



## **ITOCHU Tax Policy Statement**

### **Commercial Context**

The ITOCHU Corporation worldwide group of companies ('ITC') is a leading example of a type of large Japanese corporation known as a 'trading house' (sogo shosha). As a trading house, ITC's activities are diversified; the group is involved in domestic trading, import / export, and overseas trading of various products such as textiles, machinery, metals, minerals, energy, chemicals, food, general products, realty, information and communications technology, and finance, as well as having involvement in business investment in Japan and overseas.

ITC has approximately 120 bases in 63 countries. The UK is a key jurisdiction for the group in light of its significant operations in the country. The European headquarter company (ITOCHU Europe Plc) is set up in the UK while a number of group companies operate across a range of industries (in line with the diversified activities of the global group), with each company focussing on specific products and services.

### **Tax profile and commitment to compliance**

The UK members of ITC have a diverse range of business activities generate a similarly diverse range of tax liabilities and tax compliance obligations.

We pay corporation tax, employment tax, value added tax ('VAT'), withholding tax, capital / property tax (including stamp duty), customs duty and excise duty.

We are committed to compliance with tax law and practice, to ensure that we pay the right amount of tax in the right place at the right time.

The international nature of our business means that transfer pricing is a key tax consideration. We are committed to adhering to UK tax law and OECD principles and documentation standards in respect of transfer pricing.

### **Tax risk management and governance**

We have a decentralised management structure which means that the management of the individual UK companies and subgroups have the authority and responsibility for implementing tax risk management and governance arrangements appropriate for their businesses.

Our Tax Policy Statement is also aligned with our Global Code of Conduct and Group Tax Policy, and has been approved by the Board of ITOCHU Europe Plc.

Our approach to tax risk management is to ensure that tax risks are proactively identified, measured, managed and reported.

The following are key features of our approach:

- Creating an awareness of tax risk at all levels within the organisation;
- Instilling a culture of tax risk management and tax risk ownership;
- Embedding tax risk management in the way the business is run, based on the likelihood, significance and defined scale of exposure.

Each UK member of ITC is within the scope of the UK's Senior Accounting Officer ('SAO') legislation which imposes accountability for tax compliance processes on a senior finance officer in relation to each qualifying company. In line with the decentralised management structure, there are multiple SAOs within the UK group structure. The SAO of each relevant company is responsible for the delivery and implementation of our Tax Policy Statement.

The individual SAOs may delegate tasks associated with ensuring the proper management of tax to one or more appropriate individuals in their team; however, the SAO retains the ultimate responsibility and accountability.

External advisors are regularly consulted to ensure we remain compliant with our tax obligations. Any involvement of third party tax advisors is a decision made by the person in charge of the relevant tax, and is a matter for their professional judgement. All decisions to use an external third party advisors must be signed off by the CFO (or SAO) before proceeding.

### **Tax Planning**

In line with our management philosophy we comply with the letter, spirit and intention of tax legislation whilst meeting our responsibility to shareholders and other stakeholders to manage our tax position efficiently.

### **Tax Risk Appetite**

We are exposed to various tax risks due to the diverse nature of our business activities. However, we have a low tax risk appetite and look to manage tax risk pro-actively as described above.

### **HMRC relationship**

ITOCHU Europe Plc has the primary relationship with the appointed Customer Compliance Manager ('CCM'). However, the Finance team or responsible individual at each ITOCHU company shares responsibility for maintaining and developing the relationship with HMRC and in particular the relationship with the CCM.

We seek to develop and maintain an open and proactive relationship with HMRC and other applicable tax authorities.

List of ITOCHU companies who have signed up to the ITOCHU Tax Policy Statement:

- ITOCHU Europe Plc
- CIECO West Qurna Limited
- CIECO V&C (UK) Limited
- CIECO Energy Service (UK) Limited
- I-Solar Investment Limited
- I-Environment Investments Limited
- I-Environment Investments Middle East Limited
- ITC Platinum Development Limited
- ITOCHU Treasury Centre Europe Plc
- First Response Finance Limited
- Prominent (Europe) Limited
- Chester Barrie Limited
- Plastribution Limited
- DTM Renewables Limited
- ITOCHU Fibre Limited
- European Tyre Enterprise Limited
- Stapleton's (Tyre Services) Limited
- Melbourne Holdings (Northern) Limited
- Speedy 1 Limited
- Kwik-Fit Group Limited
- Kwik-Fit Finance Limited
- Kwik-Fit Holdings Limited
- Kwik-Fit (GB) Limited
- TPAS (UK) Limited
- Kwik-Fit Properties Limited
- Kwik-Fit Developments Limited
- Kwik-Fit (NI) Limited
- Superdrive Motoring Centres Limited
- Central Tyre (Commercial) Limited
- Kwik-Fit Euro Limited
- Detailagent Limited
- Kwik-Fit (NL) Limited
- Anglo-Dutch Property (UK) Holding Limited
- Tyreplus.co.uk Limited
- Multiquip (UK) Limited
- MCL Group Limited
- ITOCHU LOGISTICS (EUROPE) GMBH UK Representative Office
- Cosmos Services Company Limited (United Kingdom Branch)
- Naes Power Solutions Limited

The publication of this statement is regarded as complying with Part 2 of Schedule 19 of FA 2016 in respect of ITC's group as at the end of 31 March 2021.