



communisis

TAX STRATEGY DOCUMENT

COMMUNISIS LIMITED / OSG GROUP

YEAR ENDED 31 DECEMBER 2022

9 DECEMBER 2022

Communis Limited

Communis House
Manston Lane
Leeds
LS15 8AH

Introduction

This document, approved by the Board of Directors, sets out the OSG and Communisis Limited Group's approach to conducting its tax affairs and dealing with tax risk. In making this tax strategy document available to all stakeholders, the Group is fulfilling its responsibilities under paragraph 19 of Schedule 19 of Finance Act 2016.

This document is effective for the year ended 31 December 2022 and will be reviewed and amended by the Group Tax and Finance functions on an annual basis taking into account any changes to the Group structure and how we do business; any future amendments will be approved by the Board of Directors of OSG Bidco Limited and Communisis Limited.

The tax strategy reflects the importance of strong governance, robust internal controls and a consideration of reputation as befits our status as a large group. We are committed to being a responsible business in all aspects of our operations; this encompasses, inter alia, following all applicable laws and regulations relating to tax activities, managing our tax related processes and procedures, applying diligence and care in our tax reporting, paying the right amount of tax at the right time and maintaining an open and transparent relationship with the taxation authorities.

Risk Management

The Group's approach to tax risk management is based on the principles of reasonable care and materiality; the assessment of tax risk is determined by the likelihood of occurrence and scale of potential impact.

The Board complies with the Wates Corporate Governance Principles for Large Private Companies demonstrating its compliance with the standards of good governance and is accountable for ensuring the identification and management of all potential risks faced by the UK Group. The Chief Finance Officer for the Communisis sub-group has responsibility for tax at Board level and will periodically advise the Board on the tax position and associated risks. She will ensure that the tax position is managed in line with the group overall strategic objectives and that there is proper control and management of tax risk. On a day-to-day level she is assisted by the Group Tax Manager and the wider finance team who have responsibility for the preparation of information and returns together with the payment of tax.

Risk is regularly reviewed and reported on as part of the overall monthly reporting of the Executive Committee and to the Board. Internal financial controls are subject to regular internal and external audits and are reviewed by the Board on a regular basis

It is recognised that in a group with a number of different operating areas there will inevitably be the risk of error, omission or the incorrect application of tax rules resulting in the incorrect calculation of tax returns and payments. To eliminate this risk entirely is an impossibility but

our processes and controls are designed to reduce the likelihood of occurrence and scale of impact. Any identified tax risk will be assessed on a case-by-case basis identifying potential impacts and any mitigating actions and management that are required.

Tax Planning

The Group's tax strategy supports the overall commercial requirements of the business to ensure that the financial affairs are structured in the most tax efficient way. However, the Group will not enter into transactions which have no commercial purpose or where the sole purpose of which is to reduce tax; aggressive tax planning, which has the potential to adversely affect corporate reputation will not be considered.

The UK Group tax function is involved in the commercial decision-making process and provides input into proposals to ensure that the tax consequences are both understood and taken into consideration. External advice will be taken in support of this when the Group lacks the necessary level of expertise in a particular area of tax.

Other external advice will be sought, as required, to provide the Group with technical and commercially relevant advice and guidance over specific areas of uncertainty in respect of both day-to-day compliance and ad hoc issues. Where such external advice is sought, it will be discussed and agreed in advance by the Group Tax Manager and the Communisis sub-group Chief Finance Officer; where relevant it will also be discussed and agreed with the OSG Group Chief Finance Officer.

Working with HMRC

We are committed to maintaining an open and transparent working relationship with HMRC. The Group's aim is to avoid unnecessary disputes with the tax authorities and thereby minimise its tax risk. In line with the Framework for Co-operative Compliance the Group, in particular, commits to:

- ▶ working with HMRC in an open, professional, collaborative manner at all times;
- ▶ engaging in full, open and early dialogue with HMRC to discuss tax planning, strategy, risks and significant transactions;
- ▶ making accurate and timely returns with disclosure of relevant facts and circumstances and responding to correspondence and information requests in a timely fashion;

- ▼ seeking to resolve issues before returns are filed, where possible, and, where disagreement arises, to work together with HMRC to resolve these issues by agreement, wherever possible;
- ▼ being open and transparent concerning decision making, governance and tax planning;
- ▼ reasonably believing that transactions are structured to align with commercial and economic activity and not lead to an abusive tax result or one contrary to the intentions of Parliament;
- ▼ interpreting the relevant laws in a reasonable and consistent way.

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