

CDT Holdings Limited (“CDT”) – UK Tax Strategy

CDT’s principal activities are firstly in research and innovation for its parent company, Sumitomo Chemical Co., Ltd (“SCC”), within functional materials and technologies in the key strategic areas of Food, IT Related Chemicals, Healthcare and the Environment and secondly in commercialising our proprietary light-emitting polymer technology.

Further information on the business can be found at <https://www.cdttld.co.uk>.

CDT is committed to acting responsibly in all its activities and places an emphasis on compliance. In the UK, CDT supports this approach through the payment of taxes due, including corporate income tax on profits, employment taxes, customs duties and VAT.

Our Approach to Risk Management and Governance Arrangements in Relation to UK Taxation

The tax governance of CDT’s business is led by the Board of Directors, who delegate responsibility for day-to-day tax matters to the Managing Director, Vice-President, General Affairs and the Financial Controller. Tax risks are identified across the business by those individuals responsible for day-to-day tax matters and escalated to the Board as necessary. This process ensures that key individuals are fully aware of their responsibilities regarding CDT’s tax strategy.

Senior managers discuss business changes and consider the tax consequences of any such business changes. The SCC Group’s internal audit team, which is based in Japan, will periodically visit CDT’s offices in the UK to undertake internal audits and, as part of this process, will seek to identify any significant tax risks and determine the appropriateness of the controls in place with respect to those risks. We use external tax specialists who assist in the identification of additional tax risks.

Where there is complexity or uncertainty regarding CDT’s tax affairs, CDT will seek external advice to help it to minimise the risk of any errors materialising.

To ensure that CDT’s tax returns are appropriately reviewed, each return is prepared and reviewed by different individuals within CDT, supported by external tax specialists as appropriate. Tax payments must be authorised in line with CDT’s internal business approvals procedure. CDT has zero tolerance for tax evasion or facilitation thereof.

CDT’s Commitment to Compliance

The key principles of CDT’s approach to tax are:

- We comply with all laws and obligations relating to tax
- We maintain an open and transparent relationship with HMRC
- We do not engage in tax planning which aims to achieve a tax benefit contrary to the letter or spirit of the law
- We manage tax risk appropriately and have a low appetite for tax risk

CDT’s Attitude to UK Tax Planning

CDT seeks to manage its tax affairs effectively, recognising that it has an obligation to its parent company and to the shareholders of the SCC group.

However, CDT’s primary objective is to ensure compliance with relevant tax legislation and to ensure that tax arrangements are aligned with the commercial reality of CDT’s business. Tax

is merely one of the factors which CDT considers, along with financial and reputational factors, to comprehensively monitor CDT's business transactions.

CDT fully understands its obligation to build relationships of trust with key stakeholders and contribute to the economic development of the United Kingdom where the main and subsidiary companies reside. CDT is committed to managing its tax affairs in accordance with the letter and the spirit of the law.

The Level of Risk in Relation to UK Taxation That CDT Is Prepared to Accept

The approach to tax risk is aligned to the approach taken for broader risks faced by the business. To minimise tax risks, any potentially significant tax risks are identified, assessed and controlled by the Managing Director, the Vice-President, General Affairs and the Financial Controller.

Approach to Dealings With HMRC

As CDT's tax affairs are relatively straightforward, there is rarely a need to communicate with HMRC outside of CDT's normal compliance process. When CDT does correspond with HMRC, it is open and transparent in its communications and, as soon as is practicable, will voluntarily disclose any issues which may arise.

This tax strategy applies to the year ending 31 March 2024 and has been prepared in accordance with the requirements of paragraph 19(2) of Schedule 19 of the Finance Act 2016. This tax strategy applies to all CDT group companies which are resident in the UK and therefore includes Cambridge Display Technology Limited, CDT Holdings Limited, CDT Oxford Limited and CDT Licensing Limited.

The Tax Strategy has been approved by the Managing Director of the CDT Group and is reviewed annually.