



## DIODES INCORPORATED

### UK Tax Strategy - Year Ended 31<sup>st</sup> December 2022

In the UK, Diodes has wafer fabrication facilities, design, marketing, and engineering centres as well as engineering, sales and logistics services based at its site in Oldham, Manchester and Greenock, Glasgow. Diodes United Kingdom Group's tax strategy in relation to its approach to conducting its UK tax affairs and dealing with UK tax risk is summarised below.

#### **Tax Disclosure—United Kingdom Finance Act of 2016**

- Pursuant to paragraph 16(2) of the Finance Act of 2016, this disclosure relates to all United Kingdom ("UK") operations of Diodes Incorporated ("the Company" or "Diodes") as of the disclosure's publication date.
- Diodes UK Group ("Diodes UK Group" or "Diodes UK") includes Diodes Holdings UK Limited, Diodes Semiconductors GB Limited, Diodes Zetex Limited, Diodes Zetex Semiconductors Limited, and Diodes Fast Analog Solutions Limited
- This disclosure will be reviewed by the Diodes UK team with financial responsibility, including Director of European Finance at least yearly, and will remain in effect until circumstances arise that require changes to the disclosure.

#### **Risk Management & Governance Arrangements**

- All financial transactions are subject to controls designed and implemented by Diodes UK Financial Management to ensure segregation of duties and appropriate levels of review. Process controls are designed and operated to facilitate systematic tax compliance at a transactional level.
- Diodes UK Finance Team comprises appropriately qualified and experienced individuals.
- Diodes UK Finance Team processes, controls and output are subject to frequent audit by Diodes Internal Audit Department.

#### **Approach to UK Tax Planning**

- Diodes UK Group works closely with leading tax experts to ensure tax costs are calculated in accordance with applicable legislation, that tax planning is non-abusive, and that tax payments are made on time.
- As a technology company Diodes UK Group ensures it takes advantage of relevant tax incentives, for example tax incentives related to R&D.
- Diodes UK Group follows the terms of the relevant Double Taxation Treaties and OECD guidelines in dealing with such issues as transfer pricing.

#### **Risk Tolerance in Relation to UK Taxation**

- Diodes UK Group works with Corporate Management and a leading international tax advisory firm to ensure that any complex or unusual transactions are treated correctly for tax purposes.

#### **Approach to Dealing with Tax Authorities**

- Diodes UK Group has a strong track record of a collaborative and open working relationship with HM Revenue and Customs "HMRC". Where support is required from the authorities, it is always done with full transparency and disclosure. The Group is committed to the accurate and timely disclosure in tax filings and tax payments, query responses, and other HMRC correspondence.
- It is Diodes UK Group's aim to be assessed as low risk by HMRC.

This strategy was published before 31<sup>st</sup> December 2022 and complies with paragraph 16(2) Schedule 19 FA 2016 for the financial year ended 31<sup>st</sup> December 2022.

#### **Country by Country Reporting**

We have notified Her Majesty's Revenue & Customs ("HMRC") that Diodes UK Group's ultimate parent company, Diodes Incorporated, has filed a Country by Country Reporting (CbCR) return for the year ended 31<sup>st</sup> December 2022.