

This document sets out Eurocell plc's response to the Fair Tax Mark scorecard assessment received in 2020. The objective of this document is to demonstrate the enhanced disclosures that will underpin the Group's Fair Tax Mark certification, with tax transparency further consolidated and enhanced in Eurocell's Annual Report and Accounts 2020.

Tax Policy Statement

We are committed to compliance with tax law and practice in the UK. Compliance for us means paying the amount of tax we are legally obliged to pay and doing so in the right place, at the right time. It involves disclosing all relevant facts and circumstances to the UK tax authorities in ways that reflect the economic reality of the transactions we undertake, and claiming appropriate reliefs and incentives where available.

Risk management

The level of risk that we accept in relation to UK tax is consistent with our overall objective of achieving certainty in the Group's tax affairs. At all times, we seek to comply fully with our regulatory and other obligations, and to act in a way that upholds our core values and reputation as a responsible corporate citizen. We see compliance with tax legislation as key to managing tax risk, and understand the importance of tax in the wider context of business decisions.

Processes have been put in place to ensure tax is considered as part of our overall decision-making processes, with tax risks managed by local finance teams and escalated through to appropriate levels of management and, ultimately, to the Board when necessary.

Tax planning

In structuring our commercial activities, we will always consider – among other factors – the relevant tax laws. We believe that it is fair to mitigate tax using generally available reliefs in the spirit in which they are intended. However, any tax planning that we undertake will have commercial and economic substance and we will not use aggressive tax planning or enter into complicated tax avoidance schemes.

Although for commercial reasons we may trade with customers and suppliers genuinely located in countries considered to be tax havens, we will not use such jurisdictions for the purpose of avoiding tax, nor will we seek to take advantage of the secrecy afforded to transactions recorded in these jurisdictions.

Engaging with HMRC

We aim to have a good working relationship with HMRC. We will engage with honesty and integrity, and in a spirit of cooperative compliance. We will make all returns and pay tax on a timely basis, across all types of tax.

The Board has approved this policy. The Board will review the policy, and our compliance with it, on an annual basis.

Compliance

Eurocell plc and its subsidiary companies are compliant with our Tax Policy. We will make explicit reference to our compliance with the Tax Policy in the 2020 Annual Report and Accounts. Responsibility for all tax reporting and adherence to Tax Policy rests with Michael Scott, Chief Financial Officer.

Tax residency

Eurocell plc and its subsidiaries are all registered in England and Wales, and are resident in the UK for tax purposes. The financial statements and other statutory filings are freely available to the public at Companies House.

Republic of Ireland operations

The Group operates from a number of manufacturing locations in the East Midlands, Yorkshire and The Wirral, and from over 200 branches across the UK.

There are also two branches in the Republic of Ireland. These trading locations form part of Eurocell Building Plastics Limited, a UK company, but are resident in the Republic of Ireland for tax purposes.

The Group included the following disclosure within its segmental note in the 2020 Half Year report:

Geographical information						
	Six months ended 30 June 2020 £'m (Unaudited)		Six months ended 30 June 2019 £'m (Unaudited)		Year ended 31 December 2019 £'m (Audited)	
	Revenue	Non-current assets	Revenue	Non-current assets	Revenue	Non-current assets
United Kingdom	93.1	115.9	135.7	101.6	277.7	106.5
Republic of Ireland	0.5	-	0.6	-	1.4	-
Total	93.6	115.9	136.3	101.6	279.1	106.5

As at 30 June 2020 the Group employs 1,833 people in the United Kingdom, and 7 people in the Republic of Ireland.

Duncan Longson
Group Financial Controller

9 December 2020