

## T.EN Tax Policy

At Technip Energies, we manage tax affairs with integrity in compliance with the laws and regulations of all the countries where we operate.

Through its subsidiaries, branches and joint ventures, Technip Energies runs activities in nearly 40 countries. The Company operates in a constantly shifting environment and is subject to complex sets of tax laws that may conflict when taken together or may be interpreted differently. This environment creates potential tax risks which require close monitoring.

We are committed to implement sustainable tax and legal structures aligned with our business activities and not aimed at driving mainly tax benefits. We recognize that all the taxes we pay or collect for governments are part of our corporate social responsibility and foster a sustainable ecosystem for industry. As such, we make sure that our entities pay their fair share of taxes to the authorities of the countries where they operate.

In this respect, Technip Energies included in the 2022 version of its Code of Business Conduct a section describing the principles guiding the Tax Policy which have been approved by the ESG Committee of the Board and must be respected by all stakeholders.

To support the effective implementation of the Tax Policy, Technip Energies also maintains stringent internal procedures, which ensure a good understanding of the tax consequences of business decisions and help to manage sources of tax risks more efficiently.

Finally, we are convinced that maintaining transparent and collaborative communication with the tax authorities in the countries where we operate is key to build positive long term relationship and secure our business.

Our sustainable tax strategy is based on the following three pillars:

- Tax Governance
- Tax Control Framework
- Tax Transparency

### **Tax Governance**

At Technip Energies we believe that good tax governance cannot be considered separately from the wider business governance. For this reason, the tax policy principles are included in T.EN business Code of Conduct, our fundamental guide which provides a common basis



and unwavering reference for our decisions and actions. Upholding this Code drives the way to do business within Technip Energies.

In addition to the generic tax principles set forth in the Code of Conduct, Technip maintains appropriate tax governance to reduce risk while promoting efficient tax decision.

Accordingly, at Technip Energies, we will not engage in artificial tax arrangements, but we will take tax planning initiative where the financial benefit is tax related. For instance, our tax strategy stimulates innovative projects through the benefit of innovation tax incentives.

The tax strategy is at all times consistent with the Group's overall strategy and Core Values and in accordance with our Code of Conduct.

Technip Energies' tax strategy is implemented by highly trained tax employees located around the globe, coordinated by a centralized team and supported by external firms, when needed. They are committed to ensure tax compliance across the various jurisdictions in which we operate.

Technip Energies' Tax staff generally have a dual reporting line which ensures a local endorsement of the tax function and alignment with the business strategy. They report directly to the Head of Finance responsible for their legal entity/business/geography area and they also have a functional reporting line with the Corporate Tax Department, with ultimate reporting to the Vice President of Tax.

The Vice President of Tax reports to the Chief Financial Officer, who is a member of T.EN Executive Team, accountable to the Audit Committee of Technip Energies' Board of Directors.

TEN's approach to Tax Governance is completed by a detailed set of procedures and best practices which provide a broad framework for identifying and managing tax risk within the organisation.

### **Tax Control Framework**

As part of the Tax Control Framework at Technip Energies, we have centralized policies and guidelines supplemented by training and compliance programs, which are applied consistently throughout the Company.

In line with our Global Operating Procedure Standards, internal Business reviews are performed with the various functions, including tax function, ensuring consistency of the approach to tax affairs with the commercial and economic substance of the operations.



We ensure that the management understands the application of tax laws and regulations and associated tax risks in order to arrive at well-reasoned conclusions on how the risks should be managed before entering into material commitments.

Tax laws are constantly and rapidly changing across the world. As such, we can be exposed to various tax uncertainties in the countries in which we do business which can result in inconsistent or arbitrary taxation.

Where there is uncertainty as to the application or interpretation of tax law, appropriate written advice evidencing the facts, risks and conclusions may be taken from third party tax advisers to support the decision-making process.

Technip Energies also maintains tax dedicated internal procedures to support effective implementation of the Tax Policy with effective processes for monitoring and managing tax risks inherent in both new and existing contracts in relation to, notably, changes in tax laws and regulations.

These internal procedures require that identified tax risks or uncertain tax positions are well documented and supported by technical analysis. Tax risks are reviewed on a quarterly basis by the Vice President of Tax and reported regularly to the management of the Company. Additionally, these matters are reviewed by the Company's external auditors.

The management of tax risks is also fully integrated in the Group's global risk management process reporting on a quarterly basis to the Audit Committee ensuring tax risk control and associated improvement actions.

Finally, we have put in place within the Group Financial Consolidation Reporting System, a detailed tax reporting tool with tax packages that all T.EN legal entities have to complete quarterly. Those tax packages allow Technip Energies to report and consolidate key tax data on corporate taxes, effective tax rate reconciliation, total tax contribution, tax audit risks and tax reserves. These data are used to make the tax disclosures required by IFRS and specifically IAS12.

### **Tax Transparency**

Technip Energies complies with all tax laws and regulations, reporting and disclosure requirements at local and group levels (including the OECD 'Master File' and 'Local Files', as well as the 'Country-by-Country Reporting' or DAC 6). We closely follow the constantly evolving anti-avoidance tax regulations global framework to anticipate the impact on our activities.

In our Annual Report, which is published on our website and accessible to the public, we have included a detailed explanation on how the effective tax rate of the Company is

calculated. The annual report also includes a full list our subsidiaries, together with their country of incorporation and a detailed description of our operations.

Our Transfer Pricing Policy is as well guided by transparency objectives. It aims to reflect adequately the allocation of profits among countries and our legal entities, based on their economic and value contribution (functions, decision making, assets, risks), in line with the 'arms' length' principle and in compliance with local and international laws, including the new OECD 'Base Erosion & Profit Shifting' Action Reports.

Finally, we endeavour to maintain transparent, collaborative, and honest relationships with tax authorities in the countries where we operate to build positive long-term relationships. Where possible, we voluntarily enter in partnership/transparency legal frameworks like the French "partenariat fiscal" or the Italian "tax control framework". In the same way, Technip Energies will seek to obtain rulings from the tax authorities when feasible. For instance we have obtained a Dutch tax ruling with respect to the French tax residency of Technip Energies NV the holding company of the Group.

Transparency does not mean, however, that we do not vigorously uphold our interests in the context of a tax audit. We expect that the tax authorities to fully and fairly apply tax rules to our operations and we defend T.EN's tax positions vis-à-vis the authorities at all levels.

\*\*\*\*\*

This Tax Policy has been prepared by the Tax Department, reviewed by the Vice President of Tax and approved by the Chief Financial Officer.



Bruno Vibert  
Chief Financial Officer