



## Norbrook Holdings Limited (NHL)

# Tax Strategy

Our Values

Customer Value

One Team

Results Driven

Excellence

Innovation

Quality



## Purpose of the Strategy

The overall purpose of the NHL Group's Tax Strategy can be summarised by the following broad principles:

- To comply with the relevant laws, regulations and reporting guidelines within the jurisdictions in which NHL and subsidiaries operate
- To ensure tax strategy is consistent with the overall NHL strategy, approach to risk and Core Values
- To manage all risks associated with tax matters whilst ensuring appropriate governance is in place
- To maintain professional and collaborative relationships with Tax Authorities
- To utilise incentives and reliefs available within the scope of tax legislation in an appropriate manner

## Tax Code of Conduct

### Approach to risk management and governance arrangements

Tax is the ultimate responsibility of the Group Finance Director who sits on the Board of NHL and is the Senior Accounting Officer for UK tax purposes. Operational tax matters are delegated to the Head of Financial Reporting & Risk and a team of senior finance professionals with appropriate experience in their respective roles.

Professional care and judgement are applied to assess tax risks and to support management of risks, with additional advices obtained as necessary. The Group Finance Director and Head of Financial Reporting & Risk obtain regular guidance from external tax advisors to ensure ongoing compliance with regulations in all jurisdictions.

Tax risks exist at both strategic and operational levels. Risks are identified and assessed with appropriate actions taken to reduce risks to limits which are acceptable to the NHL Board. Tax risks are monitored within the risk management system with material issues escalated on a regular basis.

Tax strategy is reviewed and approved by the Board annually.



### **Attitude towards tax planning**

NHL and subsidiaries operate in multiple jurisdictions with various tax obligations. There is a responsibility to deliver value to the shareholders and any commercial activity to support this aim must be accompanied by appropriate tax planning.

A key principle of the NHL Group's tax strategy is that tax will be payable in the jurisdiction in which commercial activities exist and will be the effect of business strategy rather than the cause. NHL does not engage in any aggressive tax planning arrangements.

### **Tax risk appetite**

NHL generally has a low tolerance for tax risk and this extends to:

- Errors or omissions
- Late submissions of returns
- Late submissions of payments

The business does not have a target effective tax rate.

Tax risks for significant issues will usually only be accepted on the basis of full disclosure to the relevant Tax Authority and receipt of clearances from HMRC or other Tax Authorities as appropriate.

### **Relationships with Tax Authorities**

All of our entities interact with the Tax Authorities of the jurisdictions in which they operate. A key part of the strategy is to maintain and develop proactive, collaborative relationships with these relevant Tax Authorities.

We will openly discuss any new or complex tax positions with the Tax Authorities and we will be transparent about our tax risk management and governance procedures.