

## **RHIM UK Tax Strategy (2023 Update)**

### **Scope**

*RHI Refractories UK Ltd, a private limited company registered in Scotland, GIX International Ltd, a private limited company registered in England, and Magnesita Refractories Ltd, a private limited company registered in England, are indirect wholly owned subsidiaries of RHI Magnesita N.V.*

*This strategy applies to:*

*RHI Refractories UK Ltd and Magnesita Refractories Ltd in accordance with paragraph 22(2) of Schedule 19 to the Finance Act 2016; and*

*GIX International Ltd and the companies headed by GIX International Ltd (amongst others Indresco U.K. Ltd which is the shareholder of RHI Refractories (Site Services) Ltd) in accordance with paragraph 19 of Schedule 19 to the Finance Act 2016.*

*A list of the UK entities to which it applies is set out below. In this strategy, references to 'RHIM UK', or 'the firm' are to all these UK entities. This strategy was originally published on 23<sup>rd</sup> October 2019 and RHIM UK regards this publication as complying with its duty under the abovementioned paragraphs of the Finance Act 2016 in its financial year ended 31 December 2022.*

### **Aim**

*RHIM UK is committed to full compliance with all statutory obligations and full disclosure to relevant tax authorities. RHIM UK's tax affairs take into account the firm's wider corporate reputation in line with RHIM UK's expected standards of governance.*

### **Governance in relation to UK taxation**

- Ultimate responsibility for RHIM UK's tax strategy and compliance rests with the Boards of all entities comprising RHIM UK. The RHI Magnesita Group has a central Tax Function with tax specialists who are assigned the responsibility for tax matters and provide the Boards with advice and guidance as necessary;*
- Day-to-day tax management of RHI UK's tax affairs is delegated by the Boards to the relevant RHIM UK's finance employees. Whenever required, the central Tax Function also assists RHIM UK's finance employees with more complex tax issues;*



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- *RHIM UK also relies on RHI Magnesita's global finance team, which is staffed with appropriately qualified individuals, as well as being supported by internationally recognised third-party consulting firms; and*
- *This tax strategy is one of the factors considered in all RHIM UK's investments and significant business decisions taken.*

### **Tax Risk Management**

- *RHIM UK operates a system of tax risk assessment and controls as a component of the overall internal control framework applicable to RHIM UK's financial reporting system;*
- *RHIM UK seeks to reduce the level of tax risk arising from its operations as far as is reasonably practicable by ensuring that reasonable care is applied in relation to all processes which could materially affect its compliance with its tax obligations;*
- *Processes relating to different taxes are allocated to appropriate process owners, who carry out a review of activities and processes to identify key risks and ensure that mitigating controls are in place. These key risks are monitored for business and legislative changes which may impact them, and changes to processes or controls are made when required;*
- *Appropriate training is provided for the finance team who manage or process matters which have tax implications; and*
- *Advice is sought from external advisers where appropriate.*

### **Attitude towards tax planning and level of risk**

*RHIM UK manages risks so that it achieves compliance with legal requirements in a manner that ensures timely payment of the right amount of tax.*

*When entering into commercial transactions, RHIM UK seeks to take advantage of available tax incentives, reliefs, and exemptions in line with, and in the spirit of, tax legislation. RHIM UK does not engage in tax planning that would contradict sound business reasons and transactions.*

*The level of risk which RHIM UK accepts in relation to UK taxation is consistent with its overall objective of achieving certainty in its tax affairs. At all times, RHIM UK seeks to comply fully with its regulatory and other obligations and to act in a way which upholds its reputation as a responsible corporate citizen. In relation to any specific issue or transaction, the Boards are ultimately responsible for identifying the risks, including tax risks, which need to be addressed and for determining what actions should be taken to manage those risks, having regard to the materiality of the amounts and obligations in question. However, as stated above, this responsibility is delegated to relevant members of the RHI Magnesita's global finance team and central Tax Function.*

## **Relationship with HMRC**

*RHIM UK seeks to have a transparent and constructive relationship with HMRC in the UK through communication regarding significant transactions, where necessary, and interpretation of the law in relation to all relevant taxes.*

*When submitting tax computations and returns to HMRC, RHIM UK discloses all relevant facts and identifies any transactions or issues where it considers that there is potential for the tax treatment to be uncertain.*

*Any inadvertent errors in submissions made to HMRC are fully disclosed as soon as reasonably practicable after they are identified. All dealings with HMRC are undertaken in good faith and in a collaborative and timely manner.*

## **List of entities covered by this Tax Strategy**

*RHI Refractories UK Limited*

*GIX International Limited*

*Indresco U.K. Limited*

*RHI Refractories (Site Services) Limited*

*Magnesita Refractories Ltd*