

***AES CORPORATION: UK TAX STRATEGY***  
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## **OUR BUSINESS PURPOSE**

The AES Corporation is publishing its UK Tax Strategy for the year ending 31 December 2023 in accordance with the requirements of Section 161 and Para 19(2) of Schedule 19 Finance Act 2016. The UK Tax Strategy applies to all The AES Corporation's UK group companies from the date of publication until it is superseded.

The AES Corporation (NYSE: AES) is a Fortune 500 global energy company accelerating the future of energy. Together with our many stakeholders, we're improving lives by delivering the greener, smarter energy solutions the world needs. The company's diverse workforce is committed to continuous innovation and operational excellence while partnering with our customers on their strategic energy transitions and continuing to meet their energy needs today.

At AES we share a common set of values that define how we work towards this vision. Our values are our foundation. They guide our every action, providing a common framework for how we interact with other AES people, conduct business with our partners and suppliers, and serve our customers in the many communities in which we operate around the world.

As a global power industry leader, we operate under a broad range of economic, political, social and cultural customs and traditions, as well as different local, regional, and international laws and regulations. We believe it is our duty and responsibility to conduct business with the highest level of integrity, ethics and compliance in all situations.

## **OUR UK TAX STRATEGY**

AES believes that sustainable decision making includes careful consideration of tax consequences. We employ a balanced commercial perspective in our tax dealings to achieve reasonable and responsible outcomes that serve our stakeholders. We incorporate the AES Values in every aspect of our compliance with tax laws. We aim to fully comply with our obligations and to engage openly and honestly with HMRC and other tax authorities.

Our UK Tax Strategy applies to the taxes and duties set out in Paragraph 15(1) of Schedule 19 to the Finance Act 2016, so far as relating to or affecting the UK companies in the AES group.

### ***1. Our approach to risk management and governance arrangements***

The effective management of all commercial risks, including tax, is a priority for AES and its subsidiaries. Our UK companies are part of a global control framework through which our staff manage tax risks, supported where necessary by advisers.

Tax risks are monitored across the group on an on-going basis. We manage and enhance our tax processes, systems and controls through regular governance meetings and reports to identify, assess, manage and monitor tax risks arising from business transactions and operations, and changes in tax law.

## **2. *Our attitude to tax planning***

The AES Values provide a framework for our attitude to tax planning. We operate within the letter and spirit of the applicable laws and regulations and we only undertake transactions that support genuine commercial activities. We pursue efficient tax positions built upon sound commercial practices.

We seek external professional advice where tax law is unclear or subject to interpretation.

## **3. *The level of acceptable risk in relation to UK tax***

We deliver results for our stakeholders in a sustainable manner by seeking to establish the tax consequences of a commercial transaction before entering into it, taking advice where necessary from external advisors and where appropriate, seeking confirmation whether formally or informally from a relevant tax authority.

We recognise the importance of our reputation and of our economic contributions to the communities we serve by paying the appropriate amount of tax in a timely manner.

The AES UK group is low risk from a UK tax authority perspective.

## **4. *Our approach towards dealings with HMRC***

Our approach towards dealings with HMRC and other tax authorities reflects the AES Values. We foster constructive relationships with tax authorities based upon mutual trust and respect.

We conduct ourselves in a constructive, open and transparent manner with HMRC, sustaining a good working relationship. By engaging in timely dialogue with tax authorities, we aim to prevent any unnecessary disputes.