

DHL GROUP – UK TAX STRATEGY

The UK Tax Strategy sets out the approach of the DHL Group (the Group) to risk management and governance arrangements in relation to UK taxation. It applies to all UK subsidiaries in the Group (the UK Group) and covers the UK Group's attitude towards tax compliance, tax governance, tax planning and tax risk management as well as our approach to dealing with the UK tax authorities (HMRC).

CORPORATE STRATEGY

The UK Tax Strategy has been derived from and is consistent with the **Group's Strategy 2030**: Accelerate sustainable growth. Via Strategy 2030, the Group will strengthen its leading position in global logistics. The strategy is rooted in the Group's strong foundation, driven by ambition for climate neutrality and centred on growth. By expanding its capabilities and seizing new market opportunities, the Group aims to maximise its impact on the logistics industry and beyond. The Group's **First Choice** mindset means that it is constantly reassessing its work, to make it a little bit better, every day and everywhere. This, in turn, helps create an agile team that is ready for change and which can adapt quickly and attentively to changing customer needs.

CODE OF CONDUCT

Underlying everything the Group does is a commitment to responsible, ethically irreproachable and legally compliant behaviour. The objectives and rules that govern this commitment are summarised in the Group's **Code of Conduct**. The UK Tax Strategy is underpinned by the **Code of Conduct** in order to ensure full compliance with all statutory obligations.

UK TAX STRATEGY

The UK Group's Tax Strategy is consistent with the **Group Tax Strategy**.

The UK Group is committed to an open and transparent approach to its tax affairs. The UK Tax Department consists of a team of talented tax professionals whose responsibilities

include ensuring compliance with all relevant laws and regulations and managing tax risks with professional diligence and integrity. We seek to have a constructive and open relationship with HMRC and are committed to paying the right amount of tax at the right time.

The Group's four bottom lines are at the heart of how the Group is managed:

Employer of Choice

We engage motivated and skilled employees and, through continuous professional development, we maintain and build upon our strong working relationship with the UK Group. We strive to create a safe and healthy workplace.

Provider of Choice

We assist the UK businesses by providing tailored tax advice, guidance and support, whilst seeking to foster a close, open and constructive relationship with HMRC.

Investment of Choice

We aid the profitable growth of the UK Group in a sustainable way by ensuring full compliance with all statutory obligations, including all relevant tax laws and regulations, in order to pay the right amount of tax at the right time.

Green Logistics of Choice

We support the UK Group with its sustainability agenda and the ongoing development of low-carbon logistics operations.

ROLES AND RESPONSIBILITIES

Overall responsibility for the Group's tax governance and strategy lies with the Group's Chief Financial Officer (CFO) with oversight provided by the DHL Group management board. The Group Head of Tax reports directly to the Group CFO and tax is regularly on the board agenda. Responsibility for UK tax affairs is delegated to the Head of UK Tax, who in turn reports into the Group Head of Tax via the Head of Taxes Europe and the Head of Taxes International.

Close collaboration and cooperation between the UK Tax Department, led by the Head of UK Tax, and the CFOs of the UK Group businesses is controlled and maintained via an Activity and Responsibility Matrix. This sets out clear definitions of the role and functions undertaken by the UK Tax Department, the Group Tax Department and the UK Group finance teams.

The UK Tax Department maintains policies, procedures and processes to enable the timely and accurate completion of all tax returns and thus ensure tax compliance throughout and on behalf of the UK Group. The UK Group also falls within the UK Senior Accounting Officer legislation, under which the Senior Accounting Officer is required to take reasonable steps to ensure that appropriate tax accounting arrangements are in place.

APPROACH TO TAX PLANNING AND TAX RISK

The UK Group adopts a conservative approach to tax planning, consistent with the approach adopted throughout the DHL Group and the **Code of Conduct**. We make use of incentives and reliefs to minimise the tax costs of conducting business activities, but we do not enter into artificial arrangements designed to avoid taxation or defeat the intended purpose of tax legislation. There is no formal definition of an acceptable level of risk, but there is no appetite within the Group for tax planning without commercial justification.

Tax risks arise in a number of areas, not least from uncertainty surrounding the interpretation of tax law. We take a responsible approach to managing our UK tax affairs, in accordance with the **Code of Conduct** and the Corporate Criminal Offences legislation,

and insist on full disclosure of all relevant transactions in our tax returns. Where errors or mistakes are discovered, these are promptly disclosed to HMRC.

The UK Tax Department consists of qualified, experienced and dedicated tax professionals and is generally able to manage the UK Group's tax risks without the involvement of external tax advisers. However, from time to time we will seek external tax advice on specific projects or transactions (e.g. acquisitions and disposals) or where specialist technical input is required (e.g. tax credits for research & development expenditure).

APPROACH TO DEALINGS WITH HMRC

The UK Group has an open and professional business relationship with HMRC. Regular meetings and telephone calls are held to discuss issues in real time and to attempt to resolve disagreements or areas of dispute without the need to refer to the Courts (although such referral remains a course of action to both sides).

Regular business risk review meetings are held with the UK Group's Customer Compliance Manager. They are attended by senior members from the UK Tax Department. These help HMRC to gain a better understanding of our business operations.

The size of the UK Group and the wider group structure means that the UK Group is unlikely to be seen as "low risk" by HMRC. However, we continue to work with HMRC to ensure we are as close to "low-risk" as possible.

TAX RISK MANAGEMENT

All decisions involving significant tax risks are signed off at a suitable level within the Group Tax organisation and, if appropriate, by the Group CFO. Whilst UK tax risks are generally managed locally by the UK Tax Department, there are a number of Group controls and processes in place which apply to all companies in the worldwide Group. Regular reports are provided to the Group Head of Tax, the main Group management board and



to other senior Group and Divisional managers as appropriate. At a local level, UK tax risks are also discussed with senior UK management (usually through the local CFO), so that the local board of directors is kept aware of tax issues and risks within the UK Group, and the measures taken to mitigate these risks.

By working closely with the UK Group businesses, the UK Tax Department ensures that they are involved in all major transactions and projects that might give rise to tax risks. The UK Tax Department has a high profile within the UK organisation.

STAFF TRAINING

All members of the UK Tax Department undergo continuous professional development through attendance at external courses and seminars, participation in webinars and online training, and through internal courses and training, as appropriate. In addition, the team has access to a wide range of tax resources, including tax magazines and journals, regular updates from the Big 4 and other accountancy firms and other online resources.

Global Tax Compliance Training has been rolled out by the DHL Group Tax Department with the objective of enhancing awareness of tax compliance requirements, principles and practices. The training is mandatory for executive management in Tax, Finance and Legal Compliance functions of all divisions and voluntary, but highly recommended, for all staff involved in tax compliance processes.

In addition to tax technical training, the UK Tax Department fully participates in the group-wide Certified program. This is a modular programme ranging from basic Group and industry knowledge to specific skills associated with each operating division and function. Employees also complete regular mandatory training covering topics such as data protection and anti-corruption.

Individual development opportunities are explored at annual appraisal meetings, along with career aspirations and succession planning, with an emphasis on continuous improvement throughout each year. As well as continuous professional development, team members are encouraged to support and join in with the Group's **Sustainability** initiatives such as **Global Volunteer Day**.

BUSINESS GROWTH

We seek to maintain a suitably qualified and experienced team of dedicated tax professionals to provide a high-quality tax service to the UK group as well as ensuring full compliance with all tax laws and regulations. As the UK Group's businesses grow, so the UK Tax Department seeks to focus on improving efficiency and effectiveness (for example, via digital opportunities) to continue to deliver the same standard of professional tax advice.

We support the UK Group's businesses in fulfilling their own strategies as they tap new sources of growth and deal with their **digitalization** transformation and changing customer needs.

We adopt and follow OECD guidelines for multinational enterprises and support initiatives to improve international transparency on taxation, including transfer pricing, country by country reporting and the automatic exchange of information by tax authorities. We are constantly adapting as new measures are introduced and strive to become a best-in-class corporate citizen.

The publication of this UK Tax Strategy complies with the requirements of Finance Act 2016 Schedule 19 paragraph 19(2) and paragraph 22(2). It is published on behalf of all UK subsidiaries in the DHL Group. The ultimate parent of the group is Deutsche Post AG. The strategy is for the financial year ending 31 December 2024 and remains in force until superseded.

