



Innovating through transparency and a responsible approach to tax

UK Tax Strategy

We want to comply with the evolving UK requirements for businesses to publish their tax strategies. The publication of a clear tax strategy enables stakeholders to better understand companies' approach to tax and helps build trust and confidence.

Prevost was established in Annecy-Le-Vieux (FR) in 1978, the UK subsidiary was created in 2008. Prevost offers a range of products designed for compressed air networks and fluid distribution. The company is present in the main industrial and automotive sectors using pneumatic and hydraulic power. Thanks to the experience acquired, Prevost is now developing its international presence and has many clients in Europe, the US and over 80 other countries.

Our operations in the United Kingdom represent approximately 3% of our turnover, which generates employment for 8 full-time equivalent employees (FTEs) during FY20. We conduct distribution activities for our customers.

The disclosures we have made in this document, including our guiding tax principles, apply to our UK business. The most pertinent of these are set out below:

- The attitude of the Prevost towards tax planning is a conservative one. We seek to arrange our business affairs and transactions in a tax efficient way but always with a strong commercial rationale at the core of decisions. We test our thinking against stakeholder expectations and a responsible business attitude. The guiding principles as defined and outlined in our Code of Business Conduct equally apply to Prevost's tax affairs. We take our social responsibility seriously.
- Our risk appetite is governed by a set of decision criteria based on professional judgement obtained in-house and through specialist guidance and support from advisers, where appropriate. Our Group Risk Management Framework requires all of our functions and businesses (including the UK) to establish processes for identifying, evaluating and managing the key risks faced by the Group. Our Group Tax Risk Policy comprises processes to identify, measure, control and report on our tax risks within this framework.
- From time to time we will engage tax advisers to provide specialist expertise, to provide second opinions on significant transactions, to help us understand new legislation or to provide us with insight on industry practice.
- Our dealings with HMRC as the UK tax authority are based on mutual respect and trust. We aim to ensure these are fully explained to HMRC whenever UK tax implications are concerned.
- Each year our Chief Financial Officer signs off the Senior Accounting Officer obligations. Material items concerning the UK are reported to the group audit committee and, where applicable, the board of directors.