



LUTRON®

UK TAX STRATEGY STATEMENT

Introduction

Lutron Electronics Co., Inc. (“Lutron”) is a leading global manufacturer of lighting control devices and window shading systems headquartered in the USA, with sales and service offices throughout the world. Lutron EA Limited (“Lutron EA”) is a wholly-owned limited liability UK subsidiary of Lutron and currently serves as the main distributor of Lutron’s innovative lighting control and window shade products in the UK and Europe (collectively, “the Lutron Group”). The Lutron Group incurs both a substantial amount and variety of taxes across these regions.

This tax strategy statement sets out Lutron EA’s approach to UK taxation, and its publication satisfies the requirements of Section 161 and Schedule 19 of the UK Finance Act of 2016. This statement applies to all UK taxes applicable to Lutron EA’s business operations and is effective for the financial year ending 31 December 2020. It will be reviewed annually and updated as necessary.

Approach to UK Tax Governance and Risk Management

The Lutron Group aims to be fully compliant with all relevant tax and revenue laws in the UK. Lutron has a dedicated global tax team that is closely involved in ensuring compliance with UK tax requirements and utilising external specialists as and when required.

The Lutron Group’s transfer-pricing policy is aligned with the Organisation for Economic Co-Operation and Development (OECD) guidelines, as well as the guidelines of the jurisdictions in which the Lutron Group operates. These internal corporate transfer-prices are benchmarked, taking into account the functions, assets, and risks in the applicable jurisdictions.

Operational and governance responsibility for the execution of the Lutron Group’s tax strategy rests with Lutron’s Senior Director of Tax, supported by Lutron’s Board of Directors. It is the Lutron Group’s strategy to manage and minimise exposure to tax risks through the use of internal controls. The Lutron Group will utilise independent external professional expertise where required, such as for example, in the preparation of UK corporate tax returns, as well as where there is uncertainty in how UK tax law should be applied.

Responsible Attitude Towards Tax Planning

The Lutron Group does not enter into any aggressive tax planning or support the use of artificial structures that are established solely to avoid paying tax. The Lutron Group will only undertake tax planning that is aligned with Lutron EA’s business and economic activities, and which have a sound legal and commercial basis.

Overall, the Lutron Group aims to act in a tax-efficient manner, utilising all appropriate and available UK tax incentives, exemptions, and reliefs (such as capital allowances) to the fullest extent permitted by law.

Transparent Approach To Engaging with HMRC

The Lutron Group does not take positions on tax matters that may create reputational risk or jeopardise its longstanding reputation for operating with utmost integrity with Her Majesty’s Revenue & Customs (“HMRC”). Lutron EA’s communications with HMRC centres around timely tax compliance and reporting—for example, meeting relevant filing and payment deadlines regarding Lutron EA’s taxes. All interactions with HMRC by all Lutron Group employees are respectful, transparent, honest, timely, and cooperative. In sum, the Lutron Group is dedicated to maintaining its strong relationship with HMRC, and acts in a wholly collaborative manner in all its dealings with the same.