

# The EG Group

## Tax Strategy

Period ended 31 December 2017



Partner brands



## Introduction

In November 2016, the Euro Garages UK group merged with the European Forecourt Retail Group, leading to the formation of the new EG Group. The group now operates in excess of 1,500 petrol forecourt sites in the UK, France, Belgium, The Netherlands and Luxembourg, working with leading global fuel and non-fuel retail brands including Esso, BP, Shell, Starbucks, KFC, Subway, Burger King, Sainsbury's, SPAR, Carrefour, Paul, Pomme de Pain, and Louis Delhaize. The group has recently announced plans to significantly expand operations into Italy and Germany.

The group aims to deliver a first-in-class forecourt retail convenience offering that brings modern facilities, innovation and enhancements to existing site services. At the same time the group endeavours to embed a focus on continuous sales improvement and customer service excellence.

## Tax strategy

This document sets out the group's strategy with regard to taxation, looking specifically at the approaches towards:

- Tax governance, risk management and compliance
- Tax planning
- Dealing with tax authorities
- The level of tax risk the group is prepared to accept

*Large Businesses: Tax Strategies and Sanctions:* This document has been written to comply with Schedule 19, Finance Act 2016, including specifically paragraph 16(2) and paragraph 17(4).

This tax strategy is published by EG Midco Limited and applies to all companies in the EG Group. It guides directors and employees within the group, and summaries key responsibilities, expected levels of professional conduct and the group's approach to working with external parties.

## Group Tax Policy

The group tax policy has at its core the following objectives:

### **1. Compliance commitment**

The group is committed to conducting its tax affairs in a way which is consistent with compliance obligations wherever the group operates.

### **2. Tax risk management**

The group manages its tax risks through a combination of active engagement with existing and forthcoming rules and regulations covering such risks, the development of strong internal tax and finance functions, and the input of external advisers.

### **3. Commercial imperatives**

Everything the group does, including its approach to tax, is led by the group's commercial objectives and is consistent with the group's wider strategy.

### **4. Constructive engagement with tax authorities**

Wherever the group operates, it aims to develop collaborative and transparent relationships with taxing authorities.

The above objectives are explained in more detail below

## **1. Compliance commitment**

The group observes all tax laws and regulations in all the territories where it operates. Where the group is expanding into new territories, significant up-front investment of time and resource is made to ensure new business ventures are tax compliant from inception. In this regard, the group pays (and collects) the right amount of tax at the right time wherever it operates.

The group's tax team works closely with all business lines to ensure tax compliance across the board. The group also makes use of external advisers either where there is insufficient in-house capacity or expertise, or where there are areas of uncertainty.

The group is also looking to automate processes more fully to both ensure the continued accuracy of tax compliance and to speed up compliance processes to enable the group to deal with the growing requirements of real-time tax reporting.

## **2. Tax risk management**

In addition to observing the compliance and reporting requirements arising out of Senior Accounting Officer ("SAO") reporting and the Corporate Criminal Offences Act ("CCO"), the group maintains a tax risk register which sets out all potential tax risks that arise from the group's commercial operations.

The group uses the tax risk register to ensure that appropriate levels of professional care and judgement are used to manage downwards the tax risks that arise from the group's commercial activities. In addition to this, the group uses third party advisers to support decision-making processes, in particular in novel situations such as overseas expansion.

Other factors that inform the group's approach to tax risk management include:

- The group's corporate and social responsibility to its stakeholders;
- The responsibilities of directors and employees;
- Reputational issues; and
- The current and future tax landscape including the OECD developments with regard to Base Erosion and Profit Shifting ("BEPS").

### 3. Commercial imperatives

All decisions the group makes with regard to tax are taken in a manner that is consistent with the group's wider commercial aims. This means that the group does not undertake tax planning that is inconsistent with the group's overall objectives. Whereas the group does, and will continue to, make use of statutory tax incentives or reliefs in all territories where these are appropriate and legally applicable, such incentives and reliefs are and will only be used where they arise as a consequence of the group's commercial operations.

The group does not, and will not, engage in planning which is tax driven or which seeks to frustrate the intention of tax legislation, either in the UK or elsewhere.

### 4. Constructive engagement with tax authorities

The group deals with tax authorities wherever it operates on the basis of transparency and fairness. This is an important aspect of our approach to tax because of the group's commitment both to its corporate and social responsibilities, and to dealing openly and honestly with all stakeholders, including tax authorities.

To this end, the group tax team and other senior colleagues meet with the tax authorities on a regular basis in the jurisdictions where it operates, in order both to discuss historical issues and to set out the group's plans in real time. The group also makes use of advance ruling arrangements with tax authorities wherever this is possible and deemed appropriate.

In all territories where the group operates, its policy is to answer all tax enquiries and audits efficiently, and in the spirit of collaboration. Where differences of opinion arise between the group and a tax authority, the group strives to resolve these differences quickly and amicably.

***This document will be periodically reviewed by the group. This present strategy document is effective for the year ending 31 December 2017.***