



---

**GROUP**

# **TAX STRATEGY**

## **YEAR ENDED 31 MARCH 2023**

### **Contents**

- **Introduction**
- **Tax Planning**
- **Managing tax risk**
- **Relationships with Tax Authorities**

## **Introduction**

RS Group plc is a multi-channel provider of industrial and electronic products and solutions, through its eight brands, RS Components, RS America, Risoul, RS PRO, OKdo, DesignSpark, RS Integrated Supply, RS Safety Solutions. We offer more than 500,000 industrial and electronic products, sourced from 2,500 leading suppliers, and provide a wide range of value-added services to over one million customers. With operations in 32 countries, we trade through multiple channels and ship around 50,000 parcels a day. Our global business activities incur a variety of taxes, including corporate income taxes, state and local taxes, sales taxes, business rates and, in the UK, employer's national insurance. In addition, we collect and pay employment taxes and indirect taxes such as VAT.

This document sets out the tax strategy of RS Group plc and its UK subsidiaries (the UK Group) in effect for the year ended 31 March 2023. It summarises the UK Group's approach to conducting its tax affairs and dealing with tax risk, and in making this information available the UK Group is fulfilling its responsibilities under Paragraph 16(2) of Schedule 19 of the Finance Act 2016. This document was originally approved by the Board of Electrocomponents plc in February 2018. The Board reviewed and re-endorsed the Group Tax Strategy in January 2023. It will be reviewed and updated as appropriate.

The Group's tax strategy focusses on both maximising opportunities & minimising risk. It is aligned to our business strategy and focussed on sustainability & compliance. The tax strategy conforms to the Group values and Ways of Working. The Group has a Code of Conduct that sets out what is expected of employees and associates and our approach to tax aligns with that. HMRC's current assessment is that the UK Group's tax risk rating is low.

## **The UK Group's attitude to tax planning**

Tax planning is conducted in line with the Group's Tax Strategy. Tax planning supports the commercial needs of the business by ensuring that the Group's affairs are carried out in the most tax efficient manner whilst remaining compliant with all relevant laws. The tax function is involved in commercial decision-making processes and provides appropriate input into business proposals to ensure a clear understanding of the tax consequences of any decisions made.

We do not undertake aggressive tax planning, the sole purpose for which would be obtaining a tax advantage. We seek to minimise our tax risk and any potential impact on the Group's corporate reputation that would result from non-compliance.

## **How the UK Group manages tax risks**

The Group has a Tax Risk Management policy, the purpose of which is to focus the control and management of tax risk by defining

- the key areas where tax risk arises.
- the risk appetite of the group in relation to these key areas, and
- the policy which should be applied to these key areas of tax risk.

The level of risk which the UK Group accepts in relation to UK taxation is consistent with the Group Tax Strategy and is managed within the Group Tax Risk Management Policy.

The Group Board is responsible for setting and monitoring the tax strategy, and the Group Audit Committee oversees the Group's tax affairs and risks through periodic reviews. The Group Finance Director is responsible for ensuring that the Tax Strategy is implemented, and for ensuring that the mitigating control framework is effective. The VP Group Tax is responsible for establishing, and sustaining appropriate policies, processes, and systems and for ensuring that the tax and finance teams have the required skills and support to implement the Tax Strategy.

The VP Group Tax reports on a periodic basis to the Group Board, the Audit Committee and the Group Chief Financial Officer on how tax risks are managed monitored and assured and on improvements that are being made. In this way appropriate governance and oversight of tax risks is maintained.

## **Relationship with tax authorities**

The Group is committed to the principles of openness and transparency in its approach to dealing with tax authorities wherever we operate around the world. All dealings with the tax authorities will be conducted in a collaborative manner. We will proactively manage the relationships with key tax authorities in order to provide clarity in relation to significant tax risks and to minimise the risk of penalties arising when tax matters are inadvertently incorrect.

As a UK headquartered organisation, the Group has specific obligations in respect of its relationship with HMRC. In compliance with this the Group commits to:

- Adopt an open and collaborative relationship with HMRC and to be fully transparent about governance and tax planning;
- Make fair, accurate and timely disclosure in correspondence and returns, and respond to queries and information requests in a transparent and timely manner;
- Resolve issues with HMRC in real time, before returns are filed where practical, and where disagreements arise to resolve them by agreement where possible; and
- Interpret relevant laws in a reasonable way, consistent with a collaborative relationship.