



# **PACT GROUP OF COMPANIES**

## **UK TAX STRATEGY POLICY**

**Complying with the duty under  
para 16(2) and para 25(1), Sch 19 FA16**

**PUBLICATION DATE: 30th June 2019**

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## OVERVIEW

Pact Group Holdings Ltd (“Pact”) and its subsidiaries (collectively referred to as “the Group”) regard this publication as complying with the duty under para 16(2) and para 25(1), Sch 19 FA16. This document has been approved by the Executive Leadership Team of Pact and applies to the Group.

This document sets out the Group’s approach to the management of UK taxation matters impacting on the Group and defines the principles governing the management of such taxes. It should be read in conjunction with the Group’s Tax Transparency Report, available on the Group’s website.

The Group’s vision is to enrich lives every day through sustainable packaging solutions and providing an honest, safe and respectful environment. These principles extend to our tax risk governance policy. The Group’s policy is focused on:

- Controlling and managing risks which includes controlled and transparent management of tax activities on a day-to-day basis
- Integrity in compliance and reporting which includes decision making that is able to be understood by non-tax personnel and an enhanced ability to anticipate issues;

It aims to ensure all taxation compliance is properly controlled and managed to enable the Group to fulfil its duties under taxation laws.

It maintains strong, open and professional working relationships with taxation authorities and consults with external advisors as appropriate.

## Stakeholders

The following stakeholders are impacted by the Group’s Policy:

<b>Internal</b>	<b>External</b>
The Board	Revenue Authorities
CEO & CFO	External Auditors
Business Unit Commercial Managers	Investors / Shareholders
Public Officer	Joint Venture Partners
Group Tax Manager	
Group Treasury Manager	
Finance and Investor Relations	
Internal Auditors	

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## GOVERNANCE AND MANAGEMENT OF TAX RISKS

The Executive Leadership Team has delegated to its members overall responsibility for the management of tax aspects of the functions for which they are responsible.

The Group Tax Manager and the Group Tax function manage all direct and indirect tax matters and report to the Chief Financial Officer.

The Chief Financial Officer is the Executive Leadership Team member with overall responsibility for tax, including oversight with other Executive Leadership Team members where their teams have operational responsibility for some transactions which impact tax.

Tax risks identified will be escalated in accordance with the risk management criteria and procedures in Pact's Risk Management Framework document.

Pact maintains transparent and collaborative relationships with all taxing authorities. These principles are enforced through a tax governance policy. The Board reviews and signs off on all significant tax decisions, and the tax risk management framework guides management in the day to day management of tax issues.

## RESPONSIBLE ATTITUDE TO MANAGING OUR TAX AFFAIRS

The Group aims for compliance with all laws, having regard to the spirit as well as the letter of the law; all transactions must be aligned with our Group and ethical values and must have a commercial purpose.

Pact Group's approach to tax is governed by the following three key principles:

- Pact pays tax where the underlying economic activity occurs.
- Pact does not hide assets or income through secrecy provisions.
- Pact does not shift profits to low or zero-tax jurisdictions.

Our management of taxes is primarily driven by the key objective to ensure full compliance with the commitments above and to minimise tax risk.

Effective coordination and communications play a crucial part towards the achievement of this objective and stakeholders are consulted on and must advise on any significant transaction or variation to existing arrangements prior to the Group making any commitment.

The commercial needs of the Group are paramount, and all tax planning is undertaken in this context. However, the commercial needs of the business will in no circumstances override compliance with applicable laws and regulation.

All transactions therefore have a primary or dominant purpose of commercial rationale. Due consideration is given to the Group's reputation, brand, corporate and social responsibilities when considering tax initiatives, as well as the applicable legal and fiduciary duties of directors and employees of the Group and form part of the overall decision-making and risk assessment process.

Tax incentives or opportunities for obtaining tax efficiencies will only be considered where these:

- do not carry significant reputational risk or significant risk of damaging our relationship with the HMRC;
- are aligned with the intended policy objectives of the government which introduced the incentive;
- are aligned with business or operational objectives.

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### **EFFECTIVE MANAGEMENT OF TAX RISKS AND MITIGATING CONTROLS**

The Group's aim is to ensure that tax risk is minimised as far as possible to avoid any adverse impact on its brand, and reputation.

This consideration is key given the Group's ethical stance which is fundamental to the brand and one of the key aspects of interest for our customers.

The Group employs suitably qualified tax staff in its Group Tax Function and external tax advisors are consulted to ensure tax risk is effectively and appropriately managed.

The individuals responsible for tax work very closely with the business and are involved in and consulted on projects.

#### **Compliance principles**

The Group must comply with all tax regulations and disclosure requirements. This requires that:

- The Group submits all returns by their due dates in line with local tax law
- All material positions taken in the tax returns must be supportable in terms of documentation and legal interpretation.
- Technical positions affecting the UK and other Pact tax jurisdictions is reconciled and agreed by Group Tax in advance of any tax authority filing whether pre or post transaction.
- The Group monitors changes in relevant tax law and practice and undertakes necessary training in order to assess any consequences for the group, with the minimum aim of mitigating any adverse impact
- The Group manages its compliance affairs to minimise the risk of any adverse public comment

### **CONSTRUCTIVE AND COLLABORATIVE APPROACH TO WORKING WITH HMRC**

It is the Group's general policy to be transparent, proactive and cooperative in all interactions with tax authorities, including HMRC.

In line with the code of conduct requirements to foster good relationships with tax authorities, governments and third parties, the Group undertake all such dealings in a professional, courteous and timely manner.

The Group pro-actively manages the relationship with tax authorities with the aim of minimising the risk of challenge, dispute or damage to Pact's credibility.

Any inadvertent errors in submission of tax returns and tax computations to tax authorities including HMRC are fully disclosed as soon as reasonably practicable after they have been identified.