



kdc/one Business Tax Strategy

UK Companies

Introduction to the Group

HCT Europe Limited is a UK company and the European headquarters for the HCT Group of companies, part of kdc/one Group.

Headquartered in London, UK, *HCT Europe Limited* operates in the beauty products industry and specializes in the design, sourcing, and manufacturing of beauty products for global beauty brands. *HCT Europe Limited* provides full-service, turnkey solutions across concept development and design, manufacturing, fill and assembly, and logistics and operations.

HCT Europe Limited is indirectly owned by Knowlton Development Corporation, Inc., a Canadian corporation and top parent entity of the kdc/one Group.

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kdc/one Swallowfield Limited is a UK company and the headquarters of Swallowfield Group of companies, part of the kdc/one Group. *kdc/one Swallowfield Limited* is engaged in the development, formulation and production of beauty and personal care products. Swallowfield's manufacturing offering includes aerosols, hot pour products, cosmetic pencils, fragrance and gift sets.

Headquartered in Wellington, Somerset (UK), the Swallowfield Group of companies operates two manufacturing facilities, one in the UK and one in Czech Republic (Tabor). In addition, Swallowfield operates a sourcing office in China.

kdc/one Swallowfield Limited are indirectly owned by Knowlton Development Corporation, Inc., a Canadian corporation and top parent entity of the kdc/one Group.

Being part of the kdc/one Group, both *HCT Europe Limited* and *kdc/one Swallowfield Limited* have the same governance of tax matters. In this document, any reference to kdc/one Group means and includes by extension a reference to both *HCT Europe Limited* and *kdc/one Swallowfield Limited*.



Governance and management of tax matters

The tax strategy of kdc/one Group in the UK is to pay the correct amount of tax, on a timely basis, to the relevant taxing authority and to minimize the level of tax risk arising from its operations by ensuring that reasonable care is applied to all processes which could materially affect compliance with tax obligations. kdc/one Group is committed to compliance with UK tax laws.

Day to day management of kdc/one Group tax affairs is done by appropriately qualified individuals, supported by qualified external resources.

The Finance Director of each legal entity is accountable within the group for tax matters. The local Finance Directors/ Financial Controllers play an important role in the management of our tax affairs and authorize all tax returns, including for example those related to Corporate Income Tax and VAT, subject to internal approvals if required under the group's authorities. Significant tax topics are duly reported to the Corporate Tax Department at kdc/one, which, where needed, is supported by external advisors. T

The local Finance Director/ Financial Controller of each legal entity will also liaise directly with the Group Tax VP as necessary.

Attitude towards tax planning and level of risk

kdc/one Group risk approach to tax is aligned with the company's broader corporate strategy, and the objective is to ensure its compliance with applicable tax legislation.

Each kdc/one Group Company aims to meet its taxation obligations in the jurisdictions in which it operates. Tax planning is aligned with commercial business and economic activities. In commercial transactions, kdc/one Group takes advantage of available tax incentives, relief programs and exemptions in compliance with tax legislation.

When entering transactions or making changes to its business, kdc/one Group assesses and takes appropriate steps to achieve compliance. The same approach is taken whenever new legislation is introduced or Her Majesty's Revenue and Customs ("HMRC") changes their policies. Where there is uncertainty or complexity in relation to the law or its application, expert advice may be sought. If this is insufficient to achieve certainty or to address the complexity, kdc/one Group may engage directly with HMRC to better understand the application of the law and ensure compliance.



Working with Tax authorities

kdc/one Group seeks to have a collaborative and constructive relationship with HMRC.

When submitting tax computations and returns to HMRC or otherwise interacting with HMRC, kdc/one Group intends to be transparent and to disclose all relevant facts.

The kdc/one Group will seek to resolve any disputed matters through pro-active and constructive discussion and negotiation.