

Severfield plc Group tax strategy

Year ending 28 March 2026

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 the importance of corporate social responsibility and understands the importance of paying taxes in the jurisdictions in which they operate.

The strategy, approved by the Board, 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 embed tax compliance into ESG reporting.

Governance and risk management

The Chief Financial Officer (CFO) has overall responsibility for tax governance, supported by the Group Financial Controller, Group Tax Manager, and external tax professionals.

The strategy is implemented by the Group Financial Controller, Group Tax Manager and Finance Directors in each division. Appropriate controls are in place and are regularly monitored through internal procedures, internal audit, and external reviews.

Tax risks are managed proactively through the Group's established risk framework, including the Executive Risk Committee and risk register. Material tax risks are escalated to the Executive Committee and ultimately overseen by the Board.

The Group has tax accounting arrangements that support accurate tax liability calculations. 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 does not tolerate tax evasion or its facilitation by employees, customers or suppliers. It recognises its responsibilities under the Economic Crime and Corporate Transparency Act 2023 and undertakes regular training and workshops to manage these risks.

The Group's tax arrangements are primarily UK-based and routine, with focus on corporation tax, employment taxes, VAT and CIS compliance.

Tax planning supports commercial activity, aligns with strategic objectives, and complies with both the letter and intended outcome of the law.

The Group uses overseas entities appropriately to hold investments and ensures that transfer pricing complies with OECD guidelines and economic substance principles. The Group does not use tax havens for artificial structuring.

Tax risk appetite

The Group proactively manages its tax affairs to protect shareholder value, using incentives and efficiencies where appropriate. All tax arrangements are grounded in sound commercial principles and full legal compliance. The Group has a low risk appetite and avoids uncertain or aggressive positions that conflict with the intent of the law or undermine tax transparency.

Relationship with tax authorities

The Group engages constructively with HMRC and other tax authorities to ensure compliance across all jurisdictions and maintains professional, transparent relationships to resolve issues proactively. The Group also monitors global tax policy changes to stay ahead of evolving compliance requirements.

Formally adopted by the Board of Severfield plc on 2 September 2025 for the financial period ending 28 March 2026. This policy will be reviewed annually and updated where required.