

Inframobility UK Topco Limited UK Tax Strategy (2024)

This document sets out the UK tax strategy of the group of companies headed up by Inframobility UK Topco Limited (“the Company”), which includes the operations of Stagecoach Group Limited. The Company is a private limited company that is incorporated, domiciled and has its registered office in England. It is indirectly owned by an international fund managed and advised by DWS Infrastructure. Throughout this document, the group headed by Inframobility UK Topco Limited is referred to as “Stagecoach”, “Stagecoach Group” or “the Group”.

The Group is a leading public transport group, with extensive operations in the UK.

1. Summary

The UK tax strategy of Stagecoach is to:

- Pay the correct amount of tax in accordance with relevant laws and regulations, minimising the Group’s exposure to interest and penalties
- Maintain a strong and open working relationship with HMRC
- Apply a high level of professional care and diligence to managing tax risks

2. Introduction

Stagecoach is committed to being a good corporate citizen. As a business, we make a major social and economic contribution to the UK. Our high quality transport services connect communities with employment, allow people to access education and health services, and support the growth of national and regional economies.

We provide direct employment for thousands of people, from bus drivers to engineers and customer service staff. Across the Group, we invest significantly in improving the skills base, and in helping secure the financial future of our people through good pension arrangements. We also spend millions of pounds a year with thousands of small, medium and large businesses, helping secure jobs through the supply chain.

As a responsible business, we also seek to be a responsible taxpayer and are proud to pay our way. Our Tax Strategy is aligned with our Group business strategy and our Code of Conduct, both of which are underpinned by high standards and ethical business practice. The Stagecoach Board is committed to maintaining the right processes, controls, governance and culture across our businesses to facilitate these values and behaviours.

The continuing success of our business means that Stagecoach and its employees pay hundreds of millions of pounds a year in personal tax, corporation taxes and other business-related taxes. These contributions, together with other significant payments we make to government, help fund vital public services used by citizens and support thriving local communities.

This document, approved by the Board of Stagecoach Group Limited (“the Board”), sets out the Group’s policy and approach to conducting its tax affairs and dealing with tax risk, and is made available to all of the Group’s stakeholders. The Company regards this document as complying with the duty under paragraph 16(2) of Schedule 19 of the Finance Act 2016 to prepare and

publish a tax strategy. This document was published on 26 April 2024, which fell within the Company's financial year to 27 April 2024.

The document will be annually reviewed by the Group Tax Director, and any amendments will be approved by the Board.

The Group Tax Department works with our businesses to ensure that:

- I. The tax strategy is adopted and followed consistently across the Group, with clear lines of responsibility and accountability;
 - II. There is alignment of the strategy with the Group's overall approach to corporate governance and risk management, and
 - III. The Group pays the right amount of tax in accordance with the laws and regulations of the countries in which it operates, minimising the Group's exposure to interest and tax penalties.
3. *Attitude of the Group to tax planning*

Stagecoach seeks to minimise the tax cost of commercial business transactions by making use of available reliefs and incentives. It will not enter into tax structured arrangements with no commercial substance.

Stagecoach will look to continue to consider opportunities to apply for public contracts and will seek to fully comply with public procurement requirements. As such it will not generally look to undertake transactions which are subject to the Disclosure of Tax Avoidance Schemes regime or which HMRC may consider fall within the General Anti Avoidance Rule.

4. *Risk management and governance*

Stagecoach has a direct or flat management structure with a short chain of command with the Group Tax Director reporting directly to the Chief Financial Officer, consulting regularly on material tax matters. The flat structure supports the Group Tax Director's open and regular access to all of the leaders of the business units. Transactions with actual or potentially significant tax consequences are considered and approved by the Group Finance Director, and would be reported to the main Board for their attention.

Stagecoach has an in-house Group Tax Department which is led by the Group Tax Director and is comprised of experienced and qualified tax professionals. UK tax compliance is almost entirely carried out in-house, and external advisers are consulted when it is considered appropriate, for example, to ensure we pay the right tax in relation to significant transactions or where there is uncertainty in the interpretation of tax legislation.

The Group also complies with the requirements of the Senior Accounting Officer regulations, under which the Chief Financial Officer has overall responsibility for ensuring that the Group's accounting systems and processes are appropriate to allow UK tax liabilities to be correctly calculated.

The Group Audit Committee is formally briefed and consulted on the Group's tax affairs at least annually, and any matters arising during the year are brought to its attention.

5. *Relationship with HMRC*

Stagecoach adopts an open, constructive relationship with HMRC, with significant transactions being discussed with HMRC before being undertaken where practically possible.

With input from Stagecoach, HMRC conducts periodic risk reviews of the UK tax compliance of the Group during which HMRC assesses the Group's risk profile. At the last review HMRC confirmed it assessed the Group as being low risk.

The tax returns which are submitted to HMRC contain full disclosure of any tax significant items and any potentially contentious items are brought to HMRC's attention.

In terms of our working relationship with HMRC, Stagecoach's approach is to:

- adopt open and collaborative professional relationships at all times with HMRC;
- engage in full, open and early dialogue with HMRC to discuss tax planning, strategy, risks and significant transactions;
- make fair, accurate and timely disclosure in correspondence and returns, and respond to queries and information requests in a timely fashion;
- seek to resolve issues with HMRC in a timely fashion, and where disagreements arise, work with HMRC to resolve issues by agreement (where possible);
- be open and transparent about decision-making, governance and tax planning; and
- interpret the relevant laws in a reasonable way, so that transactions may be structured consistently with a co-operative relationship;

6. *Code of Conduct*

Our tax strategy is aligned with our Code of Conduct, which all employees are required to follow.

This Code of Conduct confirms our core values and policies in a number of areas: how we deal with our employees, suppliers, customers, competitors and the wider communities in which we work. It sets out the Group's principles of business conduct and the standards that the Stagecoach Group Limited Board of Directors expects all officers, employees and representatives of Stagecoach to follow, regardless of location or role.

It also confirms that we are committed to complying with the Criminal Finances Act 2017 which introduced a corporate criminal offence of Failing to Prevent the Facilitation of Tax Evasion.

Although laws and cultures vary from location to location, the Code of Conduct applies across the whole Group in addition to any local laws and regulations.