

Renewi plc – Tax Strategy

BACKGROUND

Shanks Group plc purchased Van Gansewinkel Groep BV and its subsidiaries on 28 February 2017 and was renamed Renewi plc from that date. The Group is in the process of reviewing the common guidelines and principles with respect to worldwide business taxation and will use this unique opportunity to establish a core code of conduct with respect to taxation.

Central to our values is integrity, something that very much applies to our strategy with respect to taxes. We commit to being open, honest and doing the right thing. Our core ethical principles guide the way that we make decisions. The principles in this document relate specifically to UK taxation.

SCOPE

The document has been approved by the Board and Audit Committee and applies to Renewi plc and all UK entities in its Group as at the date of publication. This document will be reviewed periodically and annually as a minimum.

The Group regards publication as complying with the duty under Part 2, Schedule 19, Finance Act 2016.

The UK Group has several guiding principles with respect to business tax:

- To pay the right amount of tax in the right place at the right time.
- To comply with the relevant laws, rules, regulations and reporting and disclosure requirements. This includes ensuring that tax is embedded throughout the business with adequate communication and disclosure of relevant facts to HMRC.
- To support the execution of the business strategy by applying a consistent approach to tax in line with core values. Our tax positions will be driven by our commercial priorities which include improving operational activities, increasing efficiency and transparency as well as a continued focus on sustainability.
- Apply professional care in the management of risks associated with tax matters.
- Build and maintain strong and collaborative relationships with tax authorities.
- Where available we use appropriate incentives set out in the tax legislation to minimise the costs of conducting business.

OVERVIEW OF INTERNAL GOVERNANCE

Tax is the ultimate responsibility of the CFO who sits on the Renewi plc Board. The CFO is also the Senior Accounting Officer for UK tax affairs.

There are at least three meetings of the Audit Committee every year. The CFO, the Group Financial Controller and Group Tax Manager attend these meetings and a tax paper is submitted to each meeting covering updates on tax risks and developments. Moreover, tax is a subject that is considered by the Board regularly and appropriate updates are included in the monthly CFO report.

Day to day matters are delegated to the Group Tax Manager and the Group Financial Controller – who hold qualifications and experience appropriate to their roles. The CFO, Group Financial Controller and Group Tax Manager hold regular meetings with a variety of external tax professionals. The principle objective of these meetings is to ensure that the Group complies with best practice.

Controls are in place to ensure that the correct amount of taxes are identified and paid.

Approach to Risk Management

The CFO and Group Financial Controller attend all Audit Committee meetings along with the Group Tax Manager and there is a standing item to provide any updates on tax risks and developments.

The key controls which must be put in place by each division of the business are included in the Group Finance Manual which includes sections on both direct and indirect taxes. Adherence to these controls is tested by the Internal Audit function at appropriate intervals and subject to a review by an external firm of accountants every few years.

In respect of UK taxes, tax control matrices are in place covering Corporation Tax, VAT and PAYE.

To provide an additional level of review and governance, UK tax returns are prepared by external tax professionals from information provided by the UK finance team.

External advice is taken when there is any doubt or judgement decisions with respect to the application of facts to tax legislation.

Attitude to tax planning

As well as our operations in the UK, the Group has operations in overseas locations, primarily the Netherlands and Belgium.

The Group has a responsibility to its shareholders to deliver value but will only plan for tax matters that are aligned with commercial or economic activity.

Tax will be paid in jurisdictions where commercial activities take place and the Group will not undertake planning to artificially record taxable profits in non-commercial jurisdictions.

The Group will seek to provide full details of business activities and request HMRC's view on transactions where there is uncertainty with regard to the application of the legislation.

Relationship with HMRC

The Group has a desire to maintain a strong collaborative working relationship with HMRC. This is facilitated by at least an annual meeting with the HMRC Customer Compliance Manager along with regular updates via telephone.

The Group will always seek HMRC's view on any material uncertain tax positions.

