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# DFDS Group Tax Policy

2023

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# DFDS Group Tax policy

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## 1 DFDS: our activities and business structure

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DFDS moves goods in trailers by ferry, road, and rail as well as passengers in cars and on foot by ferry. In addition, DFDS offers contract logistics solutions.

### *Ferry business model*

Our ferries are deployed on fixed routes connecting two ports. Most routes have daily departures. The routes carry only freight or a combination of freight and passengers. Freight: Goods are carried in trailers that can be driven on and off the ferry ramps. Trailers can be accompanied by a truck or be unaccompanied. The latter is tugged on and off as part of port operations.

Ferries also carry trailer equivalents such as rolling cassettes for transport of heavy industrial goods, e.g., metals, paper, other forest products, and containers. Finished vehicles can also be transported. Because of its mobility, trailers are used mainly to carry goods for delivery within days, mostly 1-3 days.

Passengers: Nine of 26 routes carry passengers, most of them travelling in cars. Bringing an own car with luggage is a unique selling point for ferries. Two overnight routes target leisure segments that usually travel without a car.

### *Logistics business model*

Our logistics solutions include transport, distribution, storage, and value-added services to manufacturers, food producers, and retailers.

The customer value proposition includes performance enhancement, cost-efficiency, reliability, and customer service. The geographic focus overlaps to a large extent with DFDS' ferry route network.

Sector specific solutions are focused on the automotive, forest product, and metal sectors as well as food producers requiring temperature-controlled logistics (cold chain).

We operate in over 20 countries through more than 100 legal entities, structuring our business in accordance with our commercial and economic needs.

We pay tax where value is created and always in line with appropriate OECD guidelines, within the boundaries set by legislation and in accordance with relevant authority guidelines.

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## 2 Tax policy, principles, and social purpose

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In line with our purpose and strategy and particularly its social and environmental dimensions, DFDS is committed to be a responsible taxpayer.

The purpose of this document is to set out the tax policy of the DFDS Group and the general guidelines within which Group Tax operates.

This policy sets out the guideline in all taxation fields (direct taxes, indirect taxes, and environmental taxes).

The involvement in many and various activities with specific tax rules requires a high level of expertise from the tax department who needs to be close to the business to make sure various legislation is interpreted and implemented correctly from a tax perspective.

DFDS is committed to being a responsible taxpayer meaning that:

- Tax compliance must be documented professionally.
- Tax is paid in a timely manner and in accordance with local rules.
- Tax planning is performed in compliance with legislation and based on valid business purposes.

Being a responsible taxpayer DFDS manages tax risks proactively ensuring that tax legislation is complied with and seek legal certainty on tax positions adopted.

DFDS pays taxes where profits are earned in accordance with local tax legislation taking international transfer pricing rules into consideration. The DFDS Group has a balanced tax risk profile and does not engage in tax-avoidance activities which could damage DFDS reputation or brand, be contrary to its corporate and social responsibilities or impact on relationships with tax authorities.

DFDS has an internal governance structure to monitor tax developments and always seek legal certainty.

DFDS actively and constructively engages with authorities, trade, and professional associations to support the development and implementation of effective tax systems.

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### 3 Responsibilities: governance and controls

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The Board of Directors has the overall responsibility for the group tax policy of the DFDS Group. Following instructions from the Executive Management and the Board of Directors it is the overall responsibility of the Group CFO to ensure that the guidelines laid down in this Policy are being observed and complied with.

The Group CFO delegates the assignment (but not the responsibility) related to the daily tax management to Group Tax. Group Tax must perform these duties in due consideration of and in compliance with the guidelines of this Policy.

It is the obligation of the Group CFO to keep the Executive Management and the Board of Directors (Audit Committee) informed about the tax risks within the guidelines of this Policy.

The responsibilities of Group Tax have two objectives:

- Managing tax compliance including correct and efficient processing of all fiscal data in accordance with tax law provisions.
- Providing tax advice including tax risk management and tax planning ensuring the optimal tax situation for the Group and act as a sparring partner for the subsidiaries.

Group Tax has the following responsibilities (the list is non-exhaustive):

- Maintaining a global tax framework to accommodate the DFDS model.
- Global transfer pricing Policy.
- Tax advisory towards the rest of DFDS Group
- Consolidating the Group Tax position
- Managing tax risk reporting
- Managing communication with tax authorities on complex and cross-border matters.
- Engaging with tax authorities at national and EU level in developing of tax systems, legislation and administration enabling a better understanding of the evolving expectations related to tax.

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## 4 Commercial Rationale – Tax transparency

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The commercial needs of the Group are the key focus, and all tax planning and advice will be provided in this context. Where alternative paths exist to achieve the same commercial result, the most tax efficient approach should generally be applied.

Due consideration will be given to the DFDS Groups reputation, brand and corporate and social responsibilities when assessing tax related opportunities and risks.

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## 5 Policy on Disclosure

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Compliance with all relevant legal disclosure requirements will be adopted and all information will be clearly presented to the relevant Tax Authorities as appropriate.

As a matter of policy: Would an error occur resulting in the incorrect amount of tax being paid, DFDS would immediately or at the earliest opportunity report via voluntary disclosure.

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## 6 Review of Group Tax Policy

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This policy is reviewed on an annual basis and approved by the Board of Directors.