



ALS Group – UK Tax Strategy Statement

Introduction

This document sets out the tax management strategy for ALS Limited (ALS) and its UK based subsidiaries.

Each relevant ALS company as listed in Table 1 regards publication of this document as complying with the publication duty of the UK statutory obligation under Para 19 (2), Schedule 19, Finance Act 2016 for the year ending 31 March 2020.

Context

ALS is an Australian Securities Exchange listed company (ASX:ALQ) operating from over 350 locations in more than 65 countries with headcount exceeding 15,000. ALS has demonstrated over 40 years of strong business performance with reputation built on quality, client service, innovation, and technical excellence. The Company continues to remain at the forefront of the testing services industry as a provider of choice on a global scale. Servicing government, multi-national companies, manufacturers, retailers, consultants, and mining companies across the world, ALS processes more than 40 million samples per year and is one of the largest global testing, inspection and certification (TIC) companies.

The headings below follow the scheme of the UK legislation and related guidance that has been issued by HMRC:

Approach to tax risk management and governance

Responsibility for reviewing and approving the overall Tax Risk management strategy and governance framework rests with the Board of Directors of ALS Limited, the parent company in Australia. The Board approved 'Tax Risk Management Policy' forms part of the ALS Group's existing broader risk management policies and specifically considers the management of tax risk. The Board, via the Audit and Risk Committee, has delegated management responsibility for oversight and compliance with the Tax Risk Management Policy to the ALS Group Chief Financial Officer (CFO) and Chief Risk Officer (CRO). Responsibility for the day-to-day management of taxes is delegated by the CFO to the ALS in-house tax team, which include UK based personnel.

ALS adopts a risk-based approach and employs its best endeavours to comply with tax laws in all jurisdictions in which it operates.

Table 1: List of UK entities covered by this Tax Strategy Statement

Entity:
ALS Environmental Limited
ALS Holdings Group Limited
ALS Inspection UK Limited
ALS Laboratories (UK) Limited
ALS Life Sciences Limited
ALS Petrophysics Limited
ALS Testing Services UK Limited
ALS UK (Holdings) Limited
ALS Group Assayers Limited
Stewart Holdings Management Limited



Attitude to tax planning

ALS does not engage in transactions or activities that are primarily tax driven, lack commercial substance, or are otherwise specifically undertaken in order to derive a tax benefit.

ALS applies an appropriate duty of care to all processes and decisions that could materially affect compliance with our tax obligations.

ALS pursues the strategic goal of maximising shareholder value through:

- Maximisation of ALS Group profit available for distribution through the management of income tax expense, by ensuring that operations and transactions are undertaken in the most tax efficient manner
- Adoption of taxation positions permitted by law, which optimise the cash flow position and do not expose the ALS Group to significant risk of penalties

Level of tax risk accepted

Tax risk is the risk that entities may be paying or accounting for an incorrect amount of tax, or that the tax positions an entity adopts are inconsistent with enacted tax legislation and/or are not aligned with the tax risk appetite that the Board or management has authorised or believes to be prudent; and exposes the ALS Group to the imposition of additional assessed tax and/or interest and penalties thereon.

Tax risks are identified, quantified and evaluated on a case by case basis in order to minimise risk and manage potential tax exposure wherever possible. The Board are kept apprised of material tax risks via a Tax Reporting and Escalation Procedure.

External advice may be sought in relation to areas where there is complexity or uncertainty, to ensure that the tax consequences are fully understood and tax risks are appropriately evaluated.

Approach to dealings with HMRC

ALS maintains an open, honest and professional relationship with HMRC, with the aim of creating an effective working relationship that facilitates the timely resolution of issues and avoids unnecessary disputes. All dealings with HMRC shall be conducted in a transparent and proactive manner.