

## **Introduction**

Forbo is a leading manufacturer of floor coverings, building and construction adhesives, as well as power transmission and conveyor belt solutions. The company employs more than 5,500 people and has an international network of 24 production facilities and distribution companies, 6 assembly centers as well as 45 pure sales organizations in a total of 36 countries across the globe. Forbo is headquartered in Baar in the canton of Zug, Switzerland. The Group company Forbo Holding Ltd is listed on the SIX Swiss Exchange.

In the UK, the Forbo Group is present with both of its divisions, Forbo Flooring Systems as well as Forbo Movement Systems.

### **A focus on Corporate and Social Responsibility**

Economic sustainability and responsibility are important factors for our business, and as a group, we set out within our "Economic aspects of our Corporate and Social Responsibility" commentary (link [here](#)) that compliance plays a key role in creating long-term value for our stakeholders. This is represented by our continual efforts to strengthen our risk management processes and internal control systems.

In developing this Tax Strategy, we have aimed to ensure that our principles in relation to our tax operations align to our Corporate and Social Responsibility principles, including our commitment to acting ethically and with integrity in all our business relationships as set out within the Forbo Code of Conduct (link [here](#)).

### **Our Tax Strategy**

This Tax Strategy is applicable to our tax activities as they relate to UK taxation for the Forbo Group.

Specifically, this document meets the requirement for the Forbo Group to publish its Tax Strategy as required by section 161 and section 19(2) of Schedule 19 of Finance Act 2016. It is effective for the year ended 31 December 2020 and covers all Forbo Group UK companies.

### **How we manage our tax compliance and reporting obligations**

As an organisation, we take very seriously our commitment to meeting all our legal and regulatory requirements in paying the correct amount of tax and meeting our tax compliance obligations.

In this regard, we seek to apply diligent professional care and judgement in relation to all of our UK tax compliance activities, and provide sufficient evidence to support all judgements made.

Where necessary, we use external advisors to provide assistance and tax technical expertise in respect of our UK tax compliance and reporting requirements to ensure all of our obligations are met.

### **Our approach to governance and risk management in relation to UK taxation**

The UK board of directors provide oversight in ensuring that tax is considered within the wider context of the business and in how tax risk is managed across the Forbo Group.

In terms of providing oversight in relation to our day-to-day UK tax processes and controls, the Finance Director and Financial Controller have responsibility over the approach to tax for Forbo Flooring Systems and Forbo Movements Systems, respectively. This includes the

identification, prioritisation and monitoring of tax risk across the business, as well as the escalation of tax risk to the board of directors.

Additionally, the group has a Risk Management Officer who works closely with external advisors to implement and monitor internal controls in relation to risk, including tax.

### **How we manage tax planning**

We have a low risk appetite to tax planning as it affects UK taxation, and tax decisions are aligned to business and commercial strategy. Like any other business expense however, we seek to create value for our shareholders. As such, we may respond to tax incentives and exemptions where appropriate and in a way that is consistent with HMRC and government policy and compliant with all laws and regulations.

We will seek external professional tax advice to ensure we apply these incentives and exemptions legitimately, and if appropriate, we seek advance clearances with HMRC to ensure we minimise the risk of uncertainty.

### **Our relationships with tax authorities**

The Forbo Group is committed to working with HMRC in an open, honest and collaborative manner. This means that we aim to respond to queries and information in a timely and constructive way including the exchanging of views on the interpretation of relevant legislation.

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