

Paper Title: **Group Tax Strategy**
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Executive Summary

Sabre Insurance Group and its subsidiaries (“Sabre” or “Group”) are committed to paying the right amount of tax at the right time, as we recognise that taxation is an important part of our contribution to society. Appropriate and timely payment is expected of us by both our shareholders and policyholders.

Our aim is to adopt a principled and sustainable tax strategy that reflects Sabre's desire to consider the various interests of all its stakeholders, including shareholders, employees, customers, governments, regulators, and the community interests which it serves.

To achieve this aim, Sabre will:

- Meet our legal and compliance requirements relating to UK tax;
- Consider tax as part of major business decisions;
- Manage tax risk to the lowest possible level;
- Consider the impact tax has on the Group’s reputation; and
- Engage constructively with HMRC.

Managing Tax Risk

The Board is responsible for ensuring the maintenance of a sound system of internal control and risk management. To assist the Board in carrying out this, and to ensure there is independent oversight of internal control and risk management, the Board has delegated the management of tax risk to the Group’s Audit Committee. This Group Tax Strategy is approved, owned and overseen by the Board, through the Audit Committee. The day-to-day responsibility for managing tax risk lies with the Chief Financial Officer, who is supported by a senior tax manager, and other members of the finance team. The corporate culture is clearly communicated to staff, with the aim to avoid exposing the firm insofar as is possible to any risk other than underwriting risk.

Tax Planning

Sabre is subject to various taxes including corporation, employment and indirect taxes (including IPT and VAT). Where there are up-coming legislative changes, or a significant business change, we take external advice to ensure that our approach is compliant whilst continuing to deliver value for our

shareholders. All business transactions within the Group are carried out based on sound commercial reasons and arrangements are not entered into for purely tax related reasons, where the whole or main purpose is the avoidance of tax.

Effective Tax Rate

The Group's effective corporation tax rate (being the tax payable divided by the Group's profit before tax) for 2023 is 23.5%, which is similar to the prevailing marginal rate of corporation tax in that year. This is disclosed in note 10 of the Group's financial statements.

Total Tax Contribution

In addition to the corporation tax discussed above, Sabre also pays a number of other taxes, and collects taxes on behalf of the UK tax authority. A snapshot of the Group's tax footprint in 2023 is included below:

	Total taxes (£million) in 2023	
	Direct	Indirect
Corporation tax	4.40	
Payroll taxes (Er's NIC)	1.21	
Payroll taxes (PAYE & NI)		2.87
Insurance Premium Tax		27.19
Irrecoverable VAT*	>1.00	
VAT on sales		0.08
Total	6.61	30.14

* The majority of services Sabre provides are exempt from VAT, and therefore outside the scope of the VAT system. As a result we are unable to recover VAT that we suffer on purchases. This irrecoverable VAT represents a significant cost to the Group.

Sabre's Tax Risks

The primary tax risks faced by the Group have been identified as:

Risk: Changes in legislation

The UK tax landscape is subject to continual evolution, and as such there is an underlying risk that we do not identify changes in legislation pertinent to the Group. Such changes could include amendments to tax rates.

Mitigation: We mitigate this risk through our on-going relationships with external tax advisors, our in-house tax expertise and as part of our membership of trade bodies including the ABI.

Risk: Transactional risk

When the Group undertakes one-off transactions there is the potential of becoming exposed to unknown tax implications.

Mitigation: Prior to undertaking a one-off transaction we aim to understand the tax implications of the transaction by engaging with external tax advisers. We also ensure that, if necessary, we engage with HMRC throughout the process to mitigate any risks identified.

Risk: Compliance and reporting

As a listed and regulated group of companies we are required to comply with many compliance and reporting standards.

Mitigation: to ensure we meet our tax compliance obligations we have the right resources and governance in place to enable us to complete tax returns and make tax payments accurately and on time. We engage external advisors where appropriate.

Risk: Reputational damage

Failure to comply with appropriate tax legislation and pay fair tax within our operating jurisdiction could generate significant reputational damage.

Mitigation: We consider the impact of any tax structuring on our reputation, including in how we report and pay tax. We are committed to operating within our tax strategy.

Interaction with HMRC

The Group aims to have an open, honest and constructive relationship with HMRC. In the event that there is a dispute with any tax authority the Group would seek to resolve the matter through proactive and transparent discussion and disclosure. The Group has not been allocated a Customer Compliance Manager (CCM) by HMRC, but seeks help, guidance and clarification from HMRC when it is necessary.

We regard this publication as complying with the Group's duty under para 16(2) Schedule 19 FA 2016 to publish a tax strategy.

Approved by the Board on 21 November 2024