



## Tax Strategy for the year ending 31 December 2021

This strategy applies to Synthomer plc (the "Company") and its UK subsidiaries. It covers taxes and duties set out in paragraph 15 (1) Schedule 19, Finance Act 2016 for all UK operations and is regarded as satisfying the requirements under paragraph 16(2) Schedule 19, Finance Act 2016.

The legislation requires the Company to set out its approach and attitude on a number of areas concerning UK taxation and its relationship with HMRC and therefore this is the document's focus.

Synthomer is a global business and the group's objectives are to balance our responsibilities of controlling tax cost with following the letter and spirit of the tax regulations wherever we do business and paying all legally required taxes when they fall due.

### ► Tax risk management and governance

Given the scale of our business, our M&A strategy and an increasingly complex international tax environment, tax risk is inevitable and uncertain tax positions will arise.

The Board is ultimately responsible for tax governance. It approves the strategy set out by the Group Tax Director and monitors performance against it and the Audit Committee reviews the accounting for and disclosure of the Group's tax affairs.

The Group Tax Director is responsible for the development of the overall approach to and management of the Group's tax affairs. The Group Tax Director is an appropriately qualified and senior member of the Group Finance team and provides regular updates to the Chief Financial Officer, who is also the Senior Accounting Officer.

UK tax risks are identified by the Group Tax Director through regular communication with finance, treasury and legal staff and by monitoring proposed changes in UK tax legislation. These updates, communication and monitoring ensure that tax is considered in the day to day running of the business and that the tax consequences of commercial transactions, including M&A are reviewed on a timely and proactive basis.

Internal controls over financial reporting are in place and are monitored by the Board directly or through the Audit Committee with the support of internal and external audit.

### ► Acceptable levels of tax risk

The Board is responsible for setting risk appetite and tolerances for risk including tax.

In accordance with our wider corporate strategy, we are committed to contributing fairly to public policy goals wherever we do business. Synthomer therefore takes a prudent approach to tax risk management.

In accordance with the three lines of defence model used by Synthomer, local Finance Directors and Controllers across the business are responsible for owning and managing tax risk and adopting controls to mitigate those risks, the Group Tax Director is responsible for establishing policy and oversight over the business and supporting them to manage tax risk as appropriate and Internal Audit provides a further independent level of assurance in relation to tax accounting arrangements.

All known areas of tax uncertainty are provided for in line with accounting standard requirements.

### ► Tax planning

The Directors consider the reputation of Synthomer and the trust and confidence of those with whom it deals, shareholders, employees, suppliers, competitors and the wider community as one of its most important resources. Therefore Synthomer will not engage in any artificial transaction the sole purpose of which is to reduce tax.

Tax is however one of a number of commercial considerations in doing business globally. Consistent with the Group's prudent approach, but also to protect shareholder value, we will utilise properly available allowances, deductions, reliefs, incentives, exemptions and credits as long as the tax outcome is aligned with commercial and economic reality and is sustainable.

External advisers are used where complex or specialist tax matters arise, in particular for cross border and M&A advice.



## **Tax Strategy for the year ending 31 December 2021**

### **► Relationship with HMRC**

Synthomer is committed to having an open and professional relationship with HMRC in relation to tax planning, compliance, strategy, risks and significant transactions. We will cooperate with HMRC at all times and deal with issues in a timely and collaborative manner.

Our tax compliance process, including the submission of tax returns and payments, aims to be timely and accurate and will, through full disclosure, provide sufficient detail to enable HMRC to form an accurate view of our tax affairs. All returns are prepared in line with the intent of the legislation. In circumstances where an area of tax law is complex and may have a material impact on our financial position, we will seek to have real time discussions with HMRC in order to gain certainty over the treatment for tax purposes and to avoid the potential for any future dispute.

**Approved by the  
Board on 8 December  
2021**