

BAM Tax Policy Statement

This strategy applies to BAM Group (UK) Ltd and to the sub-group of companies headed by BAM Group (UK) Ltd and has been published in accordance with paragraph 19(2) of Schedule 19 Finance Act 2016.

Tax is a relevant subject for BAM and its stakeholders. Tax payments to governments can contribute to the development of countries. On the other hand, legitimate optimisation of taxes is in the interest of the company and its financial position. Therefore, BAM strives to come to a responsible approach to tax and as an integral part of its corporate social responsibility agenda.

For BAM, a responsible approach to tax is to comply with both the letter and spirit of tax laws, to pay an appropriate amount of tax according to where value is created within the normal course of business, and to be transparent about method and outcome. In the context of a responsible approach to tax, BAM has adopted tax principles that are leading in the way tax affairs are managed.

Tax follows the business, meaning that transactions must have a commercial and/or business rationale. BAM's approach to tax supports the Group's overall business strategy and objectives and is in line with BAM's Code of Conduct.

To ensure compliance with local and international tax laws and regulations, BAM adopts tax policies for its businesses and projects. BAM's tax department supports awareness of and compliance with these tax policies.

Our approach to tax risk management and governance in relation to UK taxes

Tax risk management procedures are designed to complete a comprehensive risk assessment before entering into tax optimisation initiatives. Periodic review of processes is performed to ensure controls remain effective and no material departures from acceptable practice have taken place.

We maintain documented tax policies and procedures in relation to key tax processes that reviewed annually. Processes relating to different taxes are allocated to appropriate process owners, who carry out a review of activities and processes to identify key risks and put mitigating controls in place. These key risks are monitored for business and legislative changes which may impact them and changes to processes or controls are made when required. The Finance Directors are responsible for tax matters, with day-to-day management of BAM's UK tax affairs delegated to the Company's Tax manager.

BAM supports the OECD initiatives to promote tax transparency and reform of international tax systems to come to fair tax systems.

Tax Planning and level of risks

The level of risk that BAM is willing to accept in relation to UK tax is consistent with its overall objectives of achieving certainty in the group's tax affairs.

In accordance with BAM's responsible approach to tax, transactions between companies within the Group are conducted on an arm's length basis. Transfer pricing between operating companies is based on fair market terms and the commercial nature of the transactions. In accordance with domestic and international rules, income and profits are allocated to countries and entities in which value is created.

We access government-sponsored tax incentives where appropriate and in line with substantive business activities (e.g. UK R&D tax credits).

In relation to any specific issue or transaction, the Board is ultimately responsible for identifying the risks, including tax risks, which need to be addressed and for determining what actions should be taken to manage those risks, having regard to the materiality of the amounts and obligations in question.

BAM does not use contrived or abnormal tax structures that are intended for tax avoidance. BAM does not use secrecy jurisdictions or so-called tax havens.

Our approach to working with HMRC

In its relationship with tax authorities, BAM seeks to develop transparent and constructive relationships. BAM seeks to develop and maintain open, constructive and mutually respectful relations with tax authorities based on transparency and trust. BAM only seeks rulings from tax authorities to confirm the applicable tax treatment based on the full disclosure of the facts.

We ensure there is access to relevant information demonstrating the integrity of our tax processes, returns and payments.

We also engage with governments on proposed changes to tax legislation where appropriate, either directly or via representative bodies.

This strategy was published on 1st December 2020, and the Group regards this publication as complying with its duty under paragraph 16(2) Schedule 19 FA 2016 in its financial year ended 31 December 2020.

BAM Group (UK) Ltd and its subsidiaries (BAM)