

The information on implemented tax strategy of UPS Polska sp. z o.o. in 2023

UPS Polska sp. z o.o. ("**UPS Polska**") is a part of the UPS worldwide group of companies ("**UPS Group**"). UPS Group is the world's largest package delivery company and a premier provider of global supply chain management solutions. Every day, UPS delivers multiple millions of packages in over 220 countries and territories. UPS contributes to economies around the world by employing local staff, facilitating domestic and international trade, providing services that accelerate the growth and prosperity of local businesses, and paying a variety of taxes to governments.

UPS Polska conducts business in an ethical manner, the Company understand it's responsibility to pay an appropriate amount of tax. UPS Polska business has a strong focus on honesty, quality, and integrity and UPS Polska sees responsible administration and payment of taxation as a responsibility of its business. In structuring its commercial activities UPS Polska considers the Polish tax law.

As part of a multinational group, UPS Polska is aligned with and follows the wider UPS Group guiding principles, Code of Business Conduct which sets forth standards of conduct for everyone at UPS.

UPS Polska complies with Polish legislation, including regulations related to taxes. UPS Polska's tax strategy reflects this requirement, and, with respect to Poland, can be summarized as follows:

- UPS Polska's tax strategy is to:
 - meet all legal requirements and to make all appropriate tax returns and tax payments, in accordance with Polish law, taking into account all relevant international provisions,
 - comply with appropriate tax risk processes, and ensure there is Management Board's oversight into this compliance.
- UPS Polska's internal structure is set up to ensure that:
 - The Management Board understand the importance of tax compliance and how it is achieved.
 - There is a regular dialogue between the Management Board and those individuals tasked with the management of the finance and tax functions, regarding the way UPS business manages the tax risk.
 - The business portrays a positive view towards compliance and the importance of meeting UPS Polska's tax and reporting obligations.
- UPS Polska's management board is responsible for managing and conducting key local business activities and for identification and management of tax risks associated with the Company's operations in close cooperation of the European region's tax team. Any tax issues have to be reported to them.
- The European region's tax team is responsible for support of the local finance manager with respect to any uncertain tax positions as well as any tax queries and tax audits. The appropriate identification and assessment of the economic event and the collection of relevant source documentation shall be the responsibility of the staff of the relevant departments.
- The finance manager is responsible for reviewing, approving, and filing of tax returns in close cooperation and consultation of the European region's tax team.
- UPS Polska works with tax advisors to ensure that the local company's tax obligations are properly prepared, reported and filed and taxes due are paid.
- The Company enters into transactions or agreements that have a substance in accordance with the relevant regulations, as well as a business, commercial or other non-tax purpose.

The Company will not conclude transactions in order to obtain a tax advantage that is clearly and unequivocally inconsistent with applicable law.

- Given the scale of business and volume of tax obligations, risks will inevitably arise from time to time in relation to the interpretation of complex tax law and the nature of compliance arrangements. UPS Polska actively seeks to identify, evaluate, monitor and manage these risks to ensure they remain in line with its objectives. The governance processes within Poland adopt group-wide procedures and controls and are aimed at fulfillment of all tax obligations arising from the tax law provisions within the meaning of Article 3 point 2 of the Tax Ordinance Act. Whenever identified, tax risks to UPS Polska are mitigated through application of governance processes and procedures and dialogue with the Polish Tax Authorities. Where there are significant uncertainties or complexities in relation to a risk, external advice from tax advisors is obtained.
- The Company implemented tax procedures and internal controls in accordance with the tax regulations for the submission of tax reporting, filing proper tax declarations and payment of taxes due.
- In response to Article 27c Clause 2 of the Act on Corporation Income Tax (Journal of Laws 2022, pos. 2587) UPS Polska would like to make the following statements:
 - In 2023, UPS Polska was involved in related party transactions (including transactions with non-residents), involving purchase and sale of transportation services and group cash management, the value of which exceeded 5% of total book value of assets as included in the latest approved financial statements of UPS Polska.
 - In 2023, UPS Polska has not carried out or planned to carry out any restructuring activities that could affect the amount of its tax liabilities or tax liabilities of its related entities within the meaning of Article 11a section 1 point 4 of the Polish CIT Act. Any structuring that is undertaken will have commercial and economic substance and will have full regard to the potential impact on UPS Polska's reputation and broader goals.
 - In 2023, UPS Polska has not applied for any general tax rulings, individual tax rulings or binding VAT and excise duty information.
 - UPS Polska identified no need to expand forms of voluntary cooperation with the Polish tax authorities especially horizontal monitoring in line with part IIB of the Tax Ordinance Act (Journal of Laws 2022, pos. 2651).
 - In 2023, UPS Polska identified arrangements that were subject to mandatory reporting according to Art. 86a § 1 point 10 of the Tax Ordinance. The transactions subject to MDR relate to a dividend payout, a transaction with an entity registered in a tax haven, and an exemption from withholding tax in the amount over PLN 5 MLN per year, which tax would have been paid if the double taxation treaty or exemption had not been applied. The company reported information on the tax schemes in the scope of corporate income tax to the Head of the National Revenue Administration.
 - In 2023 UPS Polska concluded transactions with an entities registered in territory or country applying harmful tax competition as set forth in regulations issued on the basis of Article 11j Clause 2 of the Polish CIT Act and in the announcement of the minister responsible for public finance issued on the basis of Article 86a § 10 of the Tax Ordinance Act. Please note that UPS Group operates in more than 220 countries and territories around the world to deliver packages and so its activities may, from time to time, result in transactions with a country that is considered a harmful tax jurisdiction under Polish law.

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- UPS Polska's internal structure is set up to ensure that:
 - The Management Board understand the importance of tax compliance and how it is achieved.
 - There is a regular dialogue between the Management Board and those individuals tasked with the management of the finance and tax functions, regarding the way UPS business manages the tax risk.
 - The business portrays a positive view towards compliance and the importance of meeting UPS Polska's tax and reporting obligations.
- UPS Polska's management board is responsible for managing and conducting key local business activities and for identification and management of tax risks associated with the Company's operations in close cooperation of the European region's tax team. Any tax issues have to be reported to them.
- The European region's tax team is responsible for support of the local finance manager with respect to any uncertain tax positions as well as any tax queries and tax audits. The appropriate identification and assessment of the economic event and the collection of relevant source documentation shall be the responsibility of the staff of the relevant departments.
- The finance manager is responsible for reviewing, approving, and filing of tax returns in close cooperation and consultation of the European region's tax team.
- UPS Polska works with tax advisors to ensure that the local company's tax obligations are properly prepared, reported and filed and taxes due are paid.
- The Company enters into transactions or agreements that have a substance in accordance with the relevant regulations, as well as a business, commercial or other non-tax purpose.

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- Given the scale of business and volume of tax obligations, risks will inevitably arise from time to time in relation to the interpretation of complex tax law and the nature of compliance arrangements. UPS Polska actively seeks to identify, evaluate, monitor and manage these risks to ensure they remain in line with its objectives. The governance processes within Poland adopt group-wide procedures and controls and are aimed at fulfillment of all tax obligations arising from the tax law provisions within the meaning of Article 3 point 2 of the Tax Ordinance Act. Whenever identified, tax risks to UPS Polska are mitigated through application of governance processes and procedures and dialogue with the Polish Tax Authorities. Where there are significant uncertainties or complexities in relation to a risk, external advice from tax advisors is obtained.
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 - In 2022, UPS Polska was involved in related party transactions (including transactions with non-residents), involving purchase and sale of transportation services and group cash management, the value of which exceeded 5% of total book value of assets as included in the latest approved financial statements of UPS Polska.
 - In 2022, UPS Polska has not carried out or planned to carry out any restructuring activities that could affect the amount of its tax liabilities or tax liabilities of its related entities within the meaning of Article 11a section 1 point 4 of the Polish CIT Act. Any structuring that is undertaken will have commercial and economic substance and will have full regard to the potential impact on UPS Polska's reputation and broader goals.
 - In 2022, UPS Polska has not applied for any general tax rulings, individual tax rulings or binding VAT and excise duty information.
 - UPS Polska identified no need to expand forms of voluntary cooperation with the Polish tax authorities especially horizontal monitoring in line with part IIB of the Tax Ordinance Act (Journal of Laws 2022, pos. 2651).
 - In 2022, UPS Polska identified an arrangement that was a subject to mandatory reporting according to Art. 86a § 1 point 10 of the Tax Ordinance. The transaction subject to MDR relates to shareholders resolution of dividend payout was reported to the Head of the National Fiscal Administration
 - In 2022, UPS Polska has not reported to the Head of the National Fiscal Administration with information on tax schemes, in accordance with the Polish Tax Ordinance Act Article 86 a section 1 point 10).
 - In 2022 UPS Polska concluded transactions with an entities registered in territory or country applying harmful tax competition as set forth in regulations issued on the basis of Article 11j Clause 2 of the Polish CIT Act and in the announcement of the minister responsible for public finance issued on the basis of Article 86a § 10 of the Tax Ordinance Act. Please note that UPS Group operates in more than 220 countries and territories around the world to deliver packages and so its activities may, from time to time, result in transactions with a country that is considered a harmful tax jurisdiction under Polish law.

The information on implemented tax strategy of UPS Polska sp. z o.o. in 2021

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- In response to Article 27c Clause 2 of the Act on Corporation Income Tax (Journal of Laws 2022, pos. 2587) UPS Polska would like to make the following statements:
 - In 2021, UPS Polska was involved in related party transactions (including transactions with non-residents), involving purchase and sale of transportation services and group cash management, the value of which exceeded 5% of total book value of assets as included in the latest approved financial statements of UPS Polska.
 - In 2021, UPS Polska has not carried out or planned to carry out any restructuring activities that could affect the amount of its tax liabilities or tax liabilities of its related entities within the meaning of Article 11a section 1 point 4 of the Polish CIT Act. Any structuring that is undertaken will have commercial and economic substance and will have full regard to the potential impact on UPS Polska's reputation and broader goals.
 - In 2021, UPS Polska has not applied for any general tax rulings, individual tax rulings or binding VAT and excise duty information.
 - UPS Polska identified no need to expand forms of voluntary cooperation with the Polish tax authorities especially horizontal monitoring in line with part IIB of the Tax Ordinance Act (Journal of Laws 2021, pos. 1540).
 - In 2021, UPS Polska identified an arrangement that was a subject to mandatory reporting under Mandatory Disclosure Rules' provisions. The transaction subject to MDR reporting was performed with an entity seated in Hong Kong, which is considered as harmful tax jurisdiction in terms of regulation issued by the Ministry of Finance and was reported to the Head of the National Fiscal Administration. UPS Polska provided in 2021 only 1 reporting under MDR regulations related to CIT provisions.
 - In 2021 UPS Polska concluded transactions with an entities registered in territory or country applying harmful tax competition as set forth in regulations issued on the basis of Article 11j Clause 2 of the Polish CIT Act and in the announcement of the minister responsible for public finance issued on the basis of Article 86a § 10 of the Tax Ordinance Act. Please note that UPS Group operates in more than 220 countries and territories around the world to deliver packages and so its activities may, from time to time, result in transactions with a country that is considered a harmful tax jurisdiction under Polish law.

The information on implemented tax strategy of UPS Polska sp. z o.o. in 2020

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- The Company implemented tax procedures and internal controls in accordance with the tax regulations for the submission of tax reporting, filing proper tax declarations and payment of taxes due.
- In response to Article 27c Clause 2 of the Act on Corporation Income Tax (Journal of Laws 2020, pos. 1406) UPS Polska would like to make the following statements:
 - In 2020, UPS Polska was involved in related party transactions (including transactions with non-residents), involving purchase and sale of transportation services and group cash management, the value of which exceeded 5% of total book value of assets as included in the latest approved financial statements of UPS Polska.
 - In 2020, UPS Polska has not carried out or planned to carry out any restructuring activities that could affect the amount of its tax liabilities or tax liabilities of its related entities within the meaning of Article 11a section 1 point 4 of the Polish CIT Act. Any structuring that is undertaken will have commercial and economic substance and will have full regard to the potential impact on UPS Polska's reputation and broader goals.
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 - UPS Polska identified no need to expand forms of voluntary cooperation with the Polish tax authorities especially horizontal monitoring in line with part IIB of the Tax Ordinance Act (Journal of Laws 2021, pos. 1540).
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 - In 2020 UPS Polska concluded transaction with an entity seated in Hong Kong i.a. registered in territory or country applying harmful tax competition as set forth in regulations issued on the basis of Article 11j Clause 2 of the Polish CIT Act and in the announcement of the minister responsible for public finance issued on the basis of Article 86a § 10 of the Tax Ordinance Act. Please note that UPS Group operates in more than 220 countries and territories around the world to deliver packages and so its activities may, from time to time, result in transactions with a country that is considered a harmful tax jurisdiction under Polish law.