

UK TAX STRATEGY

This tax policy is published on 21 December 2018 and applies to the UK affiliates¹ of Alphabet, Inc. The UK affiliates regard this policy as complying with their duty under paragraphs 19(2) and 22(2) of Schedule 19 Finance Act 2016 to publish a tax strategy in 2018. We have operated within the principles detailed below for many years.

1. Our approach to risk management

The UK tax strategy conforms with the Group's Code of Conduct and is owned and approved by the Alphabet and Google Management and overseen by the Alphabet Board of Directors and Audit Committee. The day-to-day implementation of the tax strategy is delegated to the EMEA Tax Director, who is supported by the group tax and finance teams. We seek to identify, evaluate, monitor and manage tax risks to ensure that we comply in full with our legal obligations. Additional assistance from external advisors is sought when required.

We are committed to compliance with tax laws and practices. We continuously monitor changes to tax legislation, ensuring that we take advice where appropriate from professional advisers.

Given the nature of our business and geographic footprint, it is inevitable that risks may arise with respect to the application of tax laws that are complex and uncertain at times. Whilst we do not have prescriptive levels of tax risk, we routinely seek professional advice where the application of tax law to a material transaction or a given situation is reasonably unclear or uncertain, or where specialist knowledge is required.

2. Tax planning

In supporting the commercial and investment needs of the business, we take into account tax laws (as well as all other relevant matters) in all countries in which we operate. Factors that are considered include potential incentives and reliefs. Where legally possible, we will seek to take positive steps to eliminate the risk of double taxation. Any such action is done in a way that is aligned with the group's commercial objectives, meets our legal obligations, and takes into account the potential impact on our reputation.

We seek to comply with all relevant laws, including the OECD arm's length standard in relation to transfer pricing.

3. Our relationship with HMRC

We engage fully with HMRC in a co-operative and compliant manner. As part of the engagement we regularly meet with HMRC to discuss and explain our business and any relevant tax issues that arise. We seek to resolve any differences through transparent discussion.

¹ UK affiliates includes the following entities: GV UK Management Company Limited, Google Payment Limited, Google UK Limited, Google Infrastructure UK Limited, DeepMind Technologies Limited, Jibe Mobile Limited, Apigee Europe Limited, BeatThatQuote.com Limited, Google Engineering UK Holdings Limited, Velostrata UK Limited, GraphicsFuzz Limited, NVF Tech Limited, and SpiderCrunch Limited.