

## Nexeo Plastics – UK Tax Strategy

### Scope

In compliance with Schedule 19, Finance Act 2016, Nexeo Plastics UK Limited (the “Company” or “Nexeo”) is publishing its UK tax strategy for the financial year **ending September 30, 2022**. This tax strategy is approved by the Board of Directors of the Company and reviewed by the Nexeo EMEA Finance Director and by the Nexeo Director of Federal and International Tax. It is applicable from the date of publication until it is superseded. References to “tax”, “taxes” or “taxation” are to UK taxation and similar duties, including all corporate income taxes, indirect taxes (including VAT), and employment taxes, in which Company has legal responsibilities.

### Tax strategy guiding principles and Nexeo’s attitude to tax planning

In accordance with its Global Standards of Business Conduct, Nexeo is committed to conducting its business in compliance with all applicable laws and regulations, including the local tax legislation in all the countries in which Nexeo operates – including the United Kingdom. In terms of tax compliance, Nexeo is committed to:

- act in compliance with all UK tax-related legislation;
- meet all UK tax reporting obligations; and
- calculate the right tax amounts and to report and pay them correctly and on-time to the applicable UK Authorities.

Taking into account these leading principles, Nexeo seeks to ensure that any tax planning undertaken by Nexeo is in full compliance with the UK tax legislation, has real economic substance, is not artificial and takes into account the potential impact on Nexeo’s tax reputation. All transactions between Nexeo group entities are conducted based on the OECD’s arm’s length standard in relation to transfer pricing. Nexeo does not use any tax arrangements that could evade taxes or prevent the authorities from collecting them. We act lawfully, ethically and with integrity, and we expect our employees, customers, suppliers and any business partners to behave in the same way.

### Governance arrangements in relation to UK taxation

The Board of Directors of the Company bears the ultimate responsibility for the Nexeo tax strategy and tax compliance in the UK. For the Board of Directors, the UK tax strategy and tax compliance is one of the factors that is considered in all relevant business decisions.

The responsibility for day-to-day management of Nexeo’s UK tax affairs is delegated to the Nexeo EMEA Finance Director, who reports directly to the Nexeo Global Chief Financial Officer. In this day-to-day tax management role, the Nexeo EMEA Finance Director is supported by the Nexeo Director of Federal and



International Tax. The daily UK tax-related tasks and activities are performed by the Nexeo EMEA Finance Department, in accordance with the general principles of tax compliance that are mentioned above.

## **UK tax risk management and the level of risk that Nexeo is prepared to accept**

In order to mitigate any potential tax risk in the UK and to ensure the compliance with all UK tax-related legislation, the Nexeo EMEA Finance Department has implemented and operates a system of tax-risk controls that is a part of the general internal control framework applicable to the Nexeo financial reporting system. Its main elements are the following:

- Nexeo hires tax staff with appropriate qualification and experience;
- Nexeo seeks professional tax advisor support, if required;
- Nexeo maintains robust processes in order to ensure the correct tax reporting whereby all tax filings pass through a two-step check control (preparer vs. reviewer process); and
- Nexeo tax staff monitors all legislative changes that may impact tax reporting and the tax processes.

Taking into account the above mentioned principles, Nexeo adopts a low-risk tax strategy that is characterized by the following features:

- Nexeo considers carefully the tax implications of all relevant business decisions and transactions in order to ensure that they are carried out and reported in compliance with the UK legislation;
- Where there is tax uncertainty or complexity, Nexeo engages professional tax advisors; and
- Aggressive tax planning is not proactively considered.

## **Relationship with HMRC**

Nexeo's interaction with HMRC is mainly focused on an accurate and timely tax reporting which includes an appropriate and balanced level of disclosure, with the objective to meet all the relevant tax filing and tax payment deadlines.

In general, Nexeo's relationship with HMRC is based on the principles of full compliance, cooperation, transparency and good faith. Nexeo endeavors to ensure that HMRC is informed about any tax relevant changes in the Company's business and transactions in a timely manner. Any inadvertent errors in the filings made to HMRC are corrected as soon as reasonably practicable after they are identified.