

In the UK ENGIE is a leading energy and services company focused on three key activities: production and supply of energy, services and regeneration. Our 17,000 employees combine these capabilities for the benefit of individuals, businesses and communities throughout the UK & Ireland.

We enable customers to embrace a lower carbon, more efficient and increasingly digital world. Our customers benefit from our energy efficient and smart building solutions, the provision of effective and innovative services, the transformation of neighbourhoods through regeneration projects, and the supply of reliable, flexible and renewable energy.

ENGIE improves lives through better living and working environments. We help to balance performance with responsibility, enabling progress in a harmonious way.

Globally, the ENGIE Group employs 160,000 people worldwide and achieved revenues of €60.6 billion in 2018.

ENGIE UK Tax Strategy

ENGIE's global tax policy has been in place since June 2015 and is regularly reviewed. The current version of the policy is reproduced at the end of this document.

All of ENGIE's subsidiaries in the UK follow the group's global tax 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 strategy describes how the global tax policy is interpreted and applied by ENGIE's UK subsidiaries in respect of UK taxation. By publishing the UK tax strategy, it is considered that Engie UK has complied with its obligations under Para 16(2) Sch 19 FA 2016 in respect of the year ended 31 December 2019. The following areas are covered by the UK tax strategy:

- **The approach of the group to risk management and governance arrangements in relation to UK taxation**
- **The attitude of the group towards tax planning (so far as affecting UK taxation)**
- **The level of risk in relation to UK taxation that the group is prepared to accept**
- **The approach of the group towards its dealings with HMRC**

The approach of the group to risk management and governance arrangements in relation to UK taxation

ENGIE employs tax professionals in the UK who work as part of the group's global tax function and who adhere to the UK tax strategy and the group's global tax policy. There is a global framework of controls and processes to ensure compliance with tax filing obligations, 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 and are subject to internal oversight.

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.

The attitude of the group towards tax planning (so far as affecting UK taxation)

The group's ethics and compliance policy and Ethics Charter (found [here](#)) 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 taxation and comply with both the letter and the spirit of the law.

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).

The level of risk in relation to UK taxation that the group is prepared to accept

Internal governance of tax risk is integrated within the group's broader business risk management and compliance framework. This approach ensures that tax risk is appropriately and effectively managed.

The approach of the group towards its 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.

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.