

Beijer Ref – Our Approach to Tax in the UK

ABOUT THE BEIJER REF GROUP

Beijer Ref is a trading group of companies that provides customers all over the world with a broad range of solutions in the fields of commercial and industrial refrigeration, as well as heating and air conditioning. Our products consist primarily of refrigeration systems, components for refrigeration systems, air conditioning technology and heat pumps. Our business is listed on the Nasdaq OMX Exchange in Stockholm, Sweden.

The group has approximately 2,700 employees working in 35 countries, including the UK. The group's base and head office have been in Malmö, Sweden for over 150 years.

OUR GROUP'S APPROACH TO TAX

Beijer Ref's Ethical Guidelines establish the key principles that apply to all of our operations and govern the behaviour of all employees. These guidelines also apply to our tax affairs both at our head office in Malmö and locally in each of the countries in which we operate – including the UK.

In particular:

- The Group operates according to principles of good corporate governance
- The Group acts as a good corporate citizen in all societies where it operates
- The social, environmental and ethical commitments of the Group is reflected in all dealings with customers, employees, suppliers and other stakeholders.

Our Group Board of Directors based in Malmö is ultimately accountable for our group's approach to tax and our Group Chief Financial Officer ('Group CFO') maintains day to day responsibility for managing our group's tax affairs. The Group CFO has delegated authority for local tax compliance matters to in-country finance leaders. In the UK, this is the UK Group Finance Director.

OUR UK BUSINESSES

In the UK we have a well-established presence, operating through three trading companies which are headquartered in Leeds:

- **Dean & Wood Limited** – the UK's longest established Refrigeration & Air Conditioning wholesaler which has built a reputation on supplying leading brand products to trade customers across the UK from 15 strategically located branches.
- **HRP Limited** – trading since 1945, HRP is one of the longest established refrigeration and air conditioning wholesalers in the UK.
- **RW Refrigeration Wholesale Limited** – the former United Refrigeration, now a leading National independent Refrigeration & Air Conditioning wholesaler with 14 branches across the UK.

HOW WE GOVERN OUR TAX AFFAIRS IN THE UK

In the UK, the UK Group Finance Director who is a member of the Boards of all of our UK companies is responsible for our tax affairs and approves all tax returns to be submitted to HMRC.

The UK Group Finance Director is supported by an accountant and reputable third party tax advisors. Our third party tax advisors play a key role in helping us to consider the impact of new tax laws on our business, as well as considering the impact of business changes on our tax affairs.

Segregation of duties is in place to ensure that there is always a separate preparer and reviewer of our tax returns.

The UK Group Finance Director periodically communicates with the Group Finance Function in Malmö to ensure that they are kept abreast of UK tax developments, predominantly through the group's quarterly reporting process.

OUR ATTITUDE TO TAX PLANNING AND TAX RISK IN THE UK

Tax risk, as with other business risks, is evaluated as part of our internal control process, which involves the assessment and ongoing monitoring of potential risks that may apply to our business.

Our UK Group Finance Director liaises with the Group Finance Function in order to assess potential UK tax risks as part of our quarterly reporting process.

Third party tax advisors also play a key role in helping us to identify and evaluate potential tax risks associated with our operations and due to changes in tax laws.

Being part of a listed group and one which prides itself on its ethical approach, our reputation is extremely important to us. This has influenced our tax risk appetite, and we are not prepared to accept tax risks that may adversely impact our reputation.

Aligned with our group's approach to tax, a key principle of our approach to tax in the UK is ensuring that our tax affairs are aligned with the commercial substance of our business. Further, we do not engage in transactions that are purely tax motivated and we do not undertake aggressive tax planning.

We do claim tax reliefs and incentives as intended by the UK Government, for example we claim capital allowances (i.e. tax depreciation) on our expenditure on fixed assets.

OUR RELATIONSHIP WITH HMRC

In line with our group's approach to tax, we are committed to an open and transparent relationship with HMRC.

Our level of interaction with HMRC is fairly limited as our tax affairs are straight forward and most of the communication with HMRC is through our third party advisors who act as our tax agents.

Where HMRC reasonably requires additional supporting information from us in order to more accurately assess our tax position, we are prepared to provide that information.

Our UK tax strategy has been published in accordance with paragraphs 19(2) and 22(2), Schedule 19 of the Finance Act 2016. It is published on behalf of RW Refrigeration Wholesale Limited and the UK sub-groups headed by HRP Holdings Limited and Dean & Wood Limited. This tax strategy relates to our accounting period ended 31 December 2017.