

# EDF Trading Limited

## Tax Strategy 2017

### Governance

The CFO has overall responsibility for the tax strategy, tax risk management and the governance framework which supports the tax strategy. Day to day management of the tax strategy is delegated to the Head of Tax who reports to the CFO.

This Tax Strategy is aligned with the EDF Group Code of Ethics, the EDF Group Tax Policy and the EDF Trading Code of Conduct. It is consistent with EDF'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 Tax Compliance

The EDFT Group seeks to comply with its tax compliance, filing and payment obligations globally.

We aim to act with integrity and transparency 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.

### Risk Management

EDFT has the appropriate systems and procedures in place to identify, assess and manage tax risk.

EDFT 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 risks to ensure they are highlighted and monitored and the most significant are managed and minimised.

Responsibilities for operating and monitoring risk management and internal control activities are clearly documented and communicated across the company. Education and training to ensure an appropriate awareness of roles, responsibilities and accountabilities are available for employees.

The Audit Committee and Board of Directors regularly evaluate the effectiveness of processes for identifying and managing risks to the achievement of EDFT objectives and challenge and approve the EDFT risk profile.

### 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.

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

We only undertake tax planning to enable the elimination of tax risk created by our day to day business operations (i.e. to avoid suffering double taxation or unexpected tax costs arising from commercial activities).

We do not participate in any artificial schemes or arrangements that are primarily designed and focused on reducing tax liabilities.

External advice may be sought in relation to areas of uncertainty or complexity and to ensure that our activities are in line with our tax strategy.

### Our approach to dealings with tax authorities

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 dialogues to ensure complete transparency of our tax liabilities and obligations.

We ensure that the tax authorities are kept up to date on significant transactions or changes within the business and disclose all relevant facts including details of any transactions or issues where the tax treatment is unclear. This approach is applied proactively, to both current and future events and transactions.

### Transparency

We comply with international compliance measures to improve transparency, including OECD measures such as country by country reporting and automatic exchange of information.

We do not tolerate tax evasion or the facilitation of tax evasion by persons acting on our behalf.

The EDFT Group regards the publication of this document as complying with the duty under paragraph 19(2), Sch.19, Part 2 of the Finance Act 2016.