

NAVANTIA UK LTD

TAX STRATEGY TOWARDS UK TAXATION

Introduction

This tax strategy has been prepared and published in accordance with paragraph 19 (2), Schedule 19, Finance Act 2016, on behalf of Navantia UK Ltd., a private Company limited by shares with tax residency in the UK. Navantia UK Ltd. indirectly belongs to the wider Group held by Sociedad de Participaciones Industriales (SEPI) as the ultimate Spanish parent company which is wholly owned by the Spanish Ministry of Finance. Navantia UK Ltd. is a directly wholly owned subsidiary of Navantia S.A., S.M.E., entity with tax residence in Spain, being therefore as well a member of Navantia sub-group.

This tax strategy, which applies for the financial year ended 31 December 2024 and subsequent financial years, has been reviewed and agreed upon by the Directors of Navantia UK, Ltd. and will remain in effect until there are any amendments by the Directors.

Navantia Tax Arrangements

Navantia UK Ltd. is committed to the management of tax risk and ensuring compliance with all applicable statutory obligations in relation to UK tax law and the alignment of risk management and governance arrangements to the wider Navantia Group's tax code of conduct and guidance.

Navantia adhered to the Code of Best Tax Practices promoted by the Spanish Tax Agency, prepared and approved by approved by the Forum of Companies, Institutions and Public Entities, extending these recommendations to all its activities worldwide through the Tax Compliance and Best Practices Policy. On 30 April 2024 the Board of Directors approved Navantia's Tax Policy, in compliance with the provisions of Article 249 bis of the Capital Companies Act.

The Tax Compliance and Best Practices Policy, approved in 2024, is part of Navantia's Corporate Governance Policies and is published on the Spanish tax agency website. It is aligned with current international tax standards (OECD Guidelines), ensures a transparent tax compliance model based on the best tax practices, and guarantees the correct tax contribution of the Group in each of the countries in which it operates.

It expressly includes the general commitment to comply with tax regulations in Spain and in the rest of the countries in which the company operates, as well as to develop best practices in this area and maintain an appropriate relationship with the corresponding tax authorities, with all employees and collaborators being responsible for complying with this commitment.

The principles of the Tax Policy are mandatory for all employees of Navantia S.A., S.M.E and Navantia's Group companies who are involved, directly or indirectly, in the management of any applicable taxes in all countries in which the entities carry out their business or have a business presence. The commitment to contribute to the economic and social development of the different markets in which Navantia operates has materialized in the fiscal area in compliance with all tax obligations generated as a result of its activity, in accordance with applicable local and international regulations and also with corporate ethical principles and values.

Approach to tax governance and risk management

Navantia UK Ltd.'s tax contribution extends beyond the calculation, collection and payment of corporation tax to include a wide range of taxes and levies (including Value Added Tax, customs and excise duties, employment, fuels, insurances, social security and the collection of income tax).

Navantia UK Ltd. is committed to complying with all applicable tax laws and obligations and maintaining a professional and cooperative relationship with regulatory bodies in relation to tax matters. Where the interpretation or application of tax rules is unclear, Navantia UK Ltd.'s approach is to seek clarification from HMRC.

Navantia UK Ltd. does not have any appetite in respect of taxation risk and seeks to manage risk and compliance with legal requirements as part of an end-to-end tax management process. This includes ensuring payment of the right amount of tax at the right time while also promoting measures to prevent and mitigate significant tax risks.

Navantia UK Ltd. operates a system of tax risk assessment and controls as a component of its overall business risk management and internal control framework supported by the wider Navantia Group's internal audit team.

The ultimate responsibility for Navantia UK Ltd.'s taxation strategy is set at the Boards of Directors of Navantia Group level and permeates the entire organization. Executive responsibility for compliance with UK taxation obligations matters, and for fulfilling compliance requirements, rests with the Chief Financial Officer of Navantia UK Ltd.

Navantia UK Ltd. engages sufficient resources to cover tax function activities to provide high-quality and solution-driven tax advice within the business. The wider Navantia Group's in-house tax functions are composed of high quality and performing teams who regularly attend internal and external training sessions (including tax updates and discussions with the tax authorities and other agents) and are supported by external advisors as and when appropriate.

Attitude to tax planning and level of risk

Navantia UK Ltd., approach to tax risk management, is aligned with the tax commitments and guidelines and with the tax code of conduct of the wider Navantia Group.

The management of Navantia UK Ltd. taxation affairs is aligned with the Navantia Group's strategic goals, business objectives and commercial transactions while always operating in accordance with the law.

In managing tax risk, Navantia UK Ltd. ensures compliance with UK obligations and legal requirements in a manner which ensures payment of the right amount of tax by deploying all available means to provide a high degree of tax certainty (including APAs and administrative rulings).

As part of its business and commercial operations, Navantia UK Ltd.'s tax planning is focused on supporting our commercial activities in compliance with all applicable laws and regulations to ensure that tax liabilities properly reflect commercial operations. We utilize available tax reliefs, incentives and exemptions but do not structure artificial tax-driven transactions.

Relationship with HMRC

Navantia UK Ltd. seeks to comply with all its tax obligations in an open, honest, and transparent manner, creating and maintaining mutual trust with tax and other regulatory authorities.

Navantia UK Ltd. is committed to providing information and documentation requested by tax authorities as quickly and as completely as possible. Any inadvertent errors in submissions made to HMRC are fully disclosed as soon as is reasonably practicable after they are identified.