



UK Tax Strategy

SmartestEnergy UK Group



SmartestEnergy Limited (“SEL”) and its UK subsidiary company SmartestEnergy Business Limited (“SEBL”) (collectively “SmartestEnergy UK Group”, “the Group”, “we” or “our”) regard the publication of this document as complying with the duty under para 19(2) of Schedule 19 of the Finance Act 2016 to publish a UK sub-group tax strategy in respect of the financial year ending 31 March 2026.

This tax strategy is owned and approved by the Board of Directors of the Group, and will be reviewed and updated each financial year as required by law. The principles contained herein apply equally to all jurisdictions in which we operate.

SmartestEnergy UK Group is committed to a tax strategy that is both open and compliant with the letter and the spirit of the law. As a large multi-national enterprise operating in the renewable energy industry, and a part of the wider Marubeni Corporation worldwide group, we recognise the importance of transparency and compliance in all of our activities and particularly regarding the management of our tax affairs. Our business has a demonstrated focus on environmental and corporate social responsibility, and we see diligent administration and timely payment of the correct amount of tax as a duty.

As a large business, our UK tax contribution goes beyond the significant amount we pay in corporation tax on our profits. As a large employer we also pay employers National Insurance contributions, in addition to operating as a collector of taxes through the PAYE, VAT and CCL systems.

Our overall tax strategy is to:

- Observe and comply with all applicable tax laws, guidance and practice in the UK and in all jurisdictions in which we operate, making all required tax return filings, disclosures and tax payments on time.
- Ensure business decisions are based on strong commercial rationale and economic substance. In making those decisions we will consider the tax impact of those decisions, and claim legitimate incentives, reliefs and allowances where available. We do not take business decisions for the purposes of securing a tax advantage.
- Operate in an environment where we consider tax in the context of our reputation, brand, and our relationships with internal and external stakeholders. This includes maintaining a good, transparent and honest working relationship with tax authorities in all jurisdictions in which we operate, including HMRC.
- Continually develop, review and comply with tax risk management processes and controls appropriate for a business of our size and standing, and ensuring there is Board oversight into this compliance.

1. Approach of the Group to risk management and governance arrangements in relation to UK taxation

We want our tax affairs to be transparent and compliant with tax legislation and recognise that managing tax compliance is increasingly complex. Our experienced internal tax function forms part of and works closely with the Group’s wider finance function to provide guidance, training and monitoring on relevant tax matters. We utilise internal systems, processes and controls in order to minimise tax risks, and seek external advice as appropriate.

Our internal structure is set up to ensure:

- The Board of Directors understand the importance of tax compliance, and how it is achieved.
- There is a constant dialogue between the Board of Directors and those individuals tasked with the operation of our tax and finance function regarding the way our business manages its tax risk.
- The business portrays a positive view towards tax compliance and the importance of meeting our obligations.

We keep under review how we meet our tax obligations and manage tax risks, including through investing in tax training for our staff.

2. Attitude of the Group towards tax planning

As stated above, business decisions are supported primarily by strong commercial rationale and economic substance, rather than being motivated by tax outcomes. We undertake tax planning within the letter and the spirit of the law as part of our overall business strategy and in the normal course of business. Professional advice is sought as needed on a transactional basis, with the depth of such advice being driven by our assessment of the risks and uncertainties presented by each opportunity.

In line with the principles of the Marubeni Corporation's Code of Conduct we do not undertake aggressive tax planning, or engage in artificial or abusive transactions, the sole purpose for which would be the obtaining of a tax advantage. We take seriously our responsibility as a large business to minimise our tax risk and our exposure to negative publicity through non-compliance or aggressive tax planning.

3. Attitude of the Group towards tax risk

The Board of Directors sees compliance with tax legislation as key to managing our tax risk. We understand the importance of tax in the wider context of business decisions and have processes in place to ensure tax compliance is considered as part of our decision-making process.

We have relationships with professional advisers that allow us to seek expert advice on specialist areas of tax, particularly where there may be a material level of uncertainty or complexity. Our approach is to ensure we are compliant and understand our responsibilities with regards to tax, rather than looking for ways to aggressively avoid payment of tax.

The Board is conscious of the potential for negative publicity attracted by an irresponsible attitude towards tax, and sees a zero tolerance approach in this regard supported by strong internal processes and a good working relationship with our professional advisors and HMRC as the best way to manage this reputational risk.

4. Approach of the Group towards its dealings with HMRC

Our relationship with HMRC, and indeed with tax authorities in every jurisdiction in which we operate, is focussed around the principles of honesty, integrity, transparency, timely tax compliance (e.g. meeting relevant filing and payment deadlines for taxes the Group pay), and a proactive and cooperative approach where there are any deviations to deadlines.

The Group is classified as large by HMRC on account of the size of its own operations and its ownership by the Marubeni Corporation and as such has been assigned an HMRC Customer Compliance Manager (CCM). Through this relationship, we provide HMRC with an update on past, current and future business developments and discuss the associated tax implications.

We also employ the services of professional tax advisers to act as our agents on certain matters (e.g. corporation tax compliance), and in these cases, they are able to liaise with HMRC on our behalf.

Signed on behalf of all companies:

Robert Groves
Chief Executive Officer, SmartestEnergy Limited

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