



Information on the implementation by

Sagemcom Poland Sp. z o. o

tax strategy

in the tax year ending

31 December 2023.

Table of contents

1. General information	3
1.1 Introduction.....	3
1.2 Information about the Company.....	3
1.3 Explanation of abbreviations.....	4
2. Information on the taxpayer's processes and procedures for managing the performance of its obligations	5
3. Information on voluntary forms of cooperation with the National Tax Administration authority.....	9
4. Information on the taxpayer's fulfilment of tax obligations in the territory of the Republic of Poland.....	9
5. Scope of information covered by the obligation specified in Article 27c(2)(3) of the Corporate Income Tax Act	10
6. The scope of information covered by the obligation specified in Article 27c(2)(4) of the Corporate Income Tax Act.	10
7. Obligation to provide information on the taxpayer's tax settlements in territories or countries applying harmful competition.....	11

1. General information

1.1 Introduction

The purpose of preparing the report on the implemented tax strategy of Sagemcom Poland Sp. z o.o is to fulfil the obligation set out in the provisions of the Corporate Income Tax Act, according to which information on the implemented tax strategy for a tax year is required to be prepared and made public by, among others, taxpayers of this tax, in which the value of income obtained in the tax year exceeded the equivalent in PLN of EUR 50 million. Due to the fact that the value of the Company's revenue exceeded the aforementioned threshold in the calendar year lasting from 1 January 2023 to 31 December 2023, Sagemcom Poland Sp. z o. o has prepared and discloses this report on the implemented tax strategy.

The report relates to the fiscal year that began on 1 January 2023 and ended on 31 December 2023.

1.2 Information about the Company

Sagemcom Poland Sp. z o. o is a member of the international Sagemcom Group based in France. In the supply chain of the Sagemcom group, the Company acts as a distributor with limited economic risks.

The Company's object is the sale of electrical equipment to external customers, which are telecommunications operators and electricity distributors (DSOs)¹. The Company sells its goods exclusively through the B2B channel.²

The main goods sold by the Company are set-top boxes, modems and smart electricity meters.

The basic identifiers of Sagemcom Poland Spółka z o .o. are:

¹ DSO - Distribution System Operator - an energy entrepreneur distributing gaseous fuels or electricity, responsible for network traffic in the gas distribution network .

Source: https://pl.wikipedia.org/wiki/Operator_systemu_dystrybucyjnego

² B2B - B2B is a very broad term. The acronym itself is derived from the English expression **business to business**. It denotes any transaction or other form of cooperation that two business entities - companies and entrepreneurs - enter into between themselves.

Source: <https://www.google.com/search?client=firefox-b-d&q=kana%C5%82+b2b>



NIP 5272547583

KRS 0000287344

Regon 141024126

Share capital: PLN 500 000,-.

The Company's registered office is located at 83 Bema Street in Warsaw.

A report on the implemented tax strategy will be published on the foreign entity's website:

Sagemcom Broadband SAS

Website address: <https://www.sagemcom.com/en/sagemcom-worldwide>

1.3 Explanation of abbreviations

In this document, abbreviations will be used, the explanation of which is presented below.

CIT	Corporate income tax Act of 15 February 1992 on corporate income tax
PIT	Personal income tax Personal Income Tax Act of 26 July 1991.
VAT	Value added tax ACT of 11 March 2004 on Value Added Tax
Company	Sagemcom Poland Sp. z o.o

2. Information on the taxpayer's processes and procedures for managing the performance of its obligations

This information covers the fiscal year running from 1 January 2023 to 31 December 2023 and includes references to transactions, procedures, plans and other factual elements and knowledge held during this period.

The Company aims to manage its tax processes and issues in a manner that ensures proper assessment of the tax implications of its business activities. The primary objective of the implemented tax strategy is to ensure compliance with the provisions, broadly defined, of tax law when conducting business activities and the processes supporting them.

The Company's tax policy does not imply or aim at tax avoidance or evasion and its transactions have a business rationale and arise from the Company's business activities.

Sagemcom Poland Sp. z o.o. does not make use of illegal tax optimisations within the scope of its activities, including, in particular, not structuring transactions in a manner that does not have a business justification, including through the use of jurisdictions of countries with harmful tax competition.

Possible measures to reduce the tax burden may, in accordance with the implemented tax strategy, concern, among others, such areas as: 100% depreciation of fixed assets within the limits appearing in the CIT regulations, a simplified method in the payment of advances for income tax or simplifications resulting from the settlement of import VAT on the basis of Article 33a of the VAT Act. Thus, these are measures reducing the tax burden, the application of which is possible upon fulfilment of certain conditions provided for in the tax law. Due to its function as a distributor with limited risks and the nature of its business activities, Sagemcom Poland Sp. z o.o. does not benefit from the tax reliefs and subsidies provided for under tax law.

In order to avoid disputes with the tax authorities, Sagemcom Poland Sp. z o.o. identifies and complies with the tax obligations concerning it under tax law with due diligence. These obligations are performed in such a way as to strengthen the perception of the Company as a reliable entrepreneur by customers, counterparties, shareholders as well as by the tax authorities. The Company has put in place procedures and measures to achieve the aforementioned objectives.

For the fiscal year running from 1 January 2023 to 31 December 2023, the Company had the following processes and procedures in place to manage the performance of the aforementioned obligations.

Activities and processes:

- a) The Company has a separate finance and accounting department dedicated to meeting the tax obligations imposed by law,
- b) The company has appointed a person responsible for tax matters, whose qualifications are being progressively upgraded,
- c) All finance department employees responsible for the recognition of economic transactions in the accounts receive training in tax law (internal and external training),
- d) All finance department employees responsible for the recognition of business transactions in the accounting ledgers have access to the "Inforlex Biznes Super Premium online" platform , where tax law regulations, information on changes in tax law, book publications and the daily newspaper "Gazeta Prawna", training videos and articles from other sources and tax interpretations are posted,
- e) The company uses the services of a qualified accounting firm responsible for calculating salaries and wages and for calculating all tax charges related to personal income tax (PIT) and social and health insurance,
- f) The Company uses the services of a qualified tax adviser to prepare comparative analyses for transfer pricing documentation,
- g) The company agrees important tax issues with the group's tax department and uses consultancy firms for complex matters,
- h) The company relies on general interpretations and explanations by the Minister of Finance on the BIP websites (<https://www.kis.gov.pl/informacje-podatkowe-i-celne/interpretacje-indywidualne-i-ogolne> and <https://www.gov.pl/web/finanse/ostrzezenia-i-wyjasnienia-podatkowe>) to resolve tax issues.
- i) The Company organises internal training for other employees on important tax issues applicable to the Company's business activities,
- j) The Company audits its internal tax accounts for value added tax and corporate income tax; any errors are corrected by submitting corrected tax returns,

- k) The Company only settles its payments by bank transfers; there is no cash register in the Company, so that cash turnover limits are respected.

Procedures:

Tax procedures exist in both written and unwritten form. They provide a guide to the performance of tax obligations and supplement the day-to-day activities of recording economic events in the financial and tax systems. Examples of written procedures are:

- a) Procedure for preparing VAT returns
- b) Procedure for preparing CIT calculations
- c) The procedure for submitting data to the accounting office for all salaries and other benefits for employees for the calculation of PIT and Social Security,
- d) Procedure for due diligence verification of suppliers and customers: TIN, Bank Account and EU TIN
- e) Procedure concerning the verification of the necessity of calculating flat-rate income tax on paid dividends, interest, royalties and other services provided for in the CIT Act,
- f) Instructions on the recognition of economic transactions in the financial and tax system (both technical and substantive),

In addition, the Company has procedures, tax processes, activities and behaviours in place to ensure compliance with its tax obligations, which include:

- a) the correct qualification and recognition of economic events affecting tax obligations (including the creation of tax liabilities or receivables),
- b) the correct fulfilment of formal obligations, including the timely filing of necessary returns, declarations, tax information, notifications, submissions and other necessary letters;
- c) the correct application of the applicable tax rates,
- d) the correct qualification of parties to economic events insofar as this affects tax obligations and liabilities,
- e) the correct qualification of the subject matter of economic events insofar as it affects tax obligations and liabilities,
- f) the correct qualification of the circumstances of economic events insofar as they affect tax obligations and liabilities,

- g) The correct collection and preparation of documentation required by tax law,
- h) the correct collection and preparation of documentation required by tax law,
- i) accepting/signing documents affecting tax settlements and workflow,
- j) obligations to provide information on tax schemes,
- k) rules of conduct for Company employees in the event of an inspection of the Company by law enforcement or other authorities and inspections,
- l) other behaviours and developed patterns of behaviour, the continuity and uniformity of which affect the correct fulfilment of tax obligations.

All tax procedures/processes used by the Company are adapted to changes in legislation and changes in the environment and within the organisation. The Company regularly reviews its tax processes and procedures.

3. Information on voluntary forms of cooperation with the National Tax Administration authority

In the fiscal year from 1 January 2023 to 31 December 2023, the Company did not make use of voluntary forms of cooperation with the National Tax Administration authority.

4. Information concerning the fulfilment by the taxpayer of his tax obligations within the territory of the Republic of Poland

4.1 Sagemcom Poland Sp. z o.o has fulfilled its tax obligations for the year running from 1 January 2023 to 31 December 2023 with regard to the taxes listed below:

Corporate Income Tax (CIT) - The Company acted as taxpayer and payer,

Personal Income Tax (PIT) - The Company acted as payer,

Value Added Tax (VAT) - The Company acted as taxpayer and payer,

Social and health insurance (ZUS) contributions - the Company acted as payer.

In 2023, the Company paid dividends for 2021 and for 2022. The Company enjoyed an exemption from flat-rate corporation tax on the dividends paid and therefore did not accrue the aforementioned tax. The exemption was granted as part of the tax office's preference opinion in this respect.

4.2 In the fiscal year running from 1 January 2023 to 31 December 2023, the Company did not provide the Head of the National Tax Administration with any information on tax schemes referred to in Article 86a § 1(10) of the Tax Ordinance,

5. Scope of information covered by the obligation specified in Article 27c(2)(3) of the Corporate Income Tax Act

5.1 Information on transactions with related parties within the meaning of Article 11a(1)(4), the value of which exceeds 5% of the total assets within the meaning of the accounting regulations, determined on the basis of the company's last approved financial statements, including entities which are not tax residents of the Republic of Poland.

During the year running from 1 January 2023 to 31 December 2023, the Company entered into transactions with related parties within the meaning of Article 11a(1)(4), the value of which exceeds 5% of total assets within the meaning of the Accounting Act. The conclusion of these transactions is a consequence of the Company's function in the supply chain of the Sagemcom group. The transactions concerned the purchase of goods from related parties for further resale to the Company's customers in the territory of the Republic of Poland.

Related parties were not and are not residents of the Republic of Poland.

5.2 Information on restructuring measures planned or undertaken by the taxpayer which may affect the tax liability of the taxpayer or of related parties within the meaning of Article 11a(1)(4).

The Company does not plan or undertake restructuring activities that may affect the tax liabilities of itself or its related entities.

In the fiscal year from 1 January 2023 to 31 December 2023, the Company did not carry out any restructuring activities affecting the tax liabilities of itself and its related parties.

6. The scope of the information covered by the obligation set out in Article 27c(2)(4) of the Corporate Income Tax Act.

Information on applications submitted by the taxpayer for the issue:

- a) a general tax interpretation referred to in Article 14a § 1 of the Tax Ordinance,
- b) interpretation of the tax law provisions referred to in Article 14b of the Tax Ordinance,
- (c) the binding rate information referred to in Article 42a of the Value Added Tax Act,
- (d) the binding excise information referred to in Article 7d(1) of the Excise Duty Act of 6 December 2008 (Journal of Laws of 2022, item 143, 1137, 1488, 1967, 2180 and 2236)

For the tax year running from 1 January 2023 to 31 December 2023, the Company received an opinion on the non-collection of lump-sum income tax on dividends paid by the Company to its sole shareholder. The opinion was issued on 11 January 2023.

7. Obligation to provide information on the taxpayer's tax settlements in territories or countries practising harmful competition.

In the fiscal year running from 1 January 2023 to 31 December 2023, the Company did not settle taxes in the territories or countries applying harmful tax competition indicated in the executive acts issued on the basis of Article 11j(2) of the CIT Act and on the basis of Article 23v(2) of the PIT Act and in the announcement of the minister responsible for public finance issued on the basis of Article 86a § 10 of the Tax Ordinance.

The Company's business activities do not presuppose any transactions or any reason for tax settlements to take place in territories or countries with harmful tax competition.