

# Kennametal UK Tax Disclosure

The publication of this tax strategy statement is regarded as satisfying the statutory obligation under Para 16, Schedule 19 of the Finance Act 2016, for the Kennametal UK Ltd., Kennametal Logistics UK Ltd. and Kennametal Manufacturing UK Ltd. group of companies (together "Group") within the UK. This strategy is the responsibility of the Company's management and approved by officers of the ultimate shareholder.

## **Organizational Structure**

This statement applies to all UK taxes applicable to Kennametal UK Ltd. and its direct subsidiaries Kennametal Logistics UK Ltd. and Kennametal Manufacturing UK Ltd. which are incorporated and domiciled within the United Kingdom.

This strategy applies from the date of publication until it is superseded.

## **Tax Risk Management and Compliance**

We are committed to complying with all relevant tax laws, rules, regulations, reporting, and disclosure requirements and paying the right amount of tax at the right time.

The Group's tax affairs are managed in line with principles of reasonable care and materiality. The Group seeks to reduce the level of tax risk arising from its operations as far as reasonably practicable by ensuring that reasonable care is applied in relation to all processes which could materially affect its compliance with its tax obligations.

The Board ensures that the Group's tax strategy is one of the factors considered in all significant business decisions taken.

The Group's finance team is staffed by appropriately qualified individuals; Training is provided to staff as required to ensure that tax risks are adequately managed, and external advice is sought as required.

## **Attitude to Tax Planning**

The Group's attitude towards tax planning is influenced by Kennametal's wider reputational status with customers and our published code of ethics and business conduct.

When considering our corporate activities, the Group seeks to utilize available tax incentives, reliefs and exemptions in line with, and in the spirit of, tax legislation and does not engage in aggressive tax planning lacking in commercial and economic substance.

## **Level of Tax Risk Accepted**

We actively seek to identify, evaluate, monitor, and proactively manage our tax risk to be within our internal accepted risk management framework. As mentioned above, the Group seeks to minimize tax risks as far as practicable while complying with all relevant tax laws, rules, regulations, reporting and disclosure requirements.

For certain transactions where there is a material level of uncertainty or complexity, we will seek external advice to help reduce the level of tax risk.

## **Relationship with HMRC**

We seek to engage with Her Majesty's Revenue & Customs (HMRC) with honesty, integrity, respect, fairness and transparency. Any inadvertent errors in submissions made to HMRC are fully disclosed as soon as reasonably practicable after they are identified.