

Tax Strategy

Persimmon Plc is the ultimate holding company of the Persimmon Plc Group of companies and has prepared and published this Tax Strategy in accordance with Schedule 19 Part 2 Finance Act 2016. This Tax Strategy applies to Persimmon Plc and all of its subsidiaries (herein collectively referred to as “Persimmon” or “the Group”). Persimmon regards publication of this Tax Strategy as complying with its duty under Schedule 19 paragraph 16(2) Finance Act 2016 in the current financial year ending on 31 December 2022.

Tax Risk Management and Governance

This Tax Strategy is governed by the Board of Persimmon Plc (“the Board”). The Chief Financial Officer reports regularly to the Board and Audit & Risk Committee on tax matters, or on an ad hoc basis if the need arises. The Tax Strategy is applied consistently to all companies within the Persimmon Group.

The Strategy is supported by internal control frameworks which govern the operations of the Group and these are subject to reviews by the Group’s internal audit function. Such control frameworks and systems also underpin our compliance with the UK Senior Accounting Officer legislation.

Day to day oversight and responsibility for the management of the Group’s tax affairs and compliance with the Tax Strategy is delegated to the Group Head of Tax, who reports to the Chief Financial Officer and Audit & Risk Committee during the year on corporate tax compliance and any other tax issues of significance. All subsidiaries are tax resident in the UK and are liable to a range of UK taxes including corporation tax, VAT, payroll taxes and stamp/land taxes, with negligible exposure to any overseas taxes.

To meet our compliance obligations, the Group Head of Tax is supported by an in-house Tax Team comprising of experienced and qualified tax professionals, a breadth of internal accounting and legal professionals located across the Persimmon group and support from external advisors (for example, in respect to property and land taxes). The Tax Team are also involved in all significant business activities and developments, which enables them to fully assess any potential tax consequences of our business activities.

The Board of Persimmon Plc is committed to placing the highest level of importance to ensuring that the Group maintains proper controls to mitigate business risks, including in respect to tax. The Board adopts a low risk approach to the Group's tax affairs. Maintaining our reputation with stakeholders and upholding high corporate social responsibility standards are important to us and are therefore key considerations in assessing risk. The approach to managing Persimmon's tax affairs is also governed by an overarching principle of full compliance with tax legislation. Persimmon pays all taxes in full on time and in accordance with tax law.

The attitude of the Group towards tax planning

Our tax filings and tax positions are led by commercial activities, claiming statutory reliefs and allowances as are intended by UK tax law. Any tax planning undertaken will therefore have commercial and economic substance, meaning that artificial tax arrangements are not pursued by the Group.

The level of risk in relation to UK taxation that the Group is prepared to accept

As set out above, the Group's approach to its tax affairs is driven by the commercial transactions undertaken, we therefore adopt a low risk approach to the tax affairs of the Group.

Where judgement is required in relation to sensitive items in a tax return, we will only report that which we reasonably believe to be in accordance with UK tax law. The process we follow in such circumstances includes due consideration by our in-house Tax Team including the assessment of case law; published intentions of the law setters; third party advisor opinion and HMRC guidance. That assessment will inevitably also take into account the materiality of any item, but we do not set defined limits on what is acceptable/non-acceptable risk.

Instead, if we identify a significant tax uncertainty, we will seek appropriate and proportionate external advice from reputable professional firms, and/or we will engage with HMRC to resolve that uncertainty.

The approach of the Group towards its dealings with HMRC

As a large business in the UK within the UK tax authority's Large Business directorate, the Group is assigned a Customer Compliance Manager (CCM) within HMRC. We maintain an open, professional and constructive working relationship with HMRC and our CCM which involves regular engagement to enable a better understanding of key developments in our business which may have a tax consequence, and to collaboratively resolve tax uncertainties in relation to the interpretation of tax law, where possible on a real-time basis.

This Tax Strategy was approved by the Board on 14 December 2022 and is subject to periodic review.

Published on 15 December 2022