

This document, approved by the board of Hachette UK, sets out the Group's approach to conducting its tax affairs and dealing with tax risks in compliance with schedule 19 of the Finance Act 2016 for the year ending 31 December 2020.

The Hachette UK Group is committed to:

- Following all applicable laws and regulations relating to its tax activities and submitting all returns by their due dates.
- Maintaining an open and honest relationship with the tax authorities based on collaboration and integrity.
- Applying diligence and care in our management of the processes and procedures by which all tax related activities are undertaken, and ensuring that our tax governance is appropriate.
- Using incentives and reliefs to minimise the tax cost of conducting our business while ensuring that these reliefs are not used for purposes which are knowingly contradictory to the intent of the legislation.

Risk management

Managing the Group's tax affairs is a complex process across many functional areas of the business and as such there will inevitably be risks of error or omission within those processes (tax risks), which may result in the incorrect application of tax rules or calculation of tax returns. Eliminating tax risks entirely is impossible. Therefore, the Group's attitude towards the level of control required over the processes designed to reduce these tax risks is driven by the likelihood of occurrence and scale of the impact of each risk.

The identified tax risks are then assessed on a case by case basis, allowing the Group to arrive at well-reasoned conclusions on how each individual risk should be managed. Where there is uncertainty in how the relevant tax law should be applied, external advice may be sought where applicable to support the Group's decision-making process.

When reviewing the tax risks associated with a specific decision or action, the Group ensures that the following are considered:

- The legal and fiduciary duties of directors and employees.
- The requirements of any related internal policies or procedures.
- The maintenance of the Group's corporate reputation, with particular regard to the way we interact with the communities around us.

Tax planning

The Group has clearly defined lines of responsibility for its tax affairs, ensuring that they are dealt with at an appropriate level.

The Group's tax planning aims to support the commercial needs of the business by ensuring that the companies' affairs are carried out in the most tax efficient manner whilst remaining compliant with all relevant laws. The tax function therefore aims to be involved in commercial decision-making processes and provides appropriate input into business proposals to ensure a clear understanding of the tax consequences of any decisions made.

In cases where the tax guidance is unclear or the Group does not feel it has the necessary expert knowledge to assess the tax consequences adequately, external advice may be sought to support the Group's decision making process.

Approach towards dealings with HMRC

The Group is committed to the principles of openness and transparency in its approach to dealing with HMRC. In particular, the Group is committed to:

- Making fair, accurate and timely disclosure in correspondence and returns, and responding to queries and information requests in a timely fashion.
- Seeking to resolve issues with HMRC in a timely manner, and where disagreements arise, working with HMRC to resolve issues by agreement where possible.
- Being open and transparent about decision-making, governance and tax planning.
- Reasonably believing that transactions are structured to give a tax result which is not inconsistent with its economic consequences (unless specific legislation anticipates that result), nor contrary to the intentions of Parliament.
- Interpreting the relevant laws in a reasonable way, and ensuring transactions are structured consistently.
- Ensuring all interactions with HMRC are conducted in an open, collaborative and professional manner.

Companies to which this strategy document relates

As the Hachette UK group of companies is part of a wider, global group, Lagardère SCA, the wider group's tax strategies are dealt with across other locations. It should be noted that these strategies do not directly affect the process of compliance with UK tax laws and regulations.

The wider group owns UK companies that are not under the control and responsibility of the Hachette UK group and, it is for this reason that a list of UK companies that this document covers are listed in the following appendix.

Appendix – list of companies under the tax responsibility of the Hachette UK group as at 31st December 2020

Hachette UK (Holdings) Limited	Company registration no. 03701589
The Orion Publishing Group Limited	Company registration no. 02663988
Piatkus Books Limited	Company registration no. 01413109
Octopus Publishing Group Limited	Company registration no. 03597451
Conran Octopus Limited	Company registration no. 01739383
Little, Brown Book Group Limited	Company registration no. 02304585
Littlehampton Book Services Limited	Company registration no. 00250744
Hachette UK Limited	Company registration no. 02020173
Headline Publishing Group Limited	Company registration no. 02782638
Bookpoint Limited	Company registration no. 00978415
Hodder & Stoughton Limited	Company registration no. 00651692
Philip Allan Publishers Limited	Company registration no. 01086222
The Watts Publishing Group Limited	Company registration no. 03911258
Chambers Publishing Limited	Company registration no. SC002048
Galore Park Publishing Limited	Company registration no. 03866693
Rising Stars UK Limited	Company registration no. 04246700
Quercus Publishing Limited	Company registration no. 05437517
Quercus Editions Limited	Company registration no. 05127683
Constable & Robinson Limited	Company registration no. 02799815
NB Limited	Company registration no. 02675936
Storyfire Limited	Company registration no. 07893911
Kyle Cathie Limited	Company registration no. 02427215
Summersdale Publishers Limited	Company registration no. 03419533
Jessica Kingsley (Publishers) Limited	Company registration no. 02073602
Short Books Limited	Company registration no. 03676036
Edward Arnold (Publishers) Limited	Company registration no. 00522538
Hachette UK Pension Trust Limited	Company registration no. 04434704
Hachette UK Distribution Limited	Company registration no. 03541391
Hodder & Stoughton Educational Limited	Company registration no. 03286205
John Murray Books Limited	Company registration no. 04434719
New English Library Limited	Company registration no. 00586668
Robert Gibson & Sons, Glasgow, Limited	Company registration no. SC005175
Updates Limited	Company registration no. 03600329
John Murray (Publishers) Limited	Company registration no. 00492627
Quercus Books Limited	Company registration no. 05338120
13114 Publishers Limited	Company registration no. 01542205
Arms & Armour Press Limited	Company registration no. 00916307
Arthur Baker Limited	Company registration no. SC024615
Blandford Press Limited	Company registration no. 01341172
Blandford Publishing Limited	Company registration no. 01490020
Brewers Publishing Company Ltd	Company registration no. 01256830
Cassell Educational Limited	Company registration no. 01993768
Cassell Limited	Company registration no. 02004498
Cassell Publishers Limited	Company registration no. 02043304

Contact Publications Limited	Company registration no. 00596127
George Weidenfeld & Nicolson Ltd	Company registration no. 00395166
George Weidenfeld Holdings Ltd	Company registration no. 00698701
J.M. Dent & Sons Limited	Company registration no. 00331386
Mrs Beeton Industries Limited	Company registration no. 01085673
New Orchard Editions Limited	Company registration no. 01341559
Orion Books Limited	Company registration no. 02701090
Orion Publishing Limited	Company registration no. 00742993
Phoenix House (Publishers) Limited	Company registration no. 02201445
Rigel Publications Limited	Company registration no. 01109438
Victor Gollancz Limited	Company registration no. 01944299
Ward Lock Limited	Company registration no. 00201547
Ward Lock Publishing Limited	Company registration no. 01127110
Weidenfeld & Nicolson (World University Library) Limited	Company registration no. 00742992
Weidenfeld (Publishers) Limited	Company registration no. 00472173
Weidenfeld Limited	Company registration no. 01797028
Futura Publications Limited	Company registration no. 00386574
Little, Brown and Company (UK) Limited	Company registration no. 02260381
Sphere Limited	Company registration no. 00887032
Swapequal Limited	Company registration no. 02129991
Virago Press Limited	Company registration no. 01118677
Robinson Publishing Limited	Company registration no. 03875102
Magpie Books Limited	Company registration no. 05144174
Elliot Right Way Books Limited	Company registration no. 00813524
Cloverview Limited	Company registration no. 00103767
Constable and Company Limited	Company registration no. 07452655
How To Limited	Company registration no. 03343531
How to Content Limited	Company registration no. 07099715
How to Books Limited	Company registration no. 02574996
Transita Limited	Company registration no. 05235251
Digital Octopus Limited	Company registration no. 04220493
Digital Property Guides Limited	Company registration no. 04220495
FBB 1 Limited	Company registration no. 00353434
London Property Guide Limited	Company registration no. 04240399
Map Productions Limited	Company registration no. 00832609
Millers Publications Limited	Company registration no. 01527729
Mitchell Beazley International Limited	Company registration no. 00957334
Mitchell Beazley Limited	Company registration no. 03611943
Octopus Books Limited	Company registration no. 01400692
Spring Books Limited	Company registration no. 01249958
The Hamlyn Publishing Group Limited	Company registration no. 00521989
TLF Limited	Company registration no. 00549985
Kyle Books Limited	Company registration no. 07594515
Mandeville Publishing Limited	Company registration no. 02188564
Laurence King Publishing Limited	Company registration no. 01263586

