

Yazaki Europe – Tax Strategy

1. Introduction

This strategy applies to Yazaki Europe Limited, its branches and subsidiaries in accordance with paragraph 16(2) of Schedule 19 to the Finance Act 2016. In this strategy, references to ‘Yazaki Europe Ltd, ‘the firm’ or ‘the group’ are to all these entities.”

References to ‘UK Taxation’ are to the taxes and duties set out in paragraph 15(1) of the Schedule which include Income Tax, Corporation Tax, PAYE, NIC, VAT, Insurance Premium Tax, and Stamp Duty Land Tax. References to ‘tax’, ‘taxes’ or ‘taxation’ are to UK taxation and to all corresponding worldwide taxes and similar duties in respect of which the Group has legal responsibilities.

2. Purpose

The Yazaki group is committed to full compliance with all statutory obligations and full disclosure to relevant tax authorities. The group’s tax affairs are managed in a way which takes into account the group’s wider corporate reputation in line with the group’s overall high standards of governance.

3. Yazaki Europe Code of Conduct

Yazaki Europe Middle East Africa NV (“Y-EMEA”) and its direct and indirect subsidiaries in the Y-EMEA region including Yazaki Europe Ltd. and all branches and companies, complies with the Yazaki group Code of Conduct. The Code of Conduct defines the general rules on ethical behavior in conducting its day-to-day business, both internally and with third parties, and serves as a guide to employee responsibility and empowerment. Every employee within the Y-EMEA region is responsible for complying with this Code.

The section of the Code that is of particular relevance to tax is Paragraph 5 which states:

“The Group’s companies must comply with all applicable laws and regulations of the countries in which they conduct business. It is the personal responsibility of all our employees to be aware of these in the context of their job, location, and environment.”

Yazaki is proud of the values with which it conducts business. It has and will continue to uphold the highest levels of tax compliance, ethics, and integrity in all types of transactions and interactions. The aim of the code of conduct and this document is to provide guidance and a framework within which the Group may operate.

4. Tax Risk Management and Governance

The Yazaki group manages risks to ensure compliance with legal requirements in a manner which ensures payment of the right amount of tax. Yazaki's approach to tax is that it will be managed in a way which is:

- ☐ Transparent
- ☐ Aligned with the business strategy; and
- ☐ Justifiable to the tax authorities who oversee the particular transaction(s).

All Y-EMEA region tax matters are managed by a central tax team who are aligned with the business operations of the Group including Yazaki Europe Ltd. Ultimate responsibility for Y-EMEA region tax strategy and compliance rests with the Board of Y-EMEA NV. The Board ensures that the Y-EMEA region's tax strategy is one of the factors considered in all investments and significant business decisions taken.

Yazaki Europe is actively preparing for the implementation of the OECD Pillar Two regulations, which introduce a global minimum tax framework. The Group has conducted preliminary impact assessments and based on current data, does not anticipate material financial effects. Nevertheless, Yazaki is taking a proactive approach by establishing internal compliance processes, including data collection protocols and reporting frameworks aligned with GloBE (Global Anti-Base Erosion) rules. A working group has been formed to monitor legislative developments across jurisdictions and to ensure timely readiness for reporting obligations. The central tax team is coordinating with external advisors to validate methodology and ensure consistency with OECD guidance.

The central tax team also oversees the tax implications of rationalization activities, including mergers, asset transfers, and entity closures. These evaluations are aligned with commercial objectives and compliance standards and are documented accordingly.

The central tax team is comprised of appropriately qualified personnel, headed up by the Head of Value Chain Transformation and Tax, who is also the Senior Accounting Officer ('SAO'). The central tax team is part of the wider Finance function, which reports directly to the Chief Financial Officer ('CFO') and the Board of Y-EMEA NV who retain executive responsibility for tax matters.

The Board ensures that risks are identified, managed, and monitored within the businesses, with support and oversight by external tax advisors where appropriate.

5. Attitude towards tax planning and level of risk

Yazaki manages risks to ensure compliance with legal requirements in a manner which ensures payment of the appropriate amount of tax. Yazaki has a zero-tolerance approach on tax evasion, including the activities which facilitate it, and is committed to ensuring that its businesses meet the obligations of the UK Corporate Criminal Offence legislation.

Tax planning is limited to structuring the Group's affairs in a manner that is wholly consistent with both the letter and spirit of the law, the resultant outcome being one that reflects the commercial and economic reality of the Group's activities.

Taxation outcomes are considered together with other factors as part of any commercial business decision. Once the business decision has been made, the most efficient tax treatment will be applied that is consistent with both the letter and spirit of the law. Yazaki's approach to the level of tax risk is to be cautious and

prudent, thereby if a business transaction presents any tax uncertainty, Yazaki will discuss the uncertainty with HMRC.

When entering commercial transactions, the group seeks to take advantage of available tax incentives, reliefs, and exemptions in line with, and in the spirit of, tax legislation. The group does not undertake tax planning unrelated to such commercial transactions.

The level of risk which the group accepts in relation to UK taxation is consistent with its overall objective of achieving certainty in the group's tax affairs. At all times the group seeks to comply fully with its regulatory and other obligations and to act in a way which upholds its reputation as a responsible corporate citizen. In relation to any specific issue or transaction, the Board is ultimately responsible for identifying the risks, including tax risks, which need to be addressed and for determining what actions should be taken to manage those risks, having regard to the materiality of the amounts and obligations in question.

6. Interaction with HMRC

Yazaki seeks to have a transparent and constructive relationship with HMRC through regular communication in respect of developments in Yazaki's business, current, future, and retrospective tax risks, and interpretation of the law in relation to all relevant taxes.

Wherever possible, Yazaki raises significant compliance issues, uncertainties and/or irregularities with HMRC as they arise. Yazaki keeps HMRC aware of significant transactions and changes in the business at an early stage.

When submitting tax computations and return to HMRC Yazaki discloses all relevant facts and identifies any transactions or issues where it considers that there is potential for the tax treatment to be uncertain. Any inadvertent errors in submissions made to HMRC will be fully disclosed as soon as reasonably practicable after they are identified.