Group Tax Policy
Purpose and scope

The purpose of this document is to define the overall approach of Glencore Agriculture Ltd ("GAL") consisting of Glencore Agriculture Limited as well as companies controlled directly or indirectly by GAL in respect of taxation. This document sets out GAL’s approach towards management and control over its tax affairs, the general framework within which GAL operates when making taxation decisions as well as the activities so executed in considering tax related issues.

The tax policy is mandatory and applies to all GAL entities. The approach and principles described applies to all taxes (corporate income tax, withholding tax and all other direct and indirect government impost, including royalties), wherever so levied.

The Policy was approved by the Board of Directors in April 2019 and is subject to regular monitoring and review.

This policy applies to GAL from 1 January 2019 and will continue to apply until superseded.

Group approach to tax

GAL subscribes to a transparent approach with all our stakeholders. Our Tax Policy forms part of the Company’s Enterprise Risk Management Policy and complies with all the values and principles so embedded in it.

Tax forms an important factor in the business decisions of the Group and always has to be considered in order to optimise the returns for investors while still having substantial commercial substance behind it.  
- GAL will not conduct transactions that appear to be artificial or contrived nor facilitate tax evasion;  
- GAL will conduct intergroup transactions at arm’s length and comply with international transfer pricing rules and regulations in the respective jurisdictions we operate in;  
- Allocate value with reference to where value is created.

GAL will not engage in aggressive tax planning nor enter into artificial arrangements in order to avoid taxation.

Tax governance and management of tax risk

In terms of the Enterprise Risk Management Policy, the CFO is responsible for managing the tax affairs of GAL along with the assistance of the Group Head of Tax.

Actions typically taken to achieve the above:
- Act according to the Group’s Enterprise Risk Policy principles;  
- Establish a Tax Risk Management Policy report which contains guidance and procedures that ensure the strategy is implemented and embedded in our business;  
- Regular reporting to the Board and Audit Committee on material matters;  
- Ensuring financial and taxation data are synchronised and aligned.
Tax compliance and relationships with local tax authorities

GAL aims to ensure all tax returns and payments to governments are submitted accurately and payments are made on time. GAL also strives to maintain an open and constructive relationship with all tax authorities and governments in which it operates, and will participate in respective bodies where applicable to assist in shaping future tax policy and legislation in order to protect and promote the Company’s values and principles.

Document retention and the use of tax resources

Local business units are required to comply with all local document retention policies and will assist GAL to;

- Meet their compliance as well as other legal obligations (including Country-by-Country-Reporting requirements);
- Enable the review of decisions previously taken;
- Assist with maintaining corporate memory;
- Respond to tax authorities in a timely manner when a request for information is received;

As taxation is a highly complicated area, GAL will ensure that all work is prepared by personnel (in-house or external) with an adequate technical understanding of local and or international tax legislation. The appointment of such external taxation specialists will be done in accordance with the Group Tax Risk Management Policy.

Transfer Pricing

All transactions between the GAL Group companies must comply with the arm’s length principle as defined in the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations and included in Article 9 of the OECD Model Tax Convention. This includes mandatory Country-by-Country Reporting which is so required in many jurisdictions.