

## **EnerSys Tax Strategy And Approach – United Kingdom**

### **Scope**

This strategy applies to EnerSys Holdings UK Limited (“**EnerSys UK**”) and to the group of companies headed by EnerSys UK (the “**Sub Group**”) in accordance with paragraph 19 to 21 of Schedule 19 to the Finance Act 2016. A list of the entities to which it applies is set out below.

In this strategy, references to “EnerSys UK” are solely in reference to those entities set out in the list below. The strategy is being published in accordance with paragraph 17(1) of the Schedule and EnerSys UK regards its publication as complying with its duty under paragraph 16(2) of Schedule 19 of the Finance Act 2016 in the current fiscal year.

This strategy applies from the date of publication until it is superseded. 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, amounts which the companies are accountable for under PAYE regulations, national insurance contributions, value added tax, customs duties, excise duties, diverted profit 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 Sub Group has legal responsibilities.

### **Aim**

EnerSys UK is committed to full compliance with all statutory obligations and full disclosure to relevant tax authorities. The Sub Group’s tax affairs are managed in a way which takes into account the Sub Group’s wider corporate reputation in line with EnerSys UK’s overall high standards of governance.

### **Governance in relation to UK taxation**

- Ultimate responsibility for EnerSys UK’s Sub Group tax strategy and compliance rests with the overall EnerSys board.
- Responsibility for the tax strategy, supporting governance framework and management of tax risk sits with the Chief Financial Officer. The Chief Financial Officer oversees and manages the Vice President and Corporate Controller.
- The Vice President and Corporate Controller oversees and manages the Senior Director of Global Tax. Senior Director of Global Tax manages tax risks across the global markets in conjunction with the Vice President of Finance in each jurisdiction.
- Day-to-day management of EnerSys UK’s tax affairs is managed by the local financial controllers with oversight and support where appropriate by the Senior Director of Global Tax, the European Tax Manager and the wider corporate tax department.
- The EnerSys Audit Committee’s Charter requires it to oversee the integrity of EnerSys UK’s financial reporting system, internal controls and risk management framework including those elements relating to taxation.
- The finance team is supported by appropriately qualified individuals in respect of UK tax matters.
- The Board ensures that EnerSys UK’s tax strategy is one of the factors considered in all investments and significant business decisions taken.

### **Risk Management**

- EnerSys UK operates a system of tax risk assessment and controls as a component of the overall internal control framework applicable to the Sub Group's financial reporting system.
- EnerSys UK seeks to reduce the level of UK 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 tax obligations.
- Processes relating to different taxes are assigned to appropriate process owners, who carry out a review of activities and processes to identify key risks and mitigating controls in place. These key risks are monitored for business and legislative changes which may impact them and changes to processes or controls are made when required.
- Relevant staff who are involved in the management of tax are provided with training and support as and when required.
- Advice is sought from external advisers where appropriate.

### **Attitude towards tax planning and level of risk**

EnerSys UK manages risks to ensure compliance with legal requirements in a manner that ensures payment of the right amount of tax.

EnerSys UK recognises that it has a responsibility to pay appropriate taxes in each of the countries in which it operates. We aim to balance this with our responsibility to our shareholders and other stakeholders to structure our affairs in an efficient manner and may therefore utilise tax incentives or opportunities where these:

- Are not considered to carry significant reputational risk or significant risk of damaging our relationship with the tax authorities in the countries in which we operate; and
- Are aligned with our business or operational objectives.

The level of risk, which EnerSys UK accepts in relation to UK taxation, is consistent with its overall objective of achieving certainty in the Sub Group's tax affairs. At all times EnerSys seeks to comply fully with its regulatory and other obligations and to act in a way that upholds its reputation as a responsible corporate citizen. In relation to corporate taxes any specific issue or transaction, the Senior Director of Global Tax is primarily responsible for identifying the tax risks, which need to be addressed and for determining what actions should be taken to manage those risks, having regard to the materiality of the amounts and obligations in question. The Senior Director of Global Tax will report and confer with the Vice President and Corporate Controller and ultimately with the Chief Financial Officer with regards to the management of such tax risks.

### **Relationship with HMRC**

EnerSys UK seeks to have a transparent and constructive relationship with HMRC. When submitting tax computations and returns to HMRC, EnerSys UK discloses all relevant facts and identifies any transactions or issues where it considers that there is potential for the tax treatment to be uncertain.

Any inadvertent errors in submissions made to HMRC are fully disclosed as soon as reasonably practicable after they are identified.

### **List of entities covered by this Tax Strategy**

ABSL Power Solutions Limited  
EnerSys Limited