

## **Tax Governance Statement – published 19<sup>th</sup> December 2022**

### **UK tax strategy**

ista Energy Solutions Ltd ('ista') is publishing this tax governance statement regarding its approach to tax risk management, tax governance, tax compliance and attitude towards tax planning in the United Kingdom ('UK').

This statement has been prepared for the year ended 31 December 2022, and ista regards this publication of the information set out below as complying with its duty under the UK's Finance Act 2016, Schedule 19, Para 19 (duty to publish a sub-group tax strategy) in the current financial year.

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 ista Group has legal responsibilities.

ista has been the only UK resident company of the ista Group throughout 2022.

### **Introduction**

ista is one of the world's leading companies providing energy services for greater energy efficiency in buildings – especially in apartment buildings and commercial properties. Making individual energy and water consumption transparent is key to the business. ista reads some 48 million meters in more than 11 million homes mainly in Europe. Systematically working on new services and sustainable solutions to save resources in the real estate industry and adding additionally sustainable value to buildings for their residents and owners differentiate ista from its competitors.

### **Our commitment to tax transparency and ethical behavior**

ista is committed to the Organization for Economic Co-operation and Development's (OECD) initiatives on tax transparency, including the principles of recognising income and paying taxes in the countries where activities are undertaken.

ista complies with all tax laws and regulations, reporting and disclosure requirements in a timely fashion, and we maintain candid and transparent relationships with all engaged tax authorities.

### **Our commitment to tax risk management and governance**

ista acts with due diligence and care in managing all tax-related activities and maintains appropriate tax governance procedures. We strive to pay the correct amount of tax at the right time, under all relevant laws and regulations.

ista adheres to the OECD's guidelines on transfer pricing and subsequently ista's transfer pricing policy is applied consistently in all jurisdictions in which the Group operates, applying the arm's length standard. Ista is monitoring the changing tax environment, paying particular attention to BEPS2.0 to ensure full compliance once the rules are introduced.

ista takes a prudent approach in considering the tax outcomes of its various commercial transactions, including respecting the spirit of any laws or regulations, recognising that tax laws are complicated and may be open to multiple interpretations.

ista takes advice from independent external tax, legal and accounting firms to ensure that our risk management decisions are based upon the latest and most relevant interpretations of laws and regulations. Ista also has robust systems and controls in place to ensure it manages tax risk appropriately, with tax integrated into the company's risk control framework.

The Head of Corporate Tax, who reports directly to the Chief Financial Officer, has responsibility for ista's management of tax affairs. The Head of Corporate Tax interacts regularly with the relevant representatives of ista and other stakeholders, and through collaboration strives to ensure that informed tax decisions are made, and any tax risk is appropriately managed and documented.

All tax trained staff who work on ista's tax affairs will receive updated tax training throughout the year to ensure management of tax risk.

### **Our attitude to tax planning**

The tax affairs of the Group should be arranged and managed to support its business or commercial activities. ista does not participate in aggressive tax planning for the purposes of tax avoidance and is committed to paying the right amount of tax in the correct jurisdiction. The group would always seek clearance from HMRC where necessary and appropriate.

The ista Group 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 UK and global tax obligations.

However where there is the possibility of tax risks, the ista Group assesses these and analyses different tax outcomes that may arise from its commercial operations and its structure. Where there is uncertainty as to the application or interpretation of tax legislation, ista obtains the necessary legal advice to support its assessment of the tax risks and outcomes.

ista, and the Group will seek to utilise tax reliefs and allowances in the UK but only where appropriate to do so and in line with policy intention behind the relevant legislation. Where policy intention is in doubt, we would seek external support as above. Ista and the Group does not seek to take advantage of legislation in order to avoid taxing activity in the relevant jurisdiction through the imposition of artificial structures or transactions.

ista, and the Group, work to ensure full compliance within all jurisdictions in which it operates. Within ista, and the Group, there are clearly defined lines of responsibility to ensure any decisions are made at the appropriate level and in line with the purpose of the tax legislation in each jurisdiction.

The Code of Business Conduct applies to everyone working for, or with, ista. It is the responsibility for everyone to follow this code and therefore this is considered before any planning or entering into any transactions which carry tax implications.

### **Our level of acceptable tax risks**

ista's conservative appetite to risk causes us to aim to minimise the level of risk in relation to UK taxation. The Group is not prepared to accept a level of risk that will expose it to not only immediate financial risks such as tax litigation and penalties but also reputational harm and is mindful of its corporate social responsibility to pay tax which reflects where economic activity is undertaken in line with OECD guidance.

To ensure that tax risk is managed appropriately, strong internal policies and processes, including our Code of Business Conduct, are in place. Everyone working for, or with, ista shares a responsibility to follow our Code and to work with integrity.

ista regularly seeks professional advice from independent reputable external advisors to assist with the assessment of tax risk regarding particular transactions or issues.

As above the Head of Corporate Tax has responsibility for ista's tax affairs. The stakeholders are not considered to have undue influence but naturally will be consulted where appropriate on key decisions.

The Group recognises the BEPS Action Plan (a countermeasure against Base Erosion and Profit Shifting), established by the OECD, as an important international tax framework for preventing international tax avoidance and excessive tax planning, and for ensuring tax transparency through tax information disclosure.

### **Our commitment to an open relationship with HM Revenue & Customs ("HMRC")**

ista is committed to a collaborative relationship with HMRC.

We refer to and follow HMRC's guidance, and act in a candid and transparent manner in all interactions with HMRC. This applies to all current, future and past tax risks across all relevant taxes and duties.

ista responds within the designated timeframe to all correspondence received from HMRC, and where appropriate, engages in discussions around any points of uncertainty arising from the interpretation or application of tax legislation.

ista is committed to timely submission of accurate tax computations and returns in compliance with all tax laws and regulations in the UK.

The above Strategy was reviewed and approved by the Board on XX XXXXX 2022.