

UK Tax Strategy

DGI UK OVERVIEW

DGL International (UK) Limited (DGI UK) was incorporated in October 2021 by DuluxGroup Limited (DuluxGroup).

DuluxGroup was founded in 1918 in Sydney, Australia, and whilst previously listed on the Australian stock exchange, as of August 2019 it has been owned by Nippon Paint Holding Co Ltd ([Nippon Paint](#)), a public company listed on the Japanese stock exchange.

DuluxGroup operates as a marketer and manufacturer of premium branded products that enhance, protect and maintain places and spaces where people live and work. DuluxGroup's diverse range of products include paints and coatings, sealants, adhesives and fillers, construction chemical products, garage doors and openers, cabinet hardware components and garden care products.

DuluxGroup incorporated DGI UK in accordance with its strategic objective to expand its business in European markets. As part of this strategic objective, DGI UK acquired all the issued shares in two paints and coatings businesses, DP JUB d.d. (a Slovenian incorporated entity) and Cromology Holdings SAS (a French incorporated entity). The broader strategic objective going forward is that DGI (UK) Limited will operate as the European headquarters for various DuluxGroup's businesses (i.e. eventually performing an active regional management and treasury function, in addition to holding investments in European companies).

The policies and procedures in relation to tax for DGI UK align to that of DuluxGroup for the purposes of the income year ended 31 December 2023.

This report complies with the requirement for DGI UK and its qualifying subsidiaries to publish a tax strategy for the year ended 31 December 2023 in accordance with *Paragraph 19(2) of Schedule 19 of the United Kingdom Finance Act 2016*.

TAX STRATEGY AND GOVERNANCE

Approach to risk management and governance arrangements

DGI UK's approach to risk management and governance arrangements are aligned to DuluxGroup's Tax Risk Management Framework which sets out the policy and procedures for managing tax risk for all entities controlled by DuluxGroup.

The Group Manager – Tax, Risk and Assurance of DuluxGroup is mandated to design, review and update the global tax risk procedures for DuluxGroup and all of its subsidiaries with the formal policy document approved by DuluxGroup's board every two years. The Group Manager – Tax, Risk and Assurance works with the DGI UK Board to ensure that these risk management and governance principles are consistently applied to the UK business.

Corporate governance

DuluxGroup and DGI UK directors are committed to conducting business in an ethical, fair and transparent manner in accordance with high standards of corporate governance. Managing tax risk is an integral component of good corporate governance.

DuluxGroup has a robust corporate governance framework in place which is applied to all subsidiaries, including DGI UK, and we are committed to fostering a culture of compliance that values personal and corporate integrity, accountability and continuous improvement.

DuluxGroup's corporate governance framework includes:

- An experienced and engaged Board of Directors and management team;
- Clear and transparent communication with our shareholder;
- Strong risk management and assurance processes and culture; and
- The values and behaviours and supporting policies that underpin how DuluxGroup conducts its business.

Attitude towards tax planning

DGI UK's approach to tax planning is aligned with DuluxGroup's tax philosophy which is to comply with all tax laws and operate at the highest level of integrity at all times. The tax strategy is principled, transparent and sustainable with the following objectives:

- Operate in good faith, with transparency and to comply with tax laws in all jurisdictions;
- Align to the current business strategy;
- Continually look at ways of improving efficiency in the tax compliance and reporting functions; and
- Operate in accordance with DuluxGroup's tax risk appetite.

Accepted level of risk in relation to tax

In order to meet the expectations of stakeholders and the Board, DGI UK and DuluxGroup aspire to maintain a tax risk profile which is low.

Approach to engagement with tax authorities

DuluxGroup aims for a co-operative relationship with every tax and revenue authority, including the HMRC. As part of this commitment, DuluxGroup has voluntarily adopted the Australian Tax Transparency Code and as a result they publish an annual [Tax Contribution Report in Australia](#).

From time to time, it is expected that DuluxGroup will be subject to review by the various tax authorities across the jurisdictions it operates in. DuluxGroup endeavours to work collaboratively to achieve early agreement and to resolve any disputes which may arise.

This tax strategy was approved by the Directors of DGI UK on 11 April 2023.