

UK TAX STRATEGY – CITROËN UK LIMITED

Citroën UK Ltd, referred to as Citroën, operates in the automotive industry. The business activities of Citroën generate a substantial amount and variety of taxes. In the UK, we pay Corporation Tax, Customs Duty, Stamp Duty Land Tax, employer and other taxes. In addition, we collect and pay employee taxes and VAT. The taxes we pay and collect form a significant part of our economic contribution to the UK economy.

Citroën's tax strategy reflects the business practices and ethos, as demonstrated in the arrangements described below.

Approach to risk management and governance arrangements

The team of tax specialists acting on behalf of Citroën have many years' experience in UK and international direct and indirect taxation. The UK Head of Tax reports quarterly to the Board of Directors in respect of all tax matters. Our internal processes and controls support the tax compliance and transactional tax obligations of the business providing our Board and Senior Accounting Officer with a robust framework for calculation and payment of taxes due. Where any process weakness is identified, new processes and controls are implemented as necessary.

The Board and Senior Accounting Officer are involved in review processes and are also engaged in approving transactional details including any tax related aspects. The tax team therefore remain accountable to the wider business, frequently exchanging updates relating to business and tax developments. Management of tax risks is a constant process. We identify, assess and manage tax risks and account for them appropriately. We aim to reduce the level of tax risk as far as is reasonably practicable by ensuring that robust and appropriate processes are in place for all activities which could have a material impact on our tax affairs.

Citroën is committed to complying with all applicable laws, regulations and disclosure requirements in accordance with the Stellantis Tax Policy. We observe both the spirit as well as the letter of the law and pay an appropriate amount of tax for our business at the right time.

Attitude to Tax planning

Citroën engages in tax planning that follows the spirit of UK Tax Law and has commercial substance that supports the business and reflects genuine commercial and economic activity, ensuring the appropriate amount of tax is levied and that enables it to manage its tax efficiently. We do not use contrived or abnormal tax structures that are intended for tax avoidance.

We adhere to relevant tax law and seek to minimize the risk of dispute arising from uncertain positions. External advice is sought when in-house Tax staff need assistance with interpretation of complex tax law.

Citroën reports transactions with other group companies on an arm's length basis and in accordance with current OECD principles.

Attitude to tax risk

Citroën's aim is to minimise the level of risk in relation to UK taxation. We are not prepared to accept a level of risk that exposes us to reputational harm or which could adversely impact our relationship with HMRC.

Working with HMRC

We seek to build and sustain a relationship with HMRC that is constructive and based on mutual respect. We work collaboratively wherever possible with HMRC to resolve disputes and to achieve early agreement and certainty. We also engage with the government on the development of tax laws either directly or through industry and other representative bodies as appropriate to encourage an open, constructive tax legislature framework.

Criminal Finances Act 2017

We support the government's policy objective of tackling tax evasion and do not tolerate tax evasion or the facilitation of tax evasion. Following the introduction of the Corporate Criminal Offence of Failure to Prevent the Facilitation of Tax Evasion legislation, Citroën seeks to apply appropriate procedures and controls to prevent any person acting on its behalf from facilitating tax evasion.

This tax strategy has been fully approved by the Board of Directors of Citroën and is published in accordance with Paragraph 16(2), Schedule 19, Finance Act 2016. This tax strategy is effective for the year ending 31 December 2021 onwards and will be reviewed and approved annually. It was last approved on 2 December 2021.