

CCL UK tax strategy document

March 2022

Scope

CCL UK is a group of 24 UK companies, indirectly and ultimately owned by **CCL Industries Inc.** and part of the global CCL Industries Group.

The **CCL Industries Group** employs approximately 23500 people operating 199 production facilities in 43 countries on 6 continents with corporate offices in Toronto, Canada, and Framingham, Massachusetts. **CCL Industries Group** has four lines of business. **CCL** is the world's largest converter of pressure sensitive and specialty extruded film materials for a wide range of decorative, instructional, functional and security applications for government institutions and large global customers in the consumer packaging, healthcare & chemicals, consumer electronic device and automotive markets. Extruded & laminated plastic tubes, aluminium aerosols & specialty bottles, folded instructional leaflets, precision decorated & die cut components, electronic displays, polymer bank note substrate and other complementary products and services are sold in parallel to specific end-use markets. **Avery** is the world's largest supplier of labels, specialty converted media and software solutions for short-run digital printing applications for businesses and consumers available alongside complementary products sold through distributors, mass market stores and e-commerce retailers. **Checkpoint** is a leading developer of RF and RFID based technology systems for loss prevention and inventory management applications, including labelling and tagging solutions, for the retail and apparel industries worldwide. **Innovia** is a leading global producer of specialty, high-performance, multi-layer, surface-engineered films for label, packaging and security applications. The **Company** is partly backward integrated into materials science with capabilities in polymer extrusion, adhesive development, coating & lamination, surface engineering and metallurgy, deployed as needed across the four business segments.

CCL Industries Inc. is listed on the Toronto stock exchange, which is governed by the Ontario Securities Commission (OSC) and requires Canadian publicly held companies to sign sworn statements certifying that reports filed with the OSC do not contain untrue material information or omit material information. In addition, our management is responsible for establishing and maintaining adequate internal control over financial reporting of the Group (pursuant to CSA Multilateral Instrument 52-109, also known as Bill 198).

This strategy applies to CCL UK in accordance with paragraphs 19 of Schedule 19 to the Finance Act 2016. CCL UK's strategy is aligned to CCL Industries Group's global strategy. A list of the entities to which it applies is set out below. In this strategy, references to 'CCL UK' are to all these entities. The strategy has been published in accordance with paragraph 16(4) of the Schedule by being included in certain entities annual financial statements or on the company website.

This strategy applies from the date of publication until it is superseded. References to 'UK Taxation' are to the taxes and duties set out in paragraph 15(1) of the Schedule which include Income Tax, Corporation Tax, PAYE, NIC, VAT, Insurance Premium Tax, Stamp Duty Reserve Tax, Stamp Duty Land Tax and Customs and Excise Duties. References to 'tax', 'taxes' or 'taxation' are to UK taxation and to

all corresponding worldwide taxes and similar duties in respect of which CCL UK entities have legal responsibilities.

Aim

CCL UK is committed to full compliance with all statutory obligations and full disclosure to tax authorities. CCL UK's tax affairs are managed in a way that focuses the corporate organisation on our customers and commercial, while complying with the relevant tax obligations resulting from this, whilst seeking to take advantage of available tax incentives, reliefs and exemptions in line with the spirit of tax legislation.

Governance

Globally ultimate responsibility for tax at Senior Executive level, sits with the Senior Vice President and Chief Financial Officer.

The CCL Industries Group Audit Committee monitor the integrity of CCL's financial reporting system, internal controls and risk management framework, which expressly includes those elements relating to taxation.

Oversight of the global tax affairs of the CCL Industries Group is delegated to the Group Vice President of Taxation who is supported by a team of tax professionals globally, who are appropriately qualified.

Regional oversight and support for UK tax affairs is led by the UK Director of Finance, with the support of a UK Tax Manager, both of whom are UK based.

Day to day management of tax affairs is delegated to each plants Financial Controller, who are responsible for confirming that the tax affairs of their plant are in order and that the plant has maintained appropriate controls to ensure that the right amount of tax is reported and paid on time.

Globally CCL have an internal audit team whose remit is also to review taxation matters where necessary.

Tax Risk management

Day to day responsibility for tax in the CCL UK Group is managed by each plant's Financial Controller who may delegate processes relating to different taxes to appropriate process owners within their business unit. The process owners review the activities of the business and key risks to deliver tax compliance and ensure mitigating controls are in place, responding to changes in business activities and tax legislation where appropriate to ensure ongoing compliance, with ultimate responsibility resting with the plant Financial Controller.

The UK CCL Group is overseen by the UK Director of Finance who co-ordinates the plant controllers and facilitates the sharing of best practice between the UK businesses.

Day to day management of the CCL UK Group structure and associated tax compliance is overseen by the UK Tax Manager who is based in the UK and who also supports all UK CCL sites, by providing technical updates, dealing with any taxation queries and supporting the Plant Controllers with; the

management of tax compliance deadlines; understanding new tax rules; and advising on tax compliance issues resulting from business change. The UK Tax Manager is also the key liaison on a day to day basis between CCL UK and HMRC.

Each Plant Controller monitors key risks for business and legislative changes which may impact them and changes to processes or controls are made when required, with the support of the UK Director of Finance and UK Tax Manager as set out above;

Appropriate training is carried out for CCL staff who manage or process matters which have tax implications;

Advice is sought from tax advisors where appropriate.

Attitude to tax planning and level of risk

For the CCL Industries Group, maintaining its excellent reputation as an international group is paramount. CCL Industries is a global business which naturally creates complexity and tax risk. However, CCL Industries operations around the world and are committed to conducting business with the highest ethical standards as set out in its corporate governance and business ethics policies. CCL Industries believes that dedication to high ethical standards makes CCL Industries a sought-after employer, a valued business partner, a solid company in which to invest, and is thus key to our organisations' success.

CCL Industries Group ensures it complies with legal requirements in all jurisdictions in which it operates. This includes paying the right amount of tax at the right time.

CCL Industries is driven by the need to organise its corporate affairs so as to ensure delivery to customers, whilst managing all relevant other business stakeholders, including the management of global tax authorities and compliance with global tax rules. When entering into commercial transactions, CCL Industries seeks to take advantage of available tax incentives, reliefs and exemptions in line with, and in the spirit of, tax legislation. CCL Industries does not undertake tax planning unrelated to such commercial transactions.

The level of risk which the CCL Industries Group accepts in relation to UK taxation is consistent with CCL Industries acknowledgement that business risk is unavoidable. These risks are managed with the objective of maintaining its good standing, conducting business with high ethical standards.

CCL Industries seeks external tax advice, particularly on cross border matters, where there is complexity.

Working with HMRC

CCL UK has an open and constructive relationship with HMRC through regular meetings and communication.

CCL UK ensures that HMRC is kept aware of significant transactions and changes in the business. CCL UK seeks to discuss tax issues at an early stage. When submitting tax computations and returns to HMRC, CCL UK discloses all relevant facts and issues pertaining to entries made in its returns.

Any inadvertent errors in submissions made to HMRC are fully disclosed as soon as reasonably practicable after they are identified.

List of entities covered by this Tax Strategy

Company

CCL Industries (UK) Limited
CCL Syrinx (UK) Limited
CCL Syrinx (UK Holding) Limited
CCL Label Limited
Inprint Systems Limited
CCL Label (Ashford) Limited
Worldmark International Limited
Worldmark (Holdings) UK Limited
Worldmark UK Limited
Innovia Group (Holding 3) Limited
CCL Secure (Holding) Limited
Innovia Films (Holding) Limited
Innovia Films Limited
Checkpoint Apparel Label Solutions Limited
Checkpoint Systems (UK) Limited
ID&C Limited
Imprint Plus UK Limited
CCL Label Ireland Limited
John McGavigan Ltd
Lemac No 1 Ltd
McGavigan Corporate Ltd
McGavigan Holdings Ltd
Master Marketing Products Ltd
CCL Syrinx (Kontur Holdings) Ltd