John Laing Group Limited - Tax Strategy

1 Introduction

This document sets out the tax strategy of John Laing Group Limited, John Laing Investments Limited and their respective subsidiaries (“the Group”) along with the Group’s approach to conducting its tax affairs and dealing with tax risks.

This tax strategy will be reviewed by the Board on an annual basis with this strategy applying for the year ending 31 December 2022.

The Group regards the publication of the information set out below as complying with the duty under Finance Act 2016, Schedule 19, para 16 (duty to publish a tax strategy) in the current financial year in relation to UK taxation.

2 Group tax strategy

As a leading international investor across a range of infrastructure sectors committed to delivering critical and enduring infrastructure which responds to public needs and improves the lives of the communities the Group serves, the Group recognises its obligations to comply with tax legislation. It balances this with its responsibility to create and deliver value for shareholders.

The Group’s tax strategy is underpinned by the following key principles:

- Compliance with all applicable tax laws, rules and regulations wherever it operates;
- Professional diligence and care in the management of tax matters ensuring that a strong tax governance framework is maintained at all times;
- An open and transparent approach to dealing with tax authorities seeking to resolve issues in a cooperative manner; and
- No aggressive tax planning or participation in tax avoidance and / or evasion schemes.

3 Approach to risk management and governance

Whilst the Board remains ultimately responsible for tax matters, it has delegated responsibility for identifying and managing tax risks to the Risk Management Committee. Management responsibility rests with the Chief Financial Officer who works with the Head of Finance Operations, regional teams and the Head of Tax.

The structure, roles and responsibilities of the Group’s tax department are clearly defined and documented. The tax department is managed by the Head of Tax who reports to the Chief Financial Officer on all matters including tax strategy, policy and risk.

A tax risk register is maintained which identifies any significant tax risks. These risks are assessed by likelihood and impact, and detail the processes and controls that have been implemented to mitigate the risk of these materialising. A Group risk register which, inter alia, includes certain risks relating to taxation is also maintained.

An update on outstanding tax matters is included in a monthly finance report to the Board

The Group aims to apply professional diligence and care in the management of tax matters ensuring that a strong tax governance framework is maintained at all times. The tax department liaises with finance and other staff throughout the business to identify and manage tax risks.

The Chief Financial Officer is the Senior Accounting Officer ("SAO") for the Group in accordance with UK legislation. The Group operates an accounting framework and internal controls, which support the SAO in certifying to HM Revenue & Customs ("HMRC") that there are appropriate tax accounting arrangements in place.

4 Attitude towards tax planning

Whilst the Group seeks to organise its tax affairs in a tax efficient manner, claiming tax reliefs and incentives where available, it does not undertake aggressive tax planning or participate in tax avoidance and / or evasion schemes.

Tax planning is based on commercial and economic substance and has regard to the potential impact on reputation and business objectives. Where there is uncertainty and / or complexity surrounding the interpretation of tax law, the Group will seek external advice from third party tax advisers and / or resolve the uncertainty through dialogue with relevant tax authorities. The tax and finance teams take and implement advice from external advisers on tax related issues, ensuring all necessary tax filings and financial reporting obligaitons are adhered to.

5 Level of risk the business is prepared to accept in terms of taxation

The Group takes a responsible and balanced approach to maintaining its tax affairs and the level of risk it is prepared to accept. This is consistent with the approach to tax risk management and governance and the Group's attitude to tax planning as described above.

When structuring its business activities, the Group considers many commercial risks including tax and will always seek to comply with all applicable tax laws, rules and regulations in the countries in which it operates. When required, the Group will engage and implement third party tax advice to aid in this compliance.

The Group takes care to ensure that its tax affairs are reported accurately. If an error were to be identified within a submitted return, the Group would disclose it voluntarily and pay any additional tax and interest that is due as a result.

6 Approach to dealing with tax authorities

The Group seeks to adopt an open, transparent and collaborative approach to dealing with tax authorities.

It aims to respond to queries raised by tax authorities promptly and to work with them to resolve issues quickly where possible. The Group is committed to working with tax authorities to ensure that it complies with its tax reporting obligations in a timely manner.

In the UK, the Group engages regularly with its Customer Compliance Manager at HMRC to discuss the UK tax affairs of the Group and any ongoing matters.

The Group contributes either directly or indirectly into consultations with tax authorities on the developments of tax policy and regulations that impact its business.