

1. Purpose

The purpose of North Media's tax policy is to outline the overall framework and guidelines for North Media's application of current tax and excise duty rules and to create openness and provide transparency in the tax area.

North Media consults external advisers when involved in significant or special transactions that may be significantly impacted by tax legislation. Likewise, the Group's statements of taxable income are reviewed by an independent auditor.

2. Background and policy

Being a Danish listed company with activities primarily in Denmark and Sweden, North Media plays a significant role in these markets. North Media acknowledges its responsibilities and demonstrates responsibility to society in general, customers, suppliers and business partners, as well as to its employees. This includes paying statutory taxes and excise duties, thereby contributing to a well-functioning public sector, public welfare services, social transfers, etc.

As a responsible company and as part of its work on corporate social responsibility, North Media conducts its tax and excise duty transactions in accordance with the principles of best practice and conduct in taxation.

Integrity is a leading principle in North Media's tax policy, which implies that North Media honours its obligations as a taxpayer under the tax legislation in force from time to time in the countries in which the Group operates. North Media does not engage in any form of active tax planning.

The tax policy is the responsibility of the Board of Directors, which approves the policy annually. The process is the responsibility of the Audit Committee under its chairman, and the Audit Committee annually reviews compliance with the policy.

2.1 Direct tax contributions

North Media contributes directly to society by paying corporate income tax, value added tax, several forms of energy taxes, land tax, service charges, stamp duties, registration tax and more.

2.2 Indirect tax contributions

North Media contributes indirectly to society as a derived effect of its employees' tax payments, for example, but also by focusing on hiring first or second generation immigrants, particularly at the Group's packing terminals, and not least by being the first employer to the many young people who choose a delivery job with the Group's distribution businesses as their first employment.

3 Framework and guidelines

3.1 Responsibility and openness

North Media is committed to applying responsible and transparent tax practices, always being able to explain and defend our tax arrangements to its stakeholders and the general public, based on lawful considerations.

For that purpose, North Media maintains an open dialogue with the tax authorities. For particularly complex areas and questions, and if considered relevant, North Media will seek external expert advice. In cases of doubt, North Media will request a binding advance notice from the authorities.

North Media will report on the Group's overall tax payments in Denmark and abroad, reconciled to the Group's financial results for the year, in the CSR section of the Group's Annual Report. Information about any tax arrangements not accepted by the tax authorities will subsequently be disclosed.

The transfer price terms of North Media reflect that intra-group transactions are made on an arm's length basis.

3.2 Tax evasion and aggressive tax planning

North Media does not tolerate any form of tax evasion or aggressive tax planning. North Media does not support or contribute to activities or arrangements that would, to the best of North Media's knowledge, objectively involve actual or attempted tax evasion. North Media seeks to the fullest extent possible to actively assist in preventing and combating tax evasion.

North Media sees aggressive tax planning as an attempt to exploit formalities and loopholes in tax legislation for the sole purpose of reducing tax payments through bypassing or acting in conflict with the intentions of the legislature. North Media does not support or contribute to any activity or arrangement that may be considered aggressive tax planning, and the Group neither has activities, nor wishes to have economic interests, in tax havens or other secrecy jurisdictions.

North Media operates in several countries and has an ambition to pay taxes in the countries in which it has activities with due consideration to the companies' operations and applicable transfer pricing policies.

3.3 Transfer pricing

North Media follows the OECD's Transfer Pricing Guidelines to ensure that controlling transactions are conducted on an arm's length basis. This applies to Danish and international transactions alike.

3.4 Tax policy and competitive strength

North Media arranges its tax payments in observance with the rules, practices and the expected intentions behind the law in all relevant tax and excise duty areas.

North Media's tax policy is defined so as to prevent double taxation and ensure fair competition, in line with the intentions of the legislature.

Such balancing is aimed at ensuring that North Media is seen as a responsible taxpayer without impairing the Group's competitive strength.

To a wide extent, North Media's operations – and its primary activities in Last Mile, in particular – face fierce competition from international tech companies that expose North Media to unfair competition if such companies do not pay taxes to the same proportionate extent as North Media.

3.5 Collaborating with other parties

North Media's collaboration with its suppliers is based on mutual trust, including suppliers' compliance with current tax legislation. If North Media becomes aware of a collaboration partner's non-compliance with current tax legislation, and if the matter is considered to be a deliberate act of a not insignificant scope or nature, North Media will examine the contractual options of discontinuing the collaboration as soon as possible. The same applies if North Media becomes aware that a collaboration partner is practising aggressive tax planning in conflict with North Media's own tax policy.

However, North Media cannot examine the tax planning of major, global businesses and therefore cannot assess whether their tax arrangements meet the standards of North Media's tax policy. For operational reasons, North Media may be forced to collaborate with such suppliers, notwithstanding their tax arrangements, if there are no appropriate alternatives.

4 Statutory rules and standards

North Media aims to comply with national and international rules on taxes and excise duties in force from time to time.

Approved by the Board of Directors of North Media on 26 February 2024