A grayscale photograph of a hand holding a pen, positioned over a calculator. The calculator and hand are reflected on a glossy surface below. The background is a soft, out-of-focus light blue. A white rectangular box with a blue triangular shape at the bottom right corner is overlaid on the top right of the image.

# Springer Nature's approach to taxation

Updated: December 2018

**SPRINGER NATURE**

# Approach to taxation



**13,000**  
EMPLOYEES  
IN MORE THAN  
**50 COUNTRIES**



**€1.6 bn**  
ANNUAL  
TURNOVER



**RESEARCH**  
**EDUCATION**  
**PROFESSIONAL**

Springer Nature was created in May 2015 by the merger of Springer Science+Business Media and Macmillan Science and Education. Bringing together these publishing houses, each with more than 150 years' history and with complementary geographic footprints and brand portfolios, has created a company that now employs around 13,000 staff in offices in more than 50 countries, and with an annual turnover of around €1.6 billion.

Springer Nature is large and internationally diverse. We have three main businesses. Our combined Research businesses include the world's largest academic book publisher, the publisher of the world's most respected journals and a pioneer in the field of open research. With our Education business we operate in five key areas: language learning, schools' curriculum, Spanish curriculum, higher education, and training and support. Our Professional business is one of the leading professional information providers in Europe with a strong footprint in Germany and the Netherlands and includes the areas of transport, business and engineering.

Springer Nature is a responsible taxpayer. The contribution we make to the jurisdictions in which we operate includes a significant number of taxes, such as corporate income, indirect and employment taxes.

In the jurisdictions in which Springer Nature operates, we are committed to complying with regulations and legislations in a responsible manner and subscribe to initiatives that increase tax transparency. We wish to build and maintain a professional, constructive and transparent working relationship with relevant tax authorities. This approach has resulted in positive outcomes of tax audits, where such audits have resulted in no or minimal adjustments and tax assessments that, in most cases, have been imposed in accordance with returns as filed.

## **This document sets out:**

- Our approach to governance, risk management and compliance.
- Our approach to tax planning.
- Our relationship with tax authorities.
- Our approach to reviewing this strategy.

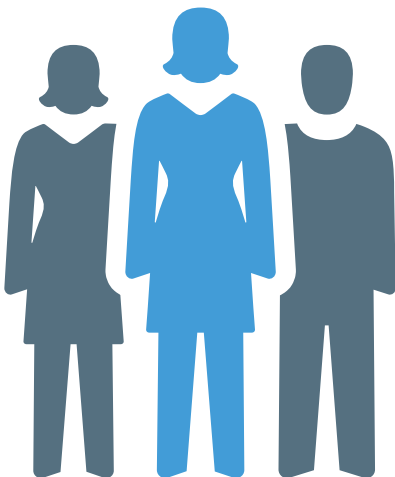
This document is published in compliance with section 16 (2) of Schedule 19 of the Finance Act 2016.

## Our approach to governance, risk management and compliance

We aim to ensure that the finance, legal, human resources and operational teams understand Springer Nature's group tax department's objective of managing and minimising exposure to tax risks. To support this objective, the tax department has regular contact with these teams, and provides them with information so that they consider tax and involve the group tax department in their decisions. Even if decisions are taken in line with the strategy, tax risks can arise.

Our processes, policies and governance intend to ensure compliance with legislation and regulations in the jurisdictions in which we operate. These are designed to identify and address tax risks and they involve the chief financial officer (CFO), the executive vice president (EVP) group tax, the group compliance officer, the internal audit function and the wider finance function. The EVP group tax and the group compliance officer organise regular updates. These updates are discussed at the Springer Nature management board, its supervisory board – in which the company's shareholders are represented, and the audit committee. The latter has a specific focus on tax and finance matters. Springer Nature's CFO is ultimately responsible for the tax strategy, tax policies and management of tax risks. It is the CFO's responsibility to keep the Springer Nature management board informed of all material developments relating to the group's tax position and risks that may arise. The EVP group tax, who reports to the CFO, and a small team of experienced and qualified tax professionals are responsible for implementation of the tax strategy and tax policies.

Springer Nature is both large and international in nature and continually subject to change, which brings with it complexities and tax risks, such as the transfer pricing of goods, services and financing between affiliated companies. The transfer pricing may be successfully challenged by tax authorities in different jurisdictions, which can result in double taxation. We manage tax risks with the aim of minimising unexpected impact. We do not undertake transactions led by tax planning which has no commercial or economic reality. We try to avoid the risk of a dispute with the tax authorities by being transparent about our tax matters. Our approach is to manage tax risks in a manner consistent with the legal and regulatory requirements in the jurisdictions where we operate and with shareholders' interests, thereby considering Springer Nature's brand, reputation, corporate and social responsibilities.



The group tax department maintains oversight of compliance activities across Springer Nature and must be informed of any potential disputes with any tax authority and any proposed local tax audit. We have policies and procedures in place to ensure the integrity of our tax returns. These policies and procedures also enable us to execute tax payments in the jurisdictions where taxes are due in a timely and accurate way. Thereby we consider it crucial that our tax professionals get training and have access to advice from external advisors. We view the input from external advisers as key to supplement the skills of our staff.

### **Our approach to tax planning**

We do not tolerate abusive tax planning or tax planning that is not aligned with commercial and economic activity, that might give rise to a tax result contrary to the letter and clear intentions of the regulation and legislation concerned. We seek to ensure that our transactions reflect full compliance with OECD guidelines, local legislation and regulations. We will however structure our affairs tax efficiently, and take into account tax incentives, exemptions, claims and elections that are available in legislation or customary practice in the jurisdictions in which we operate.

### **Our relationship with tax authorities**

We are committed to maintaining a professional, constructive and transparent working relationship with tax authorities. We have regular meetings with tax authorities to discuss any enquiries about our tax matters. We ensure there is access to relevant information that can demonstrate the integrity of our tax processes, returns and payments. We take care to ensure that our tax matters are reported accurately. Should we identify an error in a submitted return, we would seek to voluntarily disclose it and pay additional tax, interest and penalties that may become due as a result.

### **Our approach to reviewing this strategy**

The general business and tax environment and Springer Nature's business operations are evolving. As a result, the tax strategy will be subject to regular review, and revisited where necessary. Any material amendments to the strategy will require approval by the Springer Nature management board.



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