Severfield

Severfield plc Group tax strategy

Year ending 27 March 2027

This document outlines the tax strategy of Severfield plc and its subsidiaries ('the Group') in line with Schedule 19 of the Finance Act 2016. Although not legally required to do so, the Group publishes this strategy voluntarily as part of its commitment to best practice and transparency. The Group recognises that paying the right amount of tax, in the right place and at the right time, is an important part of its corporate responsibilities.

The Group recognises that stakeholders increasingly expect transparency regarding corporate tax governance and decision-making. Accordingly, this strategy is intended not only to meet applicable legislative requirements but also to demonstrate the Group's commitment to responsible tax conduct, effective risk management and constructive engagement with tax authorities. The strategy supports the Group's overall governance approach and aims to manage tax risks effectively and ensure compliance. The Group seeks to maintain open, constructive relationships with HMRC and relevant overseas authorities.

This document forms part of the Group's commitment to responsible corporate governance and Environmental, Social and Governance (ESG) practices, recognising that fair tax contributions support wider social and economic development.

Group tax policy

The Group is committed to conducting its tax affairs in line with the following objectives:

- Uphold high standards of business conduct and corporate governance.
- Ensure compliance with tax laws across all jurisdictions, paying tax where it is due.
- Apply professional care in tax governance, compliance and risk management aligned with Group strategy.
- Utilise reliefs and incentives where appropriate, in line with legislative intent and commercial substance.
- Maintain constructive, professional relationships with tax authorities and support the Group's wider ESG commitments.

Governance and risk management

The Board is ultimately responsible for the Group's tax strategy and governance framework and reviews the strategy annually. Day-to-day responsibility for managing the Group's tax affairs is delegated to the Chief Financial Officer ('CFO'), supported by the Group Finance Director, Group Tax Manager, divisional finance teams and external tax advisers where appropriate.

The Group's tax control framework forms part of its wider governance arrangements and supports compliance with applicable regulatory obligations, including the Senior Accounting Officer requirements. Material tax risks and areas of uncertainty are escalated through the Group's governance framework to ensure appropriate oversight and decision-making.

Tax governance arrangements are reviewed periodically to support continuous improvement and maintain an appropriate level of assurance over the Group's tax affairs.

The Group expects all employees involved in tax-related processes to act with integrity and in accordance with the Group's Code of Conduct and internal control framework. The Group maintains appropriate systems, controls and digital processes to support accurate tax reporting and compliance. Half-yearly assurance letters from divisional Managing Directors confirm adherence to policies. These arrangements support compliance with the Senior Accounting Officer (SAO) requirements.

Key tax metrics (e.g. audit results, authority queries, testing outcomes) form part of ongoing assurance reviews by management.

Tax planning

The Group's approach to tax planning is driven by commercial and operational requirements rather than tax outcomes alone. The Group has a zero-tolerance approach to tax evasion and the facilitation of tax evasion.

The Group seeks to ensure that tax outcomes are aligned with the economic substance of its activities and the commercial objectives of the business. Tax considerations form part of business decision-making; however, the Group will not enter into arrangements that lack genuine commercial purpose or are designed primarily to secure a tax advantage.

The Group seeks to utilise available reliefs, incentives and exemptions in a manner consistent with both the letter and intent of the law.

Where the Group operates internationally, transactions between Group entities are conducted on an arm's-length basis in accordance with applicable legislation and OECD Transfer Pricing Guidelines. Appropriate documentation is maintained to support the Group's transfer pricing policies.

External professional advice may be obtained where necessary to support compliance, manage complexity or provide assurance in relation to significant transactions.

Tax risk appetite

The Group has a low-risk appetite in relation to taxation. The Group seeks certainty in its tax affairs and aims to minimise the risk of disputes through robust governance, appropriate controls and early consideration of tax consequences. The Group does not undertake aggressive tax planning and will not adopt tax positions that are inconsistent with the underlying intent of legislation.

Where the tax treatment of a transaction is uncertain or complex, the Group will seek appropriate professional advice and consider engagement with HMRC where necessary. The Group aims to maintain positions that it believes are technically supportable and consistent with both the law and the principles of responsible tax management. The Group seeks tax outcomes that are consistent with the commercial substance of its activities and the intent of applicable legislation.

Relationship with tax authorities

The Group seeks to maintain open, transparent and constructive relationships with HMRC and other tax authorities in the jurisdictions in which it operates.

Where appropriate, the Group engages proactively with tax authorities regarding significant transactions, areas of uncertainty and matters requiring clarification. The Group seeks to resolve issues collaboratively and in a timely manner.

The Group monitors developments in tax legislation, tax administration and international tax policy to support ongoing compliance and effective governance of its tax affairs.

Formally adopted by the Board of Severfield plc on 29 July 2026 for the financial period ending 27 March 2027. This policy will be reviewed annually and updated where required.