

# Snap Inc.

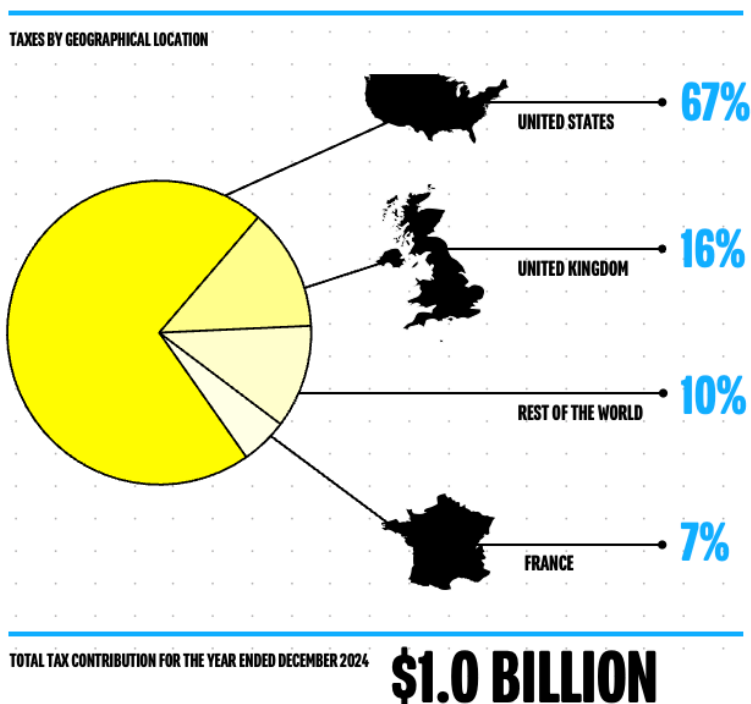
## OUR GLOBAL TAX STRATEGY

### Introduction

Snap Inc. is a technology company. We believe the camera presents the greatest opportunity to improve the way people live and communicate. We contribute to human progress by empowering people to express themselves, live in the moment, learn about the world, and have fun together.

At Snap, we view tax not just as a legal obligation, but as a way to appropriately support the communities where we operate — in other words, we view it as part of our overall corporate mission. We understand that our tax strategy is an important element of earning the trust of our customers, business partners, governments, and the public. This includes doing the right thing even when no one is looking. We want the way we pay our taxes to follow the commercial substance of our business — we don't want tax considerations pushing our business to do things it wouldn't normally do. This is different from the historical norm in our industry, where many companies have kept their profits in artificially low- or no-tax structures that have little relationship to the substance of their business. We don't and won't use tax havens to manage taxes, and do not have any stateless income that is not subject to tax. Our profits are fully subject to tax in jurisdictions where we have substantive business operations.

Our global business activities require us to pay a variety of taxes, including corporate income taxes, employment taxes, transaction taxes, property taxes, and other gross receipts-based taxes. For the year ended December 31, 2024, our total tax contribution was approximately \$1.0 billion.



As a growing company that is not yet profitable, this comprised \$0.2 billion in taxes borne by Snap and \$0.8 billion in taxes collected by Snap from our employees on their compensation and customers on their purchases. Taxes directly borne and collected by Snap are a meaningful economic contribution that supports the communities where we operate. Our global tax strategy covers all of these taxes, not just corporate income tax, and applies to all of our entities and in all jurisdictions.

## **Governance, Risk Management, and Compliance**

Risk management describes the actions we take to lower the risk of us accidentally getting something wrong. We manage risk through a mix of policies and internal controls. Snap operates a global tax control framework that includes process risk and control management for financial reporting purposes and is based on relevant local regulations. Our aim is to proactively identify and mitigate tax risks while ensuring an ongoing monitoring plan to remain compliant.

We align with industry best practices around tax governance and annually benchmark our tax strategy and tax control framework against leading practices. Our tax strategy is overseen and explicitly reviewed and approved annually by the audit committee of Snap Inc.'s Board of Directors. Tax matters are discussed with the audit committee at least twice per year. While the audit committee has primary oversight of tax matters, including reviewing our tax risk assessment and system of internal controls, these matters are escalated to the full Board if appropriate.

Our executive officers, including our general counsel and chief financial officer, are responsible for the day-to-day implementation of risk management. They rely on specialists on their teams and our system of internal controls to execute our risk management strategy. There is an open dialogue between the audit committee and those individuals tasked with the day-to-day implementation of risk management.

Our tax control framework helps ensure that our tax strategy is being followed in our everyday approach to tax. This includes meeting all our tax obligations, such as tax return filing, payment of taxes, and tax accounting and reporting. We proactively test and monitor these controls to ensure they are operating effectively, and our internal audit team periodically reviews our assessments to provide an outside viewpoint. We have a tax risk management policy and carry out risk assessments before entering into tax planning for significant transactions.

Our tax strategy is reflective of, and reactive to, our wider business here at Snap. The tax team is involved in the planning and implementation of significant transactions such as changes to business activities, acquisitions and divestitures, changes in corporate structure, and financing arrangements. Members of the tax team support our global business strategy development to ensure the tax implications of business decisions are considered.

Our people are the critical component in delivering on our tax strategy and governance commitments. Our tax team members are highly qualified and knowledgeable specialists who undergo ongoing training and development, and possess relevant professional licenses. Snap tax team members receive training on and agree to follow Snap's tax strategy, tax risk

management policy, governance policies, and internal controls.

Additionally, Snap's Code of Conduct requires that we respect the laws (including tax laws) of the places where we operate. Our Code of Conduct and Whistleblower Policy provide clear avenues of communication and encourage all employees to speak up and raise any concerns they may have about compliance, expressly including all tax matters.

## **Our Attitude Toward Tax Planning and Risk**

Our tax risk approach is governed by the tax principles set out in this document and is underpinned by our commitment to paying the right amount of tax at the right time and in the right place. Our values and commitment to doing business responsibly and ethically guide the way we manage these risks. Our tax principles extend to our relationships with employees, customers, and contractors. We will not engage in arrangements the sole purpose of which is to create a tax benefit in excess of what is reasonably understood to be intended by relevant tax rules.

While we do not define "acceptable" levels of tax risk, our risk assessment process guides us in consistently determining the potential tax risk for any business transaction. We consider all relevant risk factors when assessing tax risk, including technical strength of the position, reputational risk, and economic impact. Our tax planning is based on reasonable interpretations of applicable law and is aligned with the substance of the economic and commercial activity of our business.

Where we are unclear on a particular matter, we seek advice from professional advisors who are chosen for their knowledge of the subject matter, as well as their alignment with our approach to tax risk. We proactively gather and document the relevant facts and technical basis of positions taken. We don't undertake transactions for the sole purpose of creating a tax benefit inconsistent with a reasonable interpretation of tax law. We aim for substance — we don't seek abusive tax results. We seek consistency with both the intent and spirit of the law.

## **Supporting Our Business**

Our tax team works to support the commercial activity of our business and make sure that tax is firmly embedded in the overall planning process, including Snap's product and business roadmaps, in the same way as other key factors.

Intellectual property (IP) plays a critical role in our industry, and you can tell a lot about a company by its IP structure. Our IP structure is straightforward and follows the commercial substance of our business. We operate our business on a regional basis, with regional presidents located in the US, UK and Singapore, and as such, each of these countries holds the IP for its region. We recognize most of our revenue "locally," which results in more profit being recognized where our customers are located and more transaction taxes being collected and remitted to local governments, as compared to a more centralized sales structure that is the historical norm in our industry. Revenue that is not booked "locally" (e.g., where we have no local business presence, or our local business presence is still developing) is recognized by

one of our three regional locations and is subject to tax at standard corporate income tax rates.

## **Group Transactions and Pricing**

As part of the normal commercial activity of our global business, there are many transactions between Snap group companies in different countries. These transactions reflect an “arm’s-length” or market price in alignment with OECD principles. This is based on the functions, assets, and risks of the parties involved and supported by the appropriate economic analysis of similar transactions between unrelated parties, such that we pay tax according to the value created by each part of our business.

We pay tax on profits according to where value is created within the normal course of commercial activity. We do not use artificially fragmented structures or contracts to avoid establishing a taxable presence in jurisdictions where we do business.

## **Incentives**

Some jurisdictions allow taxpayers to claim tax incentives, for example, to support investment and employment. We may claim such incentives where they are aligned with the commercial activities of our business and are made available to all taxpayers in that jurisdiction.

For instance, we make significant investments in research and development (R&D) across various jurisdictions where we operate. In some of these jurisdictions, we access R&D tax credits to facilitate the growth of our operations, the most significant of which are discussed in our US audited financial statements.

## **Relationships With Tax Authorities**

We want to get our taxes right. We strive for the highest level of compliance with tax rules and disclosure requirements, including accurate and timely reporting. But it is not always clear what the tax legislation intends. Because of the complex tax laws in countries where we operate, and the interaction between these rules, there is a risk that tax authorities might disagree with us or with each other. Accordingly, in some situations, we may record an accounting reserve for these uncertainties, which is further discussed in our US audited financial statements.

We seek to develop cooperative relationships with tax authorities including HMRC (the United Kingdom tax authority), based on mutual respect and trust. We aim to engage in a transparent manner, including proactive disclosure of all relevant facts. We follow established procedures and channels for all dealings with tax authorities, government officials, ministers and other third parties, in a professional, courteous, and timely manner.

Where there are misunderstandings of fact or law, we seek to work with tax authorities, where possible, to identify the issues and explore options to resolve any misunderstandings or

disagreements. When we seek rulings from tax authorities to confirm an applicable tax treatment, we do so based on full disclosure of all relevant facts and circumstances.

## **Supporting Global Tax Administration**

We proactively and constructively engage in dialogue with governments, intergovernmental organizations, and industry groups to support the development of tax systems that are fair, efficient, effective, administrable, and sustainable. This includes support for the OECD's ongoing work on international tax reform. We urge tax policy makers to implement international tax reform to:

- Tax only net profits — not revenue — and do so only once.
- Recognize, and allow taxation of, some element of value creation that is not currently being taxed in market jurisdictions where companies have no or limited physical presence but do have local customers/users, without the artificial creation of economic relationships that don't exist, such as digital permanent establishments or barter transactions between platforms and their users.
- Maximize certainty and administrability while minimizing controversy.
- Ensure a level playing field.

## **Transparency**

We are transparent about our approach to tax. The income tax disclosures in our publicly available audited financial statements are straightforward and easy for stakeholders to understand. We obtain an assurance opinion annually, which encompasses our income tax accounting, disclosures, and the design and operating effectiveness of our controls for income taxes. Details regarding our subsidiaries and the jurisdiction of their incorporation can be found within Exhibit 21.1 of our US audited financial statements [here](#) and within Note 11 of our UK audited financial statements [here](#).

Snap will be required by law to publish limited 2025 tax data in 2026 based on public country-by-country (CbC) reporting requirements. We commit to going beyond these requirements by publicly disclosing a comprehensive picture of our tax contribution and other CbC metrics for all jurisdictions in 2026.

We welcome stakeholder feedback on our tax strategy and our transparency on tax matters. Please address any comments or suggestions to [tax@snap.com](mailto:tax@snap.com).

## **Declaration**

This document is published by Snap Group Limited and the other Snap group entities in the United Kingdom as of July 15, 2025, and is considered to satisfy the requirements of paragraph 19(2) of Schedule 19 of Finance Act 2016 for the year ended December 31, 2025.