



Tax Risk Management Strategy 2023

Overview

This Tax Risk Management Strategy (“Tax Strategy”), covering Johnson Service Group PLC and its subsidiaries, together “the Group”, sets out our approach to tax risk management and tax planning during the year ending 31 December 2023. The Tax Strategy has been reviewed and approved by the Board of Directors (“the Board”) and will be further reviewed periodically and updated as applicable. The Board is responsible for setting and monitoring the Tax Strategy. The finance teams within the Group are accountable to the Board for the implementation of the Tax Strategy and the management of tax and related risk. In publishing this Tax Strategy the Group is fulfilling its responsibilities under paragraph 16(2) of Schedule 19 of the Finance Act 2016.

The focus of this Tax Strategy is all UK taxes. On 31 August 2023, Johnson Service Group PLC acquired a group of companies based in the Republic of Ireland. Prior to that date, the Group operated solely within the UK and all of its taxes were paid in the UK. Following the acquisition, the majority of the Group’s business is still in the UK and the majority of the Group’s taxes continue to be paid in the UK. Irrespective of geography, however, our primary objective is to pay the right amount of tax at the right time in each of the jurisdictions in which we operate and to be fully compliant with all applicable tax legislation and requirements. Timeliness and accuracy are considered paramount.

Our Tax Strategy reflects our status as a PLC which requires strong governance and consideration of our reputation, while delivering returns to our shareholders. The Group is committed to full compliance with all statutory obligations and full disclosure to tax authorities.

Risk Management and Governance Arrangements

Establishing a compliant culture begins with the tone set at the top of the Group. The involvement of the Board in approving business strategies, which includes this Tax Strategy, combined with appropriate oversight of tax matters by the Chief Financial Officer, ensures the working environment within the Group reflects the Group’s integrity, ethical values and competence.

The Chief Financial Officer, who also has the role of Senior Accounting Officer, is the Board member with executive responsibility for tax matters and is required to have taken reasonable steps to ensure that each of our Group companies has established and maintained appropriate tax accounting arrangements and that appropriate monitoring is in place over those accounting arrangements.

The Audit Committee monitors the integrity of the Group’s financial reporting systems, internal controls and risk management framework, including those elements relating to taxation.

The Group is committed to observing and complying with all applicable laws, regulations and reporting requirements which impact the transactions and processes that are part of the Group’s operations.

The Group Finance function, overseen by the Chief Financial Officer, are responsible for day to day tax matters, operating in accordance with the Group’s code of conduct. They ensure that appropriate controls are in place throughout the Group in order to maintain accurate accounting records and to ensure that the correct tax is paid.

The Group has well-established processes in place which are performed by employees with the appropriate levels of experience and knowledge.

Attitude Towards Tax Planning and the Level of Risk Acceptance

The Group does not enter into any transactions solely to take advantage of tax opportunities. All transactions are based on the commercial objectives of the Group. The Group will, however, utilise available incentives, reliefs and exemptions, as well as make interpretations of tax law, in line with, and in the spirit of, tax legislation, in order to minimise tax paid.

With regards to tax advice, where legislation is unclear or judgement may be required, the Group holds regular meetings with external tax professionals, who have extensive knowledge of the business, to discuss the most appropriate tax position to take.

Tax computations are prepared by these external tax professionals and reviewed internally in order to assess the reasonableness of the calculations performed prior to submission.

Relationship with Tax Authorities

Within the UK, the Group seeks to develop strong, proactive relationships with HMRC based on transparency and trust. HMRC is informed of any significant business changes on a timely basis, such as following material acquisitions and disposals, and the Group will consult with HMRC to discuss any uncertain tax positions in order to agree an appropriate approach where judgement is required. This, where possible, in relation to matters of material uncertainty, is on a real time basis in an attempt to minimise tax risk and provide greater clarity ahead of tax computations being filed.

When submitting tax computations and returns to HMRC, the Group discloses all relevant facts and identifies any transactions or issues where it considers that there is potential for the tax treatment to be uncertain. Any inadvertent errors in submissions made to HMRC are fully disclosed as soon as reasonably practicable after they are identified.

The Group will also seek to establish and develop a strong and proactive relationship with tax authorities in any other jurisdiction in which it operates.