

## **Our Tax Strategy**

This is the tax strategy of the UK sub-group owned by PPL Corporation, based in the US. Our main UK business is to run the electricity distribution networks in the Midlands, South Wales and the South West.

### *Our approach to tax governance*

- The UK Board take ultimate responsibility for the management of taxation affairs in the UK, including the management of risk, the compliance process and the control environment in which the tax department works
- The day to day responsibility for taxes is with the Finance Director, Tax Manager and Payroll and Pensions Manager
- The UK group operates within a control environment that is regularly monitored and audited both internally and externally
- Those responsible for tax are professionally qualified with appropriate experience. As tax is constantly evolving there is a keen focus on keeping up to date with these changes

### *Our attitude to tax planning and tax risk*

- We are committed to comply fully with the UK tax legislation and rules
- We endeavour to pay the right amount of tax at the right time and where there is any uncertainty, we take a prudent approach
- We manage our tax affairs in a manner to minimise the risk to our stakeholders
- We are risk averse and do not take part in any aggressive or artificial planning to reduce our tax liabilities
- We take professional advice in areas of tax uncertainty and where we recognise that we do not have the in-house expertise

### *Our approach to HMRC*

- We view HMRC to be an important stakeholder in our business
- We value an open and upfront working relationship with HMRC
- We keep HMRC aware of major business developments and value their involvement in achieving resolution to complex areas
- Where errors are discovered, controls are reviewed and updated, and we will work with HMRC to resolve on a timely basis

We regard this publication, which applies to our UK sub-group, as meeting our obligations to report our tax strategy under Schedule 19, Finance Act 2016.

26 June 2020