S. Norton
Responsible Recycling

1 S Norton & Co Ltd Tax Strategy

This paper sets out the tax strategy of S Norton & Co Ltd and its UK subsidiary undertakings (S Norton), and in making this strategy available S Norton is fulfilling its responsibilities under Schedule 19 of the Finance Act 2016.

This tax strategy applies to all UK taxes applicable to S Norton and the document is owned by the Board of Directors of S Norton & Co Ltd ("the Board"). It will be reviewed annually, updated as appropriate and approved by the Board.

The Board is responsible for setting and monitoring the strategy. The finance team of S Norton is accountable to the Board for the implementation of the tax strategy and the management of tax and related risk.

S Norton's Tax Strategy is guided by our vision "to become and remain the preferred UK partner for suppliers and buyers of recycled metals" and by our mission "to recycle responsibly and maintain our profitability so that we can invest to remain at the forefront of technical and commercial innovation in our industry". Our stated values reflect our customer focus and our commitment to be Trustworthy, Loyal, Responsible and Innovative in all we do.

Our tax strategy reflects our status as a large UK company which requires strong governance and consideration of our reputation, while delivering returns to our shareholders. Our tax strategy also reflects the regulated nature of our business, which requires further compliance with local laws, regulations and guidance.

2 How S Norton manages its tax risks.

S Norton's on-going approach to UK tax risk management and governance is based on the principles of reasonable care and materiality, and ensuring we comply with our status as a large company within a regulated market.

S Norton maintains strong internal controls to reduce tax risk to materially acceptable levels, including consultative arrangements with its professional tax advisors. As part of this governance, S Norton has identified tax risks, which are recorded on a risk register, and their materiality is assessed based on a risk matrix which records the potential impact on the Group if the tax risk crystallises and the relative likelihood of it crystallising.

S Norton operates internal audit processes to ensure that they are continually reviewed and that the risks are adequately managed. A log of these risk reviews is maintained, which if necessary allows tax risks which have a high scoring on the risk matrix to be raised up through the appropriate levels of management and ultimately to the Board, and if necessary engagement with HM Revenue & Customs (HMRC).

The tax risk register is subject to robust four-monthly reviews by the Audit and Financial Risk Committee of the Board.

3 S Norton's attitude to tax planning

S Norton will not engage in artificial transactions the sole purpose of which is to reduce UK tax. However, S Norton will consider undertaking a transaction in a way that gives rise to UK tax

efficiencies providing this is aligned to S Norton's commercial objectives and complies with the associated UK tax legislation.

S Norton will not engage in tax efficiencies if the underlying commercial objectives do not support the position, or if the arrangements impact upon S Norton's reputation, brand, corporate and social responsibilities, or future working relationships with HMRC.

4 S Norton and its tax risks

S Norton has a low appetite for tax risk. Its strategic aim is to maintain its low UK tax risk status as determined by HMRC's Business Risk Review process. S Norton seeks to achieve this aim through:

a) submission of all UK tax returns on a timely basis, including sufficient detail to enable HMRC to form an accurate view of the affairs of the company filing the return with an adequate supporting audit trail and sign-off process;
b) paying the appropriate amount of tax at the right time. Where this view may differ to the position taken by HMRC, S Norton aims to be transparent about the filing position it has taken;
c) maintain tax accounting arrangements which are robust and accurate and comply with the Senior Accounting Officer (SAO) provisions in the UK;
d) ensuring that the S Norton departments which are involved in S Norton's tax processes are both adequately resourced, supported and that key personnel are retained to manage tax compliance issues on a timely basis; and
e) ensure all tax filing positions are supported with appropriate documentary evidence.

5 Working with HMRC

S Norton will comply with all relevant legal disclosure and approval requirements and all information will be clearly presented to HMRC as appropriate.

In its dealings with HMRC, S Norton will act in an open, honest and transparent manner. S Norton's strategic aim is to avoid unnecessary disputes with HMRC and thus minimise tax risk, and we will seek to achieve this through:

a) a willingness to host regular face-to-face meetings with HMRC to discuss current business initiatives and the associated tax accounting;
b) where appropriate, seeking pre-transaction clearances from HMRC; and
c) making the tax compliance procedures and controls available for review by HMRC upon request.

6 Internal Communication and Review

This Tax Strategy document is communicated to all the relevant stakeholders within S Norton, from the Senior Executives who are making regular commercial decisions to those individuals who are involved in the daily tax processes/procedures that we operate, so that it is firmly embedded in the culture that we adopt.

This Tax Strategy will be subject to continuous review by these stakeholders to ensure that S Norton is adhering to its strategic aims and objectives and these performance reviews will be documented and made available to the Board as part of its annual review.

This tax strategy was approved by the Board of S Norton & Co Limited on 22nd November 2017.