



JOHN SWIRE & SONS

OUR TAX STRATEGY

This document, approved by the Board of John Swire & Sons Ltd, sets out the policy and approach to managing UK tax compliance and the UK tax risks of John Swire & Sons Ltd and our subsidiaries. This Tax Strategy has been prepared in accordance with Schedule 19, Finance Act 2016.

Our attitude to tax planning

Our UK tax affairs are managed in a manner that is consistent with our intent to be good corporate citizens. We believe we must contribute fairly, through the tax system, to the cost of providing a secure and robust business environment in the countries in which we operate.

Through our tax policy and internal governance, we seek to ensure that we comply with the intention of relevant tax legislation and hence to pay the appropriate amount of tax, on a timely basis and in the correct locations.

Our tax policy is designed to help us ensure that tax risks are managed in a manner that is consistent with John Swire & Sons Ltd's core values. We aim to be fully compliant with tax laws and regulations and we do not use tax planning structures that are contrary to the intentions of the relevant legislation. Any tax planning undertaken is based on how our businesses operate commercially.

We have a low threshold to tax risk. In reviewing tax planning, we not only consider the financial outcome but also our reputation and our commitment to corporate social responsibility.

Our tax risks

John Swire & Sons Ltd's UK activities represent a fairly straightforward operating environment from a tax perspective with very limited cross border transactions. We have in place transfer pricing agreements which require that transactions occurring across borders between group companies are carried out on arm's length terms. Where possible we seek to have such transactions endorsed by both the UK and overseas tax authorities.

Our UK businesses are stable and the associated tax matters are well understood. Our main UK tax risks arise from unusual or large transactions. These are infrequent and at such times advice is sought from external advisors.

As a UK headquartered business, we work closely with the UK tax authorities and have achieved low risk status as defined by HMRC for our UK activities. HMRC judges the tax risk of a business according to factors such as tax planning, compliance with tax filing requirements and openness of engagement. We are very keen to ensure this rating is maintained.

How we manage our tax risks

Decisions over tax risks are the responsibility of the Boards and senior management of our businesses. The John Swire & Sons Ltd tax policy includes clear guidelines that provide a framework within which Board members and senior management work when making tax-related decisions. We have a clear internal reporting framework that ensures compliance with the tax policy and that decisions over tax matters are given appropriate senior management attention.

We carefully assess tax risks in line with our internal guidelines as set out in our tax policy. We seek certainty and, according to the circumstances, nature and size of a transaction, will use a combination of our own internal tax resources and external specialists to ensure matters are fully considered and that all elements of tax risk are identified. Wherever possible we will liaise with tax authorities on a real-time basis to seek the necessary assurances and certainty.

Compliance with the tax policy is monitored by the UK based Group Tax Manager and overseen by the Group Finance Director. It is also considered annually by the Board of John Swire & Sons Ltd.

Approach in dealing with tax authorities

We actively seek to develop and maintain constructive relationships with UK tax authorities. We engage in an open and clear manner and seek early dialogue to discuss business events and transactions.