

Elementis plc Tax Strategy

Overview

Elementis is a global specialty chemicals company employing over 1,600 people worldwide. We utilise manufacturing technology and scientific innovation to deliver products that enhance the performance and value of our customers' products.

We take our role as a responsible corporate citizen seriously and this is reflected within our tax strategy. Our core values and principles apply equally to tax as they do to any other area of our organisation. Our aim is that these values and principles drive positive behaviours and actions by all of our employees.

Our tax strategy has been developed and published in line with the requirements of paragraph 16(2), Schedule 19, Finance Act 2016. It applies for the year ended 31 December 2020 and is applicable to Elementis plc and all of its subsidiaries (collectively, "Elementis"). The strategy was approved by the Board of Directors on 2 December 2020.

Governance

We operate a strong governance framework and a robust risk management process, overseen by our Board of Directors.

Part of a strong governance framework involves maintaining high standards of business conduct, ethics and corporate responsibility. The Board of Directors have adopted and disseminated, throughout the organisation, an Elementis Code of Business Conduct and Ethics.

The Code requires employees to comply with all relevant laws and regulations; including making full, accurate and timely disclosures to regulators, legislators and Government bodies, where appropriate.

The Board of Directors are ultimately responsible for establishing our overall tax governance framework; with the Chief Financial Officer having a key role in the oversight of its implementation. The day-to-day implementation of tax policy is delegated to the Head of Tax, who is supported by our tax and finance teams; along with input from external professional advisors where appropriate.

The Board of Directors and the Audit Committee receive a report on the tax status of the Group at least twice annually. To the extent that material tax matters arise outside of these timescales a separate report is made to the Board; either by the Chief Financial Officer or the Head of Tax.

Risk management

A description of our risk management framework can be found in our latest Annual Report and Accounts.

We have established, and maintain, robust policies and procedures in relation to our tax processes. As part of these policies and procedures we continue to actively test and revise our tax controls on a regular basis. Our tax controls are tested annually by our internal tax team, as well as being periodically reviewed and tested by our internal audit function.

We generally have a low appetite for tax risk and will proactively engage with external professional advisors and tax authorities where there is a material uncertainty. We are committed to reducing tax risk and strive for compliance with all applicable tax laws in the territories within which we operate.

Tax planning

Our approach to tax planning is underpinned by our Code of Business Conduct and Ethics, and our values.

As a responsible organisation we believe that we have an obligation to act with honesty and integrity in all tax matters; we therefore seek not just to comply with the letter of the legislation but also with its spirit.

In structuring our commercial operations we often make use of available incentives and reliefs, whilst seeking compliance with all applicable laws. All decisions are made based upon sound commercial rationale and we do not enter into wholly artificial or aggressive tax planning schemes.

Engagement with tax authorities

We aim for a proactive, open, and transparent relationship with all relevant tax authorities in order to facilitate us in meeting our statutory and legislative obligations.

Where tax law may be unclear or subject to interpretation we will, where appropriate, seek to engage proactively with the relevant tax authorities in order to obtain clarity and certainty; using external professional advisors to assist in the process where necessary. For large transactions, where there may be material uncertainty, we often consider seeking clearance from the relevant tax authorities prior to execution.
