



FM UK Group – Tax Strategy

Introduction

The publication of this tax strategy satisfies our obligations under Schedule 19 (para. 22 and 23) to the Finance Act 2016 for the year ended 31 December 2025.

It applies to all FM group companies operating in the UK, identified in this document as “FMUK.” The main entity within this group during 2025 was FM Insurance Europe S.A (“FMIE”), acting through its UK branch (“FMIEUK”). The provisions of this Tax Strategy apply to all the FMUK group companies shown at the end of this document.

The intention of this strategy document is to provide a clear and unequivocal statement to clients, staff, HMRC and the public about our approach to tax compliance.

FMUK is an integral part of the global FM group, a business whose core philosophy is founded on controlling and minimising risk. This ethos pervades all aspects of FMUK’s activities, including taxation.

Our attitude to the level of risk in relation to taxation that we are prepared to accept

FMUK has low tolerance for tax risk and seeks to identify and eliminate any material exposures by the measures outlined in this document.

Our approach to tax risk management and governance

We believe that it is the responsibility of business to pay the right tax at the right time. To achieve this objective, it is essential to have effective tax risk management in place.

Our approach to tax risk management has five main facets.

1. Establishment of an appropriate control environment.

We are committed to conducting business in a way that is based on integrity and ethical values.

The Directors ensure that appropriate structures, authority, and clear responsibilities have been created, and competent staff have been employed who can operate an effective control environment.



In that structure, the Finance Department plays a key role providing financial services to the FMUK entities and overseeing tax compliance. The Finance Manager works with the Board of each of the FMUK companies to help them ensure that the tax policy objectives outlined here are applied at an operational level. This role includes ensuring effective processes and controls are in place to support the delivery of correct and timely tax filings and payments. In addition, the Internal Audit department and our external independent auditors monitor compliance by performing periodic reviews including evaluating the operation and effectiveness of controls. Both sets of auditors report to the Audit Committee, which is a subcommittee of the Board. External advisors are engaged to provide compliance support services for the territories in which we operate and where we have tax obligations.

The FMUK governance structure operates so that the Risk Management Committee monitors tax risks as part of its responsibilities, and each Board has effective oversight of any material risks identified and action taken to resolve those risks.

2. Risk assessment

FMUK uses a “risk appetite framework” to advise management of the risks each company is exposed to and to assist in measuring and monitoring those risks. It is designed to give clear guidance on the risk appetite, tolerances and limits which can be monitored as FMUK operates the businesses. Potential, emerging, or existing risks are measured against the framework, and the results and outcomes of actions are monitored to ensure they remain within acceptable limits. The risk appetite and tolerances are regularly reviewed to ensure they remain relevant and achievable.

FMUK maintains registers which include all significant risks relevant to each company. These are reviewed and monitored regularly, and risks are amended, added, or archived as applicable.

3. Control activities

Procedures are established for major business processes to ensure information is gathered and used in a consistent way, as determined by management. Adherence to these procedures forms part of the detailed review by experienced senior staff which is required for all material activities. There is a requirement for management to sign off an extensive range of actions relevant to the tax result to ensure the processes are being sufficiently controlled.

4. Information and communication

The internal tax function, which provides tax services to the FMUK group, uses a wide range of expert information sources including external advisors and technical information resources to keep up to date and compliant on the latest tax developments.

The Finance Manager is involved, through regular briefings and review meetings, with all functional and operational areas that impact FMUK’s tax filings. The Finance Manager is also responsible for liaising with other Board members about tax matters and assisting them to fulfil their oversight function.

5. Monitoring

All material processes contributing to filed tax positions require detailed review and approval by individuals other than the originator.

Monitoring of the effective working of controls is performed through a regular periodic cycle of internal and external audit reviews.



A workflow management tool is used by the tax function to monitor compliance with tax filing and payment requirements.

An externally hosted whistleblowing service is available that provides a secure and confidential means for FMUK staff and indeed all staff of FM to report any suspected illegal or unethical conduct, including tax related issues.

Our attitude to tax planning

All FMUK staff are required to follow the FM Code of Conduct which sets out acceptable ethical standards of behaviour. We consider that tax planning of an artificial and abusive kind is not ethical and would be in breach of that Code. Any breach would have serious consequences for all individuals involved.

The focus of our efforts is compliance. We do not agree with or engage in tax planning to artificially reduce our tax liabilities. Any planning undertaken is limited to consideration of simple and legitimate claims or elections provided for by UK tax legislation which are not abusive in nature. We have never participated in or had cause to report any activity requiring disclosure under HMRC's Disclosure of Tax Avoidance Schemes ("DOTAS") reporting rules. Our actions are driven by commercial and operational requirements rather than tax considerations.

Use of professional advisors

FMUK is part of a multi-national group which is established in or providing services to multiple jurisdictions. Many of these overseas territories have their own complex tax rules. To help us be responsible taxpayers we use external professional advisors to help us validate our tax filings and meet local requirements.

Our approach to dealings with HMRC and other tax authorities

We recognise that HMRC and other tax authorities have an important and legitimate role to play in monitoring our tax affairs and we seek to be open and transparent to help them perform their roles.

Some of the business units within FMUK have operations in foreign territories. The approach to tax outlined here is applicable for all the territories in which FMUK operates, not just the UK.

Note on this statement

The tax strategy was approved by the Boards of the following companies and published in December 2025.

Entities covered by the FMUK Tax Strategy

FM Insurance Europe S.A. (UK Branch)

FM Insurance Company Limited

FM Engineering International Limited

FM Approvals Limited