LHOIST UK - UK TAX STRATEGY

The scope of this strategy applies to Lhoist UK Limited and its UK subsidiary ("Lhoist UK"). It covers taxes and duties set out in § 15(1) Schedule 19, Finance Act 2016 for all UK operations. The publication of this strategy is regarded as satisfying the requirements under § 16(2), Finance Act 2016 for all UK operations and applies for the period up to 31 December 2025.

In accordance with the Finance Act 2016, this document covers four specific requirements:

- The approach to risk management and governance arrangements in relation to UK taxation;
- The attitude of Lhoist UK towards tax planning;
- The level of risk in relation to UK taxation that Lhoist UK is prepared to accept;
- The approach of Lhoist UK towards its dealing with His Majesty's Revenue and Customs ("HMRC").

Approach to risk management and governance arrangements

Given the scale and aspects of our business and the evolution of regulatory environment, risks could arise from time to time. Lhoist UK effectively assess and manages identified risks, including tax risks, in a number of distinct ways.

Tax risk management starts from an effective end to end compliance process. The Lhoist UK Accounting and Finance Manager is responsible, under the supervision of the Finance Director Lhoist Western Europe, to prepare accurately and file timely all returns and forms to be filed by Lhoist UK in order to comply with its tax filing and tax reporting obligations in the UK and to ensure that the right amount of tax is paid at the right time. The Lhoist UK corporate income tax returns are reviewed by an external tax advisor.

Where there is significant uncertainty or complexity in relation to a tax risk, external advice is sought.

Tax risk management also takes place in the broader framework of the Lhoist Enterprise Risk Management ("ERM"). ERM aimed to be a structured and disciplined approach that supports the alignment of strategy, processes, people, technology and knowledge with the purpose of evaluating and managing the uncertainties an organization faces as it creates value.

The ERM objective is to ensure that major risks (including tax risks) are reported and treated at the right level of the organization according to the materiality and probability of the risk. Within the Lhoist Group, there are usually three different levels of escalation: Local Management for local and non-material tax risk for the Lhoist Group, Group Executive Committee ("GEC") for material tax risk for the Group and Audit Committee for highly material tax risk. The materiality of a tax risk is assessed by the Vice President Group Tax. Based on this assessment, the escalation is coordinated by the Vice President Group Tax together with the Chief Legal Officer.

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Certificate Number : FM21122

Registered Number : 4056154

Lhoist UK proactively manages tax issues and risks in a way that maximises shareholder value after tax while operating in accordance with applicable legislations and taking into account stakeholders and community interest.

Lhoist UK seeks to ensure that:

- It follows all applicable laws and regulations relating to tax affairs.
- It maintains an open, honest and collaborative relationship with the tax authorities.
- It applies care and diligence in control and management of processes by which all tax related activities are undertaken, keeping such processes and controls under on-going review.
- Its records are properly kept, are accurate and clearly and fairly describe its operations and assets.

Attitude towards tax planning

Lhoist UK is committed to full compliance with all statutory obligations and full disclosure to relevant tax authorities. Lhoist UK applies transfer pricing policies developed at the Group level in conformity with the OECD principles. Lhoist UK's tax affairs are managed in a way which takes into account the wider corporate reputation in line with its overall high standards of governance.

In all its activities, Lhoist UK always looks for the right balance between shareholder value creation and stakeholders or community interests, making sure to comply with its own values of Integrity, Respect and Courage.

Lhoist UK approaches tax in a way that is aligned with its business strategy and that aims at reducing business complexity and/or cost.

Lhoist UK does not engage in tax evasion but does look at maximising the tax efficiency of business transactions including claiming for available tax incentives and exemptions.

In any event, Lhoist UK avoids using tax incentives, exemptions or other benefits for purposes which are knowingly in contradiction with most recent and reliable interpretation of applicable tax legislations, based on advice received from tax experts at the time of filing the tax return.
Lhoist UK utilises external professional tax experts / advisors under the coordination of the Group Legal & Tax Department, ensuring compliance with all applicable legislations and clearing uncertainty on tax law or on new business transactions or projects. This is particularly the case when no internal requisite experience exists to adequately address the issue or because the issue is sufficiently large to warrant corroboration by an independent third party. The Finance Director Lhoist Western Europe and the Vice President Group Tax are responsible for any such appointments and shall have in mind any restrictions imposed under UK law on the use of UK external auditor. In addition, the Group Internal audit function aims to support Lhoist UK in accomplishing its objectives by evaluating and improving the effectiveness of risk management, internal controls and governance processes.

Acceptable level of risk in relation to UK taxation

The acceptable nature and level of tax risk is inextricably linked to the level of business risk Lhoist UK is prepared to assume. In this regard, various factors will always be considered including, but not limited to, the financial impact, the impact on corporate reputation and the impact on relationships with external stakeholders.

From a purely tax perspective Lhoist UK does not carry out any transaction that, based on experience, are not considered as a valid tax position or with insignificant likelihood of success.

Approach to HMRC

Lhoist UK is committed to ensure compliance with all statutory obligations and extensive disclosure to tax authorities. Lhoist UK engages with tax authorities, including HMRC, with honesty, integrity and respect.

Lhoist UK commits to make fair, accurate and timely disclosure in correspondence and returns, and respond to queries and information requests in due time.

The objective is to have a transparent and open relationship with HMRC to ensure, to the extent possible, cooperation on a real time basis.

When appropriate, Lhoist UK is in favour of having prior discussions with HMRC on material business transactions having uncertain or ambiguous tax treatments to get legal certainty on the tax treatment of those transactions.

Dealings with HMRC are generally dealt in priority by the UK Finance Department under the supervision of the Finance Director Lhoist Western Europe.

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