

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 2019.

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 2019

Hachette UK (Holdings) Limited 03701589	Company registration no.
The Orion Publishing Group Limited 02663988	Company registration no.
Piatkus Books Limited Octopus Publishing Group Limited 03597451	Company registration no. 01413109 Company registration no.
Conran Octopus Limited 01739383	Company registration no.
Little, Brown Book Group Limited 02304585	Company registration no.
Littlehampton Book Services Limited 00250744	Company registration no.
Hachette UK Limited Headline Publishing Group Limited 02782638	Company registration no. 02020173 Company registration no.
Bookpoint Limited 00978415	Company registration no.
Hodder & Stoughton Limited Philip Allan Publishers Limited 01086222	Company registration no. 00651692 Company registration no.
The Watts Publishing Group Limited 03911258	Company registration no.
Chambers Publishing Limited Galore Park Publishing Limited 03866693	Company registration no. SC002048 Company registration no.
Rising Stars UK Limited 04246700	Company registration no.
Quercus Publishing Limited 05437517	Company registration no.
Quercus Editions Limited 05127683	Company registration no.
Constable & Robinson Limited 02799815	Company registration no.
NB Limited Neon Play Limited 07187620	Company registration no. 02675936 Company registration no.
Storyfire Limited 07893911	Company registration no.
Kyle Cathie Limited Summersdale Publishers Limited 03419533	Company registration no. 02427215 Company registration no.
Jessica Kingsley (Publishers) Limited 02073602	Company registration no.

Short Books Limited 03676036	Company registration no.
Edward Arnold (Publishers) Limited 00522538	Company registration no.
Hachette UK Pension Trust Limited 04434704	Company registration no.
Hachette UK Distribution Limited 03541391	Company registration no.
Hodder & Stoughton Educational Limited 03286205	Company registration no.
John Murray Books Limited 04434719	Company registration no.
New English Library Limited 00586668	Company registration no.
Robert Gibson & Sons, Glasgow, Limited SC005175	Company registration no.
Updates Limited 03600329	Company registration no.
John Murray (Publishers) Limited 00492627	Company registration no.
Quercus Books Limited 05338120	Company registration no.
13114 Publishers Limited 01542205	Company registration no.
Arms & Armour Press Limited 00916307	Company registration no.
Arthur Baker Limited Blandford Press Limited 01341172	Company registration no. SC024615 Company registration no.
Blandford Publishing Limited Brewers Publishing Company Ltd 01256830	Company registration no. 01490020 Company registration no.
Cassell Educational Limited 01993768	Company registration no.
Cassell Limited 02004498	Company registration no.
Cassell Publishers Limited 02043304	Company registration no.
Contact Publications Limited George Weidenfeld & Nicolson Ltd 00395166	Company registration no. 00596127 Company registration no.
George Weidenfeld Holdings Ltd 00698701	Company registration no.
J.M. Dent & Sons Limited 00331386	Company registration no.
Mrs Beeton Industries Limited 01085673	Company registration no.

New Orchard Editions Limited 01341559	Company registration no.
Orion Books Limited	Company registration no. 02701090
Orion Publishing Limited 00742993	Company registration no.
Phoenix House (Publishers) Limited 02201445	Company registration no.
Rigel Publications Limited 01109438	Company registration no.
Victor Gollancz Limited 01944299	Company registration no.
Ward Lock Limited 00201547	Company registration no.
Ward Lock Publishing Limited	Company registration no. 01127110
Weidenfeld & Nicolson (World University Library) Limited 00742992	Company registration no.
Weidenfeld (Publishers) Limited 00472173	Company registration no.
Weidenfeld Limited	Company registration no. 01797028
Futura Publications Limited 00386574	Company registration no.
Little, Brown and Company (UK) Limited 02260381	Company registration no.
Sphere Limited 00887032	Company registration no.
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 00813524	Company registration no.
Cloverview Limited	Company registration no. 00103767
Constable and Company Limited 07452655	Company registration no.
How To Limited 03343531	Company registration no.
How to Content Limited 07099715	Company registration no.
How to Books Limited	Company registration no. 02574996
Transita Limited 05235251	Company registration no.
Digital Octopus Limited 04220493	Company registration no.
Digital Property Guides Limited 04220495	Company registration no.
FBB 1 Limited	Company registration no. 00353434

London Property Guide Limited 04240399	Company registration no.
Map Productions Limited 00832609	Company registration no.
Millers Publications Limited	Company registration no. 01527729
Mitchell Beazley International Limited 00957334	Company registration no.
Mitchell Beazley Limited 03611943	Company registration no.
Octopus Books Limited 01400692	Company registration no.
Spring Books Limited	Company registration no. 01249958
The Hamlyn Publishing Group Limited 00521989	Company registration no.
TLF Limited	Company registration no. 00549985
Kyle Books Limited	Company registration no. 07594515