

# GLOBAL TAX POLICY

## BESTSELLER GROUP

01 of 03

In BESTSELLER we are proud to contribute to the countries and regions in which we operate. We do this by means of tax payments as well as other economic contributions. As a company, we regard ourselves as a dedicated member of the global community and we consider tax a business cost to be managed in a responsible and balanced way. This includes an emphasis on fair distribution of contributions to reflect the degree of activities we have in the local countries in which we operate.

The principles of this policy apply to the BESTSELLER Group and all its subsidiaries (including the VILA Group) and involve taxes borne and collected including VAT, GST, customs duties, and other excise duties.

The general aim of the tax policy is to reflect and support the business by helping to ensure a responsible approach to tax, managing and mitigating tax risks, and complying with rules and regulations in the jurisdictions in which we operate.

### TAX POLICY

The overall tax policy for BESTSELLER is to:

- pay taxes according to the value created in countries where we have activities
- follow OECD transfer pricing regulations and the arm's length standard when determining prices and other conditions on inter-group transactions
- meet all legal requirements and make all required tax returns and tax payments in a timely manner including preparation of transfer pricing documentation in a complete and timely manner for inter-group transactions in accordance with international and local documentation requirements
- analyze and consider tax implications and relevant actions related to significant business restructurings, initiatives, and acquisitions
- implement relevant tax control processes and ensure compliance and insight into these processes for all relevant employees/managers in the organization.

### GOVERNANCE

The responsibility for the Global Tax Policy and the management of tax risks lies with the CFO of BESTSELLER.

BESTSELLER Corporate Tax defines policies, guidelines and processes within the relevant tax areas and is involved in all significant business developments and initiatives to assess and manage potential tax consequences and tax risks related to our decisions and actions.

Tax processes and compliance obligations are managed in our Tax Control Framework. We continuously strive to ensure compliant and standardized tax processes across BESTSELLER Group entities. BESTSELLER A/S and VILA A/S are Authorized Economic Operators (AEO certified).

Tax compliance responsibility lies with the local entities. The day-to-day responsibility for adhering to (local) tax requirements, including but not limited to filing and paying obligations and fulfilling obligations to ensure that our tax accounting arrangements are appropriate, is handled by relevant management and finance teams in each business entity. There is regular interaction between the local teams and Corporate Tax and other compliance specialists.

We expect adherence to the rules and regulations, including their spirit and intention, from all our employees and other associated parties (e.g., suppliers; collaboration partners, etc.). We onboard and train relevant colleagues in order to ensure compliance. We encourage a culture of consultation and if in doubt always consult and escalate to relevant stakeholders.

#### **COMPLIANCE**

We are committed to being compliant, and we seek to comply with all tax rules and regulations in the jurisdictions we operate. This also includes our commitment to preventing financial crime, tax evasion, and its facilitation (e.g., including such rules as Corporate Criminal Offence for failure to prevent the facilitation of tax evasion that have been introduced in the United Kingdom and the DAC6 compliance regulation).

We consider the tax laws in all jurisdictions, in which we operate, as being equally important. At the same time, we must maintain the right balance between international and local tax requirements. We always aim to comply with the letter of the law as well as the legislators' intent with the law. Complying with tax rules can be complex, as the interpretation of legislation and case law is not always clear-cut and may change over time.

We comply with international and national accounting and reporting principles, and we continuously invest in relevant new technology to enhance system support and transparency. We strive to apply best practice and we act in accordance with applicable national and international tax rules on tax computation, tax reporting and tax control set-up/structures.

#### **TAX RISK MANAGEMENT**

We consciously manage our tax risks by identifying, assessing, and accounting for the risks in an appropriate manner. Tax risk management is an integrated part of BESTSELLERs Enterprise Risk Management framework.

We maintain robust internal policies and procedures to support our business, and to ensure that risks faced by the business are appropriately identified, assessed, and managed in our Tax Control Framework.

Typically, tax risks are more likely to arise in cross-border situations due to the involvement of multiple tax jurisdictions as well as interpretational differences between different tax authorities. Tax issues are managed by Corporate Tax, other in-house specialists or external tax advisors. When relevant, tax authorities are consulted and/or rulings (APA's, etc.) from tax authorities are obtained.

#### **TRANSPARENCY**

We believe in cooperative relationships with local tax authorities based on mutual respect, understanding, and trust. We seek to build such relationships and dialogue with relevant tax authorities where both parties engage in a constructive and unbiased dialogue to discuss significant transactions and initiatives, where there is significant uncertainty about how tax rules apply to our business.

We follow established procedures and channels for interaction with tax authorities, government officials, ministers, and other third parties, in a professional, courteous, and timely manner.

We do not set up tax structures, artificial tax schemes, or other systems that are intended for tax avoidance and that have no commercial or business substance. We continuously pursue a responsible approach to tax matters and thus we do not use so-called "tax havens" in order to avoid taxes on activities that take place elsewhere. Furthermore, we will not set up companies in jurisdictions which appear on The EU blacklist

We publish our tax policy and economic contribution on our website.

Aarhus, July 2024

This Tax Policy relates to the Financial year ending 31.7.2023 and is published in response to Part 2 of Schedule 19 of the Finance Act 2016