

# Tax Strategy

## Our Aim

*“To pro-actively and responsibly manage our tax affairs whilst maximising sustainable long-term value for our shareholders while operating in compliance with applicable laws.”*

## Objective

The purpose of this Tax Strategy is to outline the approach adopted by Volex plc (‘Volex’) in managing the tax obligations and activities of the Volex Group, and make that approach clear to stakeholders. It is aligned with the Group’s business and commercial strategy of generating sustainable, long-term value for our shareholders.

## Scope

The Tax Strategy applies to all subsidiaries within the Volex Group, including any entity controlled by Volex plc. It governs and is applied by all Volex Group employees and contractors. In particular, it applies to all members of the Volex tax team and all Volex Group personnel who have tax responsibilities.

It applies to all taxes, including corporate income tax, VAT, sales, property and employment related taxes.

## Ownership

The Tax Policy is approved by the Volex Board and owned by the Head of Tax, who is responsible for its implementation. The Audit Committee of the Board of Directors receives periodic updates on tax matters.

## Tax Governance

The primary operational responsibility for taxation within the Group rests with the Group Tax team headed by the Head of Tax and comprising of tax professionals assisted by local Finance teams. The primary responsibility for employment taxes rests with the Human Resources team.

Board level oversight is provided by the Group Chief Financial Officer.

The Group Tax team is supported by the Group’s Finance and Legal teams and by the Group’s control framework including the Contract Approval Process. The Group Tax team is accountable for ensuring that tax risks within processes are appropriately identified and managed.

We realise the potential of our tax team by ensuring that they have sufficient skills and equipment to meet the needs of the business and provide the necessary support to aid their continued professional development.

When the need arises, the expertise of our Group Tax team is supplemented by the use of suitably qualified external tax advisors. All material external advice is provided in writing and retained as part of our tax documentation.

## Tax Planning and Risk Management

Tax risk arises from entering into transactions that have an uncertain tax outcome. The tax treatment of transactions is considered as part of the overall commercial assessment of a business opportunity. The Group operates in a multinational environment across jurisdictions with differing tax regimes and requirements, is decentralised in nature and highly acquisitive all of which can add tax risk.

The elimination of all tax risk is impossible, and the Group's internal governance is not prescriptive as to the level of tax risk that the Group is prepared to accept when considering a transaction. The Group identifies where these risks exist and takes action to reduce these risks taking into consideration the likelihood of occurrence and scale of impact of each tax risk.

The Group aims to manage tax risk and minimise the chances of a future unexpected tax charge by:

- engaging only in transactions that have genuine economic substance and in the event of conflict, commercial considerations always take precedence over the quantified tax consequences of a transaction,
- maintaining a Global Minimum Control Standards matrix and reviewing for compliance against it,
- developing its Group Tax team sufficiently and by seeking advice from appropriately qualified external professionals where the uncertainty or the value is material or where particular local expertise is required; and
- conducting all intra-group transactions on an arm's length basis and in accordance with the OECD guidelines, reflecting the relative risks undertaken and economic value added, by each of the parties to the transaction and seeking advance clearance with the relevant tax authority. Where appropriate agreement is obtained on a unilateral or bilateral basis with respect to transfer pricing positions to ensure agreement that the amount of profit reported is aligned with where value is created.

The Group will utilise tax incentives, reliefs or opportunities to obtain tax efficiencies where available and where they are aligned with our business or operational objectives while remaining compliant with all relevant laws. The tax function therefore inputs into commercial decision-making processes and provides appropriate input into business proposals to ensure a clear understanding of the tax consequences of any business decisions made.

## Transparency and Relationship with Tax Authorities

The Group is committed to dealing with tax authorities in a professional, open and honest manner and to maintain a cooperative working relationship and is committed to paying the right amount of tax in the right place at the right time.

We aim to make accurate and timely disclosures in all returns and correspondence and to work positively and proactively with the tax authorities globally to minimise the extent of disputes, achieve early agreement on disputed issues when they arise and achieve certainty.

The Group regards publication of this Tax Strategy approved by the Board on 11 March 2025 as complying with the duty under Schedule 19 FA 2016 to publish the Group Tax Strategy for the financial year ended 31 March 2025.