

Corporate Policy

Grupo **Dia** 

Tax Strategy

The Board of Directors of Distribuidora Internacional de Alimentación, S.A. (“**DIA**”) is the body in charge of adopting DIA’s tax strategy, not only as a listed company but also as a parent company of its group of companies (“**DIA Group**”), according to article 529 *ter* and articles related thereto of the consolidated text of the Companies Law, article 31.4 (u) of its articles of association and article 5.4(a)(iii) of the Board of Directors’ Regulations.

This document contains the goals, principles and good tax practices that comprise the tax strategy of DIA and the DIA Group, approved by the Board of Directors.

GOALS OF DIA’S TAX STRATEGY

DIA’s tax strategy is essentially oriented to ensuring responsible compliance with the tax regulations in such a way that takes into account the company’s interests and helps achieve the DIA Group’s business strategies.

DIA acknowledges the social function of the tax system and wishes to ensure that its corporate interests and the interests of its stakeholders (e.g. shareholders, customers, franchisees, employees and suppliers), its social and corporate responsibility, and the trust placed in DIA in the communities where it operates receive due consideration in the course of the development of its tax function.

The goals, principles and good tax practices that make up DIA’s tax strategy must guide its decision-making process at every level, and the actions of DIA Group companies in accordance with Section 5 below.

GUIDING PRINCIPLES

DIA’s compliance with its tax obligations will be governed by the following principles:

1. DIA will comply with all tax legislation and regulations that are applicable to it in the jurisdictions in which DIA carries out its business and will pay all taxes due.
2. DIA’s tax strategy will be based on a reasonable and responsible interpretation of tax laws. Accordingly, DIA will seek to ensure that the application of the tax regulations is well founded in law, especially when they are unclear or subject to interpretation.
3. DIA will endeavour to ensure that decisions affected by tax legislation are taken at the appropriate level.
4. DIA will endeavour to promote good faith, transparency, collaboration and reciprocity in its relations with the tax authorities, according to the law and without prejudice to the defence of its legitimate interests and, where appropriate, of the reasonableness of its interpretation, and will endeavour to

reach agreement and consensus with the tax authorities to resolve possible conflicts.

5. DIA will develop a *Risk Management Policy* and establish a system to control and manage tax risks, aiming to prevent and minimise significant tax risks.
6. DIA is committed to adhering, in the course of its business, to good tax practices that aim to reduce significant tax risks and prevent conduct capable of generating such risks. In particular, DIA will adhere to the good tax practices set out below.

GOOD TAX PRACTICES

DIA will direct its activity to pursuing the following good practices:

1. DIA does not use opaque corporate structures or those situated in tax havens to hide relevant information from the tax authorities.
2. DIA will avoid the use of contrived investment structures for tax purposes.
3. DIA will avoid abusive practices aimed at avoiding paying tax or obtaining undue tax advantages.
4. DIA acknowledges the utility of legal instruments such as tax rulings and agreed prior assessments provided for in the tax regulations to determine the applicable tax treatment, where reasonable, depending on the available legal instruments, the matter at stake and the timeframe.
5. DIA will provide the tax authorities with the information they required in accordance with statutory procedures and in the shortest time reasonably possible.
6. DIA will endeavour to minimise the costs of compliance with its formal tax obligations that arise from the application of the tax provisions in force.

MONITORING AND CONTROL

DIA will integrate the tax dimension in its risk control and management system to evaluate and efficiently manage tax risks that may arise in the performance of its activity. To this effect, DIA will endeavour to establish defined criteria for the detection, evaluation and management of tax risks and encourage and promote smooth communication between the tax department and the rest of DIA's departments , to ensure the evaluation of relevant tax aspects in the decision-taking process, the supervision process and the evaluation of compliance. For this purpose, DIA will allocate sufficient human and material resources to ensure the correct functioning of the tax risk control and management system.

The Audit and Compliance Committee, according to the provisions set out in its Regulation, will supervise the effectiveness of the tax risk control and management system and inform the Board of Directors about related issues regulated by law.

PROMOTING AND UPDATING

DIA will work to ensure that the principles and policies set out herein inspire and enlighten the actions of all the companies of the DIA Group, subject to the necessary adjustments to the jurisdictions in which those companies operate.

This is intended to be a long-term strategy that may nonetheless be modified and updated as necessary to adapt it to applicable regulations or in accordance with instructions from the competent body within DIA.