

Imerys UK Group UK Tax Strategy

Introduction

The Imerys UK group (Imerys) is part of a French-owned multinational group, headquartered in Paris, France.

In compliance with the requirements of Finance Act 2016 Schedule 19, paragraph 16(2) the group is publishing its UK tax strategy for the year ended 31 December 2017.

This strategy applies to all Imerys UK group companies and the taxes and duties in the UK which they are subject to including, but not limited to:

- Corporate income taxes
- Indirect taxes (VAT, Stamp Duty Land Tax)
- Employment taxes (PAYE / National Insurance / Construction Industry Scheme)

The headings below follow the scheme of the legislation and related guidance that has been issued by HMRC.

Tax risk management and governance

Imerys has tax risk management and governance processes encompassed within a formal policy. The policy is overseen by the UK Board and the Chief Financial Officer has primary responsibility for the Group's taxation policy, supported by the Group Tax Director.

As part of its compliance with the Senior Accounting Officer regime Imerys ensures appropriate tax controls and processes are in place to produce accurate tax returns.

The main objectives of the Tax Policy are as follows:

- Monitoring the Group's tax charge (Effective Tax Rate) and the tax reporting;
- Ensuring that the Group legal entities comply with all applicable tax laws and regulations;
- Ensuring that commercial transactions are efficiently structured for tax purposes, while complying with business purposes and all applicable tax laws and regulations;
- Managing the Group's tax risk (at compliance, planning and implementation level);
- Ensuring timely, accurate submission of all its tax returns and making payment of liabilities by the due date.

UK-related tax matters are managed by a locally-based experienced and professionally qualified Tax Manager. The UK Tax Manager reports directly to the UK Finance Director, who is also the Senior Accounting Officer for the UK group and sits on the Board of the main UK company, and functionally to the Group Tax Director. Regular meetings are held between the UK Tax Manager and the UK Finance Director to update and inform the Board of tax risks and relevant legislative changes.

Tax planning and tax risk

In operating its tax risk management and governance processes, Imerys has a low appetite towards tax planning and tax risk. Imerys does not enter into any artificial tax arrangements.

Imerys is committed to full compliance with its tax obligations, paying the right amount of tax at the right time. Imerys seeks to ensure that its tax arrangements remain consistent with a low risk rating under HMRC's Business Risk Review assessment, both in financial and reputational terms.

The UK tax code is highly complex and constantly changing. External tax advice is taken as appropriate to ensure that a correct analysis is made of proposed transactions or areas of changing or new legislation such that the tax consequences are understood.

Relationship with HMRC

Imerys engages with HMRC openly and constructively. Imerys feels this is the best way to maintain a good working relationship. Where appropriate and possible Imerys endeavours to engage with HMRC on a real-time basis in any areas of material uncertainty, so as to minimise the tax risks and to provide greater certainty for both parties in advance of formal tax filings.

The UK Tax Manager has an open and constructive working relationship with the UK Group's HMRC Customer Compliance Manager ("CCM") and actively seeks to hold meetings with the CCM and his team at the UK group's main area of operations or HMRC offices to maintain that relationship.