

# **INFORMATION ON THE EXECUTED TAX STRATEGY**

**ICT POLAND SP. Z O.O.**

	Prepared	Updated	Approved by the Board
Name and surname			
Date			
Signature			

## List of terms and abbreviations

For the purposes of this document, the following terms have the following meanings:

<b>Term</b>	<b>Description</b>
2020	Tax year that started on January 1, 2020 and ended on December 31, 2020
ICT Group	An international group of ICT entities all over the world
The Company, ICT Poland	ICT Poland Spółka z ograniczoną odpowiedzialnością

## **Introduction**

This document presents information on the tax strategy implemented in 2020 by ICT Poland Spółka z ograniczoną odpowiedzialnością, which is part of the ICT Group.

ICT Poland as a taxpayer of corporate income tax with revenues exceeding in the financial (tax) year ended on December 31, 2020 the amount of EUR 50 million is required to prepare and publish information on the executed tax strategy for the financial (tax) year ended on December 31, 2020.

This information on the executed tax strategy was prepared in accordance with Art. 27c of paragraph 1. 2 of the Act of February 15, 1992 on Corporate Income Tax (consolidated text, Journal of Laws 2021, item 1800, as amended).

## **ICT Poland**

ICT Poland operates in Kostrzyn nad Odrą since 2001. ICT Poland is a company characterized by a fully integrated production process that uses the latest technologies available in the field of manufacturing and processing tissue products. The plant is currently one of the most technologically advanced facilities of this type in Europe, and due to its size, also one of the most important production plants on the continent. Thanks to the extensions in 2008 and 2015, the plant achieved a production capacity of 210k tonnes of paper produced on three paper machines. In addition, as part of the technological development project, ICT Poland completed in 2010 the construction of a fully automated warehouse capable of holding 90k pallets of finished product on 12 levels and loading 220 trucks a day.

Selected areas of business activity conducted by the Company, including activities in a Special Economic Zone, are subject to special regulations. Taking into account the importance of these areas, e.g. for the local community, in order to ensure compliance with the specific regulations for this type of activity and with the guidelines of regulators, the Company treats regulated areas as a priority.

**Table 1. Basic information about the Company**

<b>Name</b>	ICT Poland Spółka z ograniczoną odpowiedzialnością
<b>Registered office</b>	Włoska 3, Kostrzyn Nad Odrą 66-470
<b>KRS (National Court Register) number</b>	0000049805
<b>NIP (Taxpayer Identification Number)</b>	5992536573
<b>REGON (Business Statistics Number)</b>	21099578200000
<b>Share capital</b>	PLN 105 000 000
<b>Date of entry into the register of entrepreneurs of the National Court Register</b>	2001-10-12

### **Tax processes and procedures**

Basic principles of the Company's approach in tax matters have been developed based on the applicable tax regulations, as well as guidelines and rules resulting from business, accounting and tax procedures included in separate documents, to which the employees of the Company have an access. In order to properly manage and perform obligations resulting from the provisions of tax law, the Company had procedures and appropriate tax processes in place. They have been prepared in accordance with the Company's values written down in the form of a separate document, i.e. "ICT Poland Values", as well as taking into account the nature of the Company's activity and the specificity of the industry in which the Company operates.

### *Tax settlements*

Tax obligations were performed by qualified specialists. The Company followed its tax strategy defining the approach to key tax issues. Additionally, the Company possesses the separate internal procedures, schedules, instructions and guidelines concerning, inter alia, division of roles and tasks among employees involved in the processes related to tax settlements.

### *Risk management and internal controls*

In the area of risk management and control, the Company takes steps to identify tax risks through appropriate controls and monitoring, and then to eliminate or reduce the identified tax risks. The risk level is assessed each time on the basis of internal expert knowledge and, if necessary, support provided by external professional tax advisors. The Company has implemented a three-stage verification of the correctness of tax settlements, including ongoing verification of tax issues during posting, preliminary verification of annual tax settlements and final verification of the correctness of annual tax settlements. The purpose of this verification is to ensure that tax settlements are a true and fair reflection of the Company's business activities

### *Information management and record keeping*

In order to ensure the correct and complete record of the collected data, the Company possesses appropriate IT tools, including mainly the accounting system, which allows to maintain the integrity of the entered data and automation of work. The tools applied by the Company are adapted to the current needs and allow the correct preparation and completion of tax returns, financial statements and other statutory obligations. The Company ensures proper management of documentation, information and tax data. In order to protect information and data, the Company has implemented adequate mechanisms to protect the necessary resources against unauthorized use.

**Voluntary forms of cooperation with the National Tax Administration**

In 2020, the Company received two advance tax rulings regarding the withholding tax exemption. Both opinions related to the 2019 transactions. The Company did not use any other voluntary forms of cooperation with the National Tax Administration.

**Information on the tax obligations fulfilled by the Company in the territory of the Republic of Poland**

Reliable reporting and compliance with tax law with due diligence were the main goals of the Company in terms of tax obligations. This resulted primarily in the timely submission of all tax forms, tax information and tax declarations, meeting tax payment deadlines and collecting the required documentation. ICT Poland makes the necessary efforts to clearly and precisely reflect the actual state of affairs with complete, up-to-date and understandable information.

Some areas of business activity of the Company, including activity in the Special Economic Zone were subject to special regulations in 2020.

The main taxes under which the Company fulfilled its tax obligations were Value Added Tax (VAT) and Corporate Income Tax (CIT). Information on the settlement of CIT, in particular, the amount of tax revenues, tax deductible costs, tax income and the tax due are published on the [website](#) of the Ministry of Finance.

The Company also performed obligations in the field of Personal Income Tax (PIT), Real Estate Tax (RET), Withholding Tax (WHT), customs duties, fees for discharging sewage into waters or into the ground, fees for water abstraction, product fees and fees for discharging gases or dust into the air.

**Information on the number of information on tax schemes provided to the Head of the National Tax Administration divided into taxes to which they relate**

In order to correctly and timely fulfill the obligation to report tax schemes, the Company has implemented an internal procedure describing the process of identifying potential tax schemes and their analysis, as well as their appropriate reporting.

In 2020, the Company provided the Head of the National Tax Administration with the following information on tax schemes:

- one information about the tax scheme for 2020, pursuant to art. 86b.1, art. 86c.1 and 2, and article. art. 86d.4 of the Tax Ordinance Act (MDR-1) in the field of corporate income tax;

- one information from the beneficiary about the application of the tax scheme for 2019, pursuant to art. 86j.1 of the Tax Ordinance Act (MDR-3) in the field of corporate income tax.

**Information on transactions with related entities**

In 2020, the Company carried out the following transactions, the value of which exceeded 5% of the balance sheet total of assets within the meaning of the accounting law, determined based on the last approved financial statements of the Company:

- sale of finished products by a manufacturer with extensive functions and risks to entities based in Germany, Italy, Spain and France;

The above-mentioned information on transactions is consistent with the data included in the transfer pricing information (TPR-C form) submitted by the Company for 2020.

Moreover, the Company timely fulfilled its transfer pricing obligations. In accordance with the applicable regulations, the Company verified the transactions subject to the documentation obligation in 2020 and prepared the Local File together with relevant comparative analyzes.

The above-mentioned transactions are included in the local transfer pricing documentation for 2020 and are compliant with the data in the transfer pricing information (TPR-C form) for 2020.

**Information on restructuring activities planned or undertaken by the Company that may affect the amount of tax liabilities of the Company or related entities**

In 2020, the Company did not undertake and did not plan to undertake any restructuring measures that could affect the amount of tax liabilities of the Company or its related entities.

**Information on tax settlements in territories or countries applying harmful tax competition**

In 2020, the Company did not make tax settlements in territories or countries applying harmful tax competition specified in executive acts issued under Article 11j.2 of the CIT Act and under Article 86a.1.1 of the Tax Ordinance Act.

In particular, in 2020 in the above-mentioned territories / countries, the Company:

- has not been registered for tax purposes;
- did not submit tax returns or forms;

- did not collect and pay taxes.

**Information on motions  
submitted by the Company**

In 2020, the Company did not submit any motions for:

- an individual interpretation of tax law within the meaning of Art. 14b of the Tax Code;
- general interpretation of tax law within the meaning of art. 14a § 1 of the Tax Code;
- binding rate information within the meaning of Art. 42a of the VAT Act;
- binding excise information within the meaning of art. 7d paragraph. 1 of the Act on Excise Duties.