

GrainCorp UK Tax Strategy - 2022



GrainCorp

100 YEARS OF GROWTH

GrainCorp UK Tax Strategy

Scope

This strategy applies to GrainCorp Europe (UK) Ltd, Saxon Agriculture Limited and GrainCorp Holdings (Black Sea) Holdings UK Limited in accordance with paragraph 10 of Schedule 19 to the Finance Act 2016 (the Schedule). A list of the entities to which it applies is set out below. In this strategy, references to ‘the UK group’ are to all these entities. The strategy is being published in accordance with paragraph 16(4) of the Schedule.

This strategy applies from the date of publication until it is superseded. References to ‘UK Taxation’ are to the taxes and duties set out in paragraph 15(1) of the Schedule which include Income Tax, Corporation Tax, PAYE, NIC, VAT, Insurance Premium Tax, and Stamp Duty Land Tax. References to ‘tax’, ‘taxes’ or ‘taxation’ are to UK taxation and to all corresponding worldwide taxes and similar duties in respect of which the UK group has legal responsibilities.

This strategy is aligned to the global tax strategy of GrainCorp Limited (GrainCorp), the ultimate controlling party of the UK group

Aim

The UK group is committed to conducting its tax affairs consistent with the following objectives, to:

- Comply with all relevant laws, rules, regulations, and reporting and disclosure requirements, wherever it operates.
- Ensure the tax strategy is consistent with GrainCorp’s overall strategy, approach to risk, and Core Values.
- Apply professional diligence and care in the management of all risks associated with tax matters and ensure governance and assurance procedures are appropriate.
- Foster constructive, professional and transparent relationships with tax authorities, based on the concepts of integrity, collaboration and mutual trust.

Governance in relation to GrainCorp Limited, the ultimate parent company, taxation

GrainCorp adopts the following governance approach in relation to tax:

- The Audit and Risk Committee (ARC) is a subgroup of GrainCorp’s Board that has oversight of risk management and compliance of all subsidiaries in GrainCorp’s corporate group, including tax risk.
- GrainCorp’s Chief Financial Officer (CFO) owns and implements the tax strategy which aligns to GrainCorp’s overall strategic approach set out by the Chief Executive Officer and approved by the ARC.
- The CFO is GrainCorp’s executive responsible for tax matters enabling the ARC to remain abreast of GrainCorp’s tax affairs.
- Day-to-day management of GrainCorp’s tax affairs is delegated to the GrainCorp’s Australian tax team, who report to the CFO.

- The GrainCorp Australian tax team partners with the UK group to ensure that:
 1. The tax strategy is adopted and followed consistently across the UK group, with clear lines of responsibility and accountability;
 2. There is alignment of the UK tax strategy with GrainCorp's overall approach to tax, corporate governance and risk management; and
 3. The UK group pays tax responsibly, complying with laws and regulations in which it operates.

Governance in relation to UK taxation

The application of the Group Governance in relation to UK taxation is as follows:

- The UK Finance Manager owns and implements the UK tax strategy which aligns to the GrainCorp's overall strategic approach.
- The UK group report on a regular basis to GrainCorp's ARC providing oversight with regard to risk management and compliance within the UK group, including tax risk.
- Day-to-day management of the UK group's tax affairs is the responsibility of the UK Finance Manager who consults the GrainCorp's Australian tax team who ultimately reports to the CFO who is the executive with responsibility for tax matters.
- The GrainCorp Australian tax team partners with the UK Finance Manager to ensure that:
 1. The UK strategy is aligned, adopted and followed consistently across the UK group, with clear lines of responsibility and accountability;
 2. There is alignment of the UK tax strategy with GrainCorp Limited's overall approach to corporate governance and risk management; and
 3. The GrainCorp Group pays tax responsibly, complying with laws and regulations of the countries in which it operates.

Risk Management

GrainCorp and the UK group are committed to observing all applicable laws, rules, regulations, and reporting disclosure requirements, wherever there is a requirement to do so.

The GrainCorp Australian tax team will collaborate with the UK group to provide advice and guidance necessary to ensure compliance obligations are met. The GrainCorp and UK group will also obtain external advice where necessary.

Attitude towards tax planning and level of risk

Tax decisions are made in a manner which is consistent with and complements GrainCorp's overall strategy. Key business decisions are made cognisant of the tax consequences. GrainCorp Australian tax team partner with the business to ensure there is that consistency.

Where there is uncertainty as to the application or interpretation of tax law, appropriate written advice evidencing the facts, risks and conclusions is obtained from third party advisers to support the decision-making process.

In reviewing the risks of a tax action or decision the following would be considered:

- The legal and fiduciary duties of directors and employees;
- The requirements of our GrainCorp's policies such as the Group Anti Bribery and Corruption Policy;
- The maintenance of corporate reputation.
- The wider consequences of potential disagreement with tax authorities and any possible impact on relationships with them.

Relationship with HMRC

GrainCorp is committed to the principles of openness and transparency in its approach to dealing with tax authorities wherever it operates around the world. All dealings with the tax authorities and other relevant bodies will be conducted in a collaborative, courteous and timely manner. The aim is to strive for early agreement on disputed matters and to achieve certainty wherever possible

List of entities covered by this Tax Strategy included in the UK Group:

- GrainCorp (Europe) (UK) Ltd
- Saxon Agriculture Ltd
- GrainCorp (Black Sea) Holdings UK Limited