



Introduction to our tax strategy

Our UK tax strategy has been approved by the Board of Directors of BMI Group Holdings UK Limited as well as the Head of Tax of Standard Industries and satisfies the requirements of Schedule 19 of the UK Finance Act 2016 in respect of our financial year ending 31 December 2017.

BMI strives to be the preferred partner for roofing and waterproofing solutions with a comprehensive portfolio of residential and commercial brands, capitalising on our technical expertise to complete the most demanding jobs. Our overall vision for tax is to support our business purpose whilst ensuring compliance with our regulatory and legal obligations. Our strategic tax objectives below ensure we achieve our vision for tax alongside our wider commercial objectives.

Strategic Tax Objectives

Integrate risk management and firmly anchor it in the day to day operations of business to achieve functional excellence

We are committed to operating an effective risk management and governance framework, and tax is an important part of that framework. In operating the framework, we are ensuring compliance with our tax filing obligations and proactively mitigating tax risks to acceptable levels.

The board ultimately is responsible for the implementation and supervision of the internal control system and procedures relating to risk management. The day to day management of risk and adoption of the group's internal control principles are delegated to the executive management of each local entity. In the case where a service is outsourced to a third party, the responsibility to review third party results for consistency and quality rests with local management.

In practice, to ensure risks are mitigated and processes are improved, we aim to review key controls and test their design and operating effectiveness. We believe documenting existing key controls and our review procedures are important to ensuring our control system operates effectively. We operate a decentralised approach with clear lines of escalation, with local CFOs in control of timely reporting and escalating tax risks when appropriate.

Our published UK tax strategy, which has been approved by the Board, satisfies Schedule 19 of the UK Finance Act 2016, in respect of our financial year ending December 2017



Whilst we do not have rigid levels of acceptable risk defined as part of our internal control system, we rely on our local teams to consider the likelihood and impact of each area of risk and escalate as appropriate. As described above, we have a support system in place to ensure our local teams are supported in their judgements.

Operate in a sustainable way; improve efficiency and manage our tax cost but not at the expense of supporting our communities

We seek to make contributions to society and our communities by paying the appropriate amount of tax due. To create a sustainable business, we aim to consider the tax impact of business transactions, so the tax outcome is consistent with the commercial and economic substance. We do look to benefit from government sponsored tax incentives and reliefs, but we do not enter into transactions with the sole purpose of achieving a tax advantage. In seeking to balance the creation of shareholder value with our wider stakeholder interests, we habitually adhere to the principles in our tax strategy and wider business vision, in particular our focus on sustainability.

Where appropriate, we gather input from our external advisors to provide professional feedback to our internal team.

Value added differentiation through a focus on strong and enduring relationships with our stakeholders including tax authorities

Tax authorities are an important external stakeholder relationship we aim to approach in a transparent and cooperative manner. We interpret legislation using supporting guidance and, should any uncertainty arise, we seek to engage in a constructive and timely dialogue with tax authorities where appropriate. Furthermore, we may engage external advisors to provide professional feedback where there are areas of legislative uncertainty to help reduce the risk of disagreements with tax authorities. If any disputes were to arise, we would work co-operatively with tax authorities to try and achieve an early agreement and resolution.

Our internal stakeholder relationships also are important to us and our people are essential to the successful delivery of our tax strategy. People with responsibilities for tax are embedded within the wider business making real-time tax advice available to support business decisions.

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