

# UK Tax Strategy

## 1. Introduction Statement

On 15 September 2016 the UK government passed a legislation for cooperative compliance. This UK tax strategy aligns with the legislation.

This tax strategy applies to Grundfos Pumps Limited and all UK entities in its UK group ('Grundfos') as well as its sister company DAB Pumps Limited. This includes Grundfos Manufacturing Limited, Grundfos Service Limited and Grundfos Watermill Limited.

The Grundfos Group is a global leader in advanced pump solutions and a trendsetter in water technology. The Grundfos Group is founded on the Grundfos purpose and values. This tax strategy is in line with both the [Grundfos Group Policies](#) and the [Grundfos Code of Conduct](#).

Hence, Grundfos is committed to complying with tax laws, rules and regulations in a responsible manner and to having an open and constructive relationship with the tax authorities. Compliance for Grundfos includes the intent to pay the right amount of tax at the right time.

## 2. Governance

The management of the UK companies are responsible for maintaining the overall risk management and internal control framework of which tax forms an integral part. This includes ongoing measures to review and monitor the operation and effectiveness of controls and compliance processes. This approach is aligned with the global group policies, executed in collaboration with the Group Tax function and approved by the Board of Directors in the UK Grundfos companies.

## 3. Tax planning

Grundfos recognises that tax is a cost to the business and is a factor when considering relevant commercial transactions. Transactions with group companies are undertaken on an arm's-length basis and in accordance with current OECD principles. Grundfos will not enter into transactions solely for tax purposes as this is seen to contravene the Grundfos values to act as a responsible citizen.

## 4. Tax risk

Due to the nature and complexity of commercial transactions for an international business, and evolving tax law, uncertainty regarding the tax treatment will from time to time arise. Grundfos seeks to identify and manage these risks in relation hereto in a manner that minimises uncertainty, including seeking appropriate external advice.

## 5. Relationship with tax authorities

Grundfos adopts an open, transparent and collaborative dialogue with the tax authorities in relation to risks and significant transactions. Grundfos works proactively wherever possible with the tax authorities to resolve matters arising and to achieve early agreement and certainty.

## 6. Further information

For further information, please contact Grundfos Pumps Limited on [grundfos-uk@sales.grundfos.com](mailto:grundfos-uk@sales.grundfos.com).