



## **UPS UK Group Tax Policy**

### **Introduction**

United Parcel Service, Inc. (“UPS”) is the world’s largest package delivery company and a premier provider of global supply chain management solutions. Every day, we deliver multiple millions of packages in over 220 countries and territories. As an industry leading express delivery, healthcare and logistics provider, UPS’ portfolio of services promotes economic growth and prosperity for both our customers and those countries where UPS operates. Customers are able to receive goods and services from around the corner as well as around the world while the payment of various taxes contributes to the public finances of countries benefiting from UPS services. This tax policy applies to the UK Affiliates\* of UPS. The UK Affiliates regard this policy as complying with their duties under paragraphs 19(2) and 22(2) of Schedule 19 of the UK Finance Act 2016 to publish a tax strategy in the current financial year 2026.

### **Taxes Paid**

The global scale of UPS’ services is achieved through local employment at offices and facilities in countries throughout the world. The operation and execution of business by UPS results in the payment of corporation, business and employer taxes. Not only does UPS understand its responsibility to pay the proper amount of taxes but we also fully support efforts to ensure companies are appropriately transparent in their management of tax affairs.

### **Our Approach to Tax**

UPS is committed to complying with tax laws in a responsible manner as well as building open and constructive relationships with tax authorities. We participate in initiatives to simplify and improve tax regimes to encourage investment and economic growth.

Our approach to tax aligns with UPS’ Code of Business Conduct which sets forth standards of conduct for all UPS employees.

For close to 120 years, UPS employees have been motivated by commonly held principles and values that have allowed us to work toward and attain mutual goals. These principles and values were established by our founders and remain critical to our success. The core of these values is a simple statement: UPS is a company of honesty, quality, and integrity. This legacy is fundamental to our ability to create shareowner value, support the communities in which we operate, and protect our reputation.

It has always been, and continues to be, our policy to conduct business in compliance with all applicable laws and regulations and in accordance with the highest ethical standards. We expect UPS employees and the people acting on our behalf to adhere to these principles. We do not tolerate the facilitation of tax evasion by people who act for, or on behalf of, UPS.



### **Risk Tolerance, Management, and Governance**

UPS does not prescribe acceptable levels of tax risk. We seek clarity within the law and evaluate the potential tax outcomes of our business transactions, escalating tax risks and uncertainties to the relevant level within UPS to determine the appropriate management response.

Our tax affairs are managed on a global basis through a coordinated team of tax professionals, led by the Senior Vice President and Global Head of Tax, who works closely with the business. As part of our tax governance process, UPS focuses on tax compliance as opposed to identifying levels of risk we are willing to accept. We use in-house tax counsel, and external legal and accounting advisors as needed, to evaluate the tax implications of business transactions, and we file tax returns that adhere to all applicable laws for jurisdictions in which we operate.

On a quarterly basis, we review previously filed tax returns for continued adherence to tax laws based on any newly identified facts, tax authority guidance, or interpretations and court decisions. Summaries of material tax risks and disputes are shared with our external auditor, our Chief Financial Officer, and our Board of Directors at least once a year.

### **Tax Planning**

We adhere to relevant tax law, and we seek to minimize the risk of uncertainty or disputes. UPS' approach to tax planning focuses on aligning our tax reporting to actual business operations as opposed to creating artificial tax structures that lack commercial and economic reality. This includes working with other departments to identify entities needed in each jurisdiction to carry out our business affairs and operational needs, including non-tax regulatory compliance.

We seek to conduct transactions between UPS group companies on an arm's-length basis and in accordance with current OECD principles, and we support our transfer pricing with economic analysis and reports.

Tax incentives and exemptions may, at times, be implemented by governments and fiscal authorities to support investment, employment, and economic development. Where such facilities exist, UPS seek to apply these in the manner intended.

### **Tax Authority Relationships**

We believe in transparency and work to develop open, positive relationships with tax authorities worldwide, including HMRC in the UK, based on trust and professional engagement. UPS files tax returns according to statutory time limits. We engage with tax authorities in an effort to ensure our affairs are current and where appropriate, we enter into compliance agreements with tax authorities on positions taken in the relevant tax return(s). UPS works collaboratively wherever possible with tax authorities to resolve disputes and to achieve early agreement and certainty where a tax law is complex or unclear. We are regularly in contact with HMRC to discuss our tax affairs and provide real-time business updates.



### **Contributions to Communities We Serve**

UPS operates its business to achieve a balance of economic prosperity, social responsibility, and environmental stewardship. We believe our economic well-being benefits society by enabling us to provide jobs, pay taxes, and donate to charity. We support government agencies, nonprofit organisations, and other groups in their work in their communities around the world.

\*UK Affiliates includes the following entities: UPS Limited; UPS (UK Holding) Limited; UPS (UK) Limited; UPS Global Treasury Plc; UPS Air Couriers of America Limited; UPS SCS (UK) Limited; UPS Pension Plan Trustee Limited; UPS SGP Limited; Polar Speed Distribution Limited; I-Parcel Limited; Marken Limited; Marken Services Limited; Marken Time Critical Express Limited; Marken (South America) Limited; De Facto 1341 Limited; Maze 1 Limited; X4i Limited; UPS Capital Insurance Agency Limited; R.H. Logistics UK Ltd; MNX Global Logistics Limited