

# **EDF ENERGY RENEWABLES TAX STRATEGY STATEMENT**

## **FINANCIAL YEAR ENDED 31 DECEMBER 2021**

### **Introduction**

The Finance Act 2016 requires large UK groups or sub-groups, companies or partnerships to publish a UK Tax Strategy. We regard this Tax Strategy statement to meet our obligations under paragraph 19(2), Schedule 19, Finance Act 2016

### **About us**

EDF Energy Renewables Ltd and subsidiaries (together the 'Group' or 'EDF ER') aim to fulfil their vision in helping Britain to achieve net zero by developing, building and operating renewable energy projects in the UK.

### **Our Tax Strategy**

As we pursue our commercial goals we are faced with tax obligations and choices in how we meet them. To inform our behaviours in how we make these choices, we follow our Tax Strategy. This Tax Strategy is aligned with the EDF Group Code of Ethics and the EDF Energy Code of Conduct, applies throughout EDF ER. It is consistent with EDF SA's overall strategy, which aims to create value for the business and shareholders while upholding its reputation and commitment to responsible business practices.

### **Commitment to compliance**

EDF ER is committed to meeting its obligations that arise from local, national and international regulations.

We aim to act with integrity in all tax matters with a commitment to full compliance with all tax legislation and full disclosure to tax authorities in the jurisdictions in which we operate.

Part of this compliance process is knowing how the business transactions and activity create tax risk. This knowledge has been obtained over many years via a comprehensive understanding of the tax attributes of the business. We continually develop, maintain and improve processes and control frameworks to ensure all tax risks are highlighted, managed and controlled. Where these tax risks manifest themselves we disclose them to the tax authorities

### **Our approach to managing risk and risk appetite**

EDF ER is proactive in managing all financial risks, including tax risks, and utilises a robust governance framework throughout its business to ensure that there is the appropriate level of oversight and Board engagement. We manage tax risk to ensure they are highlighted and monitored and the most significant are managed and minimised. We use technology to maximise quality and accuracy, to support our tax filings, and continuously strive to improve processes.

Responsibilities for operating and monitoring risk management and internal control activities are clearly documented and communicated across the company. We ensure that our employees undertake necessary education and training to ensure an appropriate awareness of roles, responsibilities and accountabilities.

Our tax team are involved in all significant business developments and are suitably experienced and regularly trained to provide up to date technical advice so that risks are minimised and EDF ER can adhere to its Tax Strategy.

At least annually, the Audit Committee reviews the company's top risks, the effectiveness of the internal control framework and a summary of management's self-assessment of internal controls,

which includes a review of the process for identifying and managing risks. The Audit Committee also reviews reports from Internal Audit on the adequacy of controls for key risks at each of its meetings. Summary reports are provided to the Board after each Audit Committee.

### **Our approach to tax planning**

We aim to manage our tax affairs in an efficient and pro-active manner to ensure our tax attributes maximise value for our shareholders whilst maintaining our reputation as a responsible corporate citizen.

EDF ER pays UK tax in accordance with all laws and regulations. We do not participate in any artificial schemes or arrangements that are primarily designed and focused on reducing tax liabilities. We only undertake tax planning to enable the elimination of tax risk created by our day to day business operations. In this context, tax risk is the creation of tax liabilities that are not intended by legislation.

We utilise tax incentives, exemptions and reliefs where they are relevant to our business and apply them in the manner intended by the Government.

### **Our approach to dealings with HMRC**

We work together with the tax authorities in a style that is open and honest in order to build positive, long term relationships. We aim to liaise with tax authorities in real-time, maintaining regular contact and dialogue to ensure complete transparency of our tax liabilities and obligations.

Where tax legislation is unclear, or may be considered unclear, we disclose our position and uncertainty to HMRC.

We continually review our business processes to ensure they comply with tax legislation. Where these reviews discover errors, we share these with HMRC to agree actions and their impact on past, present and future tax liabilities.

### **Our future commitments**

We are investing to accelerate our vision of helping Britain achieve Net Zero. By transitioning to zero carbon electricity from wind and solar, it demonstrates our commitment to being a responsible business.

This commitment adds to the complexity of our business as we develop, build, operate and maintain renewable technologies. As the increased complexity inevitably leads to increases in tax compliance obligations and tax risks we:

- Aim to manage and mitigate those increased obligations and risks, and
- Aim to continually act with integrity and to be trusted by the tax authorities in how we conduct our tax affairs.

This Tax Strategy is published annually but periodically reviewed by the tax team to ensure it keeps ahead of best practice and governance protocols..