

## **Carpenter Technology Corporation Group Tax Strategy Statement (United Kingdom)**

In compliance with Paragraph 19 of Schedule 19 of the UK Finance Act 2016, the Carpenter Technology Corporation Group is publishing its board approved tax strategy for the fiscal year ended on June 30, 2020 in respect of its UK subsidiaries and permanent establishments.

### Tax risk management and governance

The Carpenter Technology Corporation Group (the “Company” or “Carpenter”) conducts its business with honesty and integrity. The Company’s Code of Business Conduct and Ethics states that “[I]t has always been the policy of Carpenter to comply with the letter and spirit of all laws that govern our operations and to adhere to the highest standards of business ethics. Our most important value is our integrity. All those who have dealings with Carpenter must be able to rely upon the honesty of our employees. Because we uphold those standards, Carpenter enjoys a reputation for excellence and fair dealing. But a good reputation must be diligently maintained; it can be lost much faster than it is acquired. No action is worth compromising our values or ruining that reputation. All actions must be viewed in that perspective.” With these guiding principles, we are committed to complying with all applicable UK tax laws.

The Company’s tax function has been provided with adequate resources to enable compliance with local tax laws in all of the countries in which it operates. This includes both an experienced in-house staff and an established network of external tax advisors. The Tax Director is responsible for oversight and administration of tax related policies and procedures. The Company’s global tax risk management framework facilitates the capturing of key risks, such that they can be mitigated through the operation of effective controls. The Tax Department meets quarterly with the Company’s Chief Accounting Officer and Chief Financial Officer to discuss all significant tax positions for the Company. The Tax Director also regularly attends Audit/ Finance Committee meetings and reports the Company’s tax positions and areas of risk. The Company maintains an accounting policy manual on its intranet site that includes guidance for recording transactions to satisfy local tax regulations.

### Tax planning and acceptable tax risk

The Company’s approach to tax planning is to develop tax-efficient solutions that are aligned with business initiatives. The Company has a low tolerance for tax risk and strives for certainty in its financial reporting obligations including tax reporting. The Company validates all significant tax positions with external advisors.

### Relationship with HMRC

The Company engages with Her Majesty’s Revenue and Customs (“HMRC”) openly and constructively. The Tax Director or a designate is responsible for liaising with HMRC. The Company endeavors to work collaboratively with HMRC to address inquiries and resolve any differences of opinion on the interpretation or application of tax law to our facts in an honest, ethical and transparent manner. Transactions that are material to the business with a high degree of uncertainty, where possible, would be discussed on a timely basis in order to reduce uncertainty so that we can minimize our risk and provide maximum certainty to our tax positions and filings.