

Introduction

The UK Tax Strategy outlined below relates to XPO, Inc. and all its UK subsidiaries for the financial year ended 31 December 2025. This publication outlines how the XPO Group (“the Group”) manages its UK tax risks and works with HMRC (the UK tax authorities) when undertaking tax compliance, tax planning and tax governance. The UK Tax Strategy has been published in accordance with Part 2 of Schedule 19, Finance Act 2016 and covers all the taxes outlined by paragraph 15(1) of Schedule 19, Finance Act 2016.

Managing UK tax risks

The Group is committed to paying the correct amount of tax and meeting all statutory obligations, including but not limited to, registration, filing and payment deadlines. This commitment is underpinned by strict adherence to applicable tax laws and regulations. The Group’s tax function consists of qualified and experienced professionals who operate in accordance with the Group’s Code of Business Conduct and Ethics, which sets out the highest standards of professional and ethical behaviour. This ensures tax compliance is managed with integrity, diligence, and accountability.

Tax risks may arise due to the complexity of legislation, evolving regulations and differences in interpretation. To mitigate such risks, the Group regularly seeks independent professional opinions and advice from external tax advisors to ensure its positions are well-informed and compliant. The Group operates with integrity and maintains an open, transparent and cooperative relationship with HMRC. This approach enables the Group to proactively address interpretative uncertainties and ensures full compliance with all applicable laws and regulations.

Tax Planning and Governance

The Group takes reasonable care to ensure compliance with both the letter and the spirit of tax legislation. It does not adopt any aggressive tax planning measures and adheres to UK tax law, Double Tax Treaties, European Directives and relevant OECD (Organisation for Economic Co-operation and Development) guidance on international tax matters, including Pillar One and Pillar Two, as well as the arm’s length principles in transfer pricing. The Group is committed to complying with all requirements as these initiatives become effective.



Tax Planning and Governance (continued)

In particular, the Group recognises the practical implications of the OECD Pillar Two, as implemented in the UK through the Finance (No. 2) Act 2023. As the Group meets the €750 million consolidated revenue threshold, it is within the scope of the Multinational Top-up Tax and Domestic Top-up Tax provisions, which apply to accounting periods beginning on or after 31 December 2023. In response, the Group has established robust governance, compliance, and reporting mechanisms to ensure alignment with the Global Anti-Base Erosion (GloBE) framework and continues to assess the impact of these rules on its global tax position.



Where extraordinary commercial activities or substantive transactions occur, such as acquisitions, divestments, or restructuring, the Group ensures that any associated tax risks are appropriately assessed and documented. Independent external advice is sought where required to support decision-making and ensure compliance. The Group also engages with HMRC where appropriate to provide transparency and mitigate interpretative risk.

The Group ensures that tax risks are effectively identified and managed by employees with appropriate qualifications and sufficient experience in their respective tax disciplines. These individuals are responsible for implementing and maintaining controls to mitigate identified risks.

Ultimate accountability for UK tax risks rests with the Board of Directors, who approve the Group's overall approach to tax. This is supported by a structured governance framework involving the following key roles:

- Senior Director, Tax
- Senior Vice President, Finance
- Tax Directors
- Tax Managers
- Senior Accounting Officer

This structure ensures tax matters are managed with oversight, diligence and alignment to the Group's broader risk management and compliance objectives.

Working with HMRC

The XPO Group is committed to fostering constructive and respectful relationships with HMRC and the UK Government. The Group engages collaboratively with HMRC to resolve issues timely and efficiently and to promote early agreement and certainty in its tax affairs. As part of this commitment, the Group meets with HMRC for formal engagements such as the Annual Conversation or Business Risk Review, which provide a forum to discuss all aspects of its UK tax profile across all relevant taxes.