

KNAUF UK GMBH

UK TAX STRATEGY STATEMENT

1 General

This statement sets out the UK tax strategy of Knauf UK GmbH (“the company”) tax resident in Germany with a permanent establishment in the UK.

The publication of this statement is regarded as fulfilling the company’s obligation under Paragraph 19(2) Schedule 19 Finance Act 2016 to publish its UK tax strategy during the financial year ended 31 December 2019.

As part of a multinational group the company is aligned with and follows the guiding principles and code of conduct for the Knauf group.

Generally the tax strategy and strategic objectives are intended to establish a clear and unequivocal approach to all aspects of tax reporting and compliance.

This tax strategy is owned and approved by the Board of Directors of Knauf UK GmbH and sets out the group's general tax arrangements as well as the policy and approach to tax risk management, attitude to tax planning and working with HMRC.

This tax strategy applies from the date of publication until it is superseded and covers all UK taxes applicable to the company.

2 Tax Strategy Statement

2.1 *Approach to tax risk management and governance*

The company is committed to compliance with UK tax law, regulation and disclosure requirements by:

- Paying the right amount of tax at the right time,
- Filing complete and accurate returns on a timely basis,
- Seeking to utilise available tax reliefs and incentives where available in a manner which is consistent with the government’s policy objectives.

Overall responsibility for the company’s tax strategy rests with the company’s Board of Directors. Day to day management of the company’s tax affairs is undertaken by the finance team.

External advisers are engaged to provide additional expertise where it is considered appropriate.

2.2 Tax planning

The company does not engage in tax planning that does not support genuine commercial activity nor does it participate in artificial tax avoidance schemes to reduce its UK tax liabilities. The company does not seek to structure transactions in ways that give tax results inconsistent with their underlying economic consequences.

2.3 Tax risk management

The company takes a responsible approach to managing its tax affairs and seeks to comply with all statutory obligations. Third party advice is sought where it is considered appropriate, typically where there is a material level of uncertainty or complexity. The company's approach to tax risks follows the same principles that apply to other business risks and includes consideration of reputational and other non-financial risks. By being tax compliant the company aims to minimise tax risk.

The company seeks to reduce tax risks by implementing internal reporting tools and other measures and it only structures its affairs based on sound commercial principles and in accordance with the Knauf Group policy and relevant tax legislation.

2.4 Relationship with HMRC

The company maintains a good working relationship with HMRC and complies with all applicable tax laws and regulations. In its dealings with HMRC, the company acts in an open and transparent manner and in the event of a disagreement aims to resolve matters in a timely manner through the provision of full and accurate information, open and honest dialogue and the willingness wherever possible to reach an agreement.

2.5 Covered Knauf entities

This statement covers also the following Knauf Companies:

- Knauf Ltd
- Diamond Gypsum Wallboard Ltd
- Knauf UK Ltd
- Knauf DIY Ltd
- Marmorit UK Ltd
- Richter Systems Ltd