

## **Hill-Rom Tax Strategy**

### **Overview**

Hill-Rom is a leading global medical technology company with 10,000 employees worldwide. Hill-Rom partners with health care providers in more than 100 countries by focusing on patient care solutions that improve clinical and economic outcomes in five core areas: Advancing Mobility, Wound Care and Prevention, Patient Monitoring and Diagnostics, Surgical Safety and Efficiency, and Respiratory Health. Hill-Rom's products include hospital beds, wound therapy systems, stretchers, furniture, and surgical equipment. Services include home care, clinical solutions, and education programmes.

Hill-Rom takes its responsibility as a company, employer and taxpayer seriously in all of the territories in which it operates. We have a strong commitment to corporate social responsibility and, as part of this, we run a programme for volunteers from the U.S., Europe and Asia/Pacific to contribute their time and effort to refurbish and renew beds and other Hill-Rom products. These products are delivered to needy hospitals in developing countries around the world. Hill-Rom is dedicated to business practices that are environmentally sound and has adopted a Code of Conduct that is consistent with the Advanced Medical Technology Association's Code of Ethics on Interactions with Health Care Professionals, the association in which we are a member.

In line with our corporate and social responsibilities, we recognise our role as a responsible taxpayer. The tax strategy detailed below is followed by the UK entities in relation to UK tax to ensure that we follow the Hill-Rom values.

### **Our approach to risk management and governance in relation to UK taxation**

Our parent company holds ultimate responsibility for the taxation affairs of UK entities. The responsibility for more detailed oversight of UK taxation is delegated to the UK-based Finance Director, who also sits on the UK Board. In the UK, the International Accounting Manager and Finance Director manage a UK-based finance team who are responsible for day-to-day management of tax matters, including managing our compliance processes and tax contributions. The UK team is supported in its duties by our external adviser who assists in meeting our compliance obligations in the UK, as well as providing tax advice.

In the UK, tax risks are identified by the UK team and its external adviser. Any tax risk is initially considered by the UK team, under the guidance of the International Accounting Manager and Finance Director. If necessary, queries are raised with the Head Office tax department to determine the response. The tax department will base its response on its knowledge of the relevant UK legislation, and supplement this with input from the UK team, as well as seek external advice. The UK entities maintain robust processes for managing their tax affairs in the UK. These processes are tested by the internal audit group, which includes UK tax risks in its testing processes and reports any tax risks identified to the tax department.

### **Level of risk in relation to UK taxation that we are prepared to accept**

We have a low tolerance to tax risk in the UK. We minimise tax risk through implementing robust processes, taking external tax advice on relevant tax matters, and having an appropriate level of oversight of tax by our International Accounting Manager and UK Finance Director, with the support of the tax department.



### **Our attitude towards tax planning**

Hill-Rom enters into transactions only where there is a strong commercial rationale for us to do so. It utilises available tax incentives and opportunities, which are available as part of those transactions, in the spirit in which they were intended. When considering tax as part of its commercial activities, Hill-Rom considers company reputation, its responsibilities as a UK taxpayer and the potential risk to the brand.

Every decision is made to align with Hill-Rom's objectives, legal obligations and ethical standards.

### **Our approach towards our dealings with HMRC**

Hill-Rom minimizes the risk of disputes by promoting transparency with HMRC in the UK and complying with all relevant legal disclosure requirements. In the UK, we have an open and co-operative relationship with HMRC across all taxes. When HMRC raises a query on a tax matter with us, we proactively resolve the matter and reach agreement to achieve certainty on tax positions and to ensure we are in compliance with UK tax laws.

*This strategy is published on behalf of all relevant entities under paragraph 19(2) Schedule 19 Finance Act 2016.*

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