

## **Group Tax Strategy**

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The publication of the National Timber Group Tax Strategy is required by Schedule 19 Part 2 Finance Act 2016 and applies to all subsidiaries in the National Timber group of companies (NTG). National Timber Group Topco Limited is the ultimate holding company of the group and has prepared and published this Tax Strategy on behalf of NTG.

National Timber Group Topco Limited regards publication of this Tax Strategy as complying with the duty under Schedule 19 paragraph 16(2) Finance Act 2016 in the current financial year ending on 31 December 2020.

National Timber Group is the largest independent added-value timber distribution and processing group in the UK. All group subsidiaries are UK resident for tax purposes and have negligible exposure to overseas tax.

### **Tax Risk management and Governance**

The Board of National Timber places the highest level of importance on ensuring the Group maintains proper controls to mitigate all business risks including tax.

The approach to managing NTG's tax affairs is governed by an overarching principle of full compliance with tax legislation. NTG pays all taxes in full and on time in accordance with the tax law.

### **The level of risk in relation to UK taxation National Timber is prepared to accept**

The Board does not support or implement tax planning that it believes to be aggressive or artificial. In structuring the Group's commercial activities relevant tax laws will be considered. The commercial needs of the NTG are paramount and any tax planning undertaken will be aligned to the commercial motivation. Where tax reliefs and incentives are available to support the business these will be claimed in the manner intended.

The Group board assesses tax risk on a case-by-case basis taking account of operational, financial and reputational factors, as well as the materiality of any item and is managed by the implementation of robust controls and procedures which include:

- The appointment of the Group Chief Financial Officer Director as the Senior Accounting Officer placing the management and oversight of the Group's tax affairs at Board level.
- Significant investment in accounting and tax reporting systems which are used across the Group.

Generally, NTG seek to take a balanced approach having regard to the interests of all stakeholders including investors, customers, staff, government and the communities in which we operate.

## **Group Tax Strategy (continued)**

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### **Tax advisors**

Advice is obtained on complex or material transactions outside of the day to day activities of the Group, to ensure compliance with tax laws and that transactions are correctly reflected and disclosed in the appropriate tax filings.

### **Relationship with Tax Authorities**

The Group seeks to engage with tax authorities with professionalism, honesty and respect.

The complexity, and constantly evolving nature of tax laws and guidelines that relate to NTG's business, means that there are occasions where the technical interpretation of a particular area of tax law may differ with that of the tax authorities. In these cases, NTG will work with all tax authorities, including HMRC, in a timely and constructive manner to resolve disputes where they arise.