

SUSE S.A – Group Tax Strategy

About SUSE

SUSE is a global leader in innovative, reliable and secure enterprise-grade open source solutions, relied upon by more than 60% of the Fortune 500 to power their mission-critical workloads. We specialize in Business-critical Linux, Enterprise Container Management and Edge solutions, and collaborate with partners and communities to empower our customers to innovate everywhere – from the data center to the Cloud, to the Edge and beyond.

In recent years, SUSE has made significant acquisitions to enhance its container management solutions, including Rancher Labs in 2020 and NeuVector in 2021, a leader in full lifecycle container security.

SUSE's markets continue to expand, driven by established global mega trends, and SUSE's competitive position and disciplined approach to investments ensure it is well placed to capitalize on this growth. Enterprise customers sign multi-year contracts with up-front payment, supporting long-term, sustainable growth with high profit margins and high cash conversion.

SUSE puts the "open" back in open source, giving customers the ability to tackle innovation challenges today and the freedom to evolve their strategy and solutions tomorrow. The SUSE group employs more than 2,000 people globally. SUSE is listed on the Frankfurt Stock Exchange.

Introduction to SUSE's Group Tax Strategy

We take our environmental, social and corporate governance ('ESG') responsibilities very seriously. Our tax strategy supports SUSE in fulfilling those responsibilities.

Our tax strategy applies to SUSE SA, its worldwide subsidiaries ('the Group') and all employees. We regard this document and its publication as complying with our duty under Paragraph 19(2), Schedule 19 of the Finance Act 2016.

Governance, risk management and compliance

Our Group Tax Strategy is approved by the Management Board and Audit Committee annually, with the Chief Financial Officer having oversight responsibility on behalf of the Management Board. The global tax team are responsible for the implementation of the Group Tax Strategy with assistance from the finance team. The Audit Committee are regularly updated on the Group's tax status.

Responsibility for the day to day management of the Group's tax affairs sits with the tax department. The Group employs an in house team of tax professionals who partner with the business to manage the Group's tax risks in a controlled and proactive manner. Employees have the necessary training and experience to manage the Group's tax position appropriately and are further supported by third party advisors where required.

The Group has tax accounting policies and compliance processes in place to ensure the integrity of its tax filings and timely and accurate tax payments in all countries in which it operates. Corporate income tax compliance is mainly outsourced to third-party service providers, whose performance is monitored via appropriate governance processes.

Tax Planning

The Group is committed to acting with integrity, including high standards of corporate governance, and transparency on all tax matters both within the letter and spirit of all relevant tax law and relevant international standards.

As a commercially driven organisation, the Group will only carry out responsible tax planning that is aligned to the Group's commercial goals and genuine economic activities, consistent with the legislative framework of all territories in which the Group operates. We do not engage in transactions without commercial substance and with the sole purposes of achieving a contrived tax result. For example, SUSE does not operate in tax havens that are intended for tax avoidance, have no commercial substance, and/or do not meet the spirit of local or international tax law. SUSE is selective with whom it transacts and has policies in place to avoid the facilitation of tax evasion. The Group takes a conscious approach to tax risk and tax decisions are driven by core values of integrity and responsibility.

Approach to tax risk

The tax function's aim via appropriate processes, policies and governance framework is to support the business to ensure tax risks are appropriately identified, assessed and managed.

The international tax environment is complicated and ever changing local tax law is often complex and subject to change and interpretation. As the Group operates globally, there will always be an element of tax risk and uncertainty inherent in our operations, however, our processes, policies and governance framework are in place to mitigate risk of a significant nature.

Tax risks are identified, monitored and measured by the Tax function and significant tax risks and progress on mitigating actions are reported to the Audit Committee.

Approach towards dealings with Tax Authorities

SUSE seeks to develop and maintain an open, collaborative and transparent working relationship with the global tax authorities, including HM Revenue and Customs in the UK. SUSE is committed to responding to information requests proactively and promptly, assisted by external tax advisors, where this is appropriate.

Where the application of tax law is unclear, we obtain professional advice and if need be, where local legislation permits, we may engage with and seek confirmation of our position from the relevant tax authorities.

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