

# Veolia UK - Tax Strategy



## **ABOUT VEOLIA**

The Veolia group aims to become the benchmark company for ecological transformation. Present on five continents with nearly 218,000 employees, the Group designs and deploys useful and concrete solutions for water, waste, and energy management that contribute to radically changing the situation. Through its three complementary activities, Veolia contributes to developing access to resources, preserving available resources, and renewing them. In 2023, the Veolia group will serve 113 million inhabitants with drinking water and 103 million with sanitation, produce 42 terawatt hours of energy, and recover 63 million tonnes of waste. Veolia Environnement (Paris Euronext: VIE) achieved consolidated revenue of 45.3 billion euros in 2023.

[www.veolia.com](http://www.veolia.com)

## **BACKGROUND**

At Veolia, it is our policy to conduct all of our business in an honest and ethical manner. Our Values outline the standards and behaviours that Veolia upholds as a business. By living our Values, we can maintain the highest ethical standards in the conduct of our business affairs.

The tax operating principles and guidelines governing the management of our tax affairs are fully aligned with the Group's wider commercial, reputational, and business practices and are consistent with our commitment to corporate responsibility. They consist of the following:

- Managing our tax affairs so as to protect shareholder value whilst ensuring the Group's reputation, brand, corporate and social responsibilities are not compromised;
- Complying with applicable tax laws, rules, regulations, and disclosure requirements wherever we operate;
- Paying the right amount of tax at the right time and in the right place around the world;
- Use incentives and reliefs only for the purposes intended;
- Only taking tax decisions that are aligned with a genuine commercial rationale and are consistent with the wider objectives of the Group; and,
- Subject to local custom and practice, to be constructive and transparent with tax authorities, based on the concepts of integrity, collaboration, and mutual trust.

## **INTRODUCTION TO THE TAX STRATEGY**

This document sets out the tax strategy for the Veolia UK group of companies ('Veolia'). It is set by the Chief Financial Officer, Northern Europe, and the UK Head of Tax, and they will jointly monitor the effectiveness and review the implementation of this policy - regularly considering its suitability, adequacy, and effectiveness.

The tax strategy is primarily relevant to the Executive Committee, the Audit Committee, and all members of the UK Tax Department. It is also relevant to all finance, legal and operational personnel at Veolia whose decisions

have tax consequences.

The approach to managing our tax affairs, as set out in this strategy document, is approved by Gavin Graveson, Senior Executive Vice-President, Northern Europe Zone. It was last approved in December 2023.

### **SPECIFIC HM REVENUE & CUSTOMS (“HMRC”) REQUIREMENTS FOR A PUBLISHED TAX STRATEGY**

The Finance Act 2016 requires the published tax strategy of a business to cover four specific requirements:

- The approach to risk management and governance arrangements in relation to UK taxation;
- The attitude of the group towards tax planning (so far as affecting UK taxation);
- The level of risk in relation to UK taxation that the group is prepared to accept; and,
- The group's approach towards dealings with HMRC.

Veolia considers that the above items are all satisfactorily addressed in this document, and therefore, it is compliant with the requirements of the Finance Act 2016 in respect of the year ended 31 December 2024.

### **THE APPROACH TO RISK MANAGEMENT AND GOVERNANCE ARRANGEMENTS IN RELATION TO UK TAXATION**

Given both the scale and different aspects of our business, risks will inevitably arise occasionally. However, Veolia effectively manages these risks in a number of distinct ways:

- The UK Head of Tax is responsible for ensuring that appropriate tax policies, processes, and systems are in place and that these are reviewed for operational effectiveness;
- The UK Tax Department is adequately staffed, has clearly defined roles, and has the required skills and support to carry out its role effectively. Regular training is provided to ensure they are capable of identifying and managing the tax risks faced as a result of the ever-changing tax obligations both in the UK and overseas;
- Appropriate proactive and real-time support is provided to all areas of our business operations such that commercial objectives can be maximised, risks can be minimised, and appropriate tax incentives can be claimed. Commercial objectives will, however, on no occasion override compliance with tax laws and regulations;
- Veolia takes a zero-tolerance approach to the facilitation of tax evasion in any form by its employees, agents, or associates of any kind. Veolia considers that it has reasonable prevention procedures in place for the purposes of Part 3 of the Criminal Finances Act 2017, with our policy in this area clearly communicated to all appropriate stakeholders;
- Tax is a key driver when considering investment opportunities to ensure that all decisions are made with the knowledge of all future associated tax costs and that post-tax returns can be optimised. It is important, therefore, that all of our business operations receive the appropriate level of tax support, and the UK tax department, therefore, will aim to be involved in all stages of material and/or tax-sensitive transactions from initial planning through to post-implementation; and,
- The UK Audit Committee will periodically review tax matters affecting the UK group via updates provided by the UK Head of Tax. Material tax concerns are included in the overall UK risk register, with details also provided to Veolia Environnement SA.

### **THE ATTITUDE OF THE GROUP TOWARDS TAX PLANNING (SO FAR AS AFFECTING UK TAXATION)**

Ensuring that we pay the right amount of tax at the right time is core to Veolia, and we make a significant total tax contribution to the UK Exchequer each year regarding our UK activities.

We will, however, manage our tax costs by maximising the tax efficiency of our business transactions. Specifically, we recognise that there is sometimes more than one tax outcome in commercially motivated transactions. We will not, however, wilfully engage in tax schemes, abuse tax havens, or structure transactions in such a way that we believe are artificial and/or contrary to the spirit and the clear intentions of the tax legislation concerned.

We will only use tax planning to support the business strategy, and as such, all decisions will have a sound commercial rationale, will be within the confines of the law, and will take into account any impact such actions will have on our external reputation.

Occasionally, advice may be sought from external advisors. This will only be the case when the UK Head of Tax considers that there is not the requisite experience within the tax team to adequately address the issue, where tax law is unclear/open to interpretation, or that the issue is sufficiently large to warrant corroboration by an independent third party. The UK Head of Tax will be responsible for any such appointments (although this may be delegated to others from time to time) and shall have in mind any restrictions imposed for any such services under UK law on the use of the UK external auditor, or under EU law on the use of the joint external auditors of Veolia Environnement SA.

### **THE LEVEL OF RISK IN RELATION TO UK TAXATION THAT THE GROUP IS PREPARED TO ACCEPT**

The acceptable nature of tax risk we are prepared to take is inextricably linked to the level of business risk we are prepared to take, which in itself is aligned with Veolia's commercial, reputational, and business practices. In this regard, various factors will always be considered, including, but not limited to, the financial impact, the impact on corporate reputation/brand, and the impact on relationships with external stakeholders.

### **THE APPROACH OF THE GROUP TOWARDS ITS DEALINGS WITH HMRC**

We engage with HMRC with honesty, integrity, respect, and fairness and in a spirit of cooperative compliance. We believe we have a transparent and open relationship with HMRC and will cooperate with them, to the extent possible, on a real-time basis. Where appropriate, Veolia will also consult with HMRC to assist in shaping future legislation and tax policy. All information requests from HMRC – whether under a formal inquiry or otherwise - are processed in as timely a manner as possible to ensure that the information provided is accurate and complete.

We will, to the extent possible, discuss material tax issues with HMRC in advance when we consider that the tax treatment proposed by Veolia may not be agreed upon by HMRC. This could be via scheduled Business Risk Review meetings or periodically throughout the year if more appropriate.

To ensure consistency of approach, all dealings with HMRC are, where possible, dealt with by the UK Tax Department. On occasion, contact with HMRC is required by others, but this should always be done with the full knowledge of the UK Head of Tax. The above approach is also extended to other Government Agencies and, occasionally, overseas fiscal authorities.

Veolia does expect an equal degree of professionalism and mutual respect from HMRC in all of its dealings with them.



**Gavin Graveson**  
Chief Executive Officer, UK&I  
Senior Executive Vice-President, Northern Europe Zone

December 2024

## APPENDIX - VEOLIA UK GROUP OF COMPANIES

Arden Wood Shavings Limited	AR-Pack Limited	AWS Group Holdings Limited
Biochemica Group Limited	Biochemica Water Limited	Biochemica Water NI Limited
Black Lane Colliery Company Limited	Blackleigh Limited	Brettex Site Services Limited
Caltech Industrial Service Company Limited	Clay Colliery Company Limited	Codeve UK
Cynergjin Consultants Limited	Econotek Limited	Effective Project Management Limited
Eneteq Group Limited	Eneteq Services Limited	Faldane Limited
G Walker & Son (Waste Disposal) Limited	GJT Holdings Limited	Hampshire Waste Services Limited
HT Hughes Limited	I C Woodward & Son Limited	JA Morgan & Sons (Bagillt) Limited
KDC Holdings Limited	KDC Veolia Decommissioning Services UK Limited	Leigh Environmental Southern Limited
Leigh Interests Plc	Minosus Limited	Modern Disposals Limited
Onyx Clinical Limited	Onyx Highmoor Limited	Onyx Land Technologies Limited
Onyx Leigh Environmental Limited	Onyx SELCHP Investments Limited	Onyx Springfield Limited
OTV Birwelco Limited	PGR Waste Management Limited	Polymeric Treatments Limited
Primeshade Limited	Properpak (Scotland) Limited	Properpak Limited
Recycled UK Limited	Sheffield Environmental Services Limited	Solys Branch UK
South Downs Waste Services Limited	Stirling Water Seafield Finance Plc	Stirling Water Seafield Holdings Limited
Stirling Water Seafield Limited	The Cogeneration Company Limited	Veolia Bioenergy UK Limited
Veolia Biopower One UK Limited	Veolia CHP UK Limited	Veolia Energy & Utility Services UK Limited
Veolia Energy Clean Power One UK Limited	Veolia Energy Services NI Limited	Veolia Energy UK Limited
Veolia Environmental Services Group (UK) Limited	Veolia Environmental Services Northern Europe Limited	Veolia Environmental Services Peterborough UK Limited
Veolia Environnement Development Centre Limited	Veolia ES (UK) Limited	Veolia ES Aurora Limited

Veolia ES Birmingham Limited	Veolia ES Cleanaway (UK) Limited	Veolia ES Cleanaway Holdings Limited
Veolia ES Clinical (UK) Limited	Veolia ES Energy Performance (UK) Limited	Veolia ES Hampshire Limited
Veolia ES Holdings (UK) Limited	Veolia ES Lambeth Limited	Veolia ES Landfill Limited
Veolia ES Leeds Limited	Veolia ES Merseyside & Halton Limited	Veolia ES Montenay Limited
Veolia ES Nottinghamshire Limited	Veolia ES Plastics UK Limited	Veolia ES Resource Efficiency (UK) Limited
Veolia ES SELCHP Limited	Veolia ES Serviceteam (UK) Limited	Veolia ES Serviceteam Holdings Limited
Veolia ES Sheffield Limited	Veolia ES Shropshire Limited	Veolia ES South Downs Limited
Veolia ES Southwark Limited	Veolia ES Staffordshire Limited	Veolia ES Telford & Wrekin Limited
Veolia ES WEEE Compliance Scheme (UK) Limited	Veolia ES West Berkshire Limited	Veolia ES Westminster Vehicles Limited
Veolia UK Limited	Veolia Water Capital Delivery Limited	Veolia Water Capital Services Limited
Veolia Water Enterprise Limited	Veolia Water Infrastructure Services Limited	Veolia Water Nevis Limited
Veolia Water Operational Services (Highland) Limited	Veolia Water Operational Services (Moray) Limited	Veolia Water Operational Services (Tay) Limited
Veolia Water Outsourcing Limited	Veolia Water Projects Limited	Veolia Water Retail (UK) Limited
Veolia Water UK Limited	Vigie IWS Remediation UK Limited	Vigie UK Limited
Vigie Water UK Ltd	VWS (UK) Limited	VWS Westgarth Limited
Whitemoss Landfill Holdings Limited	Whitemoss Landfill Limited	William W Graham (Contractors) Limited
Wood Pellet Energy UK Limited	York Trust Equities Limited	