



## **Plastipak Group**

### **U.K. Tax Management Strategy**

For the Fiscal Year Ended on 31 October 2021



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## **1.0 Overview**

Plastipak UK Ltd and Clean Tech U.K. Ltd are the subsidiaries in the United Kingdom of Plastipak Holdings, Inc., headquartered in the United States, and affiliates of the global subsidiaries of Plastipak Holdings, Inc. (collectively, "Plastipak" or the "Company"). This document, which has been approved by the Chief Financial Officer ("CFO") of Plastipak, sets forth how Plastipak manages and mitigates its business's tax risks. Plastipak regards the publication of this document as complying with its duty to publish a tax strategy in the current financial year under HM Revenue and Customs Finance Act 2016, Schedule 19, paragraph 16.

This document, which is effective for the fiscal year ended on 31 October 2021, will be periodically reviewed and revised, if needed, by Plastipak's Tax Department and all revisions will be approved by Plastipak's CFO.

Plastipak's Global Tax Team, which is managed by the CFO, Vice President of Tax and Tax Director, interacts with our business units to ensure that:

- Plastipak's Corporate Tax Management Strategies are administered and practiced consistently in all jurisdictions where Plastipak conducts business;
- Plastipak pays its taxes and files all required tax returns and related documents in a timely manner as required by the laws of the United Kingdom;
- There is clear responsibility and accountability for the execution of Plastipak's Corporate Tax Management Strategies;
- In the event the Company does not have specific subject matter tax expertise in-house, Plastipak will engage third-party professional service providers to assist with or advise management on tax matters; and,
- Plastipak's Corporate Tax Management Strategies are aligned with the Company's Code of Conduct and Core Values.

## **2.0 Tax Risk Management**

Tax decisions will be made at all times in a manner which is consistent with Plastipak's Code of Conduct, Core Values and Corporate Tax Management Strategies. Plastipak is subject to several tax risks due to its size and complexity, including but not limited to:

- Indirect and transaction taxes;
- Cross-border transactions;
- Compliance with U.S. and local tax rules and regulations;
- Compliance with tax treaties and conventions;
- Maintenance of open communication channels;
- Taxation of expatriates;
- Accurate and timely tax reporting; and,
- Uphold favorable corporate global reputation.

Plastipak manages these tax risks by:

- Enforcing a strong corporate tax governance system;
- Implementing internal controls that are tested periodically by the Company's Internal Audit Department and certain third-party professionals;
- Engaging local tax and legal professionals, when needed, to ensure that the Company is in compliance with all local tax laws; and,
- Constant reviewing and testing for compliance with Plastipak's tax strategies.

Plastipak's Tax Department collaborates with the Company's senior management and business units to ensure consistent alignment with Plastipak's Code of Conduct, Core Values and Corporate Tax Management Strategies.

Plastipak seeks to reduce the level of tax risk arising from its business practices and operations as low as reasonably practicable by ensuring that reasonable care is applied to all tax reporting processes and tax positions.

### **2.1 Corporate Tax Strategy**

Plastipak's Tax Team is continuously focused on mitigating the Company's tax risks while ensuring that Plastipak is paying its taxes in a timely manner.

Plastipak's Corporate Tax Management Strategies are focused on:

- Ensuring that tax structure and practices are aligned with Plastipak's Code of Conduct and Core Values;
- Compliance with all tax regulations and laws, tax disclosure and filing requirements, and timely tax payments in the jurisdictions where Plastipak operates;
- Maintaining a high level of ethics and integrity in all aspects of the Company's tax function;
- Controlling and mitigating tax risk;
- Engaging with tax authorities in an open and professional manner to minimize risk and uncertainty; and,
- Operating an effective tax governance system and continuously testing controls and refining our processes to ensure adequate controls over tax reporting and compliance with all tax obligations.

## **2.2 Corporate Code of Conduct**

Numerous sections of Plastipak's Code of Conduct address how we are required to act when dealing with tax matters. These policies include:

- Compliance with applicable laws around the world;
- Conflicts of interest;
- External communications;
- Mutual respect;
- Internal controls;
- Honesty and trust; and,
- Raising concerns and reporting misconduct.

The following are excerpts from Plastipak's Code of Conduct:

- *The Plastipak Code of Conduct ("Code") applies to all representatives, Associates, including but not limited to supervisors, managers, consultants, directors, officers and any other persons whose business activities are conducted on behalf of Plastipak Holdings, Inc. and/or any of its subsidiaries.*
- *The Code requires all Associates of the Company to act ethically when conducting the business of the Company. The integrity of the Company must never be compromised*

*for the personal benefit of an Associate, customer or supplier. Early identification and resolution of ethical issues are critical to maintaining our commitment to ethical business practices.*

- *If an Associate is unsure of what to do in any situation, he/she is encouraged to seek additional guidance and information from the Company's designated Chief Compliance Officer. Associates may remain anonymous if desired.*

## **2.3 Compliance With Applicable Laws**

At Plastipak, we strive to be a responsible corporate citizen of the many communities and countries in which we operate around the world. In order for our Company to act responsibly, all Associates and other team members must routinely obey all governmental laws and regulations that govern their work.

All Associates need to be familiar with the laws of their home country, as well as laws of other countries that apply their requirements outside their borders to the Company's operations and employees.

Plastipak has Corporate Legal and Tax Departments who collaborate with the Company's business units and outside service professionals to provide advice and guidance in ensuring regulatory compliance with local laws and regulations.

## **2.4 Key Roles and Responsibilities**

Plastipak's Global Tax Team is managed by the following key individuals:

- Chief Financial Officer
- Vice President of Tax
- Tax Director

Plastipak's CFO acts as the Company's Chief Tax Officer. He is ultimately responsible to the Board of Directors for Plastipak's global tax function. The CFO attends all Plastipak board meetings, presents significant tax matters to the Chief Executive Officer and Board of Directors of Plastipak and directs the execution of their strategic decisions to all business units.

The Vice President of Tax and Tax Director are responsible for the day-to-day operation of the Company's tax functions. These individuals are also responsible for ensuring that the Company's tax processes are in-line with Plastipak's Code of Conduct, Core Values and Corporate Tax Management Strategies.

Plastipak's Chief Executive Officer and Board of Directors advise our CFO on matters involving reputational risk of Plastipak generally, including tax risks. They also approve major projects that implement or may have a significant impact on Plastipak's Tax Strategies.

## **2.5 Key Tax Controls**

Plastipak's Tax Department and our tax reporting processes are governed by controls which are tested periodically by internal and external personnel, and refined as needed.

A partial list of Plastipak's key controls includes:

- Formal Tax Operating Policies and Procedures over the global tax function and other areas that impact the tax function;
- A robust reporting system for the collection of tax information from all of Plastipak's business units;
- Continuous training of tax, finance and accounting Associates globally in an effort to improve the data collection and reporting processes;
- Regular review by local Associates, Plastipak's Global Tax Team and third-party professionals when warranted of tax law updates and changes that may impact any of the Company's tax positions;
- Reviews and audits conducted by Plastipak's Internal Audit Department and outside tax professionals;
- Quarterly and annual reviews as well as audits of the Company's tax accounting and reporting for financial statement purposes by third-party professionals;
- Preparation or reviews of the Company's tax returns and other certain tax filings;
- Constant interaction with third-party tax and legal advisors; and,

- Constant interaction with senior executives and business units to mitigate tax risk at all levels of Plastipak.

## **3.0 Tax Planning**

Plastipak undertakes tax planning as part of its overall business strategy. The main business drivers of Plastipak's business model and planning are its commercial strategies and activities; its tax planning is secondary. All tax planning strategies and evaluation of tax risks must be governed by and in-line with Plastipak's Code of Conduct and Core Values as well as the decision making and approval levels established by Plastipak's Tax Management Strategies (See Section 4).

Plastipak's Core Values are as follows:

- Trust – foundation for growth
- Accountability – be responsible
- Innovation – think differently
- Integrity – do the right thing
- Dignity – respect others
- Diversity – enrich the workplace
- Engagement – be involved
- Environment – conserve resources
- Community – be a good citizen

Plastipak may evaluate various tax outcomes when considering how to structure a commercial transaction. Management has been directed not to undertake aggressive tax planning to avoid taxes. The Tax Department has a responsibility to minimize tax risks and exposure to negative publicity.

Plastipak may pursue and use tax incentives and abatements to minimize tax expenses as part of its tax planning strategies. The Tax Department has processes in place designed to ensure that the Company is in compliance with all tax incentives and abatements granted or the Company will forgo the tax incentives and abatements.

Management will seek the advice of professional service providers when a tax planning structure is deemed to be potentially high risk. Management may also seek outside professional advice during its review of certain transactions that are deemed to be low or medium risk, although management rarely seeks outside advice on matters of a low risk nature.

#### **4.0 Tax Risks**

The Plastipak Global Tax Team is focused on limiting the Company's tax risks to technically sound levels, with reliance solely on the technical merits of said tax positions. These positions are conservative in nature and exclude any expansive interpretation of tax law. Close management of tax and reputational risks are of the upmost importance to Plastipak's Chief Executive Officer, Board of Directors, CFO and other critical stakeholders in the course of their decision making.

Management engages third-party tax and legal professionals to provide expert advice on certain areas of tax to maintain our excellent reputation in the public domain. Management believes that good internal controls and relationships with professional advisors are among the best ways to protect the Company's reputation. The Company does not want our tax matters having a negative impact on our shareholder value.

Management has implemented decision making and approval levels regarding tax matters as follows:

- Low risk level – managed by the local Finance Controller, the Tax Director and Vice President of Tax;
- Medium risk level – managed by the local Finance Controller, the Tax Director, Vice President of Tax and CFO; and in certain situations, third-party tax or legal professionals; and,
- High risk level - managed by the local Finance Controller, the Tax Director, Vice President of Tax and CFO, and one or more third-party tax or legal professionals.

Plastipak's strategy is to accept only low risk tax positions. When based on technically sound merits, Plastipak may accept medium risk tax positions. Management will not undertake transactions involving a high level of tax risk.

Plastipak's Tax Department is continuously working with site accounting and finance professionals in an effort to improve and further refine the Company's tax reporting process. Plastipak also reviews and implements best

practices in its tax reporting process in an effort to reduce tax risk.

#### **5.0 Relationship With HM Revenue and Customs ("HMRC")**

Plastipak's Code of Conduct requires the Company's accounting and tax professionals to act ethically and with integrity when working with tax authorities, including HMRC. This includes, but is not limited to:

- Timely filing of local tax returns and other reports;
- Paying all local taxes and assessments in a timely manner;
- Clearly communicating with local tax authorities any tax disputes; and,
- Maintaining a high level of integrity and ethics in all verbal and written correspondences.

In certain circumstances, Plastipak may engage third-party professional tax, legal or audit service providers to:

- Interact with the HMRC and other tax authorities;
- Prepare tax filings;
- Review tax positions and filings;
- Assist the Company in managing past, current and future tax risks to levels that are in-line with Plastipak's Corporate Tax Management Strategies;
- Advise on tax events and the potential impact of proposed commercial transactions; and,
- Keep management updated on new tax legislation and provide assistance in interpreting new tax legislation.

Plastipak's CFO and Vice President of Tax retain third party professionals to ensure that the Company is in compliance with all tax requirements and that it maintains a professional relationship with HMRC and other tax authorities.