

Group Taxation Strategy

**Year ended 31st December 2024 –
issued on 28th November 2024**

Spirax Group plc – Taxation Strategy

Contents

	Page
Introduction	3
Approach to tax risk management and governance	4
Attitude to tax planning	5
Acceptable levels of tax risk	6
Relationship with tax authorities	7

Spirax Group plc – Taxation Strategy

Introduction

Spirax Group plc's (Spirax Group or the Group) tax strategy supports the strategic objectives of Spirax Group and applies equally to both UK and non-UK taxes and to all forms of tax. The Group pays a significant amount of tax to local and national governments, including corporate income taxes on profits, social taxes on employment, customs and excise duty on purchases, withholding taxes and environmental taxes. We also collect and remit sales taxes charged to our customers and taxes paid by our employees.

This document sets out how the Group manages its tax affairs in accordance with the following:

1. Approach to tax risk management and governance
2. Attitude to tax planning
3. Acceptable levels of tax risk
4. Relationship with tax authorities; including HM Revenue & Customs (HMRC)

Spirax Group regards that by publishing this document it has fulfilled its duty to comply with Paragraph 16(2), Schedule 19 of the Finance Act 2016 (*Qualifying UK groups: Duty to publish a group tax strategy*) in respect of the year ended 31st December 2024.

Spirax Group plc – Taxation Strategy

Approach to tax risk management and governance

The Board of Spirax Group plc and the Audit Committee, who receive regular updates on material tax matters from the Group Chief Financial Officer, the Director of Group Finance and the Group Head of Tax, review the Spirax Group tax strategy at least annually and monitor for required changes.

Spirax Group's tax governance framework includes a taxation committee that reports to the Audit Committee, a clear tax policy and a clear policy on the UK Corporate Criminal Offence of failure to prevent the facilitation of tax evasion, for which training is provided to all relevant employees. These policies define accountabilities and determine the level of approval that is required for matters that could create material tax risk. Adherence to the policies is monitored through self-assessment and the Internal Audit function, which executes a rolling programme that examines areas of the business and the processes that are relevant for tax purposes.

It is acknowledged that the global taxation landscape is complex and constantly evolving. To reflect this we actively monitor, with the assistance of professional advisors, local and international developments and aim to manage the tax costs and tax risks associated with all commercial transactions in the same way as for other commercial costs. This includes considering how changes in tax legislation in the UK and overseas will impact on our effective and cash tax rates.

Where appropriate we also consider participating in consultation on future tax law change where we believe it is in the Group's best interests to do so.

Spirax Group plc – Taxation Strategy

Attitude to tax planning

We actively manage our liabilities across all taxes in the UK and overseas, in a manner that is consistent with our corporate and social responsibilities, our brand reputation and which reflects the commercial operations of our business. We seek to ensure that we pay the right amount of tax based on the laws, rules and regulations of the territories where we operate.

Spirax Group claims available allowances, credits, deductions, exemptions, incentives and reliefs where it is beneficial and appropriate to do so. Examples include tax incentives for research and development and the utilisation of incentivisation regimes for intellectual property. We do not implement tax planning, transactions or structures that are notifiable to tax authorities under mandatory tax avoidance disclosure regimes.

Occasionally Spirax Group may use entities outside of the UK to provide finance facilities to the Group's non-UK investments. When doing so we consider the commercial substance and the legal and the economic environment in the relevant countries.

Our business model recognises that a degree of commercial autonomy is required by the companies within Spirax Group. To achieve this, we operate transfer pricing policies where the transfers of all goods and services between related companies are conducted on an arm's length basis.

Spirax Group plc – Taxation Strategy

Acceptable levels of tax risk

Spirax Group takes compliance with all relevant tax law in the countries where we operate very seriously. We recognise that tax laws are complex and may be open to different interpretation. Where there is ambiguity, the Group will, when reviewing its tax filing positions, take appropriate professional advice to understand and manage any associated risk.

When considering what constitutes an acceptable level of tax risk, Spirax Group will consider, on a case-by-case basis, the following factors:

- The legal and fiduciary duties of Directors and employees
- The requirements set out in related internal policies and procedures
- The impact on Spirax Group's business and corporate reputation
- The related financial and operational risks
- The potential impact on our relationship with any tax authorities

Spirax Group plc – Taxation Strategy

Relationship with tax authorities

Spirax Group is committed to an open and transparent approach to dealing with all tax authorities, to include HMRC, based on the following:

- Making accurate and timely disclosures and publishing data that is legally required
- Responding to all enquiries in a timely fashion
- Fostering an open, courteous and transparent relationship
- Acting in a professional and polite manner at all times
- Actively seeking to resolve any difference of views through dialogue wherever possible

In the UK we engage with HMRC and are available to meet with our Customer Compliance Manager on a periodic basis. The Group Chief Financial Officer is also the Senior Accounting Officer (SAO) and is responsible for the annual SAO certification to HMRC. We take satisfaction from being rated as low risk for the purpose of HMRC's Business Risk review.

Where we consider that risk or uncertainty could exist, and the relevant tax authority offers the possibility of early engagement we will actively engage in dialogue on a real-time or pre-filing basis where it is practical to do so.