

Phoenix Contact - Tax Strategy

This document outlines our approach to Tax Management and Tax Strategy. It is effective for the year ending 31 December 2024, and will be periodically reviewed and amended, as appropriate.

Introduction

Phoenix Contact is a multi-national enterprise headquartered in Germany. The UK Company, Phoenix Contact Limited was established in 1985 as a subsidiary to service the UK market. Phoenix Contact UK acts as a distributor of connection technology, industrial control and interface devices, surge products and solutions into a broad range of UK market segments.

The group business activities generate a variety of taxes including corporation tax, employment tax and other taxes. Additionally, we account for indirect taxes including excise duties. In this respect, Phoenix Contact is fully committed to complying with all relevant tax laws.

Our commitment to pay our fair share of taxes can be demonstrated by the following:

Tax Risk Management and Governance

Phoenix Contact group follows the tax risk management protocol put in place by the Group. Our systems and procedures are fully aligned to meet our regulatory and statutory tax obligations. We have robust controls over our Tax Governance, Reporting & Control processes and continue to monitor them to ensure they are fully effective. We proactively identify, assess and manage tax risks and account for them accordingly. Phoenix Contact UK actively adheres to such processes.

Tax Planning

Whilst the Group engages in efficient tax planning strategies that supports our business to protect shareholders' values it does not engage in any artificial tax arrangements. Any tax planning which is undertaken is driven and linked very closely to the commercial strategy and objectives of the business. We adhere to the relevant laws and proactively seek to mitigate any risk areas or uncertainties. From a UK tax perspective, Phoenix Contact UK seeks timely professional advice and obtains advance approval from group headquarters prior to any tax planning strategies affected.

Our Group transfer pricing policy ensures that it accords with the arm's length principle recommended by the current OECD rules. Phoenix Contact UK complies with the group transfer pricing policy with the aim to recognise the correct amount of profits in the UK.

Transparency

We fully support and commit to be open and transparent about our taxation affairs with the relevant tax authorities.

Relationship with HMRC

Phoenix Contact UK is fully committed to dealing with HMRC on a collaborative, courteous and timely manner. It strives to comply with all its UK tax obligations timeously and reach early agreement on any disputed matters.