

ANNEX 1

2023 Tax Strategy

Alpek Polyester UK Limited Business Overview

The principal activities of Alpek Polyester UK Limited (APUK) are the manufacture and sale of polyester resins (Polyethylene Terephthalate – PET). These activities are carried out from our site at Wilton, Redcar in the UK.

Tax strategy

APUK regards the publication of this tax strategy as complying with its duty under Schedule 19 of the Finance Act 2016 to publish its tax strategy in the current financial year. It will be reviewed annually, updated as appropriate and approved by the APUK Board. Within the UK, the APUK Board is responsible for setting and monitoring the UK tax strategy. The finance team of APUK is accountable to the Board for the implementation of the tax strategy and the management of tax and related risk.

Taking each of the requirements of paragraph 22 (2) of Schedule 19 in turn:

Governance arrangements and risk management in relation to UK taxation

Governance

Responsibility for the tax strategy, the supporting governance framework and management of tax risk ultimately sits with the APUK Board. Day-to-day responsibility for each of these areas sits with the Finance Team.

APUK are responsible for ensuring robust accounting systems and controls are in place to mitigate tax risk. Responsibility for maintaining these systems day-to-day sits with the APUK Finance Team.

Key risks and issues related to tax are escalated to and considered by the Company's Scorecard Meeting on a monthly basis, with any material/high risk matters being discussed by the Board.

The Company reports on its tax governance and systems annually to HMRC under the Senior Accounting Officer measure enacted by the Finance Act 2009. The Company has appointed a Senior Accounting Officer under this measure to take reasonable steps to ensure that the company has appropriate tax accounting arrangements in place.

External auditors provide an opinion on the Company's results on an annual basis, which includes tax amounts and disclosures. The Annual Financial Statements are made available via Companies House.

Tax risk management

The Company aims to maintain its Low UK tax risk rating as determined by HMRC's Business Risk Review process. APUK seeks to achieve this aim through:

- submission of all UK tax returns on a timely basis, including sufficient detail to enable HMRC to form an accurate view of the affairs of the company filing the return with an adequate supporting audit trail and sign-off process;
- paying the appropriate amount of tax at the right time;
- maintain tax accounting arrangements which are robust and accurate and comply with the Senior Accounting Officer (SAO) provisions in the UK;

- ensuring that the Alpek departments who are involved in UK tax processes are both adequately resourced and supported in order to manage tax compliance issues on a timely basis;
- ensuring all tax filing positions are supported with appropriate documentary evidence.
- Engaging external advisors to provide tax advice as and when required.

Attitude of the Company to tax planning (so far as affecting UK taxation)

The Company has a Business Ethics Conduct & Policy Guide, compliance with which is a condition of employment with APUK. The Company conducts all operations and activities in a way;

- that complies with the laws in the countries in which they operate;
- that conducts all operation and activities at a high level of ethical standards, acceptable throughout the world;
- that requires all employees of the Company to manage their work in a way which maintains the Company's valuable reputation for respectful behaviour, honesty and reliability.

The Company recognizes it has a responsibility to pay an appropriate amount of tax in the UK. The Company aims to balance this with its responsibility to its shareholders to structure its affairs in an efficient manner, utilizing tax reliefs and allowances that are available.

The commercial needs of the Alpek Group are paramount and all tax planning must have a business purpose. The economic benefits associated with tax planning must never override compliance with all applicable laws. The Company will ensure that tax arrangements are simple, well-understood and based on soundly researched techniques.

Level of risk in relation to UK taxation that the Group is prepared to accept

The Group's tax risk appetite is low. Professional Opinions are sought from reputable external advisors on matters where the tax treatment is uncertain.

Approach towards dealings with HMRC

A full and active dialogue with HMRC is maintained. The Company seeks to comply with its tax filing, tax reporting and tax payment obligations. In its dealings with HMRC, APUK will act in an open, honest and transparent manner.

Approval by the Board of Directors

The 2023 Tax strategy was approved by the Board of Directors at a meeting of the Board held on 30th December 2024.

Publication date 30th December 2024