

## **nVent's tax strategy in the UK**

### **Introduction**

The following information is provided in compliance with the requirements of paragraphs 19(2) and 22(2) Schedule 19 of the UK Finance Act 2016. This document is published by nVent Electric plc on behalf of all of its UK subsidiaries for the financial year ended 31 December 2019 in respect of nVent's UK operations.

The headings below follow the scheme of the legislation and related guidance that has been issued by Her Majesty's Revenue & Customs ("HMRC"), the UK tax authority.

### **Taxes paid by nVent in the UK**

The nVent UK Group conducts UK business activities that generate the reporting and payment of a variety of taxes, including income taxes, employer and employee taxes, as well as indirect taxes such as excise duties and VAT.

The taxes the nVent UK Group reports and pays form a significant part of the UK Group's economic contribution to the United Kingdom.

### **nVent Code of Conduct**

It should be noted that the nVent UK Group and all its employees operate under a code of conduct, which can be found at the following link:

<https://investors.nvent.com/corporate-governance/default.aspx>

As a consequence, all of nVent's tax affairs are dealt with in line with this code.

### **Approach to risk management and governance arrangements in relation to UK taxation**

nVent's tax strategy reflects its status as a publicly listed company on the New York Stock Exchange ("NYSE"). An exchange listing necessitates strong governance in all areas of its operations, including taxation.

nVent proactively identifies, evaluates, manages and monitors tax issues and risks. We maintain internal policies and procedures to support the tax control framework and employ professionals that are experienced in the identification and management of tax risk. Additional support is provided through ongoing training and with the input of external advisers when appropriate.

### **The attitude of the Group towards tax planning in relation to UK taxation**

nVent only engages in tax planning to the extent that it supports our business, reflects commercial and economic activity and is in compliance with UK tax rules and regulations.

As part of any significant business transaction, the business will consider the impact on the brand, business reputation, corporate and social responsibilities and future working relationships with HMRC.

nVent will not engage in tax planning if the underlying commercial objectives do not support the position, or if the arrangements impact on the reputation, brand, corporate and social responsibilities, and future working relationships with HMRC.

nVent is committed to paying the right amount of tax due and at the correct time.

### **The level of risk in relation to UK taxation that the Group is prepared to accept**

nVent's internal governance does not employ a formulaic prescription of acceptable risk levels. However, as mentioned above, nVent is listed on the NYSE and ultimately reports to all the stakeholders of the Group and as such, acceptable tax risk levels are low.

nVent accepts that tax laws are complex and may be subject to different interpretations. As a result of this, tax positions may be reviewed and challenged by tax authorities from time to time. nVent seeks to mitigate this risk by taking appropriate third party professional advice.

nVent proactively seeks to identify, evaluate, manage and monitor these risks to ensure they remain in line with acceptable risk levels.

### **The approach of the Group towards its dealings with HMRC**

nVent seeks to build and sustain good relationships with HMRC. nVent has had, and will continue to have, a constructive and open dialogue with HMRC and will keep HMRC informed of material transactions undertaken within the UK.

The UK Group's strategic aim is to avoid unnecessary disputes with HMRC and thus minimise tax risk. We will seek to achieve this by continuing to have face-to-face meetings with HMRC to discuss current business initiatives and where appropriate, seek pre-transaction clearances from HMRC.

Additionally, nVent will seek to:

- Ensure that any tax filing obligations and any tax payments are made in a timely fashion
- Make fair, accurate and timely disclosure in any correspondence with HMRC
- Seek to resolve issues with HMRC in a timely manner, and where disagreements arise, work with HMRC to resolve issues by agreement where possible.
- Ensure all interactions with HMRC are conducted in an open, transparent and professional manner.