

The Deichmann Group Tax Strategy and Policy

The Deichmann Group operates in over 30 countries and aims to pay its fair share of taxes which apply in each of these markets. We endorse working closely and openly with relevant tax authorities in order to ensure that taxes are correctly calculated and fully paid. This is implicit within our core values of social responsibility.

This strategy has been approved by the board of Deichmann-Shoes UK Ltd and is published in accordance with Paragraph 22, Schedule 19 of The Finance Act 2016 for the year ending 31 December 2021.

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

The Group uses a robust and highly integrated system in order to record financial information accurately and consistently. This is used in accordance with documented group reporting guidelines which set out how accounting information must be recorded.

The Group aims to be fully compliant with the OECD Transfer Pricing Guidelines with regard to its cross-border intercompany transactions. The Group follows the three-tiered transfer pricing documentation approach according to the OECD Guidelines (including a Master File).

UK finance staff are responsible for the operation and checking of these systems as well as for ensuring compliance with UK tax regulations. The Directors are responsible for ensuring that the UK business is fully compliant with all tax matters. They do this through:

- Recruitment of appropriately qualified personnel
- The use of professional advisors where help is required or a risk is identified
- Open consultation with the relevant tax authority on uncertain tax matters
- Discussion with the Deichmann SE tax department to ensure that treatment is consistent

Attitude towards tax planning

The company only enters into transactions for the purpose of operating our retail business in a simple and efficient manner. We do not enter into arrangements which are designed purely to reduce the exposure to taxation. There are situations where tax regulations are designed in order to encourage a particular behaviour and where this can be integrated in line with our objectives we will do so.

Level of risk in relation to UK taxation

The Group aims to pay all of the correct taxes within each country that it operates. The only risk accepted by the UK board is of error in calculating the appropriate taxes or interpretation of the regulations. Where any risk is identified that the correct tax is not being paid, professional advice is sought and if there is still uncertainty further discussion of the matter with the relevant tax authority.

Approach towards dealings with HMRC

The company actively engages with HMRC in order to ensure that it is paying the correct amount of taxes. Where HMRC carry out tax compliance work in relation to the company we engage fully and openly with them in order to demonstrate our approach.