



Eni UK - Tax Strategy

In accordance with Schedule 19 Finance Act 2016, the following UK tax strategy applies to all UK tax resident companies and permanent establishments (“Eni UK”) of Eni S.p.A (“Eni”), the ultimate holding company of the group. Eni UK comprises companies that carry on business activities in the UK and overseas. Eni is incorporated under the laws of Italy.

The Eni approach to business management and consequently to tax issues.

In conducting our business Eni is inspired by and complies with the principles of loyalty fairness, transparency, efficiency and an open market (as stated in the Code of Ethics¹) and the highest international standards and guidelines are adopted in the management of activities in all the contexts within which we operate. Eni UK seeks to manage its tax affairs in a manner that is consistent with the group’s Code of Ethics.

The nature of Eni UK’s business in the UK are relatively straightforward as is our tax affairs. We aim to be seen as paying the right amount of tax in the countries we do business in. Eni UK does not operate in such a way as to facilitate tax evasion by persons acting on its behalf.

Approach to risk management and governance arrangements

Eni UK implements the risk management and internal control system applicable to Eni with clear governance complemented by a robust UK Tax Control Framework the objective of which is to ensure with reasonable certainty that the business is managed in line with the principles and objectives of this tax strategy and the published group Tax Strategy, reducing the risk of material breaches to a remote level.

The adoption of the Tax Control Framework takes place through a structured process that includes three stages: i) Assessment of tax risks, ii) Identification and valuation of controls to manage those risks, and iii) Related reporting.

The Tax Management System Guideline defines the rules and methodology to design and set up the Tax Control Framework and to maintain it over time.

The internal control processes are regularly monitored and are ultimately overseen by the group’s audit committee. These reduce the tax risks in respect of both compliance and extraordinary activities and provide clarity over the operations performed.

The key tax risks relevant to Eni UK are primarily:

- Filing correct tax returns and making full disclosure to HMRC;
- Paying the right amount of tax at the right time;
- Claiming reliefs and incentives where available;

¹ https://www.eni.com/docs/en_IT/enipedia/business-model/management-involvement/codice-etico-23-1008.pdf



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- Ensuring intra-group transactions are priced on arm's length principles in accordance with OECD principles.

To manage these risks, in addition to the internal control systems above, the tax affairs of the Eni UK are managed by a team of tax professionals with the relevant qualifications, appropriate skill and experience and is led by a Tax Manager who reports directly to the Finance Director. The team:

- Work with the business in providing clear, timely, and relevant business focused advice across all aspects of tax
- Ensure the business understands our tax risk management policy and principles, including the appetite for risk
- Work to ensure the business understands that the tax function should be involved throughout transactions from planning and implementation to documentation or maintenance.
- Provide appropriate input as part of the approval process for business proposals to ensure a clear understanding of the tax consequences including the costs, benefits and risks of such proposals.

Whenever possible and appropriate, Eni UK uses measures to avoid unnecessary tax disputes through advance clearances, clear filing positions and seeks to liaise constructively with HMRC to resolve disputes. We work with external advisers in order to pro-actively manage the circumstances that could give rise to equivocal interpretations of law and result in a dispute.

The above tools and resources support Eni UK's prudent approach to fiscal risk management.

Tax Planning

Eni UK does not implement tax planning schemes which consist of artificial arrangements or transactions without economic substance that produce undue tax advantages. The group conducts its business in a tax efficient manner in accordance with the tax law as intended by Parliament and in doing so, make use of tax incentives and reliefs as they are intended.

Approach towards dealing with HMRC

Eni UK seeks to maintain a professional, open and collaborative relationship with HMRC. We want to be seen and viewed as a responsible taxpayer and thus maintaining a good relationship is important to us. As a result, we seek to pro-actively manage the relationship with HMRC with the aim of reducing the risk of challenge, dispute or damage to Eni UK's credibility or corporate reputation. We therefore aim to:

- Act professionally and openly with HMRC at all times
- Make full disclosures in our tax returns
- Respond to any HMRC audit and enquiry on a timely basis
- Work collaboratively with HMRC to resolve any areas of dispute with openness, honesty and integrity.



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Acting with Integrity

Eni believes that integrity in the extractive sector is a fundamental step to promoting responsible management of natural resources. Eni UK voluntarily adheres to the EITI - Extractive Industry Transparency Initiative – and discloses tax payments to HMRC and other government institutions.

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