

Albany International Group

2024 UK Tax Strategy

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1. Introduction

This document sets out Heimbach UK Ltd (“HUK”), JSD Marathon Ltd (“JSD”), Marathon Belting Ltd (“MBL”), and Albany International UK Ltd’s (“AIL”), (together, “Albany UK”) tax strategy policy and approach to conducting their UK tax affairs and dealing with UK tax risk.

Albany UK forms part of the wider Albany International Group. The Group’s ultimate parent, Albany International Corporation Inc (“AIC”) is publicly listed on the New York Stock Exchange.

For the financial year ended 31 December 2023 the wider Group had consolidated turnover exceeding €750m and therefore Albany UK is a qualifying company for the current financial year ended 31 December 2024.

AIL and HUK both have a separate requirement to publish their own tax strategy under paragraph 22, Sch19, FA 2016. JSD is the parent of a UK-subgroup and is therefore publishing a tax strategy on behalf of itself and its subsidiary, MBL, under paragraph 19, Sch19, FA 2016.

Despite the separate reporting obligations, the group's tax function holds overall responsibility for all Albany UK entities which all adopt the same tax strategy. Therefore this document is intended to satisfy the publication requirements for all entities noted above.

The tax strategy is effective for the year ended 31 December 2024 and will remain effective until any amendments are approved by the Board, but it will be formally reviewed, approved and re-published by the Albany UK finance team at least on an annual basis.

Group background

The Albany International Group has been a leader in advanced textiles and materials since its days as a family-owned textile manufacturer. Over time, it has evolved into a global force known for adaptability, innovation, and a strong commitment to excellence.

Albany International focuses on producing two different lines of products. Firstly, it specialises in machine clothing, particularly felts used in paper and textile manufacturing. In addition, the company creates engineered composites tailored for the aerospace industry, showcasing its expertise across different sectors.

At the heart of Albany International are values of innovation, quality, dedication, and sustainability. The company prioritises innovation, striving to advance materials science and engineering solutions while focusing on sustainability for people, the planet, and their performance. Albany International emphasises delivering high-quality products while consistently aiming to meet and exceed industry standards, all with a focus on sustainable practices and impact.

In August 2023, Albany International acquired Heimbach Group, a paper machine clothing manufacturer headquartered in Germany, thus further increasing scale and creating additional value for shareholders and customers

Tax strategy

The Group aims to comply with tax law and practice in all of the territories in which it operates, including the UK. Compliance for Albany UK means paying the right amount of tax in the right place at the right time and involves disclosing all relevant facts and circumstances to the tax authorities and claiming available tax reliefs and incentives where available.

Our UK tax strategy is aligned with the overall Albany International Group 's core values: Winning together, counting on each other, owning your own actions and caring about each.

As stated above, we own our actions and we seek to manage our tax cost whilst ensuring that we manage tax risk accordingly. This is in line with our Mission and Values taking into account our external reputation as a publicly listed business and view of stakeholders.

We seek to apply professional diligence and care in the management of risks associated with tax matters.

We commit to maintaining an open and honest relationship with the tax authorities, based on the concepts of integrity, collaboration and mutual trust.

We seek to claim legitimate tax reliefs to manage the tax cost of conducting our business while ensuring that these reliefs are claimed in line with the manner intended by the purpose of the legislation.

2. Tax risk management and governance arrangements in relation to UK taxation

The Board of the wider Group, including Albany UK, is ultimately responsible for the UK tax strategy and tax risk management of the Group.

Tax risks are considered at frequent intervals by The Board, including a review of existing risks and any new risks (such as new tax legislation). This is monitored by maintaining a matrix for tax controls and tax risks, which are discussed and presented quarterly to The Board.

The Board, responsible for approving Group strategy, has delegated responsibility for tax strategy to the Group's tax team, which includes a Director of Global Tax and a Senior Tax Manager. However, ultimate responsibility relating to tax strategy remains with the Board.

The Group tax team liaises with and engages professional advisors to ensure that Albany UK complies with UK tax risk and governance rules and supports with compliance and reporting matters. It also consults with a Finance Director of UK Operations who is responsible for overseeing day to day finance operations of HUK, MBL and JSD, as well as a regional financial accountant who supports with AIL's financial operations (together, the 'UK finance team').

Professional care and judgement are employed to assess and manage tax risks and to obtain external advice from our independent professional advisers on tax issues to support the decision-making process.

The Finance Director of UK Operations reports to the Group tax team on tax matters as appropriate, ensuring that the Group has full oversight and involvement over UK tax risk and governance matters.

This demonstrates that internal governance procedures, systems, controls and protocols are in place to manage and mitigate tax risk and governance matters.

The oversight from the UK finance team includes the following aims from a tax perspective.

- submit all UK tax returns on a timely basis.
- pay the appropriate amount of tax on time.
- maintain that accounting arrangements relating to tax are robust.
- ensure tax processes are appropriately resourced.
- make fair, accurate disclosure in correspondence, returns and respond to queries and information requests in a timely fashion.

3. Tax Planning Approach

The Group aims to maintain a conservative approach to tax and will not engage in artificial transactions or aggressive tax planning to reduce the amount of tax payable. Any tax structuring planning is generally undertaken for entirely commercial purposes.

This is important to ensure that the Group's tax strategy is consistent with the Group's wider Mission and Values statement.

Where there is uncertainty as to the application or interpretation of tax law, or the Group does not feel it has the necessary expert tax knowledge (such as where new tax law has been implemented), appropriate written advice evidencing the facts and conclusions may be taken from external third-party professional advisors to support the decision-making process.

We also take advantage of available tax incentives and reliefs where we are legitimately entitled to and make full disclosure of all incentives and reliefs claimed within our UK tax return filings.

4. Level of risk that we are prepared to accept in relation to UK taxation

We do not engage in high risk or aggressive tax planning. However, as Albany UK consists of UK subsidiaries of a multinational corporation, we accept a certain level of tax risk due to uncertainties in tax legislation and the increasing complexity of the international tax environment, particularly with regard to transactions between our affiliated companies.

We seek to mitigate and manage this tax risk through our approach to tax compliance, tax planning and tax risk management, and consult with relevant stakeholders such as professional advisors to ensure that internal governance processes are followed and to gauge the level of tax risk involved.

5. Working with HM Revenue and Customs

The Albany International Group deals with HMRC in an open, honest and transparent manner with regards to current, future and past tax risks across relevant taxes and duties. This includes ensuring that statutory and legislative tax requirements and filings are met with support provided by professional

advisors, and also that any historic or future correspondence with HMRC is dealt with quickly and with professional support where required.

Albany UK would consider approaching HMRC where it considers that there is a significant level of risk relating to a particular transaction or complex / new tax law.