

ENGIE's global tax policy has been in place since June 2015 and is regularly reviewed. The current version of the policy is published on the group internet site at <https://www.engie.com/en/analysts/governance/taxation/> and is reproduced at the end of this document.

All of ENGIE's subsidiaries in the UK follow the group's global policy. For the purposes of Finance Act 2016 Schedule 19, paragraph 16(2), which requires UK groups to publish their tax strategies, this UK tax policy clarifies how the global policy is interpreted and applied by ENGIE's UK subsidiaries in respect of UK taxes, focusing on the following areas:

- Our approach to governance, risk management and compliance
- Our approach to tax planning
- Our approach towards dealings with HMRC
- The level of tax risk we are prepared to accept

Governance, risk management and compliance

ENGIE employs tax professionals in the UK who work as part of the group's global tax function. There is a global framework of controls and processes to ensure compliance with tax filing obligations and mandatory disclosures and to manage tax risks. Documented tax policies and procedures are maintained in relation to key tax processes in the UK and these are periodically reviewed.

Tax advice may be sought from external advisors in respect of material transactions, and when the global tax function do not have the expertise required in a particular area. Where applicable, clearances are sought from HMRC to agree the treatment and to provide certainty over the position of complex transactions.

Tax planning

The group's ethics and compliance policy and Ethics Charter (found here <http://www.engie.com/en/group/ethics-compliance/>) require its employees to make decisions in line with the following four principles:

1. Act in accordance with laws and regulations
2. Behave honestly and promote a culture of integrity
3. Be loyal
4. Respect others

ENGIE is committed to acting with honesty and integrity in respect of tax laws and regulations, and to paying its fair share of taxes in the countries in which it operates. Consequently, the group's UK subsidiaries do not undertake aggressive or artificial tax planning with respect to UK taxes.

Transactions with related parties outside the UK are driven by commercial considerations and are executed on "arm's length" terms in line with international best practice (OECD Guidelines).

Dealings with HMRC

The group tax policy requires all its subsidiaries to build and maintain transparent and professional relationships with tax authorities around the world, and in the UK we are committed to an open,

transparent and professional relationship with HMRC based on mutual trust and collaborative working.

Where appropriate, the group seeks advance clearance from HMRC on the proposed tax treatment of transactions. Where particularly complex or material transactions have been entered into, the UK group seeks meetings with HMRC to provide explanations on particular matters to aid HMRC's understanding.

The level of tax risk we are prepared to accept

Internal governance of tax risk is integrated within the group's broader business risk management and compliance framework.

ENGIE is a global energy and services group, focused on three core activities: low-carbon power generation, mainly based on natural gas and renewable energy; global networks and customer solutions. Driven by an ambition to contribute to a harmonious progress, the group takes up major global challenges such as the fight against global warming, access to energy to all, or mobility, and offers residential customers, businesses and communities energy production solutions and services that reconcile individual and collective interests. The integrated - low-carbon, high-performing and sustainable - offers are based on digital technologies. Beyond energy, they facilitate the development of new uses and promote new ways of living and working. ENGIE's ambition is conveyed by each of its 150,000 employees in 70 countries. Together with customers and partners, this forms a community of imaginative builders who invent and build today solutions for tomorrow. Tax risk is managed in the context of the group meeting these wider business goals.

ENGIE is committed to comply with honesty and integrity with relevant tax laws and regulations, and to pay its fair share of taxes in the countries in which it operates.

Controls and processes exist throughout the Group to ensure compliance with tax filing obligations and mandatory disclosures. Tax practices within the Group are compliant with ENGIE's Code of Ethics and with the Environmental, Social and Societal Responsibility principles of the Group.

Tax matters are duly covered by our risk governance: tax risks are managed by a global tax function and give rise to appropriate action plans. This may notably consist in requesting legal opinions from external advisers, or to seek advance confirmation of the tax treatment of complex operations, when and where it is possible.

The tax risk management aims at defending the Group's interests while respecting applicable local rules, compatible with supranational tax regulations and general principles of international tax law.

ENGIE Group income is significantly impacted by compulsory levies. Therefore, as for other significant cash outflows, taxes and effective tax rates are carefully monitored. ENGIE does not have any subsidiary in a country listed as a "non-cooperative" tax jurisdiction by French law or OECD Standards, except in Panama where it carries out limited operational activities

As a matter of principle the Group avoids investments in so called tax haven countries. Such investments can only be made if supported by strong economic reasons, other than tax savings. Intra-group transactions have a business or commercial purpose and are executed on "arm's length" terms in line with international best practice (OECD Guidelines).

ENGIE needs to work within a fair, intelligible, objective, and stable tax framework which is favourable for long term development. The Group is therefore actively involved in trying to develop and maintain, directly or through trade associations or similar organisations, sound, transparent and professional relationships with tax authorities aiming to create a positive climate for investment.

ENGIE also stresses the responsibility of States to cooperate in tax matters, such as the resolution of double taxation cases and the implementation of efficient tax reporting to limit compliance costs.