DEUTSCHE POST DHL GROUP
TAX STRATEGY 2025

Bonn, July 2021
Corporate Tax

Deutsche Post DHL
Group
Introduction

- The **purpose** of this document is to provide a basis for presenting our Group Tax Strategy to members of the DPDHL Tax community and interested stakeholders, both internal and external.


- Our Tax Strategy defines our **strategic goals** and **objectives** and guides us how we as a group deal with tax-related aspects and challenges all around the world.
The key elements are captured in the “Tax Strategy House”

**Our Purpose:**
Connecting People, Improving Lives

**Our Vision:**
We are THE logistics company for the world

**Our Values:**
Respect and Results

**Our Mission:**
Tax Excellence. Simply delivered.
Along the three bottom-lines in a sustainable way
Enabled by Common DNA

**Our Focus:**
Strengthening tax governance and support
Aligned with the Finance Focus Points.
...how do the Group’s Purpose, Vision and Values translate to Tax?

**PURPOSE**

We act as a strategic corporate partner for DPDHL in order to ensure tax compliance of the organization by connecting our tax experts around the globe, allowing us to provide excellent tax support & tax governance.

**VISION**

We are the best tax experts for our group, meaning we leverage on our understanding of DPDHL’s business and therefore are able to provide pro-active and tailor-made tax support.

**VALUES**

We work with members of the tax department and our stakeholders in a respectful, results-oriented, straightforward and pragmatic manner.
Our mission is to deliver excellent tax support and exercise our tax governance function as a reliable partner to the business.

We do so in a simple, easily understandable and result-oriented way, closing the gap between complex tax law and business need.
To live up to our Vision and Purpose, we follow our Mission “Tax Excellence. Simply delivered.”

Engaged employees bring passion and commitment to work and deliver exceptional quality

Exceptional quality delights our business partners and leads to loyalty

Business partners’ loyalty leads to increased appreciation and involvement of Tax

Business partners’ increased appreciation will result in further improved employee engagement
Finance Focus Topics are set by the Finance Board and are applicable to Tax as being part of FINANCE

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Source: FINANCE25 Brochure
CASH IS KING
WHAT DOES THIS MEAN FOR US?

- We **pay our correct share of taxes** on a timely basis
- We make use of tax benefits where acceptable
- We cooperate with business units and group functions to support cash generation
- We ensure efficient budget and resources balance for all tax-related activities, actively performing cost-benefit analyses

**We have transparency and can reliably forecast the correct amount and time of tax payments**
KEEP THE HOUSE IN ORDER
WHAT DOES THIS MEAN FOR US?

- We actively manage our competitive and targeted Effective Tax Rate with improved and accurate Effective Tax Rate forecast
- We take adequate measures within our tax compliance framework to **ensure that the Group is compliant with tax regulations and disclosure requirements** while at the same time offering viable solutions for the business
- We proactively identify, manage and control tax risks and opportunities based on Business Units’ activities and seek to prevent unnecessary tax disputes and tax surprises
- We strive for Tax to be involved in important topics, tax relevant processes and transactions and clearly address respective tax risks as well as potential mitigation measures
- We proactively develop and offer tailored solutions to issues we identify

**We fulfill our governance function to ensure tax compliance and protect our organization from legal and reputational risks**
#FINANCEGOINGDIGITAL
WHAT DOES THIS MEAN FOR US?

- We efficiently **improve tax compliance and transparency** by supporting the Finance ERP Strategy
- We meet stakeholders’ requests for more detailed, timely and to-the-point information, ideally at the “push of a button” to enable better decision making
- We apply appropriate tax technology to further improve and streamline our tax processes
- We enhance our people’s digital skillset
- By leveraging on digital means, we use resources in a dedicated and sustainable way

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**We use digitalization as a key lever to optimize our tax core capabilities**
We ensure adherence to our tax strategy on a world-wide basis
- We **pay taxes where we do business** and where we create value
- We are a responsible tax payer
- Risk appetite - we do not enter into artificial tax structures
- We follow the letter of the tax law and its intended purpose
- We use the possibility to align with tax authorities and tax advisors to reduce uncertainty

We act as an enabler for jurisdictions to achieve the UN sustainable development goals
BEST FINANCE TEAM
WHAT DOES THIS MEAN FOR US?

- We practice active leadership, giving feedback & guidance, **showing appreciation and embracing diversity without discrimination**
- Our communication is based on honesty and transparency, with the main goal of sharing knowledge and best practices across the tax community
- We ensure people development including upskilling, talent management, coaching and training, to develop and maintain our business capabilities as well as front-line leaders
- We hire tax experts, continue professional education and practice effective employee retention
- We **foster a “one team” mentality** and work together across divisions, departments, and different management levels

We leverage on our experienced, knowledgeable and professional worldwide tax network
CLOSE TO THE BUSINESS
WHAT DOES THIS MEAN FOR US?

- We live up to our purpose of delivering excellent tax support and providing governance as a reliable partner to the business
- By knowing our company inside and out, we are able to provide clear, timely, relevant and business-tailored tax support
- We communicate effectively, clearly, pro-actively and regularly with colleagues and key stakeholders, thus ensuring our message is heard
- We think globally, but act locally
- We act as though it was our own company

We foster relationships and cooperation with Business Units
Continuously improve management and forecasting of ETR according to market communication

Monitoring and continuous improvement of tax risk management and tax controls.

Applying state of the art tax technology and using the capabilities of the new ERP landscape

Establish Tax as relevant contributor in ESG reporting

Continued development of DPDHL tax experts

Drive cross (tax-) functional best practice sharing

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**Finance Focus Topics 2025**

- **Cash is King**
  - Ensure improved cash generation

- **Keep the House in Order**
  - Enhance group-wide ICS, compliance and risk management

- **#Finance Going Digital**
  - Leverage digital opportunities for greater effectiveness & efficiencies

- **Sustainability Experts**
  - Control & drive our ESG roadmap

- **Best Finance Team**
  - Develop a leading and diverse Finance organization

- **Close To The Business**
  - Support divisional improvement agendas

**What it means for TAX**

- **We have transparency and can reliably forecast the correct amount and time of tax payments**

- **We fulfill our governance function to ensure tax compliance and protect our organization from legal and reputational risks**

- **We use digitalization as a key lever to optimize our tax core capabilities**

- **We act as an enabler for jurisdictions to achieve the UN sustainable development goals**

- **We leverage on our experienced, knowledgeable and professional worldwide tax network**

- **We foster relationships and cooperation with Business Units**

**Target Aspirations for 2025**

- Continuously improve management and forecasting of ETR according to market communication
- Monitoring and continuous improvement of tax risk management and tax controls.
- Applying state of the art tax technology and using the capabilities of the new ERP landscape
- Establish Tax as relevant contributor in ESG reporting
- Continued development of DPDHL tax experts
- Drive cross (tax-) functional best practice sharing
THANK YOU