricing and other ad hoc tax matters. The US & UK finance and tax teams regularly communicate and consult with their external advisers to keep themselves apprised of the latest legislative developments in the UK as well as to ensure the advisers are provided with all the relevant facts and information, they would need to ensure correct preparation of all tax returns.

### **Approach of the UK Group towards governance and risk management in relation to UK taxation**

#### ***Governance***

The ultimate responsibility with regards to UK Group's governance framework and reporting to shareholders rests with the ultimate parent company.

The responsibility for the management of tax risks and implementation of our UK tax strategy ultimately rests with the Group's Executive Board, delegated to the Senior Director based in the UK who is also responsible for the day-to-day tax function. Senior Director reports to finance leaders in the US on tax matters pertaining to tax liabilities, key tax issues including on-going enquiries and providing any legislative updates that may impact the Group.

#### ***Risk management***

The Group is internationally diverse, and the UK market is an important component of the wider business. In managing UK tax risk, we define our areas of focus as follows, and have noted the mitigating control activity at a high level:

#### 1. Tax compliance and reporting risk

The UK Group has well established internal control procedures in place with an important role played by external advisers in the compliance process. This ensures timely and accurate preparation and submission of the UK tax returns in relation to all UK taxes. The international nature of the business means that there is inherent tax risk in our operations. For this reason, we require formal documentation of important tax judgements that are made. We have a particular focus on ensuring compliance with the OECD arms-length principle in relation to our intercompany transactions.

As part of this ongoing commitment to accurately calculate both UK and worldwide tax liabilities, we have updated our transfer pricing policy for FY 2023, to reflect the changing nature of the services performed by different companies in the same group. This policy has been thoroughly reviewed and tested by external advisers. We believe that it provides accuracy and transparency on all intra-group transactions and that all necessary documentation to comply with compliance requirements is in place.

#### 2. Transactional risk

The finance and tax team in the UK ensure they are consulted with and informed of all significant commercial or business developments to assess the tax impact prior to implementation and ensure compliance. Such developments typically include changes to corporate structure, any acquisition or disposal, cross border financing or repayments.

#### 3. Legislative changes

UK tax legislation is quite vast and constantly changing. Tax risks emanating from legislative changes are controlled by ensuring that a detailed analysis and impact of the change is conducted by the tax team and that the finance and tax team are compliant with their Continuing Professional Development. In cases where such legislative changes prove too complex, assistance is sought from the Group's external tax advisers.

#### 4. 2023 Group changes

In November 2022, CSC purchased Intertrust Group, a multinational group with headquarters in the Netherlands, which has a significant presence in the UK. The finance and tax team has been working to integrate the newly purchased companies into the UK tax group and to identify and deal with any issues that may arise as a result of this transaction. A new Head of International Tax has been appointed to oversee this process.

### **UK Group's attitude towards tax planning**

The UK Group acknowledges its responsibility to act in an ethical and professional manner with regards to paying the correct amount of tax where it is due, ensuring it is compliant with all applicable tax laws, and not undertake tax planning that is artificial.

The Group will consider tax efficiencies with the objective of maximising value for the Group's ultimate shareholders. However, the business and commercial objectives of the Group are of primary importance and any tax considerations are secondary.

Given the complex and evolving nature of the UK tax legislation, the UK Group consults with its external advisers to understand the full scope and implications of any transaction prior to implementation so that we can ensure compliance with UK tax law. Any external advice is internally reviewed by the UK and US finance and tax teams before implementation.

#### **Level of risk the UK Group is prepared to accept in relation to UK taxation**

The Group's finance and tax team is responsible for ensuring any tax risks are mitigated to acceptable levels. Whilst the group does not have rigid levels of acceptable tax risk documented, all key tax decisions are taken following a process of detailed consultation and deliberation with the US finance team, the executive board, and our external tax advisers. The Group would only proceed with a particular transaction or adopt an approach to tax compliance once all relevant parties had been consulted, including where appropriate our external tax advisers.

#### **Approach towards dealing with HMRC**

The Group does not currently have a Customer Relationship Manager (CRM) in the UK owing to its size, nonetheless it seeks to maintain a positive and professional relationship with HMRC. However, if any questions are raised then we will seek to respond in a timely and open manner. The Group also adopts a proactive approach in terms of making voluntary disclosures to HMRC where appropriate.

The Group remains committed to stay compliant with all its tax filings, tax reporting and tax payments, and where the interpretation of tax law is unclear, we will seek external advice to minimise the risk of dispute with HMRC.