



## KIER GROUP TAX STRATEGY

### Background

The Group's tax strategy is to drive value for the Group utilising strong tax controls and legitimate tax reliefs, whilst paying the correct amount of tax at the right time and complying with all laws, regulations, reporting and disclosure requirements in the jurisdictions within which Kier operates.

### Approach to Tax Risk Management and Governance

Tax governance is of high importance to Kier. Kier will take all appropriate steps to prevent the facilitation of tax evasion by our staff and associates pursuant to our responsibilities under the Criminal Finances Act 2017 and will conduct business in an honest, lawful and ethical way, without the use of corrupt practices or acts of bribery, taking a zero-tolerance approach to bribery and corruption of all kinds

The Group's tax strategy is approved by the Board and the Head of Tax is responsible for:

- **Implementation of the policy**
- **Design and operation of the tax control framework, which includes appropriate processes and controls**
- **Ensuring that the tax team have the necessary skills and support to implement the Group's tax strategy**

The Head of Tax reports to the Group Financial Controller and is responsible on a regular basis on the status of the Group's tax affairs. Kier's Divisional and Business Finance Directors/Finance Business Partners have responsibility for the tax affairs of their own divisions and businesses, this is carried out with appropriate advice and support from the Tax department.

The Group's tax governance arrangements are well established and are integral to Kier's compliance with the Senior Accounting regime. Due care and attention is employed by the tax specialists within the Group to assess tax risks and how these are to be managed. The Group is currently based overwhelmingly in the UK, as a result, the tax risk management tends to focus on operational compliance with UK employment tax, VAT and CIS (Construction Industry Scheme) requirements, as well as Corporation Tax.

The Group Tax department have established and maintain robust policies and have put in place a variety of risk management systems and procedures, including a tax risk register as well as compliance testing and risk monitoring systems. Tax controls are included within the Group's financial and operational procedures to ensure the integrity of our tax returns as well as timely and accurate tax payments. Extensive control procedures are documented and implemented across our tax compliance function which are monitored and updated for changes in tax legislation and best practice. The function performs a wide audit programme internally on tax compliance processes, in addition there is an internal audit of our processes by third party advisors.

### Attitude towards Tax Planning

Kier Group believes that it should pay the amounts of tax legally due and does not have an aggressive attitude towards tax planning. Occasionally, there may be situations where the amount due may not be clearly defined, or where alternative approaches may result in differing tax results. The Group will use its best judgement in determining the appropriate course of action, using available reliefs and incentives where possible.

Kier aims to use any tax planning opportunities and reliefs in the spirit in which they were designed to be used and will also ensure they follow the true commercial activities of the Group. Kier will not enter into artificial or abusive arrangements to gain a tax advantage.

### Level of Risk in relation to UK Taxation

As a large business, Kier is inevitably exposed to a level of tax risk and uncertainty. Kier recognises this and attempts to mitigate risks and uncertainty where possible by having clear tax policies, procedures and internal controls, which are reviewed and monitored. Tax risk can arise from unclear laws and regulations as well as differences in interpretation. Where there is uncertainty as to how to apply or interpret certain aspects of tax law, for example where there is uncertainty over the tax treatment of a significant activity, Kier may utilise external advisors to support the decision making process.

## Approach to dealings with HMRC

Kier operates on a basis of full openness and transparency in its approach to dealing with HMRC and any other tax authorities of the jurisdictions in which it operates. Kier is committed to creating positive and proactive working relationships with these authorities through regular meetings and communication and strives for all dealings to be conducted in a collaborative and courteous manner, acting promptly to establish certainty and to achieve early resolution of any tax related disputes or queries.

This tax strategy is published in accordance with the duty under paragraph 16(2) of Schedule 19 of the Finance Act 2016 to publish a group tax strategy. It was originally adopted by the Board of Kier Group plc in June 2017, and reviewed and reconfirmed for the financial period 2021 and thereafter (until superseded), for all Group subsidiaries and all taxes.