

## Tax Strategy for the United Kingdom

### Introduction to the tax strategy

The activities of Standardkessel Baumgarte GmbH (“SBG”), Duisburg, Germany, in the United Kingdom are limited to several permanent establishments with a relatively short operating life. SBG’s principal activity is to provide customers in the United Kingdom with planning, manufacturing, delivery, erection and commissioning of power plants and single components thereof.

As a subsidiary of Standardkessel Baumgarte Holding GmbH (“SBH”), Duisburg, Germany, SBG is part of the Standardkessel Baumgarte Group. SBH is wholly owned by the Japanese technology group JFE Engineering Corporation (“JFEE”) which has its registered office in Tokyo, Japan.

Our overall vision for tax is to uphold our ethical values and manage taxes with transparency and in a compliant way, ensuring we fulfil our legal and regulatory obligations.

The tax strategy and objectives set out below build upon our ethical values which determine the way we conduct ourselves in our daily operations.

### Tax Strategy statement

**Approach to tax risk management and governance:** The effective management of tax risk ensures that we comply with all relevant tax laws and regulations, and operate in accordance with our ethical values. Such ethical values are communicated by SBG in form of a “Code of Conduct” (the “Code of Conduct”), addressing the Corporate Values established by SBH for Standardkessel Baumgarte Group, that all SBG executives and employees are to faithfully adhere to. External advisers fill in the gaps for the limited tax roles, playing a significant role to ensure that key tax risks and issues arising from business transactions and operations in the UK are dealt in accordance with all applicable laws and ordinances by applying diligent professional care and judgement. SBG seeks to reduce the level of tax risk arising from its operations as far is practically reasonable by implementing various internal tools. We ensure that we are compliant with our tax filing and reporting obligations in the UK through ongoing engagement with, and support from, external advisers.

**Attitude towards tax planning:** SBG endeavours to compete fairly and freely, refrain from illegal business activities, promote sound business practices, and be faithful and sincere in all activities and dealings upon acting in the best interests of our stakeholders. Thus, all business transactions are undertaken in accordance with our ethical values and SBG’s business objectives, with the primary focus to comply with all applicable laws and ordinances. We make use of legislated tax incentives and exemptions approved by external advisers to support the long-term development of our company, but do not participate in any aggressive tax planning, or transactions which do not have a commercial purpose as their primary driver. Furthermore, in line with our ethical values, we are committed to acting in line with both the letter and spirit of the law.

**Level of risk in relation to taxation that we are prepared to accept:** In relation to our UK tax affairs, SBG's appetite for tax risk is low and we only structure our affairs based on sound commercial principles and in accordance to our ethical values and relevant tax legislation. Aggressive tax planning is not proactively considered and we do not engage in any operations that would compromise our ethical values, business objectives, SBG's reputation and the reputation of our wider stakeholders.

**Approach towards dealings with HMRC:** We seek to maintain an open and transparent relationship with HMRC based on regular and open communication, fair negotiations, timely completion of its reporting obligations and payment of any taxes due. In situations where tax law is unclear, we will seek relevant advice from external tax advisers, and discuss any issues upfront with HMRC. Should any disputes arise, we will maintain our honest and constructive manner with a view to achieving early agreement and resolution.