

This document, approved by the board of Hachette UK, sets out the Group's approach to conducting its tax affairs and dealing with tax risks in compliance with schedule 19 of the Finance Act 2016 for the year ending 31 December 2023.

The Hachette UK Group is committed to:

- Following all applicable laws and regulations relating to its tax activities and submitting all returns by their due dates.
- Maintaining an open and honest relationship with the tax authorities based on collaboration and integrity.
- Applying diligence and care in our management of the processes and procedures by which all tax related activities are undertaken and ensuring that our tax governance is appropriate.
- Using incentives and reliefs to minimise the tax cost of conducting our business while ensuring that these reliefs are not used for purposes which are knowingly contradictory to the intent of the legislation.

### **Risk management**

Managing the Group's tax affairs is a complex process across many functional areas of the business and as such there will inevitably be risks of error or omission within those processes (tax risks), which may result in the incorrect application of tax rules or calculation of tax returns. Eliminating tax risks entirely is impossible. Therefore, the Group's attitude towards the level of control required over the processes designed to reduce these tax risks is driven by the likelihood of occurrence and scale of the impact of each risk.

The identified tax risks are then assessed on a case-by-case basis, allowing the Group to arrive at well-reasoned conclusions on how each individual risk should be managed. Where there is uncertainty in how the relevant tax law should be applied, external advice may be sought where applicable to support the Group's decision-making process.

When reviewing the tax risks associated with a specific decision or action, the Group ensures that the following are considered:

- The legal and fiduciary duties of directors and employees.
- The requirements of any related internal policies or procedures.
- The maintenance of the Group's corporate reputation, with regard to the way we interact with the communities around us.

### **Tax planning**

The Group has clearly defined lines of responsibility for its tax affairs, ensuring that they are dealt with at an appropriate level.

The Group's tax planning aims to support the commercial needs of the business by ensuring that the companies' affairs are carried out in the most tax efficient manner whilst remaining compliant with all relevant laws. The tax function therefore aims to be involved in commercial decision-making processes and provides appropriate input into business proposals to ensure a clear understanding of the tax consequences of any decisions made.

In cases where the tax guidance is unclear or the Group does not feel it has the necessary expert knowledge to assess the tax consequences adequately, external advice may be sought to support the Group's decision-making process.

### **Approach towards dealings with HMRC**

The Group is committed to the principles of openness and transparency in its approach to dealing with HMRC. In particular, the Group is committed to:

- Making fair, accurate and timely disclosure in correspondence and returns, and responding to queries and information requests in a timely fashion.
- Seeking to resolve issues with HMRC in a timely manner, and where disagreements arise, working with HMRC to resolve issues by agreement where possible.
- Being open and transparent about decision-making, governance, and tax planning.
- Reasonably believing that transactions are structured to give a tax result which is not inconsistent with its economic consequences (unless specific legislation anticipates that result), nor contrary to the intentions of Parliament.
- Interpreting the relevant laws in a reasonable way, and ensuring transactions are structured consistently.
- Ensuring all interactions with HMRC are conducted in an open, collaborative, and professional manner.

### **Companies to which this strategy document relates**

As the Hachette UK group of companies is part of a wider, global group, Vivendi SE, registered in France, the wider group's tax strategies are dealt with across other locations. It should be noted that these strategies do not directly affect the process of compliance with UK tax laws and regulations.

The wider group owns UK companies that are not under the control and responsibility of the Hachette UK group and, it is for this reason that a list of UK companies that this document covers are listed in the following appendix.

**Appendix – list of companies under the tax responsibility of the Hachette UK group as at 31<sup>st</sup> December 2023**

Hachette UK (Holdings) Limited	Company registration no. 03701589
The Orion Publishing Group Limited	Company registration no. 02663988
Octopus Publishing Group Limited	Company registration no. 03597451
Little Brown Book Group Limited	Company registration no. 02304585
Hachette UK Limited	Company registration no. 02020173
Headline Publishing Group Limited	Company registration no. 02782638
Bookpoint Limited	Company registration no. 00978415
Hodder & Stoughton Limited	Company registration no. 00651692
Quercus Editions Limited	Company registration no. 05127683
Storyfire Limited	Company registration no. 07893911
Summersdale Publishers Limited	Company registration no. 03419533
Hachette UK Distribution Limited	Company registration no. 03541391
Short Books Limited	Company registration no. 03676036
Laurence King Publishing Limited	Company registration no. 01263586
Illuminate Publishing Limited	Company registration no. 07470163
John Catt Education Limited	Company registration no. 05762466
Welbeck Publishing Group Limited	Company registration no. 11452965
Carlton Books Limited	Company registration no. 02625229
Welbeck Publishing Group Services Limited	Company registration no. 11643182
Mortimer Books Limited	Company registration no. 05156636
Andr� Deutsch Limited	Company registration no. 02565846
Welbeck Fiction Limited	Company registration no. 12142267
Welbeck Non-Fiction Limited	Company registration no. 12142220
Welbeck Children’s Limited	Company registration no. 12142275