



## **Policy overview**

Lidl Northern Ireland Ltd (following “Lidl”) operates supermarkets in Northern Ireland, with the mission of providing quality food at market leading value and ensuring customer satisfaction is at the heart of everything we do.

Lidl observes and maintains the highest levels of corporate governance and implements control frameworks to ensure compliance with its obligations within the global community. This includes properly accounting for taxes and paying the right amounts according to tax legislation in force.

Business leaders are supported by tax professionals to ensure that tax outcomes of business decisions are properly understood.

### **1. Tax Planning**

Lidl has responsibility for corporate, indirect, income and employment taxes in the Northern Ireland.

Lidl engages in efficient tax planning that supports our business and reflects commercial and economic activity, will make use of available incentives and reliefs to reduce the tax cost of business, and will arrange its business affairs accordingly.

However, Lidl will not knowingly make use of reliefs or incentives in a manner contrary to that intended by legislation, nor enter into artificial business arrangements whose purpose is solely for tax advantage.

Lidl will not tolerate tax evasion corporately, by any of its employees, or by any of its business associates. In accordance with Lidl’s written procedures, employees caught engaging in tax evasion will undergo disciplinary procedures up to and including dismissal.

### **2. Relationship with the government**

Lidl believes its obligation is to pay the taxes legally due in accordance with UK and Northern Ireland tax law as set by the UK Government and devolved Northern Irish Executive.

Lidl’s tax affairs are a private matter between Lidl and HMRC. However, Lidl will not enter into tax arrangements which would not be fully justifiable should they become public.

Lidl actively seeks a professional, constructive and transparent relationship with HMRC and its representatives based on mutual respect and trust. Lidl will not deliberately conceal or knowingly misrepresent issues to HMRC. If errors are discovered they are disclosed.

### **3. Transparency**

Lidl supports the principle behind multilateral moves towards greater transparency that increases the understanding of tax systems and build public trust.



#### **4. Risk Management And Governance**

Lidl's core business comprises the sale of purchased goods from its portfolio of stores. Its key tax business risks therefore lie in the purchase and sale of goods, remuneration of people, and real estate. Lidl has a very low risk appetite in relation to tax matters.

Responsibility and accountability for Lidl's tax affairs is clearly defined in accordance with a Responsibility Matrix. This includes periodic reporting by Tax and Finance leaders within the business to the Northern Ireland Board of Directors which is ultimately responsible for Governance and Oversight of tax matters.

Lidl manages its obligations in relation to all taxes as part of its overall business. Each is addressed within an overall control framework which includes

- close working between tax professionals and the business including property professionals, buyers and accounting teams;
- automation where possible;
- monitoring and reporting;
- internal audit reviews of tax compliance activity;
- consultation with outside advisers and HMRC where appropriate and necessary.

Lidl will address Tax risks in the same way as other business risks: with diligent professional care and judgement to arrive at well-reasoned conclusions on how identified risks should be managed.

Where there is risk arising from uncertainty of tax law application or interpretation, Lidl will seek appropriate written advice from third party advisers to support the decision-making process, and consult with HMRC where appropriate.

In evaluating risk associated with the tax outcome of a particular transaction or decision Lidl will take account of

- legal and fiduciary duties of directors and employees
- Group Core Values and policies
- Lidl's place in the community and the maintenance of corporate reputation,
- accounting standards and reported results
- the wider consequences of potential disagreement with tax authorities, and any possible impact on relationships with them.

#### **Further information**

The Tax Policy Statement will be reviewed and updated annually.  
It was last approved on 3<sup>rd</sup> February 2023.

You can email the Lidl Tax team at [tax@lidl.ie](mailto:tax@lidl.ie).