

Tax Strategy

This document has been prepared by the Chief Financial Officer who acts as Senior Accounting Officer for Hargreaves Services plc and its subsidiaries. It has been reviewed by the Audit & Risk Committee and approved by the Board of Hargreaves Services plc. It sets out the Group's approach to conducting its tax affairs, dealing with tax risks, tax planning and its relationship with HMRC.

The Group

Hargreaves Services plc and its subsidiaries ("the Group" or "Hargreaves") is a diversified group delivering services to the environmental, infrastructure and property sectors. The Group's trading activities are carried out predominantly within the United Kingdom. The Group has trading subsidiaries in Hong Kong, Malaysia and South Africa, as well as investments in some joint ventures including a material business in Germany. The Group's approach to non-UK tax matters follows the same principles as apply within the UK.

Approach to Tax

Hargreaves is committed to openness and transparency in its dealings with HMRC and reflects our status as a PLC, which requires strong governance and consideration of our reputation. The Group seeks to resolve matters with HMRC in an open, constructive and timely manner. The Group is committed to following all applicable laws and regulations relating to its tax activities and to applying diligence and care in the management of its tax affairs.

Tax Risk

Hargreaves seeks to minimise tax risk for all its stakeholders.

The Group's tax processes are managed by qualified in-house finance professionals to ensure that controls operate to mitigate identified risks effectively.

The Group's in-house finance team are supported by independent tax professionals who are regularly consulted where there may be ambiguity in terms of tax treatment and for review and confirmation that the Group's processes and tax judgements are appropriate. This gives the Board confidence that an effective tax control framework is in place and that tax filings are on time, complete and accurate.

The Group's approach to the management of its tax affairs seeks to comply with all the legal and fiduciary duties of the Group, its directors and employees and to maintain the Group's corporate reputation with all its stakeholders including HMRC.

Structuring the Group's Tax Affairs

Hargreaves does not engage in tax planning that increases tax risk or that is not commensurate with the spirit or meaning of the tax legislation. The Group's appetite for tax risk is low and tax planning aims to support the commercial needs of the business by ensuring that its activities are carried out in the most commercially appropriate and tax efficient manner whilst remaining compliant with the law.

Tax Evasion

Hargreaves does not condone any form of tax evasion in any tax jurisdiction. Anyone acting on behalf of the Group, including employees or third parties, must not conduct business in any way which could either commit a tax evasion offence or enable a third party to do so. The Group has implemented rigorous controls to reduce the opportunity for anyone to commit tax evasion in their dealings with the Group, including a specific Anti-facilitation of Tax Evasion policy. Anyone becoming aware of any business conduct involving the Group or its employees which could be associated with tax evasion should report such activity using the Group's confidential whistle blowing procedure.

Relationship with HMRC

The Group is committed to an open and transparent approach in its dealings with HMRC by making fair, accurate and timely disclosure in correspondence and returns, and by responding to queries and information requests without undue delay. Should any disagreements or differing interpretations of legislation arise with HMRC, the Group aims to engage in proactive discussion with HMRC to reach agreement. The Group commits to ensuring that all interactions with HMRC are conducted in a collaborative and professional manner.

The Group welcomes engagement with HMRC's designated Customer Compliance Manager and the relevant HMRC professionals with whom the Group interacts across the range of taxes which the Group encounters.

This statement is published to comply with the duty set out in Paragraph 16(2) Schedule 19 Finance Act 2016.

Signed on behalf of Hargreaves Services plc

S Craigen
Chief Financial Officer
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