

UK TAX STRATEGY

1. Introduction

This strategy was created by Shimizu Corporation (“Shimizu”) UK branch to explain the strategic tax values for the UK operations of Shimizu. Given the increased spotlight on tax in the public environment in recent years and the increasing legal and regulatory compliance requirements, we have developed this tax strategy to communicate how we manage taxes within our UK business.

2. Tax Strategy statement

2-1. Maintaining proper implementation of corporate governance systems and internal controls - tax governance and risk management arrangements, and tax risk appetite

Shimizu seeks to implement its compliance management based on corporate ethics of the highest standard, including tax governance and risk management. We deliver value through the operation of a robust risk management framework, which evidences that our key risks are captured, documented and mitigated through the operation of key controls. This framework, along with our policies and principles, is embedded across our practice. All employees proceed with their duties on the basis of a clear understanding of our fundamental principles.

The Senior Administration Manager for our Europe Office has key oversight, monitoring the day to day operation of tax. The management of the UK branch is ultimately responsible for establishing the overall tax governance, and any issues are escalated by management as appropriate. Each fiscal year, the Senior Administration Manager makes decisions on key risk management items for the UK tax operations. To ensure continuous compliance and that we meet our obligations, we engage with external tax advisers as required. External advisors are appointed by management where necessary. To the extent that we engage with external advisers, they will be made fully aware of our strategic tax values, and we expect them to fully comply with our ethical principles.

Shimizu’s appetite for tax risk is low and we only structure our operations based on sound commercial and business principles.

2-2. Creation of value whilst safeguarding our business for the future - Attitude towards tax planning

Shimizu strives to meet the needs of its clients while contributing to society at large. We will consider the most tax efficient way to complete our business transactions, however transactions undertaken will always have commercial activities and business objectives as the primary purpose. Though we strive to be tax efficient in order to grow our business, we will not enter into any aggressive tax planning arrangements. All transactions will follow the arm’s length principles in line with our Transfer pricing policies. Furthermore, in line with our principles, we remain compliant by following strictly the principles of the OECD guidelines, the letter and the spirit of the law.

2-3. Fairness and transparency in business - maintaining an open and honest relationship with HMRC

Shimizu strives to win ever growing trust from society. We are transparent in all our dealings with HMRC and ensure appropriate disclosure of corporate information where applicable. We remain compliant as an organization, ensuring we adhere to our compliance obligations. We seek a proactive relationship with HMRC, encouraging regular and open dialogue on a timely basis. Where any tax law is unclear or subject to interpretation, we will engage with external tax advisers to ensure we remain compliant in all our operations.

Our published UK tax strategy, which has been approved by management of the UK branch, satisfies Schedule 19 of the UK Finance Act 2016, in respect of our financial year ending 31 March 2021.