

Group Tax Strategy

Introduction

This tax strategy has been created to articulate and communicate the Beijer Ref Group's worldwide tax strategy and tax objectives.

Ownership

The Group Chief Financial Officer ("Group CFO") of Beijer Ref Group owns this tax strategy document and reports in her role to the CEO. The policy is reviewed and approved by the CEO and ultimately the Board of Beijer Ref Group on an annual basis, as part of their responsibility for the Beijer Ref Group's tax position.

Scope

This document constitutes Beijer Ref group's tax strategy and applies for all subsidiaries and employees of the Beijer Ref Group. The tax strategy objectives encompass a range of taxes (corporate income tax, indirect taxes, employment taxes and customs) and similar levies applicable to the Beijer Ref Group.

This tax strategy applies from the date of adoption until further notice.

About Beijer REF

Beijer Ref is a trading group of companies that provides customers all over the world with a broad range of solutions in the fields of commercial and industrial refrigeration, as well as heating and air conditioning. Our products consist primarily of refrigeration systems, components for refrigeration systems, air conditioning technology and heat pumps. Beijer Ref is listed on the Nasdaq OMX Exchange in Stockholm, Sweden.

Our ethical approach

Beijer Ref's Ethical Guidelines establish the key principles that apply to all our operations and govern the behaviour of all employees. These guidelines also apply to our tax affairs. In particular:

- The Company operates according to principles of good corporate governance
- The Company acts as a good corporate citizen in all societies where it operates
- The social, environmental and ethical commitments of the Company shall be reflected in all dealings with customers, employees, suppliers and other stakeholders.

How we govern our tax affairs

As a business which is listed on the NASDAQ OMX Exchange in Stockholm, we are required to maintain high standards of corporate governance. This includes adhering to the Swedish Code for Corporate Governance Code and the NASDAQ OMX Exchange's rules and regulations.

We maintain an Audit Committee which, amongst other responsibilities, supports the Board with quality assuring our financial reporting processes, including those related to tax.

The Board of Directors is ultimately accountable for Beijer Ref group's approach to tax and the Group CEO and CFO participates in Board meetings and maintains day to day responsibility for overseeing the group's tax affairs.

The Group CFO provides periodic updates to the Audit Committee and Group Board regarding our tax affairs, including on the impact of new tax legislation on the Group.

At a country level, the local finance manager/director together with their respective Boards of Directors maintain responsibility for local tax compliance matters. They are to report without any delay to Group Finance and maintain a dialogue to ensure that the Group CFO is made aware of any significant local tax developments. This helps to ensure that we maintain a consistent approach to tax across Beijer Ref Group.

In-country finance teams are also required to report to the Group Finance Function on a quarterly basis, outlining their interim tax position and highlighting any associated tax risks.

Our attitude to tax planning and tax risk

For Beijer Ref it is important that tax is paid in the country in which value is created, in due time and in accordance with local tax rules. Beijer Ref's view is that tax is a business cost which, managed correctly and effectively, can help reduce the Group's business risk.

Tax risk, as with other business risks is evaluated as part our internal control process, which involves the assessment and ongoing monitoring of potential risks that may apply to our business.

External third-party tax advisors play a key role in helping us to identify and evaluate potential tax risks associated with our operations and due to changes in tax laws.

As a listed company and one which prides itself on its ethical approach, our reputation is very important to us. This has influenced our tax risk appetite, and we are not prepared to accept tax risks that may adversely impact our reputation.

Potential tax risks are escalated for consideration at an appropriate level within the business, and any uncertainties on the application of tax laws are discussed with our third party tax advisors.

A key principle of our approach to tax is ensuring that our tax affairs are aligned with the commercial substance of our business. Further, we do not engage in transactions that are purely tax motivated and we do not undertake aggressive tax planning.

Governments often introduce targeted tax reliefs and incentives within their tax laws in order to encourage businesses to increase their level of investment in certain specific areas, with a view to stimulating wider economic growth. We will seek to benefit from such reliefs and incentives in the manner in which governments intended.

Any opportunities to be more efficient with our tax position which do not rely on reliefs and incentives of this nature would require a robust technical opinion from one of our reputable third party tax advisors and this would be assessed and challenged further by the Group Board and/or Audit Committee to determine whether they would be appropriate for our group based on the approach set out above.

Our relationship with tax authorities

We are committed to an open and transparent relationship with all tax authorities in the jurisdictions in which our companies are based.

The tax authorities in a number of the countries in which we operate maintain “cooperative compliance” regimes where the tax authority and our local companies will seek to work in a collaborative manner in order to ensure that our companies are fully compliant with their tax obligations.

Our local finance managers/directors are responsible for communicating with the tax authorities in their respective country, however the Group Finance Function will intervene where it is appropriate to do so and/or where the correspondence with the tax authorities relates to or has an impact on the group’s wider approach to tax.

We seek to provide information which is requested by the tax authorities in a timely manner and in accordance with our open and transparent approach. This applies on the basis that the information request from the tax authorities is appropriate.

Where there are areas of complexity within our tax returns we normally seek to provide additional supporting information alongside our tax returns in order to enable to the relevant tax authority to accurately assess our tax position.