



Sompo International UK Group Tax Strategy

This document sets out the approach to UK tax compliance taken by the UK subsidiaries and UK branches of subsidiaries of Sompo International Holdings Ltd. (the “UK Group”) on and after 31 December 2020.

The publication of this tax strategy statement is regarded as satisfying the statutory obligation under Para 16(2), Schedule 19, Finance Act 2016.

Our approach to UK tax risk management

For all actions, the UK Group is committed to:

- Adhering to the highest standards of ethics and integrity; and
- Being consistently honest, candid, and forthright in our relationships.

We seek to ensure that the UK Group’s approach to all UK tax compliance matters is aligned with these company principles. We seek to act responsibly and with integrity at all times. We are committed to fully complying with all tax laws, rules and regulations which apply to us.

Governance

We believe that tax risk should be prudently managed and controlled. We operate within an effective tax control framework focusing on risk identification, control activities and effective channels of communication. We monitor the impact of relevant tax law and regulation developments and internal business initiatives on our tax compliance and reporting obligations.

The Global Head of Tax is responsible for identifying, managing and monitoring tax risks arising within our businesses and for oversight of corporate tax planning, compliance and reporting. All significant tax risks and developments are raised to UK executive management and UK boards of directors, as well as the parent company Chief Financial Officer, General Counsel, other members of executive management and/or the board of directors, as appropriate.

UK tax reporting and compliance is also periodically reviewed by our Internal Audit department in connection with our internal compliance procedures and our UK SAO accounting procedures.

Attitude Towards Tax Planning

In structuring the UK Group's commercial activities, we will consider, among other factors, the tax laws of the countries within which the UK Group operates with a view to maximizing value on a sustainable basis for the UK Group's stakeholders. We will not engage in aggressive tax planning transactions, and we will not enter into transactions which lack a commercial business purpose or are predicated upon unreasonable assumptions. Any transactions between a member of the UK Group and an affiliate will be conducted on an arm's length basis.

Level of Tax Risk Accepted

Given the scale of our business and the volume of tax obligations, risks will inevitably arise from time to time in relation to the interpretation of tax laws and the nature of our compliance arrangements. The UK Group proactively seeks to identify, evaluate, manage and monitor these risks to ensure they remain in line with the UK Group's risk appetite. Where the tax law is unclear or subject to interpretation, we engage external tax consultants for tax compliance and advisory assistance as an additional safeguard to ensure tax compliance and reduce tax risks.

Our approach towards working with tax authorities including HMRC

We recognise that the tax authorities in the various jurisdictions in which we do business play an important role. We seek to maintain an open, transparent and constructive relationship with HM Revenue and Customs ("HMRC"). We respond to all HMRC queries in a transparent, complete and timely manner and proactively engage with them on any changes to our business that will impact our tax filings. If we identify errors in our filings we will work with HMRC to resolve these issues as they arise. In our most recent business risk review HMRC rated us as "low risk" on our tax strategy, tax delivery and tax contribution which supports the above statements.

We believe that a mutually open and transparent relationship with all applicable tax authorities is essential for creating long-term shareholder value.