

Shepherd Building Group Limited

Group Tax Strategy, for the year ended 31 December 2023

Introduction

This document outlines the tax strategy for Shepherd Building Group Limited and its subsidiaries (“the Group”) in relation to the taxes that it is required to pay in the UK and overseas.

The strategy is summarised across the following headings:

- Tax contribution;
- Approach to risk management and governance;
- Attitude towards tax planning;
- Level of acceptable risk; and
- Approach towards dealings with tax authorities.

The publication of this document is regarded as complying with the requirements of the Finance Act 2016, Schedule 19, Paragraph 16(2). The document will undergo continuing review and will be updated and approved by the Group Board when necessary.

Tax Contribution

During the 2021/22 tax year the taxes collected and paid by the Group in the UK, comprising of PAYE & NI, VAT and Corporation Tax, amount to £55m.

Approach to Risk Management and Governance

The Group will strive to comply with all aspects of its tax obligations.

The processes in place to achieve compliance include the identification of the major risks that could result in non-compliance and implementing measures to mitigate these risks. The mitigating measures include:

- The use of robust accounting systems and undertaking regular accounting reconciliations;
- Undertaking periodic internal audit reviews of systems and processes;
- Ensuring that employees have the appropriate level of knowledge, experience and training to enable them to carry out their duties; and,
- Seeking external advice when necessary.

The Chief Financial Officer, who is also the Group’s Senior Accounting Officer, is responsible for implementing the tax strategy and managing all tax-related matters. The

overall approach to tax risk, including the approval of the Group's Tax Strategy, is set by the Group Board.

The Group's tax functions are overseen by the Group Tax and Treasury Manager, with the support of the Tax Manager and wider finance team. The teams consist of appropriately qualified, experienced and professional individuals.

The Group maintains a risk register to capture tax risks and risks that are within the scope of the Corporate Criminal Offence legislation.

Attitude towards Tax Planning

It is the Group's intention to adopt an ethical approach to tax planning and to ensure that it is paying the correct amount of tax on the due dates.

The Group will achieve this by complying with all applicable laws, rules and regulations and by deploying generally accepted good practices including adherence to good day-to-day tax housekeeping (for example making claims and elections for any tax relief which is generally available). In relation to cross border transactions the Group adheres to guidance issued by the Organisation for Economic Co-operation and Development.

The Group will not engage in any tax planning which is not aligned with its commercial and business activities. Any tax planning idea will be assessed in the context of the Group's reputation as a good corporate citizen and in the context of the Group's desire to maintain a good working relationship with the relevant tax authority.

Level of Acceptable Risk

The Group will take a low-risk approach to tax planning. No tax initiative will be undertaken if there is a risk that it could compromise the Group's reputation as a good corporate citizen. In areas of uncertainty the Group may request clearance from HMRC or sit behind other taxpayers while they are seeking clarification from the courts.

Approach towards Dealings with Tax Authorities

The Group wishes to have an open and transparent dialogue with tax authorities, for example the Group will notify HMRC of any significant structural changes in its business.

This strategy document was approved by the Group Board on 20 September 2023.