

Marcegaglia UK Limited's Tax Strategy

Introduction

Finance Act 2016, which received Royal Assent on 15 September 2016, introduced legislation which requires groups of a certain size to publish their tax strategy, or parts of their strategy, which are relevant to UK taxation. This document sets out Marcegaglia UK Limited's ('Marcegaglia UK') approach to UK taxation in accordance with the requirements of Paragraph 19(2), Schedule 19, Finance Act 2016. The published tax strategy must cover the following areas (all in relation to UK taxation):

- Approach to risk management and governance arrangements
- Attitude towards tax planning
- Level of risk tolerated
- Approach toward dealing with HM Revenue and Customs (HMRC)

The purpose of this document is to set out Marcegaglia UK's policy and approach to UK taxation. This document has been approved by the Board of Marcegaglia UK and is effective for the year ended 31 December 2024, and will remain in effect until any amendments are approved by the Board.

Marcegaglia UK Limited

Marcegaglia UK is a UK trading subsidiary of the wider Marcegaglia global group ('Group') which is headquartered in Italy. Marcegaglia UK, established in 1996, is a manufacturer of electro-welded carbon steel tubes and Stainless Steel tubes for a wide range of applications. Employing around 180 workers, the production facilities (based in Dudley and Oldbury) have a yearly total output capacity of 150,000 tonnes of finished products, making Marcegaglia UK the largest precision tube manufacturer in the UK.

The Group's business activities are subject to various taxes, including corporate tax, employment tax (payable in the capacity of the employer) and property taxes. Employees' taxes, deductible from

employee's earnings, and indirect taxes such as VAT are also collected and paid. These taxes contribute to the societies where we operate.

As a Group we are committed to creating long-term shareholder value through the responsible, sustainable and efficient delivery of our key business objectives. We therefore adopt an approach to tax that supports this strategy and balances the interests of our key stakeholders – employees, suppliers, customers and the wider community. We aim to pursue a tax strategy that is aligned with the Group's overall business strategy.

Approach to risk management and governance arrangements

Marcegaglia promotes a culture of sound risk management. Effective tax risk management is paramount for the Company and underpins the strategy for continued growth. The Company strives to reduce the level of tax risk arising from its operations as far as is reasonably practicable by applying reasonable care in relation to undertakings which could materially affect compliance with tax obligations.

The tax strategy is aligned with Marcegaglia's Code of Ethics which can be found on the Marcegaglia website (www.marcegaglia.com) and is owned and approved by the Board of Directors of Marcegaglia.

The Company applies OECD guidelines to our intercompany transactions and seeks to operate at arms-length and with transparency in dealings across the Marcegaglia Group.

Attitude to tax planning

Marcegaglia UK has a low appetite for risk in respect of taxation and seeks to minimise the risk of uncertainty or of disputes. Marcegaglia UK aim to comply with all relevant national laws, regulations and reporting requirements in the UK. The company will seek to use tax incentives and reliefs where appropriate, however, it is not Group policy to enter into any aggressive or abusive tax planning.

Guidance is sought from external tax advisers regarding those acceptable tax savings and benefits that are available to the company.

Level of tax risk tolerated

There are no prescribed levels of tolerable risk or specific Group tax strategies in place. Tax risks may occasionally arise in the UK company including inherent risk due to its international operations, however, based on the relatively small and straightforward nature of the UK operations compared to the wider Group, these are infrequent and unlikely to be material. The organisation applies reasonable care to all processes which could materially affect its compliance with its tax obligations.

Stakeholders expect the activities of the company to be carried out in accordance with national laws, including tax law, and do not exert any influence over the tax risks of the business.

Approach toward dealing with HMRC

Based on the size of the UK operations, Marcegaglia UK has limited interaction with HMRC, however, we are committed to fostering a constructive and transparent relationship with the UK tax authorities. We seek to communicate openly and honestly to resolve any queries arising. In the occasional instance where minor issues do arise, we work constructively and proactively with HMRC with a view to achieving an early resolution. Marcegaglia UK's aim at all times is to act in accordance with all relevant laws and disclosure requirements as prescribed by UK tax law.

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