

KNAUF UK GMBH TAX STRATEGY

1 SCOPE AND OBJECTIVES

1.1 OBJECTIVE OF POLICY DOCUMENT

Our tax strategy supports our framework and policy relating to the management of tax reporting and compliance within Knauf UK GmbH (“The Company”) tax resident in Germany, with a permanent establishment in the UK. Our strategy is published in accordance with Paragraphs 16 and 19 to the Finance Act 2016.

As part of a multinational group, The Company is committed to full compliance with all statutory obligations and disclosures to relevant tax authorities. Our tax strategy is managed and built upon the robust guiding principles of the Knauf Group’s code of conduct; ensuring moral and ethical principles are maintained whilst maintaining consistent and effective high level of tax standards.

The UK Knauf companies that are covered by Knauf UK GmbH policy document are:

- Knauf (UK) GmbH
- Knauf Limited
- Diamond Gypsum Wallboard Limited
- Knauf (UK) Limited
- Knauf DIY Limited
- Knauf Marmorit UK Limited
- Richter Systems Limited
- Knauf SW Limited

1.2 TAXES COVERED BY POLICY DOCUMENT

The taxes that are covered by our policy include:

- Corporate income taxes
- PAYE, NIC, Social Security and other payroll taxes;
- Stamp duty and property taxes;
- VAT, Customs duties, Insurance Premium Tax and other indirect taxes;
- Withholding taxes.

Our policy is primarily focused on UK taxes but also covers worldwide taxes and similar duties where applicable.

1.3 APPROVAL AND REVIEW

Our Tax Strategy policy has been approved by Ian Stokes, Managing Director (“MD”) on behalf of Knauf UK GmbH’s Board of Directors (“the Board”). The policy will be reviewed annually by the Financial Controlling Team (“FCT”), approved by the Finance Director (“FD”), with any proposed changes being discussed (and if accepted), will be approved by the Board, prior to finalisation.

1.4 RISK MANAGEMENT

The Company's approach to risk management has been development through a framework of internal controls and processes, with an aim is not to avoid or eliminate risk entirely but to manage The Company's risk, including tax related risk and to seek to reduce the level of tax risk arising from its operation as far as it is deemed reasonably practicable in relation to all processes which could materially affect its compliance with its tax obligations.

Processes relating to different taxes are reviewed regularly to identify and mitigate any key risks to controls in place. These key risks are monitored for business and legislative changes which may impact them. Processes will be changed when required.

Appropriate training is carried out for staff who manage, or process matters which have tax implications.

The Company contacts external advisers with technical queries wherever appropriate. There are regular meetings between The Company and its tax advisers to ensure that The Company is aware of relevant legislative changes.

1.5 TAX OBJECTIVES AND RELATIONSHIPS WITH TAX AUTHORITIES

Knauf UK GmbH's specific objectives include the below and are aligned with Knauf's group tax guidelines:

- Paying the correct amount of tax, in a timely manner;
- Maintaining a transparent and constructive relationship with local tax authorities, through contact and communication in respect of developments in Knauf UK GmbH, current, future, and retrospective tax risks, and interpretation of the law in relation to all relevant taxes;
- Maintaining controls and procedures relating to all taxes to enable the correct tax to be paid;
- Ensuring that local tax authorities are kept aware of significant transactions and changes in the business and seeking to discuss any tax issues arising at an early stage.
- When submitting tax computations and returns to local tax authorities, The Company 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 local tax authorities are fully disclosed as soon as reasonably practicable after they have been identified;
- Forecasting tax cash payments accurately;
- Clear, accurate and timely tax financial reporting to the external auditors;
- Financial reporting, through the wider Knauf Group, ultimately to Knauf Head Office in Germany.

2 ORGANISATION, PROCESSES AND COMMUNICATION

2.1 THE BOARD OF DIRECTORS

The Board are responsible for the tax governance policy of Knauf UK GmbH and our tax strategy is one of the factors considered for all investment and significant business decisions. The MD is the representative for the Board and has delegated executive responsibility for tax matters to the FD.

Operational management of tax are delegated to the Financial Controlling Team which reports to the FD. The FCT which reports to the FD are responsible for ensuring that there is an appropriate

framework for implementation of the policy and for oversight of the identification and management of tax risk.

The Company operates within a system of tax risk assessment and controls forming part of the overall internal control framework applicable to the Knauf Group's financial reporting system. The Knauf Group's Internal Audit function monitors the integrity of Knauf UK GmbH's financial reporting system, internal controls and risk management framework, including those elements relating to taxation.

2.2 COMPLIANCE WITH ALL TAXATION FILING OBLIGATIONS

The Company believes it is essential to make all tax payments, fulfilling all reporting obligations and filing of all tax returns in accordance with statutory deadlines and on a basis of clear and full disclosure.

External advisors are engaged to prepare and submit the corporation tax computations and returns based on information provided by the FCT. The tax returns are reviewed by the FCT prior to approval by the FD.

2.3 STATUTORY REPORTING OF TAXATION

The Company has robust controls and processes in place for providing the information necessary for the reporting and disclosing current and deferred taxes in its financial statements.

The Company complies with all relevant accounting standards in respect of the reporting and disclosure of taxes.

3 TAX PLANNING

3.1 ATTITUDE TOWARDS TAX PLANNING AND LEVEL OF RISK

The Company 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 Company seeks to take advantage of available tax incentives, reliefs, and exemptions in line with, and in the spirit of, tax legislation. The Company does not undertake tax planning unrelated to such commercial transactions.

The level of risk which The Company accepts in relation to UK taxation is consistent with its overall objective of achieving certainty in its tax affairs. At all times The Company 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.

All tax planning is discussed with the Knauf Group Tax Team prior to being implemented.

3.2 GENERAL ANTI-AVOIDANCE RULE

All tax planning activity undertaken will be compliant with the UK government's General Anti Abuse Rule (GAAR).



On behalf of the Board of Directors of Knauf UK GmbH:

Ian Stokes

Managing Director

Spencer Nye

Finance Director

This tax strategy document relates to the year ending 31st December 2023.