

Galloper – UK Tax Strategy 2022

This UK Tax Strategy statement is published in accordance with paragraph 19(2), Schedule 19 of Finance Act 2016, and applies to Galloper Wind Farm Holding Company Limited and Galloper Wind Farm Limited (Galloper) for the financial year ending 31 December 2022.

The strategy was approved by the Board of Directors of Galloper on 2nd November 2022.

Introduction

Galloper Offshore Wind Farm is owned by a consortium led by Macquarie, Siemens, Spring Infrastructure, ESB and RWE. Galloper's business is the operation of an offshore wind farm off the coast of Suffolk. It generates green electricity and contributes to the proper functioning of the energy system and security of supply in the UK and Europe. Its support is vital for the UK's aim to achieve net zero of carbon emissions by 2050.

Galloper's business in the UK is subject to a variety of taxes, including corporation tax and VAT. All of Galloper's business is taxed in the UK and the taxes Galloper pays and collects form a significant part of their economic contribution to the UK.

During the financial year 2022 Galloper's accounting and tax affairs have been managed by RWE in accordance with their role as Service Provider under the Management Services Deed.

Each element of this tax strategy is consistent with the CBI's statement of tax principles¹ and reflects our commitment to manage our tax affairs responsibly and transparently, as set out by the principles below:

1. Tax Risk Management

The RWE tax team is involved in all significant business developments and changes in tax law so that they can fully assess any potential tax consequences of Galloper's actions in advance.

The RWE tax team ensures to maintain enough skilled resources so that it is possible to adhere to Galloper's tax strategy without exception.

2. Tax Planning

We² are not involved in tax planning other than that which arises from genuine commercial activity.

We do not bend or exploit the rules, and we do not use contrived or artificial structures to reduce our tax liabilities.

We show respect for the intention, as well as the letter, of the law at all times.

We make efficient use of the reliefs and incentives that are designed to recognise not only productive business, but also committed, strategic investment that contributes positively to a country's economic and social welfare or growth.

We seek proportionate external advice from reputable professional firms for any identified material tax uncertainties.

¹ See <http://www.cbi.org.uk/articles/cbi-statement-of-tax-principles>

² 'We' in the following means with the involvement of the RWE tax team

We never deliberately conceal or knowingly misrepresent issues to HMRC. If we discover errors, we disclose them.

Any inter-company transactions are priced on an arm's length basis and in accordance with current OECD principles.

3. Transparency

We disclose and discuss tax issues in real time with HMRC and have regular update meetings.

We include extensive, additional voluntary disclosures when we file our annual corporate tax returns.

We support the principle behind moves towards greater transparency that increases understanding of tax systems.

4. Governance

The tax strategy of Galloper in the UK is set by their local UK board. It is embedded into the wider global governance and tax strategy process of the RWE group.

RWE operates a globally organised tax function that ensures compliance with local and international laws.

RWE has implemented globally sound tax policies and requests all business partners to adhere to their code of conduct to ensure compliance with the law. They create tax awareness within the business and have procedures and controls in place to ensure that tax laws and policies are followed.

Procedures and policies are kept up to date with ever changing tax law and they help to support timely submission of accurate tax returns and proper tax accounting.

The responsibility for implementing Galloper's tax policy in the UK rests with the UK Head of Tax (of RWE), who reports to the Galloper Board as necessary.

5. Relationships with governments

We actively seek open dialogue with HMRC in pursuit of a professional and constructive working relationship.

We contribute to the UK tax policy-making process where necessary, including by taking part in formal and informal consultations.