

Wood Mackenzie UK Group Tax Strategy

April 2023

Introduction

The UK Finance Act 2016 requires qualifying entities in the UK to publish their tax strategy and policy in conducting its tax affairs and dealing with tax risk. The Wood Mackenzie Group, as approved by Wood Mackenzie's Executive Risk Management Committee, has prepared and published a UK Tax Strategy and Policy in accordance with this requirement in respect of the Group entities based within the UK. The publication is regarded as complying with our duty under paragraph 19(2) Schedule 19 to the Finance Act for that year in respect of the year ended 31st December 2023.

The document will be reviewed on an annual basis by the Group Tax Team, and any amendments will be reviewed and approved by the Executive Risk Management Committee of Wood Mackenzie.

Board Statement

The Wood Mackenzie Group is committed to conducting its tax affairs in accordance with all relevant laws, rules, regulations, and reporting and disclosure requirements. It pays all taxes due, including payments of corporate income tax, indirect taxes such as VAT, GST and sales tax and employer's tax liabilities.

The UK Tax Strategy and Policy defines the Board approved objectives with respect to Wood Mackenzie's approach to tax and tax risk and in particular, Wood Mackenzie will:

- Comply with all relevant laws, rules, regulations, and reporting and disclosure requirements.
- Ensure the strategy is adopted and followed consistently, with clear lines of responsibility and accountability.
- Apply professional diligence and care in the management of all risks associated with tax matters and ensure governance and assurance procedures are appropriate.
- Maintain a professional, transparent and constructive relationship with tax authorities.
- Utilize incentives and reliefs where available to minimize the tax burden on UK Group companies where there is sound commercial economic basis.

Approach to Tax Risk and Governance

Wood Mackenzie has a dedicated Group Tax Team who are responsible for overseeing the day-to-day tax compliance obligations of Wood Mackenzie Group Companies and managing Wood Mackenzie's tax risks. The Group Tax Team collaborates across business functions to ensure that decisions are taken at an appropriate level of authority in line with internal controls and processes and are consistent with the UK Group Strategy and Policy.

Ultimate responsibility and accountability for Wood Mackenzie's tax risk and affairs rest with the Chief Financial Officer of Wood Mackenzie, who liaises regularly with the Group Tax Team.

Diligent professional care and judgement will be employed to identify, assess, and manage tax risks. As part of managing tax risk a tax risk register is maintained which is reviewed and amended on a regular basis.

Where areas of tax risk are sufficiently uncertain third-party advisors are engaged to provide written clarification and provide additional certainty. Furthermore, the Group Tax Team actively engages with HM Revenue & Customs (HMRC) through Wood Mackenzie's Customer Relationship Manager to address areas of tax risk and create additional certainty.

Tax Planning

Wood Mackenzie conducts its business on sound commercial principles and, in doing so, considers all relevant costs, including tax. Wood Mackenzie manages its total tax liability within the framework of legislative reliefs and tax incentives. Wood Mackenzie does not enter into artificial or aggressive arrangements with a sole purpose of minimising or reducing its tax liabilities. Wood Mackenzie policy is to operate within both the letter and spirit of the UK tax law at all times. Commercial principles and decisions are paramount when considering any tax related matter and must be considered in the first instance.

Transactions between the Wood Mackenzie Group are conducted on an arms-length basis in accordance with appropriate transfer pricing rules and OECD principles. This ensures that Wood Mackenzie's global profits are taxed where economic activities are performed and where value is created. Professional tax advisors have been engaged to prepare robust transfer pricing documentation that supports the pricing on transactions with related party companies.

Level of Tax Risk

Wood Mackenzie has a low appetite for tax risk. Where areas of tax risk are identified the Group Tax Team actively works to lower the tax risk and if required will engage with professional advisors or HMRC to gain additional certainty.

The Wood Mackenzie Group is actively working towards achieving a "low risk" rating taxpayer status as assessed by HMRC and have engaged with HMRC on a proactive basis in this regard. Furthermore, the UK Group Subsidiary companies have voluntarily participated in a Governance review with Inspectors from HMRC.

Working with HMRC

Wood Mackenzie and the Group Tax Team deal professionally, transparently, and appropriately with all tax authorities and in particular, actively works with HMRC and the Group's Customer Relationship Manager.

The Group Tax Team enters into regular dialogue with our Customer Compliance Manager to ensure progress is made on ongoing open matters. There are no material matters outstanding.

The Wood Mackenzie Group proactively raises potentially contentious matters with HMRC to ensure HMRC is satisfied with the approach being adopted by UK Companies within the Group.