

Australia Post Global eCommerce Solutions (UK) Limited UK Tax Strategy

This Tax Strategy has been approved by the Board of Directors of Australia Post Global eCommerce Solutions (UK) Limited (“APGES UK”) and is in line with the company’s overall strategy and business operations. The Tax Strategy includes details of the:

- APGES UK business;
- business’s approach to tax risk management and tax governance arrangements;
- business’s attitude to tax planning;
- level of UK taxation risk the business is prepared to accept;
- way the business works with HM Revenue & Customs (“HMRC”).

The publication of this Tax Strategy is regarded as satisfying the statutory obligation, under Part 2 of Schedule 19 of the Finance Act 2016 (UK), for the period ended 30 June 2024.

The ultimate parent company of APGES UK is Australian Postal Corporation (“Australia Post”), an Australian Federal Government Business Enterprise. Australia Post has implemented its own Group Tax Governance Policy (“TGP”) which applies to all of its subsidiaries, including APGES UK. The content of this Tax Strategy is aligned with the Australia Post TGP.

Australia Post’s Head of Taxation together with APGES UK’s Chief Financial Officer are responsible for the design and oversight of this Tax Strategy.

The APGES UK business

APGES UK is part of the multinational Australia Post Global eCommerce Solutions (“APGES”) group, one of the leading suppliers of cross-border eCommerce delivery solutions. With an established presence in key global trading lanes, including Asia, Europe and USA, the APGES group provides end-to-end cross-border logistics solutions to a portfolio of iconic global eCommerce retailers.

APGES UK is the largest non-Australian operating entity of the APGES group and its business operations include the provision of international cross-border delivery solutions to third party customers primarily located in the UK and Europe.

The business’s approach to tax risk management and tax governance arrangements

APGES UK applies a risk-based approach to key activities, including in the tax function. This approach, together with the governance principles outlined below, assists the business to identify and reduce inherent tax risk due to the size, complexity and extent of change in the business.

The principles APGES UK follows include:

- All statutory tax obligations must be fulfilled, and the legally correct amount of tax must be paid wherever APGES UK operates.
- The taxation affairs of APGES UK must be managed proactively to maximise shareholder value in implementing the overall strategy.
- Policies, procedures and positions must be documented in relation to the tax risk consequences of the business strategy, to protect APGES UK and Australia Post’s corporate reputation as a trusted iconic brand.
- An open and honest relationship must be maintained with HMRC and the public, including appropriate consultation with HMRC.

- The Board, senior management and other key stakeholders must be kept informed with appropriate reporting on the level of compliance with this Tax Strategy in respect of the APGES UK's management of tax expense.

APGES UK will always seek external advice on tax consequences where the transaction is material or complex.

The business's attitude to tax planning

APGES UK's code of conduct in respect of tax planning adheres to the TGP. Its primary approach to tax planning is to operate and pay tax in accordance with the tax law in each relevant jurisdiction. APGES UK is committed to ensuring compliance with arm's length and other relevant OECD principles when it comes to international tax planning.

Subject to the assessed level of risk, external advisors may be engaged to provide:

- specialist tax advice on compliance, policy and planning opportunities; and
- assurance that material taxation obligations are correctly managed.

The level of risk the business is prepared to accept for UK taxation

APGES UK is committed to full compliance with its statutory obligations and takes a conservative approach to tax risk. APGES UK aims for certainty on all tax positions it adopts. Where the tax law is unclear or subject to interpretation, its process for measuring tax risk includes obtaining professional advice, and when necessary, consulting the UK tax authorities (or other relevant tax authority) for clarity.

The Australia Post taxation group and APGES UK's key finance personnel prioritise its resources in advising the business on identified areas of tax risk where there is a heightened risk of tax errors by putting in place appropriate preventative and corrective control measures to mitigate the risk. In cases where there is a major exposure to a particular tax, the exposure is managed collectively with the business.

The overall monitoring and oversight of tax risk levels are influenced by stakeholders such as Australia Post's senior management team, the Audit & Risk Committee and the Board.

How the business works with HMRC

APGES UK seeks to maintain an open and honest relationship with HMRC. In particular, APGES UK seeks to:

- engage in full, open and early dialogue with the UK tax authorities;
- undertake full compliance and transparent disclosure with respect to our tax affairs;
- adopt real-time communications with UK tax authorities, including before returns are filed where appropriate, and where disagreements arise, work with the UK tax authorities with the intention of resolving issues by agreement.

This Tax Strategy is designed to be compliant with HMRC's requirements.