

Faurecia UK Group Tax Strategy December 2020

Scope

Faurecia is one of the largest international automotive parts manufacturers in the world headquartered in France. In the UK the Faurecia Group manufactures and supplies interior components, complete seats and exhaust systems to the automotive industry.

This strategy applies to the Faurecia Group of Companies in the UK in accordance with paragraph 19 of Schedule 19 to the Finance Act 2016. A list of the entities to which it applies is set out below. In this strategy, references to 'Faurecia' are to all of these entities. The strategy has been published in accordance with paragraph 16(2) of the Schedule.

This strategy applies from the date of publication until it is superseded. References to 'UK Taxation' are to the taxes and duties set out in paragraph 15(1) of the Schedule which include Income Tax, Corporation Tax, PAYE, NIC, VAT, Insurance Premium Tax, and Stamp Duty Land Tax. References to 'tax', 'taxes' or 'taxation' are to UK taxation and to all corresponding worldwide taxes and similar duties in respect of which the Group has legal responsibilities.

Aim

Faurecia is committed to full compliance with all statutory obligations and full disclosure to relevant tax authorities. The Group's tax affairs are managed in a way which considers the Group's wider corporate reputation in line with Faurecia's overall high standards of governance.

Governance in relation to UK taxation

- Ultimate responsibility for the Group's tax strategy and compliance rests with Senior Management of Faurecia;
- The Senior Management of Faurecia are responsible for monitoring the integrity of the Faurecia's financial reporting system, internal controls and risk management framework, expressly including those elements relating to taxation;
- Day-to-day management of the Faurecia's tax affairs is delegated to the UK CFO and Finance Shared Service Manager and the finance team who report to them.
- The Group finance team in the UK is staffed with appropriately qualified individuals;
- The Senior Management ensures that Faurecia's tax strategy is one of the factors considered in all investments and significant business decisions taken.

Risk Management

- Faurecia operates a system of tax risk assessment and controls as a component of the overall internal control framework applicable to the group's financial reporting system;
- Faurecia seeks to reduce the level of tax risk arising from its operations as far as is reasonably practicable by ensuring that reasonable care is applied in relation to all processes which could materially affect its compliance with its tax obligations;

- Processes relating to different taxes are allocated to appropriate process owners, who carry out a review of activities and processes to identify key risks and mitigating controls in place. These key risks are monitored for business and legislative changes which may impact them and changes to processes or controls are made when required;
- Appropriate training is carried out for staff outside Tax team who manage or process matters which have tax implications;
- Advice is sought from external advisers where appropriate.

Attitude towards tax planning and level of risk

Faurecia manages risks to ensure compliance with legal requirements in a manner which ensures payment of the right amount of tax.

When entering into commercial transactions, Faurecia seeks to take advantage of available tax incentives, reliefs and exemptions in line with, and in the spirit of, tax legislation. Faurecia does not undertake tax planning unrelated to such commercial transactions.

The level of risk which Faurecia accepts in relation to UK taxation is consistent with its overall objective of achieving certainty in the group's tax affairs. At all times Faurecia seeks to comply fully with its regulatory and other obligations and to act in a way which upholds its reputation as a responsible corporate citizen. In relation to any specific issue or transaction, the management is ultimately responsible for identifying the risks, including tax risks, which need to be addressed and for determining what actions should be taken to manage those risks, having regard to the materiality of the amounts and obligations in question.

Relationship with HMRC

Faurecia maintains an open and honest relationship in its dealing with HMRC and will seek to work in 'partnership' with HMRC in relation to its tax dealings.

Faurecia ensures that HMRC is kept aware of significant transactions and changes in the business and seeks to discuss any tax issues arising at an early stage. When submitting tax computations and returns to HMRC, Faurecia discloses all relevant facts and identifies any transactions or issues where it considers that there is potential for the tax treatment to be uncertain.

Any inadvertent errors in submissions made to HMRC are fully disclosed as soon as reasonably practicable after they are identified.

List of entities covered by this Tax Strategy

Faurecia Automotive Seating UK Ltd
Faurecia Emissions Control Technologies UK Ltd
Faurecia Midlands Ltd
SAI Automotive Fradley Ltd
SAI Automotive Washington Ltd.