



VINCI UK Group Tax Strategy

Introduction

The VINCI Group is a publicly traded multinational enterprise. It is a global player in concessions and construction with operations throughout the world including the UK. Headed by VINCI SA, a French based company, it consists in a decentralized organization, structured around operating units and not countries.

This document sets out the VINCI Group's UK Tax strategy to conform to Schedule 19 of the Finance Act 2016. It is effective for the year ended 31 December 2019, and will remain in effect until another tax strategy is published.

This disclosure applies to all UK consolidated entities as well as its UK subsidiaries more than 50% owned and UK permanent establishments of those entities¹.

Risk management and governance arrangements in relation to UK taxation

The Group aims to comply with tax laws, regulations and practices in a responsible manner in the UK, and to pay the taxes due at the right time. This principle is clearly set out in the 2018 annual report of VINCI SA (please refer to #3.4.2 Practices relating to tax policy, p. 226) as well as in the the Group Code of ethics and conducts: *"This Code serves as a reminder that belonging to the VINCI Group involves more than just strict compliance with applicable laws and regulations. In it, we set out the principles of business ethics that must guide our conduct under all circumstances and in all countries. We state clearly that VINCI expects each and every one of its employees to demonstrate exemplary conduct based on integrity, fairness and respect for the dignity and individual rights of employees. (...)*

VINCI companies and their employees must comply with the applicable laws and regulations in all countries in which they operate.

All employees must refrain from any behaviour that could involve the employee, other employees, the company or the VINCI Group in illegal or unfair practices."

Tax matters, as with all other financial information, are reviewed on a regular basis by the Chief Financial Officers (CFOs) of each entity, notably during the budget phases and for the preparation of the annual and interim accounts purposes as well as on an ad hoc basis when needed. CFOs directly report to the Chief Executive Officers (CEOs), members of the board of directors (BoDs), if any, or the BoDs of the relevant corporate body of the concerned entity, and functionally to the CFO of the upper tier level of the management structure, in accordance with functional and organizational reporting lines. The VINCI Group's head office tax function, based in France also retains oversight of the UK subsidiaries.

As expressly specified in the VINCI Group general guidelines, each entity manager must ensure that financial data is established in compliance with the standards, principles and procedures in force, as contained in the manual of procedures or instruction memos issued by VINCI SA's Financial Department. Financial data, which includes tax data, are reported, managed and controlled through robust accounting systems, constantly

■ **1, cours Ferdinand-de-Lesseps**
F-92851 Rueil-Malmaison Cedex
Tél: +33 1 47 16 35 00
Fax: +33 1 47 16 33 60
www.vinci.com



monitored to ensure they operate effectively and are regularly audited. Staff using those systems are regularly trained.

As highlighted in the Code of conduct and ethics *"Each business line has taken steps to ensure compliance by means of a system of internal controls. These rules are circulated to all levels of management in the operational entities, and in particular to each new manager taking up his or her duties. (...) Every employee shall take part in the continuous improvement of the risk management system and shall facilitate the identification and correction of problems. Every employee shall meticulously and diligently take part in investigations, reviews and audits carried out as part of internal controls."*

Finally, corporate governance and internal audit procedures are well defined in the Annual Report of VINCI SA (please refer to section D. of the Report to the BoD and B. of the Report of the Chairman of the BoD on corporate governance and internal control procedures).

VINCI's attitude to tax planning

As previously noted, the business model of VINCI is a decentralized one, based on the operating autonomy and the empowerment of managers who have to strictly comply with the applicable laws and regulations of the jurisdiction where they operate.

To support business operations and/ or investments, and as such operational decisions, the Group considers tax efficiency and aims to make use of tax incentives and exemptions intentionally offered by UK tax rules.

There are tax experts at the heads of main business division levels as well as at the top tier level.

For any tax matter, UK CFOs can be assisted either by one of these in-house tax experts or by UK tax advisors, that are routinely involved, or both, depending on the subject-matter and its materiality. When UK external advisors are appointed, in accordance with the VINCI's Code of ethics and conduct, *"Companies must ensure that such intermediaries do not compromise the Group by committing unlawful acts"*.

In any case, its overriding principle is to not engage in aggressive and/ or artificial tax avoidance.

VINCI's UK tax risk

In relation to UK tax risks, the materiality level is assessed at each operating unit level by the relevant CFO and, if need be, the BoD, to be appropriately and duly reported to the upper tier level of the organizational structure.

In the UK, the Group faces various types of generic tax risks, which may notably arise because of its size and/ or the complexity of its operations, and that can be categorized as follows:

1. Financial risks:
 - a. Tax compliance failure and associated risks as for instance late filing, filing of inaccurate tax returns, failing to submit in due time claims and elections, or any other tax compliance failure no matter how it is caused (human error, system failure...);
 - b. Operational tax risks that can happen notably in case of technical or factual inaccuracies, lack of in-depth tax analysis of the business operations, unanticipated changes in tax laws, misinterpretation of complex or unclear tax rules;
2. Reputational risks: those risks are the consequences of financial tax exposures which may impact the relationships of the Group with its stakeholders including HMRC.



How VINCI works with HMRC

The Group's expectations are that its UK entities have and maintain good, transparent and constructive working relationships with officers of HMRC.

This implies open communications and meetings in a timely manner when required, and, where disagreements arise, to work with HMRC to resolve issues by agreement where possible.

ⁱ EUROVIA UK LTD, EUROVIA MANAGEMENT LTD, RIS-RINGWAY INFRASTRUCTURE SERVICES LTD, EUROMARK GB LTD, JEAN LEFEBVRE UK LTD, RSS - RINGWAY SPECIALIST SERVICES LTD, BEACH COMMUNICATIONS LTD, EUROVIA INFRASTRUCTURE LTD, RINGWAY HOUNSLOW HIGHWAYS LTD, RINGWAY ISLAND ROADS LTD, NORTH KENT ROADSTONE LTD, RINGWAY ROADMARKING LTD, ENVIRONMENTAL & STRUCTURAL MAINTENANCE LTD, EUROVIA ROADSTONE LTD, RINGWAY GROUP DB PENSION SCHEME TRUSTEES LTD, RINGWAY GROUP LTD, EUROVIA SPECIALIST TREATMENTS LTD, EUROVIA LTD, T.E. BEACH CONTRACTORS LTD, GREEN AGGREGATES LTD, SOUTH WEST HIGHWAYS LTD, SWH CONSTRUCTION LTD, POLYBITUMENS LTD, VINCI CONSTRUCTION GRANDS PROJETS, VINCI CONSTRUCTION TERRASSEMENT UK LTD, VCT, LEE BEESLEY HOLDINGS LTD, HAROLD F WARD LTD, LEE BEESLEY CONVENTRY LTD, LEE BEESLEY MECH & ELEC LTD, WH TAYLOR (DERBY) LTD, CHESHIRE SYSTEMS LTD, FORD SYSTEM LTD, OMEXOM UK LTD, TWYVER LTD, TWYVER SWITCHGEAR LTD, TUNZINI NUCLEAR LTD, COUGAR AUTOMATION HOLDINGS LTD, COUGAR AUTOMATION LTD, KELVIN ENERGY (UK) LTD, KELVIN CONSTRUCTION COMPANY LTD, KELVIN POWER ENGINEERING LTD, EEE UK BRANCH, ACTEMIUM UK, CEGELEC INTERNATIONAL LTD, VINCI ENERGIES UK HOLDING, MENTOR IMC GROUP, POWERTEAM UK, MENTOR IMC LTD, AXIANS NETWORKS LTD, AND AUTOMATION LTD, POWELL ENGINEERING UK LTD, MELDRUM LTD, ACTEMIUM ASAS S.L. UK - ASAS SYSTEMS (SPAIN)'s PE, NWP HOLDINGS LTD, NORTH WEST PROJECTS LTD, QSI GROUP LTD, NOUVEAU SOLUTION LTD, VINCI ENVIRONNEMENT's UK PE, VINCI AIRPORT UK, VINCI NEWPORT DBFO, COFIROUTE UK LTD, VINCI CONCESSIONS UK LTD, ITURF MANAGEMENT, AIRPORTS WORLDWIDE UK HOLDING LTD, BELFAST INTERNATIONAL AIRPORT LTD, CRUISER BIDCO LTD, CRUISER HOLDCO LTD, GATWICK, SUPER HOLDCO LTD, IVY MIDCO LTD, IVY HOLDCO LTD, IVY BIDCO LTD, GATWICK FUNDING LTD, IVY TOPCO, VINCI CONSTRUCTION UK LTD, SOGEA HOLDINGS UK, CONREN LTD, JOHN JONES (EXCAVATION) LTD, VINCI PROPERTY LTD, VINCI UK DEVELOPMENTS LTD, ROSSER & RUSSEL MAINTENANCE LTD, VINCI FLEET SERVICES LTD, VINCI INSURANCE SERVICES LTD, STOREPOINT LTD, VINCI PLC, C & B HOLDINGS LTD, CRISPIN & BORST LTD, GENFLO TECHNOLOGY LTD, NORWEST HOLST CONSTRUCTION LTD, VINCI GROUP LTD, VINCI CONSTRUCTION LTD, VINCI PARTNERSHIPS LTD, VINCI TECHNOLOGY CENTRE UK LTD, PEL INTERIORS LTD, WEAVER PLC, VINCI ENVIRONMENT UK LTD, GORDON DURHAM ET CO LTD, GORDON DURHAM HOLDINGS LTD, STRADFORM LTD, FIFEHEAD LTD, STRADFORM (SOUTH WEST) LTD, STRADFORM (MIDLANDS) LTD, TAYLOR WOODROW CONSTRUCTION, TAYLOR WOODROW CIVIL ENGINEERING LTD, TAYLOR WOODROW CONSTRUCTION SOUTHERN LTD, TAYLOR WOODROW INTERNATIONAL LTD, TAYLOR WOODROW MANAGEMENT LTD, TAYWOOD ENGINEERING LTD, FACEO FM UK, POWERTEST LTD, VINCI FACILITIES PARTNERSHIPS LTD, VCF - PETIT/MANDARIN ORIENTAL JV, FREYSSINET UK, REINFORCED EARTH COMPANY LTD (UK), CORROSION CONTROL SERVICES LTD, NUVIA LTD, BACHY SOLETANCHE LTD, SOLETANCHE LTD, SOIL ENGINEERING LTD, WESTPILE LTD/SOLETANCHE FREYSSINET IT UK LTD, HEARTHCOTE PROPERTY SERVICE LTD, BACHY LTD, GAGE TECHNIQUE INTERNATIONAL LTD, VIBRO MENARD LTD, VIBRO GROUP LTD, BACHY SOLETANCHE HOLDINGS LTD, SIXENSE LTD, BACHY SOLETANCHE HOLDINGS (EUROPE) LTD, EUROPILE LTD, ROGER BULLIVANT LTD, SOIL ENGINEERING GEOSERVICES LTD, AQUAFORCE JETTING LTD, SIMPLEX FOUNDATIONS LTD, WEDLOW DEVELOPMENTS LTD, BACHY SOLETANCHE OVERSEAS LTD