



Carpenter Holdings Ltd – UK Group Tax Strategy

The publication of this strategy statement is regarded as satisfying the statutory obligation under Para 16(2), Schedule 19, Finance Act 2016.

This strategy applies to all Carpenter entities organised in the UK (collectively the "Carpenter UK Group").

This document, approved by the board of Carpenter Limited, sets out the Carpenter UK Group's approach to conducting its tax affairs and dealing with tax risks from the date of publication until it is superseded.

The Carpenter UK Group is committed to:

- Following all applicable laws and regulations relating to its tax activities.
- Maintaining an open and honest relationship with the tax authorities based on collaboration and integrity.
- Applying diligence and care in our management of the processes and procedures by which all tax related activities are undertaken, and ensuring that our tax governance is appropriate.
- Using incentives and reliefs to minimise the tax cost of conducting our business while ensuring that these reliefs are not used for purposes which are knowingly contradictory to the intent of the legislation.

Risk management

Managing the Carpenter UK Group's tax affairs is a relatively straightforward process across the functional areas of the business and as such there is a low risk of error or omission within those processes (Tax Risks) which may result in the incorrect application of tax rules or calculation of tax returns. Carpenter proactively seeks to identify, evaluate, manage and monitor these risks to ensure they remain in line with the Company's risk appetite. The Carpenter UK Group's attitude towards the level of control required over the processes designed to minimise Tax Risks is driven by the likelihood of occurrence and scale of impact of each Risk.

In conjunction with the Group's tax advisers, identified Tax Risks are then assessed on a case by case basis, allowing the Group to arrive at well-reasoned conclusions on how each individual Risk should be managed. The Group relies on its tax advisers for guidance and support in the Group's decision-making process.

When reviewing the Tax Risks associated with a specific decision or action, the Group ensures that the following are considered:

- The legal and fiduciary duties of directors and employees.
- The requirements of any related internal policies or procedures.
- The maintenance of the Group's corporate reputation, having particular regard to the way we interact with the communities around us.



Tax planning

The Group has clearly defined lines of responsibility for its tax affairs.

The Group's tax planning aims to support the commercial needs of the business by ensuring that the companies affairs are carried out in the most tax efficient manner whilst remaining compliant with all relevant laws. The tax function is, where appropriate, involved in commercial decision-making processes and provides appropriate input into business proposals to ensure a clear understanding of the tax consequences of any decisions made.

The Group relies on its tax advisers for guidance and support in the Group's tax planning process.

Approach towards dealings with HMRC

The Group is committed to the principles of openness and transparency in its approach to dealing with HMRC, and in particular the Group commits to:

- Make fair, accurate and timely disclosure in correspondence and returns, and respond to queries and information requests in a timely fashion.
- Seek to resolve issues with HMRC in a timely manner, and where disagreements arise work with HMRC to resolve issues by agreement where possible.
- Be open and transparent about decision-making, governance and tax planning.
- Reasonably believe that transactions are structured to give a tax result which is not inconsistent with the economic consequences (unless specific legislation anticipates that result), nor contrary to the intentions of Parliament.
- Interpret the relevant laws in a reasonable way, and ensure transactions are structured consistently.
- Ensure all interactions with HMRC are conducted in an open, collaborative and professional manner.

Signed on behalf of the Carpenter Holdings Limited

B Messer

Finance Director