

## **UK TAX STRATEGY - FINANCIAL YEAR 2022**

This document sets out the tax strategy of Tessengerlo Holding UK Ltd. and its UK subsidiaries (the “UK Group”) as required under Schedule 19 of the Finance Act 2016.

This tax strategy applies to all UK taxes applicable to the UK Group and the document is the responsibility of the Board of Directors of each UK subsidiary. It will be reviewed and – if needed – updated annually. The Board of Directors is responsible for setting and monitoring the UK tax strategy while the finance teams of the UK Group subsidiaries are accountable for the implementation and management of this tax strategy.

### **Approach of the UK Group to risk management and governance arrangements in relation to UK taxation**

#### **Tax governance**

The UK Group’s tax strategy as issued by the UK Group subsidiaries Board of Directors is based on and should be in line with the Tessengerlo group’s tax strategy and – on a broader level – in line with the group’s business ethics, being:

- **Responsibility:** In carrying out our work, we take the necessary initiatives to guarantee health and safety at work, as well as the preservation of our environment through care and respect. Our overall attitude creates a healthy and productive working environment, that is reflected in the quality of our final products.
- **Delivering Quality Products:** In order to continuously deliver products of the highest quality, our manufacturing processes must be based on the latest technology, combined with solid and persistent research. A sustained approach to research and product development ensures that we remain at the forefront of the market.
- **Diligence and Respect for Legislation:** It is the group’s aim to conduct our business dealings with a high level of transparency and in accordance with all applicable laws and regulations.
- **Prevention of Conflicts of Interest:** We strive to do business in a fair and impartial manner with the group’s interests at heart. For this reason, we pay close attention to any possible conflicts of interest at all levels of operation that could jeopardize our universal objectives.
- **Secure Handling of Sensitive Information:** Confidentiality is of paramount importance in a multi-tiered company in order to ensure that each decision is handled at the correct level and that every negotiation is dealt with in the strictest confidence.

As stock quoted group, as indicated above our tax (and overall) strategy reflects a strong governance and consideration of our reputation.

## Tax risk management

The following main (potential) tax risks are approached as follows:

- **Tax compliance and reporting risks:** Risks associated with compliance such as the submission of late or inaccurate returns, not submitting claims or elections within the due date, etc.
- **Transactional risks:** Risks associated with transactions without appropriate consideration of the potential tax consequences.
- **Reputational risks:** Non-financial tax risks that may have an impact on the (UK) group's relationships with shareholders, clients, tax authorities, the general public and other stakeholders. As mentioned above, as part of a stock quoted group, the reputation of the UK Group is of great importance for the whole group.

In order to mitigate the above-mentioned risks, the UK Group is supported by specialist functions at HQ level such as Group Tax, Group Risk and Group Internal Audit.

If and where needed, the (UK) group relies on the advice of external (tax) consultants. In relation to the above risks, this is e.g. the case for the preparation and filing of the UK Group's corporation tax returns. Also in case of important transactions, external advice is sought.

### **The UK Group's attitude to tax planning**

As a general rule, the group's tax strategy follows the business strategy meaning that group structures and transactions are business- and not tax driven. In other words, the UK Group will not engage in artificial transactions to reduce UK taxes.

This being said, in case it is in line with the business strategy, transactions will be carried out in the most tax efficient way. However, compliance with the UK tax legislation is the main guiding principle – tax optimization is allowed but abusive tax schemes are NOT permitted.

### **Level of risk in relation to UK taxation that the Group is prepared to accept**

Past contacts with HMRC resulted in a low risk rating for the UK Group as determined by HMRC's Business Risk Review process.

The UK Group's aim is to maintain this low tax risk rating by applying the above-mentioned tax risk management and attitude to tax planning. This means that the UK Group always aims to be in compliance with the relevant legislation. In case of specific transactions tax optimizations are possible but these optimizations should take into account the group's rather low tax risk appetite, i.e. where tax law is unclear or subject to interpretation an optimization will only be considered if it is at least more likely than not to be allowable under the applicable tax laws. In these cases, the transaction will also be supported by the group HQ level support and/or external advice.

The latter also ensures that all tax filing positions are supported with the appropriate documentary evidence.

### **Approach towards dealings with HMRC**

The UK Group will act in an open, honest and transparent manner with HMRC. Taking into account the above tax governance- and tax risk management principles, it is the UK Group's intention to avoid disputes with HMRC but on the contrary foster good relationships with HMRC and thus minimize the tax risk.

In this respect, the UK Group complies with all relevant tax filing, -reporting and -payment obligations and all information will be clearly presented to HMRC.