About Equans UK **December 2022**

In 2021 ENGIE reorganised into four business units and created Equans on 1 July.

Equans was setup as a multi-technical service provider with expertise in the areas of electrical, HVAC (heating, ventilation and air conditioning), cooling, mechanical, digital and IT, and facility management ("FM") that will support customers in their energy, industrial and digital transitions. Equans had c.74,000 employees across 17 countries with an annual turnover of more than EUR 12 billion.

In the UK & Ireland, Equans is a provider of technical services, FM, regeneration and energy services – with specialist capabilities in smart buildings, green mobility, district & embedded energy and decentralised renewables. Our 13,500 UK & Ireland employees combine these activities to help businesses, public sector organisations and government to embrace the energy transition towards net zero, and also the digital and industrial transitions that are redesigning the way we move, work and live.

Bouygues acquisition of Equans

On 5 November 2021 it was announced that ENGIE S.A. and Bouygues S.A. had entered into an exclusive agreement for the sale and purchase of Equans with the transaction completing on 4 October 2022. Following completion of the acquisition Bouygues became a world leader in the promising multi-technical services market.

The new business segment comprising Equans and Bouygues' Energies & Services arm will generate sales of c €17 billion, employ around 97,000 people and operate in over 20 countries.

The completion of the acquisition of Equans will lift the Bouygues group's total sales from €38 billion to nearly €51 billion and the headcount to around 200,000 in over 80 countries.

Equans UK Tax Strategy in 2022

During 2022 Equans UK made no changes to its Tax Strategy, which is set out below. This strategy is consistent with the ENGIE Group Tax Policy (with which it complied during the period of ownership of Equans by ENGIE until 4 October 2022 and which is set out in the Appendix) and the Tax Strategy of fellow Bouygues entities in the UK, following the acquisition of Equans by Bouygues on 4 October 2022.

A UK sub-group of a foreign group is required under Paragraph 19 of Schedule 19 Finance Act 2016 to publish its tax strategy and this tax strategy is published in respect of the accounting period ended 31 December 2022.

The publication of this strategy is considered by the Equans UK sub-group to meet its obligations under Paragraph 19 Schedule 19 Finance Act 2016.

The following areas are covered by the UK tax strategy:

- The approach to risk management and governance arrangements in relation to UK taxation
- The attitude towards tax planning (so far as affecting UK taxation)
- The level of risk acceptance in relation to UK taxation
- The approach towards dealings with HMRC

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

Equans employs tax professionals in the UK who work as part of the wider global tax function and who adhere to the UK tax strategy. There is a 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 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 towards tax planning (so far as affecting UK taxation)

Our business is built upon a culture of robustness and performance, which is underpinned by an individual and collective commitment to maintain the highest ethical standards at all times. Ethics are ingrained in the Fundamentals of our company and form a pillar which underpins all of our activities.

The Equans Code of Ethics aims to bring together employees around the core shared values that must prevail when doing business, no matter what the circumstances or country. This Code of Ethics thus reflects Equans' values on matters of **respect, integrity and responsibility**.

Equans has also published an Anti-Corruption Code of Conduct, which is a practical guide which sets out the behaviour to adopt in all situations that might breach the ethical rules and, therefore, our core shared values. Further guidance can be found at Ethics | Equans UK & Ireland or by contacting ethicsandcompliance.uk@equans.com

Equans 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, 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 acceptance in relation to UK taxation

Internal governance of tax risk is integrated within our business risk management and compliance framework. This approach ensures that tax risk is appropriately and effectively managed.

The approach towards dealings with HMRC

In the UK we are committed to an open, transparent and professional relationship with HMRC based on mutual trust and collaborative working.

Where appropriate, we seek advance clearance from HMRC on the proposed tax treatment of transactions. Where particularly complex or material transactions have been entered into, the UK business engages in dialogue with HMRC to provide explanations on particular matters to aid HMRC's understanding.

ENGIE Tax Policy Statement
as approved by the Board of Directors[1]

Our business activities and tax responsibilities: ENGIE is a global energy and services Group, head-quartered in France, focussed on three key business areas: low-carbon electricity production, particularly from natural gas and renewable energy, energy infrastructure and customer solutions. With 155,000 employees in 70 countries, ENGIE operates low-carbon energy facilities and distribution networks and supports clients in their zero-carbon transition through expertise in client solutions and complex infrastructure.

ENGIE's business activities are subject to a substantial amount of tax (mainly corporate income tax, employment taxes and social contributions, local taxes and sectoral taxes). ENGIE is also required to collect various compulsory levies (mainly VAT, indirect taxes, excise duties, social contributions and payroll taxes) for the benefit of the jurisdictions in which it operates. ENGIE is a key contributor to the funding of public spending.

ENGIE is sensitive to the sustainability of the tax system, which implies that the current needs of the population are balanced against the needs of future generations, as well as the stability of the tax environment of countries in which it operates. ENGIE believes in a tax system that is clearly designed by the legislator, easily complied with by taxpayers, consistently applied by the tax authorities and objectively administered by the tax courts. Such a tax system creates the appropriate level of confidence required both to engage business in long-term investment - beneficial for sustainable and economic growth - and to build public trust in public finances.

As a corporate citizen, ENGIE is committed to acting with honesty and integrity which means complying with relevant tax laws and regulations. ENGIE pays its fair share of taxes in the countries in which it operates and sustains constructive relationships with tax authorities in order to ensure openness and responsiveness, increase legal certainty and preserve its reputation.

ENGIE's internal tax policy relies on a few key principles which are applied locally by all subsidiaries (after a reasonable transition period for newly acquired entities), although listed subsidiaries may have additional tax standards.

1 On 29 January 2020

Tax governance and risk management: Tax matters are duly covered by ENGIE's risk governance framework. The Board is responsible for approving the Group tax policy. The Audit Committee is informed annually about the tax policy and the tax control framework.

Tax responsibility has been delegated to the Group Chief Financial Officer and more specifically, within Finance, to the Global Tax function. Twice a year the Head of Group Tax reports to the CFO and her deputies on the Group tax positions and all significant tax risks. Furthermore, twice a year an update is provided to the Audit Committee of the significant tax risks. The main tax topics are reported on a regular basis to the Head of Group Tax who, when appropriate, brings matters to the attention of the Group CFO and her relevant deputies.

On a daily basis, tax affairs and risks are managed by the Global Tax function which is suitably qualified and regularly trained to provide up to date technical advice, in order to ensure appropriate tax treatments are adopted. To help improve tax certainty for material operations involving a complex or unclear tax regime, external tax advice may be requested to support the Group's interpretation. Advance confirmation may also be sought from tax authorities based on full disclosure, and wherever possible within a reasonable timeframe.

Internal controls and processes exist throughout the Group to ensure compliance with tax filing and payment obligations, and mandatory disclosures. The tax control framework aims to preserve the Group's interests while respecting applicable local rules, compatible with supranational tax regulations and general principles of international tax law. 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. The Group does not tolerate tax fraud nor illegality and follows established procedures and channels.

Tax management and business structure: ENGIE has a responsibility to be financially efficient to protect its competitiveness and further develop its operations to deliver long-term shareholder value. It manages its tax affairs in an efficient and pro-active manner. However, it rejects planning opportunities that are not based on reasonable interpretations of applicable law.

Where applicable, the Group utilises legitimate tax incentives, or reliefs promoted by governments, in the manner intended.

The Group does not take speculative tax positions that create tax risk, nor structure operations in a way that does not reflect economic reality.

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 prepares a master file and, when requested by law, local files to document material transfer prices; it also files its Country by Country Reporting (CbCR) with the French tax authorities following OECD standards.

ENGIE avoids investing in so-called tax haven countries. Such investments can only be made if supported by strong business reasons.

ENGIE is transparent about the entities it wholly or partially owns by publishing annually the list of its subsidiaries and investments, specifying their country of incorporation and the percentage of ownership. In addition to the tax information disclosed in the Annual Report, (e.g. effective tax rate, tax proof and main tax litigations), it publishes the corporate income tax paid annually in the main countries where it operates.

Relationships with government and tax authorities: ENGIE monitors debate on taxation policy in the main jurisdictions in which it operates to anticipate impacts on its business and, more generally, to influence the development of sustainable tax systems. It provides business input to policy makers mainly through trade associations or by directly responding to public surveys at domestic, European or OECD level and to questions from other stakeholders (NGO, media ...).

The Group engages in official, open and constructive relationships with tax authorities to seek appropriate solutions on a timely basis and to limit unnecessary litigation. For example, it responds fully to tax authority enquiries. It has some cooperative compliance agreements and arrangements in place with tax authorities to both engage in a transparent and pragmatic dialogue in order to discuss significant transactions involving complex or uncertain tax treatments (e.g. France and the UK).

In an international context, the Group stresses the responsibility of states to cooperate in tax matters in order to apply a legitimate and non-discriminatory tax law, to avoid or resolve double taxation cases, to simplify and harmonise tax systems and to limit compliance costs for the business.

ENGIE, notably through involvement in industry associations, promotes responsible tax practices which are in line with the B team Responsible Tax Principles which were developed with a group of large companies, along with involvement from civil society and representatives from international institutions (https://bteam.org/our-work/causes/governance/advancing-responsible-tax-practice). ENGIE works towards an extensive implementation of those principles.