



PRINCIPLES OF TAX RISK GOVERNANCE AND MANAGEMENT

The management of Iluka’s tax risks takes place in adherence to the following principles adopted by the Group and aligned to the Group’s Values and Code of Conduct:



Act with INTEGRITY

- Iluka will act with integrity and engage with regulatory authorities in an open and respectful manner and seek to build sustainable relationships with such authorities;
- Iluka will assess its tax positions taking into account, inter alia, the potential impact to Iluka’s reputation and objective of delivering sustainable value;
- Iluka will maintain documented policies and procedures, supported by appropriate internal and external controls, with respect to managing its tax risks; and
- Iluka is transparent about the ownership of group entities worldwide.



Show COURAGE

- Iluka will consider availing itself of tax benefits, incentives and concessions as long as they are justified in law and contribute to the creation of business value;
- Iluka will defend itself and avail itself of all remedies available in respect of tax positions that are enshrined in the law recognising, however, that resolution of any disputes by way of litigation is the least preferred option; and
- Iluka will not pay taxes that have no basis in law or that are claimed on an unjustified basis.



Demonstrate RESPECT

- Iluka will comply with prevailing tax law and, where appropriate, seek independent professional advice on interpretation of the law;
- Iluka will meet its tax compliance and payment obligations on time; and
- Iluka will price transactions in its global value chain according to the arm’s length principle and in compliance with the OECD guidelines.



Take ACCOUNTABILITY

- Iluka will only consider transactions that are commercially sound and are supported by economic substance on both a pre- and post- tax basis;
- Iluka will not knowingly participate in or facilitate tax evasion;
- Iluka will not enter into artificial transactions without business purpose; and
- Iluka will not adopt tax positions that are not defensible under full disclosure.



COLLABORATE

- Iluka builds mutual trust through transparent, open and honest communications with tax authorities and other external stakeholders; and
- Where appropriate to do so, Iluka engages with external stakeholders in public policy advocacy on tax to responsibly contribute to the development of relevant tax policies, laws, and disclosures.



OUR APPROACH TO TAX

In pursuing our objective to deliver sustainable value, we focus on priorities that enable the company to be a safe, responsible, and sustainable supplier of critical minerals. We recognise that our economic contribution creates value in the countries and communities in which we operate. This includes taxes and payments to governments.

Building and maintaining the trust of our people, communities, and other stakeholders is essential to our social licence to operate. We do this by delivering on our commitments, including paying tax in accordance with our legal obligations and being transparent in our approach.

As fiscal policies are a factor that impact long term investment decisions, we consider that tax regimes should promote economic growth by being stable, competitive, administratively efficient and provide long term certainty.

We have in place a board-approved tax risk governance framework, which includes our Tax Risk Policy. This framework makes it clear that we manage our global tax affairs in a responsible, efficient, transparent, and sustainable manner, in full compliance with relevant laws.

We seek to develop and maintain transparent and trusting relationships with tax policy developers and revenue authorities, proactively clarifying interpretations and practices. Our international related party payments take place in accordance with the arm’s length principles in the Organisation for Economic Co-operation and Development (OECD) guidelines.

We participate in the Australian Board of Taxation’s Voluntary Tax Transparency Code and welcome transparency on our tax payments and disclosures, including disclosure of material taxes paid and collected in jurisdictions where we operate.