

TAX STRATEGY

At Pitney Bowes we help our clients navigate the complex world of commerce. We provide data so that businesses can market to their clients, we enable the sending of parcels and packages across the globe and we secure payments through statements and invoices to keep our clients moving forward.

Our core value statement, “We do the right thing, the right way”, defines how we’ve chosen to conduct our operations and sets the tone for how we interact with all our stakeholders.

Employees of Pitney Bowes are committed to treating our clients, business partners, co-workers and the communities where we live, work and with whom we interact, with fairness, honesty, respect and integrity. The company’s success as industry leader, employer, business partner and global citizen has been built on these commitments for more than 100 years. We are proud that our policies celebrate everything from diversity and inclusion to environmental stewardship. These same principles are used in setting the Group’s Tax Strategy.

This document is designed to provide an insight into the Group’s policy and approach to conducting its tax affairs and dealing with tax risk.

Tax Risks

Pitney Bowes has a Global business model that involves the delivery of physical and digital products, the provision of services and delivery of solutions throughout the world, either through our own direct channels or in partnership with other businesses. As such, we have tax compliance requirements that cover direct, indirect and payroll taxes across the globe.

We pay our taxes when required and in accordance with all applicable laws and regulations in the countries in which we have an obligation to do so. In addition to domestic legislation, we are guided by relevant international standards such as the OECD Guidelines.

Tax legislation is, by its very nature, complex. In managing our tax positions, we have in-house teams of tax professionals who themselves have access to and relationships with both external tax advisors and the tax authorities. Our tax professionals are, in turn, supported by similar teams of professionals in the Legal and Finance departments.

We have an established system of internal controls and procedures, to ensure that we remain compliant with both the letter and spirit of the law. Tax reporting, compliance and risks associated with our UK business are the subject of quarterly reviews with the business, finance and tax teams. These formal arrangements are designed to ensure that:

- There is a regular flow of information between the business, finance, legal and tax teams, so that each group has the opportunity to share and understand the impacts of changes in the business and operating environment;
- An accurate assessment of any tax risks can be made and that these are communicated to the appropriate parties and documented, for ongoing monitoring and action;
- Technical consideration can be given to any new business developments; and
- Upcoming changes in tax law can be shared to ensure that there is sufficient time to amend and adjust operational and reporting processes.

The outcome of these meetings and assessments are shared with our Chief Tax Counsel, based in the US, who has ultimate responsibility for managing all tax risks. In the event that these tax risks are considered to be material, these are also communicated to both the Chief Financial Officer and the Audit Committee of the Pitney Bowes Board of Directors.

Over the past three years, as the Group has focused on its, narrower, core activities and disposed of non-core operations, most tax risks now fall to be considered as material and, therefore, are often raised to the highest levels of management within the organisation.

Tax Planning

Tax Planning involves the technical analysis of an activity or plan from a tax perspective, to ensure a full understanding of the risks associated with a particular transaction. This analysis will, occasionally, lead to changes to the proposed plan to ensure that there is certainty of outcome.

The Group undertakes tax planning activities to the extent that the commercial needs of the Group require it. All such transactions will therefore have a business purpose or commercial rationale.

Tax planning is undertaken in a manner consistent with all applicable tax rules and requirements. In undertaking tax planning initiatives, due consideration will be given to the Group's reputation, brand, corporate and social responsibilities, as well as the applicable legal and fiduciary duties of directors and employees of the Group. Before any material tax planning is undertaken, the Chief Tax Counsel or Vice President, Tax, EMEA & APAC will seek outside advisor guidance to ensure that any proposed actions meet the required level of legal certainty and that they follow local, national or international tax law and regulations.

Working with HMRC

The Group considers that the current relationship with HMRC is very good. There is an open and active dialogue between those internal professionals within the Group that are responsible for the tax affairs of our UK entities and the various members of HMRC's team.

Outside of the usual filing requirements, meetings and calls are held regularly with members of the HMRC team to discuss areas that may be the subject of correspondence, require advance clearance or pending transactions that have an element of legislative or procedural uncertainty on which we require clarification from HMRC.

Values and ethics

Our values define us as individuals and as a company. Our approach to corporate responsibility is grounded in shared values. That's proven to be a source of great strength for Pitney Bowes throughout our history.

Pitney Bowes Inc.
Stamford, Connecticut USA
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