



## Global Tax Policy

This document defines the principles guiding the management of tax affairs within the DLF Group, ensuring consistency, transparency, and accountability. The policy applies to all entities under the Group's control.

### Core Values in DLF

At DLF, we recognize the critical role of taxes in funding public services and infrastructure. Through direct and indirect tax contributions, businesses serve as a key source of revenue for governments.

We support the frameworks established by the EU and OECD to prevent the artificial shifting of income and taxes to low-tax jurisdictions. The DLF Group is fully committed to adhering to applicable legislation and guidelines, ensuring that global income is taxed fairly and responsibly. We avoid leveraging ambiguous regulations that could undermine the Group's reputation.

We are dedicated to meeting reporting deadlines and fostering open, collaborative relationships with tax authorities in all jurisdictions where we operate. Compliance and accountability are core to our tax strategy.

Our Group relies on the collective responsibility of all employees and entities to comply with tax regulations and ensure timely reporting of taxes and duties. We are acutely aware that even legitimate business decisions can impact our reputation, which is why we emphasize clear and precise communication to mitigate misinterpretations of our actions.

### Governance and Accountability

Tax management is an integral element of DLF's CSR and ESG framework. The executive management closely monitor developments in this area to ensure full compliance. The Board of directors is responsible for approving the tax policy, while the Group CFO oversees tax risk management.

Operational oversight of the Group's tax activities is handled by Corporate Finance, which is actively involved in all significant business decisions. No major tax restructurings, optimization initiatives, or material transactions occur without the involvement of Corporate Finance. The team possesses the necessary expertise to manage global tax matters effectively, and external advisors are engaged when required.

The principles outlined in this policy are embedded in internal guidelines to ensure alignment with daily operations. Local Finance responsible across the Group are held accountable for promoting responsible tax practices, supported by ongoing training, knowledge sharing, and guidance from Corporate Finance.



## **Compliance**

Compliance with local and international tax laws and regulation is foundational to our operations. We are committed to:

- Paying the appropriate amount of tax in jurisdictions where we create value.
- Filing accurate and timely tax returns with complete and transparent disclosures.
- Adhering to both the letter and the spirit of the law in all tax planning activities.

Where tax rules are unclear or open to material interpretation, we seek external guidance or written confirmation to minimize risks and ensure compliance. We refrain from engaging in transactions aimed solely at exploiting unintended tax advantages.

## **Transfer Pricing**

As a global business, intra-group transactions involving goods, services, and intellectual property span multiple jurisdictions. To ensure responsible tax management, we adhere to the OECD's arm's length principle according to best practise guidelines, ensuring fair valuation of intra-group transactions.

This approach aligns with best practices and ensures that profits are taxed where economic activities occur and value is created. Balancing international and local requirements, we work to minimize transfer pricing risks and avoid double taxation.

From the 2024/2025 financial year, we will comply with the OECD's Pillar 2 framework on assessments and calculations, ensuring that all entities within the Group meet a minimum effective tax rate of 15% in each jurisdiction.

## **Business Structure**

The DLF Group's organizational structure is based on commercial considerations, reflecting our operational and business needs. We do not engage in artificial or opaque structures intended to evade taxes or lacking substantive commercial rationale. The group structure is presented in our Financial statement.

The Group does not actively utilize "tax havens" to avoid taxation or shield income. Any presence in such jurisdictions is driven solely by the commercial potential of our products.



## **Engagement with Tax Authorities**

We maintain a professional, open, and constructive relationship with tax authorities globally. Our approach includes:

- Ensuring profits are taxed where economic activities and value creation occur, as part of normal commercial activities.
- Avoiding transactions that exploit tax rules beyond their intended purpose.
- Following established procedures and channels for all contact with tax authorities, government officials, ministers and other third parties in a professional, courteous and timely manner.
- Engaging in proactive dialogues to address uncertainties regarding material transactions.
- Refraining from any form of bribery or unethical practices in tax matters.

## **Use of Tax Incentives**

We utilize tax incentives and reliefs where they align with the substance of our business activities and comply with regulatory intent. Such incentives are implemented in line with our operational goals and financial substance.

## **Proactive Engagement and Thought Leadership**

DLF actively contributes to the development of fair and effective tax systems. We engage with governments, industry groups, and civil society to offer insights and constructive input on tax legislation and practices.

Where requested, we provide authorities with assessments of proposed tax measures and their implications. Through collaboration with external stakeholders, we aim to promote responsible tax practices and foster greater understanding of tax policies.

## **Transparency**

We are committed to enhancing trust in corporate tax management by openly sharing our approach to tax governance. Transparency is a cornerstone of our corporate responsibility.

While business confidentiality limits the level of detail we can disclose, we strive to provide meaningful and accurate information.

This policy affirms the DLF Group's dedication to ethical tax practices, ensuring compliance, fairness, and accountability while supporting the communities and jurisdictions where we operate.

We will update the policy on an ongoing basis.

*This policy is approved by the board of directors. Last update, March 2025.*