

# **Global Tax Policy for Sedex Holdings Limited Group**

**Effective Date: 5 December 2024**

## **1. Introduction**

At Sedex Holdings Limited and its subsidiaries (“Sedex”), we’re committed to conducting business in a way that aligns with our values and principles. Headquartered in the United Kingdom, we operate across multiple jurisdictions worldwide, and this Global Tax Policy guides our approach to taxation around the world. It ensures that we comply with all applicable tax laws, regulations and international standards.

We recognise the importance of tax as a cost of doing business and integrate it into our decision-making process.

This policy also includes measures to prevent and address Corporate Criminal Offences related to tax evasion and aggressive tax avoidance.

## **2. Our objectives**

Our Global Tax Policy is designed with the following objectives in mind:

- Ensuring Sedex complies with relevant laws and regulations.
- Proactively managing tax risks to minimise the likelihood of disputes with tax authorities.
- Upholding the highest standards of corporate governance, ethical conduct and transparency in all our tax matters.
- Preventing tax evasion and aggressive tax avoidance through robust controls and procedures.
- Aligning our tax practices with our broader business strategy and corporate social responsibility goals.
- Preventing the facilitation of tax evasion in line with The Criminal Finances Act 2017 by implementing thorough risk assessments, controls, procedures, due diligence, and ongoing monitoring.

## **3. Ethical considerations and corporate social responsibility**

We manage and report our tax ensuring compliance with the law and consistency with international best practice guidelines. This commitment is part of our broader corporate social responsibility, reflecting our dedication to contributing to the economic development of the communities where we do business.

## **4. Tax compliance and reporting**

### **4.1. Compliance with tax laws**

We are committed to achieving compliance with all tax laws and regulations, including:

- Timely and accurate filing of all tax returns as well as prompt payment of the amounts due;
- Adhering to local transfer pricing regulations and the “arm’s length” principle for inter-company transactions;
- Retaining all necessary documentation, information and calculations as required by law;
- Only claiming tax incentives where applicable, ensuring they are implemented as intended by the relevant legal frameworks; and
- Voluntarily disclosing any inadvertent tax errors or omissions and taking corrective action.

#### 4.2. International tax standards

We are committed to spreading our tax expense fairly across the world, based on the economic activities in each territory. We ensure that transactions between our subsidiaries are conducted on an arm’s length basis, in line with transfer pricing rules and OECD principles. We document transfer pricing arrangements in line with local regulations and OECD guidelines, and conduct regular reviews of our transfer pricing practices to stay compliant with evolving laws and regulations.

#### 4.3. Tax transparency and disclosure

We maintain transparency in our tax affairs by providing clear and comprehensive tax disclosures in our financial statements and engaging with tax authorities in a cooperative and transparent manner. We proactively engage with tax authorities where we identify a mistake and seek to ensure the appropriate corrective actions are taken.

### 5. Corporate Criminal Offence prevention

#### 5.1. Zero tolerance for tax evasion

We adopt a zero-tolerance approach to tax evasion. All employees, contractors, and third parties acting on our behalf are strictly prohibited from engaging in or facilitating tax evasion.

#### 5.2. Adequate procedures to prevent tax evasion

To prevent tax evasion, we will consider the following seven key principals:

- **Risk assessment:** Regular assessments of our exposure to tax evasion risks, focusing on high-risk areas such as transfer pricing, cross-border transactions, and the use of tax havens.
- **Proportionality:** Ensuring that our procedures to prevent the criminal facilitation of tax evasion are proportionate to the risks we face.
- **Due diligence:** Implementing controls to identify, assess and mitigate risks posed by associated persons, with effective due diligence procedures for third parties, especially those classified as high-risk.

- **Top-level commitment:** Ensuring our senior management is fully committed to preventing the criminal facilitation of tax evasion, with active engagement and ownership of our risk-based approach.
- **Training:** Providing mandatory training for all relevant employees on identifying and preventing tax evasion and understanding the legal consequences of non-compliance.
- **Whistleblowing mechanism:** Maintaining a confidential mechanism for reporting suspected tax evasion or other financial misconduct.
- **Monitoring and review:** Conducting ongoing monitoring and reviews to ensure our policies and procedures remain effective as our environment and organisation evolve, including regular testing of processes and assessments of our compliance culture.

## 6. Tax planning and risk management

We engage in responsible tax planning that aligns with our commercial activities and the intent of tax laws. We avoid artificial or aggressive tax structures that lack economic substance or are designed solely for tax avoidance. All tax planning activities undergo rigorous review and approval by our Board.

Sedex does not operate subsidiaries in “tax havens” and would only establish a subsidiary in such jurisdictions if it were required for a legitimate commercial reason, not for tax advantages or avoidance.

## 7. Governance and accountability

### 7.1. The role of our Board of Directors

Our Board of Directors, composed of senior management, oversees the implementation and enforcement of this Global Tax Policy. The Board’s responsibilities include approving Sedex’s tax strategy and significant tax-related decisions; reviewing our tax risk management processes to ensure their effectiveness; and regularly reviewing tax matters to ensure compliance with this policy.

### 7.2. Regular review and update

We recognise that tax is complex and often uncertain, but it is critically important to our stakeholders and members. We will engage with professional advisors and conduct regular reviews to ensure that our global tax compliance meets the high standards expected.

## 8. Policy review and updates

This Global Tax Policy will be reviewed annually by our Board and updated as necessary to reflect changes in tax laws, regulations and Sedex’s business operations. Any significant changes to the policy will be approved by our Board of Directors.

Policy Owner	Chief Financial Officer
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Who does it cover?	Sedex employees, board directors, officers, contractors and all of those who work with us
Approved by Sedex Information Exchange Limited Audit & Risk Committee	5 December 2024
Effective from	5 December 2024
Review frequency	Every 3 years
Next review date	5 December 2027