

## **Purmo Group plc – PG UK Tax Strategy**

### **Scope**

#### **Introduction to Group structure**

This strategy applies to the UK subsidiary companies of Purmo Group plc, a company incorporated in Finland, in accordance with paragraph 19 of Schedule 19 to the Finance Act 2016. A list of the entities to which it applies is set out below. In this strategy, references to 'Purmo Group', 'the firm' or 'the group' are to all these entities. The strategy has been published in accordance with paragraph 16(4) of the Schedule.

This strategy applies from the date of publication until it is superseded. References to 'UK Taxation' are to the taxes and duties set out in paragraph 15(1) of the Schedule.

### **Aim**

Purmo Group is committed to full compliance with all statutory obligations taking into consideration also the spirit of the law and full disclosure to relevant tax authorities. The group's tax affairs are managed departing from the business rational considering also the group's wider corporate reputation in line with the group's overall high standards of governance.

#### **Governance in relation to UK taxation**

- Ultimate responsibility for the group's tax strategy and compliance rests with the Board of Purmo Group Ltd;
- Executive management of the group is delegated by the Board to Purmo Group's President and CEO;
- The Audit Committee's requirement to monitor the integrity of the group's financial reporting system, internal controls and risk management framework, expressly includes those elements relating to taxation;
- The Group Head of Tax ('GHOT') is the Board member of Purmo Group UK (Ltd) with accountability for tax matters;
- Day-to-day management of the group's tax affairs is delegated to ('UK Finance Manager'), who reports legally to the Purmo Group Head of Finance Operations and functionally to GHOT
- The UK finance team is staffed with appropriately qualified individuals;
- The Board ensures that the group's tax strategy is one of the factors considered in all investments and significant business decisions taken;
- GHOT reports to the Audit Committee and the Board on the group's tax affairs and risks during the year.

## **Risk Management**

- The group operates a system of tax risk assessment and controls as a component of the overall internal control framework applicable to the group's financial reporting system;
- The group seeks to reduce the level of tax risk arising from its operations as far as is reasonably practicable by ensuring that rigorous care is applied in relation to all processes which could materially affect its compliance with its tax obligations;
- Processes relating to different taxes are allocated to appropriate process owners, who carry out a review of activities and processes to identify key risks and mitigating controls in place. These key risks are monitored for business and legislative changes which may impact them and changes to processes or controls are made when required;
- Appropriate training is carried out for staff outside the finance team who manage or process matters which have tax implications;
- Advice is sought from external advisers where appropriate.

## **Attitude towards tax planning and level of risk**

The group manages risks to ensure compliance with legal requirements in a manner which ensures payment of the right amount of tax.

When entering into commercial transactions, the group seeks to utilise available tax incentives, reliefs and exemptions in line with, and in accordance the legal interpretation and spirit of tax legislation. The group does not undertake tax management unrelated to such commercial transactions.

The level of risk which the group accepts in relation to UK taxation is consistent with its overall objective of achieving certainty in the group's tax affairs. At all times the group seeks to comply fully with its regulatory and other obligations and to act in a way which upholds its reputation as a responsible corporate citizen. In relation to any specific issue or transaction, the Board is ultimately responsible for identifying the risks, including tax risks, which need to be addressed and for determining what actions should be taken to manage those risks, having regard to the materiality of the amounts and obligations in question.

## **Relationship with HMRC**

The group seeks to have a transparent and constructive relationship with HMRC through regular meetings and communication in respect of developments in the group's business, current, future and retrospective tax risks, and interpretation of the law in relation to all relevant taxes.

The group ensures that HMRC is kept aware of significant transactions and changes in the business and seeks to discuss any tax issues arising at an early stage. When submitting tax computations and returns to HMRC, the group discloses all relevant facts and identifies any transactions or issues where it considers that there is potential for the tax treatment to be uncertain.

Any inadvertent errors in submissions made to HMRC are fully disclosed as soon as reasonably practicable after they are identified.

### **List of entities covered by this Tax Strategy**

**Purmo Group UK Ltd**

**Purmo Group UK Pension Trustee Limited**

**Rettig Heating Group UK Ltd**