



AESC UK – Tax Strategy

Scope and Aim

This document sets out the Tax Strategy of the AESC UK Group of companies for the year ending 31 March 2025 in accordance with Schedule 19 of the Finance Act 2016. The Tax Strategy will be reviewed on an annual basis and applies to the following UK entities:

AESC Dynamics Investment Ltd.

AESC UK Plant 1 Limited

AESC Atlantic Holding Limited

AESC UK Plant 2 Holding Limited

AESC UK Plant 2 Limited

AESC UK Holding Limited

AESC Apollo Holding Limited

AESC is fully committed to comply with all statutory obligations and full disclosure to tax authorities.

AESC regards the publication of the information set out below as complying with the duty under Finance Act 2016, Schedule 19, para 16 (duty to publish a tax strategy) for the year ended 31 March 2025.

Background

- The principal activity of AESC is the manufacture of lithium-ion batteries at its existing plant in Sunderland (Plant 1).
- A second plant, also in Sunderland, is currently under construction (Plant 2).
- The batteries are primarily sold to the automotive industry as the batteries are a key component in the production of electric vehicles.
- A small proportion of sales are sold to non-automotive customers for use in off highway applications.
- AESC employs around 585 people, all working for the Sunderland plants.
- The UK tax strategy is governed by the wider global approach to tax by the AESC group.

Risk Management and Governance

There are several levels of control to limit tax risk and provide governance. These include



- The AESC Code of Ethics and Standards of Conduct policy sets out the professional standards and levels of integrity that is expected of employees. All staff are aware of this policy and there are visual management reminders within the plant.
- The Senior Accounting Officer regime applies to UK entities and controls are in place to ensure correct tax accounting.
- As part of AESC group Corporate Governance, AESC is required to report key compliance activities to the independent internal audit function of the parent company.
- There is a global system in place to ensure that decisions on tax matters (as well as many other areas of business) are discussed and approved at the appropriate level within the organisation. This ensures that any local decision with regards to tax is visible within the senior management group of the parent entity.
- The Board of Directors of the AESC businesses are briefed on any material tax issues and support this tax strategy.
- AESC seeks to reduce the level of tax risk 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.
- AESC employs qualified staff to manage and control its processes and, where appropriate, will engage external tax advisors to provide guidance on more complex issues.

Attitude towards Tax Planning and Level of Risk

AESC manages its tax affairs to ensure compliance with legal requirements in a manner which ensures payment of the right amount of tax. AESC will seek to utilise available tax incentives, reliefs and exemptions to minimise tax costs in line with, and within the spirit of, tax legislation. AESC does not use contrived structures or enter into non-commercial arrangements to reduce tax.

AESC only accepts a low level of tax risk to ensure compliance and to uphold its reputation as a responsible corporate citizen.

Relationship with HMRC

AESC seeks to maintain a transparent and professional relationship with HMRC with regard to tax risks and compliance. AESC will make full and accurate disclosures in tax returns and in correspondence with HMRC and shall deal with issues in a timely and collaborative manner.

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