

Drifford Group Limited – Tax Strategy for the year ended 13 January 2024

This document sets out the tax strategy for Drifford Group Limited and its subsidiaries (herein referred to as "the Group") as required by Part 2 Schedule 19 of Finance Act 2016. The document is effective for the year ending 13 January 2024 and will be periodically reviewed and updated.

The document outlines the Group's policy and approach to conducting its tax affairs and dealing with tax risk. The strategy applies to UK and non-UK taxation that the Group is required to account for, including corporation tax, indirect taxes (including customs and excise duties) and employment taxes which are payable and reportable to HM Revenue & Customs (HMRC) or the applicable overseas tax revenue authority.

The Group's tax strategy is to ensure that it complies with all tax laws wherever it does business (including in the UK and overseas territories such as Cambodia and Bangladesh), and that it pays all taxes that it is legally required to pay as and when they fall due.

Management of tax risks

The Board of Directors are responsible for the overall governance of the business supported by an experienced management team. The Board of Directors aims to ensure that the Group meets its commercial objectives, whilst ensuring it is compliant with its financial and tax obligations.

The Group has an experienced Finance team which has day to day responsibility for the Group's Tax governance, under the management of the Group Finance and Operations Director. The Finance team, with appropriate support from trusted external advisors, works to ensure that:

- The tax strategy is adopted and followed consistently across the Group, with clear lines of responsibility and accountability;
- There is alignment of the tax strategy with the Group's overall approach to corporate governance and risk management; and
- The Group pays the correct amount of tax required of it by law, at the correct time.

The Group considers sufficient controls and processes are in place to meet the Group's tax strategy. The Group engages external advisors for a wide range of tax support, including the preparation and filing of key tax returns, returns and helping the Group identify applicable UK tax law changes to ensure the Group is up to date on tax affairs and regulations.

Attitude to tax planning

The Group's attitude to tax planning is aligned with its core values and approach to doing business. The Group does not participate in any artificial arrangements that are designed to secure tax advantages that are not intended by statute. All business decisions are driven by commercial factors. The Group will utilise tax incentives and reliefs, provided that they are in

alignment with the Group's commercial aims and that use of such reliefs is in compliance with both the letter and the spirit of tax law.

The Finance team regularly seeks support from professional advisors when tax matters arise:

- that are deemed sufficiently complex or material to the Group;
- where there is a significant degree of tax uncertainty;
- where tax guidance is unclear; or
- where there is insufficient expertise or knowledge to adequately assess the tax risks and consequences of transactions under consideration.

The level of risk the Group is prepared to accept for UK taxation

The Group has a very low tolerance for tax risks and will engage with external tax advisors to identify and mitigate potential tax risks associated with commercial transactions. Transactions are undertaken only if they are aligned with the commercial objectives of the business, and those transactions are compliant with all relevant laws including applicable tax laws.

Working with HMRC

The Group aims for all engagement with HMRC to be professional, transparent and proactive across all relevant taxes and duties, to help ensure that its statutory and legislative tax requirements are met on a timely basis.

Where issues do arise, the Group seeks to resolve these through agreement with HMRC in a collaborative and timely manner. Where there is uncertainty in the Group's tax position, the Group will seek support from external advisors to support with such matters.

This tax strategy was approved by the Board of Directors of Drifford Group Limited on 8 January 2024.