



More than TV
Global Tax Strategy
September 2024



Global Tax Strategy

SECTION 1: BACKGROUND

1.1. Ownership and approval

This document sets out the strategic tax objectives of ITV plc and its subsidiaries.

The ITV tax strategy is set by the ITV Board of Directors in consultation with the Director of Finance - Group. It has been reviewed and approved by the Audit and Risk Committee.

1.2. Audience

Within ITV, the tax strategy is primarily of relevance to the Board of Directors, Audit and Risk Committee, and members of the Group Tax Department. It is also relevant to all finance, legal, and operational personnel and any other functions at ITV whose decisions have tax consequences.

The strategy is publicly available on ITV's website in order to allow external stakeholders to understand the Group's approach to tax. The strategy is compliant with the UK tax strategy publication requirement set out in Part 2 of Schedule 19 FA 2016.

1.3. Scope

ITV is a responsible taxpayer. This is recognised by the tax strategy, which establishes a clear Group-wide approach based on openness and transparency in all aspects of tax reporting and compliance, wherever the company and its subsidiaries operate. This global approach to tax is crucial to support ITV's international growth through acquisitions, the increased emphasis on international content, and our strategic priority of growing our UK and global production business. The Group Tax Department, guided by the tax strategy under which it operates, is both fit for purpose and dynamic enough to enable it to support the continuing development of the operational and geographic make-up of the business.

The tax strategy shares the same approach to risk as ITV's overall strategy and there are and will continue to be frequent reviews to ensure that the level of tax risk is in line with ITV's overall risk appetite.

The strategy applies to the compliance, payment and reporting of all taxes borne and collected by ITV worldwide, the principal ones being corporate income, indirect, and employment taxes.

1.4. Implementation

Guidance and training on how to implement the tax strategy is and will be provided to those with responsibility for taking decisions that could impact the successful achievement of the Group's strategic tax objectives.

1.5. Review

The global tax environment is rapidly evolving, and so the tax strategy will be developed if necessary. Amendments to the tax strategy may be proposed to the Audit and Risk Committee, which will review the strategy on an annual basis as part of its overall review of the tax function. Any material amendments to the strategy will require approval by the ITV Board.

SECTION 2: STRATEGY STATEMENT

2.1 High level overview

ITV is an integrated producer broadcaster that creates and distributes content internationally. The company owns the largest commercial channel in the UK (ITV) and the country's largest commercial producer (ITV Studios Limited), and is the largest independent producer of unscripted content in the US. We also have well-established businesses in several other key territories, including Australia, France, Germany, and the Netherlands, which develop and produce their own content, as well as producing local versions of formats created elsewhere in the group. ITV's content is shown across a wide range of platforms, including linear broadcast and digital platforms. This multi-platform / multi-territory model presents challenges for both the wider business and the tax function.

2.2 Business strategy statement

ITV is a leading global and diversified vertically integrated producer broadcaster and streamer which gives us a real competitive advantage.

There are several key pillars to ITV's strong market position and its ability to successfully execute its strategy:

1. ITV Studios is a scaled, TV and streaming content production business, diversified by genre, by customer and geography within the growing global content market
 - UK's largest commercial producer and one of the world's largest independent producers enabling it to build relationships with key content buyers and leading creative talent
 - Global distribution network with a library of +90,000 hours of content rights and we are one of the largest global distributors of unscripted formats
 - This enables ITV Studios to grow ahead of the market and deliver industry leading margins
2. ITV M&E, with quality content at its core, offers a strong viewer proposition across live and streaming, and an integrated advertising proposition offering both mass reach audiences and targeted addressable audiences at scale. As a vertically integrated business it also offers advertisers the unique opportunity to integrate their brands into our shows
 - ITV is the largest commercial broadcaster in the UK, with unrivalled audience size and reach. In 2023 it delivered 91% of the top 1,000 commercial broadcast programmes on TV and had a 32.6% share of commercial viewing
 - ITVX, our free, ad-funded streaming service has over 17,000 hours of free content including high-quality original exclusive programming and a further 7,000 hours in our premium subscription tier
3. ITV has significant competitive advantages in the large and growing digital advertising market supported by our data and tech capabilities
 - One of the top data sets in the UK with over 40 million registered user accounts on ITVX
 - Planet V, our proprietary, self-service, programmatic video advertising platform which enables us to dynamically serve advertising at scale. It is the second largest ad-tech platform in the UK, after Google, used by all the major agencies
 - Deep relationships with agencies and advertisers; brand safe measured environment; track record for commissioning and producing content that appeals to UK audiences.

2.3 Tax strategy statement

ITV's tax strategy is aligned with the overall business strategy, and to the Group's approach to corporate governance and risk management wherever we operate.

It is of primary importance that we pay the appropriate amount of tax at the right time, under all relevant laws and regulations. In order to do this, we operate an effective tax control framework to identify key tax risks and to manage those risks through appropriately designed and operated controls.

It is important that all areas of our business feel supported from a tax point of view to enable ITV to achieve its commercial objectives. This includes managing tax risk but is also about making good investment decisions with the knowledge of all future associated tax costs. We will also work with the business in order to claim any appropriate tax incentives that are available and aligned with our business model, for example Audio Visual Expenditure Credits in the UK and TV production incentives in other jurisdictions.

The company may consider different tax outcomes when considering how to structure commercially motivated transactions, but does not undertake aggressive tax planning for the purpose of tax avoidance. We understand the importance of corporations not wilfully engaging in tax schemes that go against the intention of legislative authority.

As an organisation we aim to be honest, fair and truthful in all of our dealings, and these principles of integrity are reflected in our relationship with tax authorities. In addition to operating with integrity, where possible and appropriate we seek to be proactive with tax authorities to ensure the efficient resolution of issues as they arise.

2.3 Preventing the facilitation of tax evasion

ITV does not engage in or condone tax evasion or the facilitation of tax evasion in any form. In line with Part 3 of the Criminal Finances Act 2017, we have in place reasonable procedures in order to prevent the facilitation of tax evasion by those associated with us. Our policy on tax evasion and the facilitation of tax evasion is set out in the ITV Code of Conduct, and is clearly communicated to our employees and to third parties acting on our behalf.

SECTION 3: STRATEGIC OBJECTIVES

STRATEGIC TAX OBJECTIVES	DELIVERY OF THE STRATEGIC TAX OBJECTIVE
<p>1. Engage with tax authorities in an open and transparent way in order to minimise uncertainty.</p>	<p>This is best achieved by adopting prudent and recognised filing positions. We aim to form strong tax technical positions as well as fully understanding the business, commercial and regulatory context of transactions. Where tax law is unclear or subject to interpretation, professional advice or advance clearance from tax authorities may be sought to ensure that ITV's position does not lead to conflict.</p> <p>We try to develop and foster good working relationships as well as maintaining dialogue with tax authorities whilst operating in a professional, courteous and timely manner. Where tax enquiries or audits are opened, we adopt a proactive approach to the provision of information to the relevant tax authorities in order to aid the resolution of any matters under review. In order to be able to supply such information, we endeavour to comply with all local document retention requirements.</p>
<p>2. Pro-actively partner with the business to provide clear, timely, relevant and business focussed advice across all aspects of tax.</p>	<p>We aim to ensure that the business understands the Group Tax Department's objective of minimising exposure to tax risk and the means of achieving this.</p> <p>To aid with this objective we establish communication protocols with local finance, HR and operations teams, and provide information, briefings and education as appropriate to ensure as far as possible that they consider tax and involve the Group Tax Department where appropriate when undertaking transactions or making business decisions.</p> <p>The importance of commercial needs should in no circumstances override compliance with applicable tax laws. The tax function therefore provides appropriate input as part of the approval process for business proposals to ensure a clear understanding of the tax consequences.</p> <p>Even if decisions are taken in line with the strategy, risk can arise through poor implementation of transactions, or ineffective on-going management of tax-sensitive business processes. The Group Tax Department therefore aims to be involved in all stages of material and tax-sensitive transactions, from scoping, through implementation, to post-implementation review.</p> <p>Tax support will always be given in the context of the Group Tax Department being an enabler, but will highlight tax risk by reference to risk appetite and relevant detailed tax policies.</p>
<p>3. Take an appropriate and balanced approach when considering how to structure tax-sensitive transactions.</p>	<p>Where alternative routes exist to achieve the same commercial result the most tax efficient approach in compliance with all relevant laws should be considered. However, we will always strive to pursue our primary objectives of paying the right amount of tax at the right time from a legal perspective, and maintaining our strong reputation with stakeholders including HMRC and other tax authorities.</p> <p>Therefore, due consideration is given to ITV's reputation, legislative and regulatory requirements, brand, and corporate and social responsibility when considering business developments, and associated tax consequences.</p> <p>Overall, the decision making process will be influenced by ITV's commitment to its shareholders and whether any potential tax and reputational risk is within the business's risk appetite.</p>
<p>4. Manage ITV's tax risk by operating effective tax governance and understanding our tax control framework with a view to continuously adjusting our approach to be compliant with our tax obligations.</p>	<p>As is the case with the wider ITV business, potential risk and the business's risk appetite will form a crucial part of the decision making process. The level of tax risk that is accepted by the business will be continually evaluated and revisited.</p> <p>A comprehensive tax risk and governance framework is in place that is supported by process documentation and a detailed tax risk register.</p> <p>We monitor our tax controls frequently to ensure that they operate effectively, and that the tax team are informed of relevant developments by the wider business on a timely basis.</p> <p>The monitoring of key tax controls is embedded within the overall ITV risk management framework.</p>

SECTION 4: TAX MANAGEMENT AND ORGANISATION

Group Tax Department

ITV's Group Tax Department is part of the central finance function that reports to the Group Chief Financial Officer & Chief Operating Officer. The Director of Finance – Group leads a small team of experienced and highly engaged tax professionals with appropriate professional qualifications and experience commensurate with the responsibilities required for their roles. We are committed to providing team members with training as required to facilitate performance of their roles and to achieve their personal development objectives. All Group Tax Department members proactively seek to operate in line with the Tax Strategy.

Finance and other personnel

All finance personnel employed by ITV are responsible for complying with the principles and strategy set out in this document and with wider tax governance requirements.

We are committed to providing training to non-tax personnel in key areas such as HR, finance, and business affairs to ensure that they are able to inform the tax team of relevant developments, and to make decisions with tax consequences in the best interests of ITV and in line with this strategy.

External advisors

Tax advice may be sought from external advisors in respect of material transactions, and when the Group Tax Department do not have the expertise required in a particular area. The Director of Finance - Group is responsible for the appointment of external advisors, subject to the Group's policy on audit / non-audit services and agreeing terms of engagement approved by the Group's Legal and Procurement departments where appropriate. Such terms must adhere to ITV's corporate governance and risk management policies, including the group's Code of Conduct. Where ITV outsources tax work to external tax advisors (including elements of compliance), the Director of Finance - Group should approve and ensure that the principles in this document are adhered to.

Tax advisory and compliance services are not procured from the Group's external auditor.