

2021 Group Tax Strategy Statement

Scope

This strategy applies to EP UK Investments Ltd 'EPUKI' and to the group of companies headed by EP UK Investments Ltd in respect of the year ending 31 December 2021. This strategy is published in accordance with paragraph 19 of Schedule 19 to the Finance Act 2016. A list of the entities to which it applies is set out below. In this strategy, references to 'EPUKI' or 'the group' are to all these entities. The strategy is being published in accordance with paragraph 19(4) of the Schedule.

This strategy applies from the date of publication until it is superseded. References to 'UK Taxation' are to the taxes and duties set out in paragraph 15(1) of the Schedule which include Income Tax, Corporation Tax, PAYE, NIC, VAT, Insurance Premium Tax, and Stamp Duty Land Tax. References to 'tax', 'taxes' or 'taxation' are to UK taxation and to all corresponding worldwide taxes and similar duties in respect of which the Group has legal responsibilities.

Aim

EPUKI is committed to full compliance with all statutory obligations and full disclosure to relevant tax authorities. The group's tax affairs are managed in a way which takes into account the group's wider corporate reputation in line with EPUKI's overall high standards of governance.

Governance in relation to UK taxation

- The Board of EPUKI are accountable to the Board of Energetický a průmyslový holding 'EPH', the ultimate owner of EPUKI that is disclosed in the UK statutory accounts. The Board of EPUKI contains Directors who are also Directors of EPH
- EPH expects EPUKI to conduct its' tax affairs in a manner which is consistent with the policies contained herein and in accordance with EPUKI's immediate parent company EP Power Europe a.s.' Tax Governance Policy, the purpose of which is to ensure compliance with all applicable tax laws and regulations for significant transactions and business decisions
- EPH expects EPUKI to proactively consider EPH's environmental impact, social welfare and sustainable governance practices (ESG), in particular the ESG master paper, to ensure tax policies and decisions are aligned with the group's sustainability objectives
- Ultimate responsibility for EPUKI's tax strategy and compliance rests with the Board of EPUKI
- Executive management of EPUKI is delegated by the Board to Tom Bains, the Chief Executive Officer
- The CEO is the Board member with executive responsibility for tax matters
- Day-to-day management of EPUKI's tax affairs is delegated to appropriately trained employees
- The Board ensures that EPUKI's tax strategy is one of the factors considered in all investments and significant business decisions taken

Risk Management

- EPUKI operates a system of tax risk assessment and controls as a component of the overall internal control framework applicable to the group's financial reporting system
- EPUKI seeks to reduce the level of tax risk arising from its operations as far as is reasonably practicable by ensuring that reasonable care is applied in relation to all processes which could materially affect its compliance with its tax obligations
- Processes relating to different taxes are allocated to appropriate process owners, who carry out a review of activities and processes to identify key risks and mitigating controls in place. These key risks are monitored for business and legislative changes which may impact them and changes to processes or controls are made when required
- Appropriate training is carried out for staff who manage or process matters which have tax implications
- Advice is sought from external advisers where appropriate

Attitude towards tax planning and level of risk

EPUKI manages risks to ensure compliance with legal requirements in a manner which ensures payment of the right amount of tax

When entering into commercial transactions, EPUKI seeks to take advantage of available tax incentives, reliefs and exemptions in line with, and in the spirit of, tax legislation. EPUKI does not undertake tax planning unrelated to such commercial transactions

The level of risk which EPUKI accepts in relation to UK taxation is consistent with its overall objective of achieving certainty in the group's tax affairs. At all times EPUKI seeks to comply fully with its regulatory and other obligations and to act in a way which upholds its reputation as a responsible corporate citizen. In relation to any specific issue or transaction, the Board is ultimately responsible for identifying the risks, including tax risks, which need to be addressed and for determining what actions should be taken to manage those risks, having regard to the materiality of the amounts and obligations in question

Working with HMRC

EPUKI seeks to have a transparent and constructive relationship with HMRC through regular meetings and communication in respect of developments in EPUKI's business, current, future and retrospective tax risks, and interpretation of the law in relation to all relevant taxes

Any inadvertent errors in submissions made to HMRC are fully disclosed as soon as reasonably practicable after they are identified

List of entities covered by this Tax Strategy

Eggborough Power Limited

EP Invest Limited

EP Langage Limited

EP SHB Limited

EP UK Finance Limited

EP UK Investments Limited

EP UK Power Development Ltd

Humberland Limited

Lynemouth Power Limited

EP Kilroot Limited

EP Ballylumford Limited

EP Waste Management Limited

RVA Consulting Engineers Limited

RVA Engineering Solutions Limited

RVA Group Limited

Humbly Grove Energy Limited

Humbly Grove Energy Services Limited

EP NI Energy Limited

EP Eggborough Limited