

DOWLAIŠ

TAX STRATEGY

Dowlais Group plc

Tax Strategy

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1. TAX STRATEGY OVERVIEW

This tax strategy document sets out the principles governing the management of Dowlais Group plc and its subsidiaries (the “**Group**”) tax affairs and the Group’s strategy for delivering against those principles. This strategy is published in compliance with Finance Act 2016 s161 Schedule 19, specifically applying to the Group under that legislation. The strategy will be reviewed and approved by the Dowlais Group plc Board on an annual basis, or more frequently as necessary.

2. OUR CODE

At Dowlais our values are to be Agile, Ambitious and Accountable. Being Accountable means being responsible for our actions, but it also means acting responsibly. All Dowlais Group employees are subject to Our Code which focusses on how we:

- Respect and protect each other and our business.
- Behave ethically and lawfully
- Care for our communities and our world.

As Dowlais businesses operate globally, we are subject to thousands of laws and regulations which apply in the countries in which we are based or operate. It is Dowlais policy to always comply with the laws and regulations to which we are subject. We are also committed to high standards of accuracy and integrity in our business records and financial reporting, including ensuring that all tax, regulatory and other public filings are true and accurate to the best of our belief and are submitted when due.

3. TAX MISSION STATEMENT

In line with Our Code, the Group’s tax mission is to ensure that the Group’s tax affairs are managed conservatively and professionally, in compliance with the applicable tax laws in all territories in which we operate. The Group seeks to work proactively and collaboratively with stakeholders, including tax authorities and colleagues across the business, whilst ensuring that the Group’s tax strategy is aligned with the wider business and commercial strategy.

4. TAX PRINCIPLES

The principles governing the management of the Group’s tax affairs are fully aligned with the Group’s wider commercial, reputational and business practices and are consistent with the Group’s commitment to corporate responsibility.

It is the Group's policy to:

- ensure that its tax strategy is aligned with the wider business and commercial strategy;
- comply with all applicable laws, rules and regulations in meeting the Group's tax compliance and reporting responsibilities everywhere the Group operates;
- pay the right amount of tax based on the tax laws, rules and regulations of the territories in which the Group operates;
- seek to take advantage of tax incentives, reliefs and exemptions in a manner which is consistent with the spirit as well as the letter of the relevant Tax law; and
- engage with all tax authorities, including HMRC, in a professional, open and collaborative manner;

and the Group will not:

- enter into artificial or contrived structures or schemes where the whole or main benefit is the avoidance of tax; or
- be a party to tax evasion, nor tolerate the facilitation of tax evasion by any person(s) acting on the Group's behalf, consistent with the requirements of the Criminal Finances Act 2017 (often known as "Corporate Criminal Offence" rules), as further detailed in the Group's **Anti-Facilitation of Tax Evasion Policy** (LEG-COMPL-004).

5. THE GROUP'S APPROACH TO RISK MANAGEMENT & TAX GOVERNANCE

Responsibility for tax governance and strategy lies with the Chief Financial Officer, with oversight of the Board and the Audit Committee. Application of the strategy on a day-to-day basis is managed by the Dowlais Head of Tax, supported by the Group Tax Function as well as the Business Unit Finance and Tax Functions.

The strategy is underpinned by the Group's **Tax Policy** (FIN-TAX-001) (the "**Tax Policy**"), which sets out the Group's policy regarding tax and certain procedures related to tax. The CEO of each Business Unit is responsible for ensuring awareness of and compliance with the Tax Policy within their Business Unit and for establishing a "culture" of compliance. Support and oversight is provided to the Business Units by the Group Tax function who engages in active stakeholder management with relevant individuals across the business to ensure tax is a consideration in any material business decision at an early stage. In accordance with the Tax Policy, transactions and activities which have potential material tax implications must be reviewed and approved by the Dowlais Head of Tax.

Responsibility for tax compliance resides with the Business Unit local finance teams with support from external providers. All tax returns should either be prepared by or reviewed by a tax qualified professional. In addition, all tax returns must be the subject of two levels of review by suitably qualified individuals before submission.

The Group's tax functions, both at a Group level and within the businesses, are staffed by qualified, experienced tax professionals. The tax team will seek external tax advice where there is a need for specialist guidance and support.

6. THE GROUP'S ATTITUDE TOWARDS TAX PLANNING & RISK

The Group's approach to tax risk follows the same principles that apply to all other business risks. In line with Our Code, the Group takes a responsible approach to managing its tax affairs and will seek to comply with applicable laws, rules and regulations in meeting the Group's tax compliance and reporting responsibilities everywhere we operate.

When entering into commercial transactions, the Group seeks to take advantage of available tax incentives, reliefs and exemptions in a manner which is consistent with the spirit as well as the letter of the tax law and takes external advice to confirm this if necessary. The Group will not enter into any artificial tax planning arrangements that are not underpinned by a commercial transaction.

7. THE GROUP'S APPROACH TO DEALING WITH HMRC & OTHER TAX AUTHORITIES

The Group engages with all tax authorities, including HMRC, in a professional, open and collaborative manner. We look to engage on a real time basis regarding significant tax issues and developments in the Group's activities. We aim to respond to information requests in a timely manner and ensure that access is given to all relevant information.

We take care to ensure that the Group's tax affairs are reported accurately. If an error was identified in a submitted tax return, the Group would seek to rectify it as soon as reasonably practical to do so and disclose where appropriate.

Where tax law is unclear or subject to interpretation, professional advice or advance clearance from the tax authorities will be sought to ensure that the Group has a strong tax technical filing position. If disputes arise, the Group would seek to work in a collaborative manner to agree the facts and set out the technical position with the relevant tax authority as quickly and efficiently as possible. The Group would pursue tax litigation when advised that we have a strong technical position and where it is justified from a commercial and economic perspective.