

EMCOR UK Tax Strategy

Introduction

In compliance with section 161 and section 19(2) of Schedule 19 of the Finance Act 2016, EMCOR UK sets out its tax strategy for the year ending 31 December 2022. This strategy has been reviewed and approved by the board of directors, whose duty it is to ensure that it remains compliant with UK legislation and it will be periodically reviewed and amended as necessary.

EMCOR UK is part of the EMCOR Group, Inc. group of companies, whose ultimate US parent is a public traded company listed on the New York Stock Exchange.

Risk Management and Governance Arrangements

EMCOR UK operates using policies, procedures, and controls, which require compliance with the relevant UK legislation relating to direct and indirect taxes. These policies, procedures and controls are monitored by the Chief Financial Officer (CFO) and internal tax specialists. The board of directors reviews annually with the CFO the adequacy of these practices. At all times, EMCOR UK acts in accordance with a set of ethics that is based upon integrity and transparency.

Tax Planning and Tax Risk

Tax planning is part of our overall strategy and business decision making process, which aims to maximise sustainable shareholder value, based on commercial business activity. The business seeks to use applicable tax concessions and reliefs in line with the spirit of the legislation and will not implement or utilise tax avoidance strategies or seek to exploit ambiguity. Transactions between subsidiary companies of EMCOR Group, Inc. are on an arms-length basis.

Tax risk is just one of the commercial risks to which the business is subject and management of this risk aims to ensure that the right amount of tax is collected and paid and that HMRC reporting and disclosure requirements are met. Tax risk is managed in the same way as any other risk and if there is uncertainty over tax treatment or interpretation third party advice may be sought, but often, direct dialogue with tax authorities is sufficient.

Working with HMRC

EMCOR UK meets regularly with HMRC to support its business risk reviews, in which HMRC makes an assessment of the business's inherent and behavioural risk factors. Our approach to these discussions reflects the same openness and transparency in all our dealings with tax authorities. Our intent is always to strive for early agreement in resolving any disputed matters and to achieve certainty in our business processes and decisions, wherever possible, through collaborative and professional relationships.