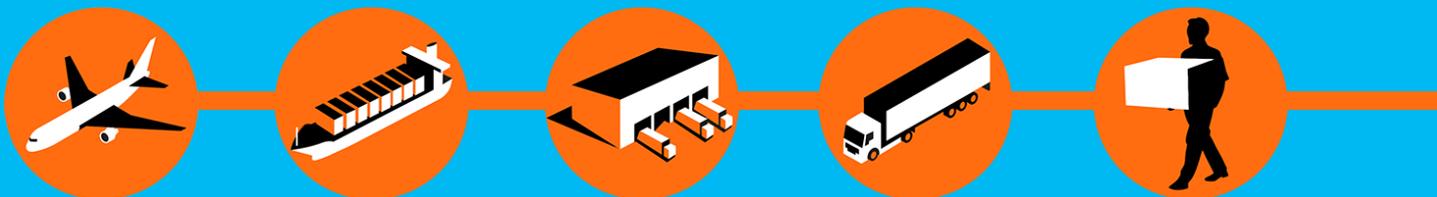




Yusen Logistics

TAX STRATEGY
DECEMBER 2017



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**This policy applies to
Yusen Logistics (UK)
Ltd and all subsidiary
companies.**



1. Introduction

Yusen Logistics are a leading logistics company in the UK, offering complete supply chain solutions utilising high quality infrastructure, modern facilities and proven IT systems to meet and exceed the expectations of our customers.

Yusen Logistics (UK) Ltd regards the publication of this strategy as complying with its duty under paragraph 16(2) of Schedule 19 of the Finance Act 2016 to publish its tax strategy in the current fiscal year.

This document, approved by the Board of Yusen Logistics (UK) Ltd, details the company's policy and approach to conducting its tax affairs and dealing with tax risk. It is effective for the year ended 31 March 2018 and will remain in effect until any amendments are applied; all of which will be approved by the Yusen Logistics (UK) Ltd Board of Directors.

In order to maintain being the "Trustworthy" logistics service provider to our worldwide customers, Yusen Logistics believes that establishment and maintenance of a group compliance system is one of our highest priorities. As such, our tax strategy is in alignment with the Yusen Logistics (UK) Code of Conduct in that our business activities must not only comply faithfully with the laws and regulations of each country, as well as international rules, and to be fair in practice in conformity with social norms.

2. Compliance

Yusen is committed to complying with tax laws in all of the jurisdictions in which it operates, including the UK.

Compliance for us means paying the right amount of tax in the right place at the right time.

We conduct transactions between group companies on an arm's-length basis and in accordance with current OECD principles.

3. Risk Management & Governance

Responsibility for the tax strategy and governance ultimately sits with the Yusen Logistics (UK) Ltd Board of Directors. Day to day responsibility is held by the Finance Director who is supported by internal and external experts.

The company considers risk within the business with the application of a risk control matrix. Risk is assessed on its likelihood, impact and level of controls in existence. Tax risk is included within the matrix.

The company maintains strong internal controls to reduce tax risk to materially acceptable levels. Internal and external assessment of procedures are completed during the fiscal year.

4. Attitude to Tax Planning

Yusen Logistics (UK) Ltd will always seek to interpret tax legislation consistently with both the spirit and intention of the law and will not seek to exploit ambiguity.

5. Level of Risk

Yusen logistics (UK) Ltd consider tax risk to fall under two areas:

- Transactional Risk
- Reputational Risk

5.1 Transactional Risk

The company manages a high volume of logistics movements which may be either UK domestic or International cross border transactions in nature. This gives rise to complexity in the transactions which are overseen by experienced internal staff. The business is reliant on the provision of accurate data from both internal and external sources and review this on an ongoing and transactional basis. The company continually reviews and assesses all fiscal requirements on logistics movements to ensure timely and compliant payments.

5.2 Reputational Risk

Non-financial risks which may have an impact on the company's relationships with shareholders, clients and tax authorities are managed in a comparable way to both operational and financial risk. The company reviews and documents areas of intra group transactions and any third-party authorisations which are provided by their clients for collection and management of customs duties.

6. Approach to Dealing with HMRC

Yusen Logistics (UK) Ltd seeks to comply with its tax filing, tax reporting and tax payment obligations. In all dealings with the HMRC the company will act in an honest, respectful and transparent manner in order to avoid unnecessary disputes and therefore minimise tax risk.

The company will achieve this by hosting face to face meetings with HMRC to discuss the current business profile and tax related issues and where appropriate, seeking clarity and advice on complex matters. We will also ensure that our tax compliance procedures and controls are made available for review by HMRC upon request.

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