



BORALTM

2021 Tax Transparency Report

For Boral Limited

Contents



01 **Boral overview**

02 **Tax strategy and governance**

03 **Reconciliation of accounting profit to income tax expense to income tax paid/payable**

04 **Tax contribution statement**

05 **International related party dealings**

01 Boral overview

Boral is the largest integrated construction materials company in Australia, producing and selling a broad range of construction materials including quarrying products, cement, concrete, asphalt and recycled materials.

Headquartered in Sydney, Boral employs approximately 9,700 full-time equivalent employee and contractors. Boral's footprint includes some 367 operating sites nationally.

During the financial year ended 30 June 2021 (FY2021), and subsequent to financial year end, Boral divested several non-core assets, to focus on its core Australian construction materials business.

Boral is committed to the Australian Voluntary Tax Transparency Code and this report for FY2021 is prepared in accordance with the code.

The information in this report should be read in conjunction with the Boral Annual Report 2021.

02 Tax strategy and governance

Boral's tax strategy, governance and risk management is encompassed by the following:

- To meet all our fiscal filing and payment obligations in a timely manner
- To structure all aspects of our business transactions and dealings to meet the legal and business requirements in all jurisdictions
- To manage tax expense and tax paid through the use of all available statutory opportunities, but not through the use of artificial arrangements and ensuring proper business purpose exists
- To manage tax risk, mindful of reputational risk, and
- To keep current with all new and proposed tax legislation and developments.

Boral's tax governance is based on the application of appropriate and proper skills and knowledge (both internal and external) coupled with relevant senior management (and where required, the board) input and review.

02 Tax Strategy and governance (continued)

Fundamental Principles – Framework of Operations

The Boral tax function works within clearly defined, fundamental principles and policies which include elements of both corporate governance and risk management. From an Australian perspective there is fundamental adherence with the ATO's governance control guidelines.

A summary of Boral's principles and policies is set out below:

- Meet our taxation obligations in the jurisdictions in which we conduct business. For compliance this means filing our returns on time with complete and accurate disclosures and paying our tax obligations on time. It also means reviewing and explaining, where necessary, the ATO's published tax data on our Australian corporate income tax position.
- Business outcomes drive transactions, not tax outcomes.
- Exercising prudence and applying proper process in managing tax risk. Proper process includes seeking appropriate external advice, informing and briefing management and the Board, and having oversight by the Audit & Risk Committee and Board as appropriate.

02 Tax Strategy and governance (continued)

Fundamental Principles – Framework of Operations (continued)

- Significant matters are escalated to senior management, the Audit & Risk Committee and the Board.
- The internal tax group works with revenue authorities in a courteous and co-operative way, while preserving our rights and protecting our position.
- The internal tax group engages external assistance in a judicious way having regard to the skills, expertise and knowledge of that assistance, and the need for independence.
- The internal tax group is staffed with legal and/or accounting qualified people who are experienced in taxation and business matters and who continue to maintain and build their skills.
- Our records are maintained in accordance with the Statute of Limitation requirements of the countries in which we operate.

03 Reconciliation of accounting profit to income tax expense

30 June 2021

	Australian Tax Consolidated A\$m	Global Group A\$m
Accounting profit before tax – Continuing operations	85.0	58.3
Significant items – Continuing operations	(41.2)	(41.2)
Profit before tax – Continuing operations	43.8	17.1
Accounting profit before tax – Discontinued operations	469.2	654.6
Accounting profit before tax	513.0	671.7
Prima facie tax expense at Australian tax rate 30%	13.1	5.1
Adjustment difference between Australian and overseas tax rates	0.0	(0.3)
<i>Non-temporary differences</i>		
Equity accounted income	(4.1)	(4.1)
Capital and income tax losses realised	(4.3)	(4.3)
Under/(over) provisions in prior year	1.3	1.3
Share acquisition rights vested	(0.3)	(0.3)
Tax on discontinued operations	5.4	33.8
Other items	(1.2)	0.6
Total income tax expense	9.9	31.8
Effective tax rate	2%	5%

03 Reconciliation of accounting profit to income tax expense

30 June 2021

	Australian Tax Consolidated A\$m	Global Group A\$m
Income Tax Expense	9.9	31.8
Temporary differences		
- Increase/(Decrease) in deferred tax assets		
Receivables	(0.2)	0.3
Inventories	5.6	6.0
Other financial instruments	(0.5)	(0.5)
Property, plant and equipment	3.9	10.0
Intangibles assets	1.9	0.7
Payables	1.1	1.0
Loans and borrowings	3.2	3.2
Provisions	10.4	10.5
Other	(3.3)	1.0
Unrealised foreign exchange	(50.5)	(50.5)
Tax losses carried forward	(8.0)	(38.0)
Deferred tax movements	(36.4)	(56.3)
Other adjustments to Current tax liabilities		
Tax refund from the Australian Taxation Office ¹	11.6	11.2
Other	8.9	(2.1)
Foreign exchange impacts recorded directly to equity	31.9	31.9
Opening balance in provision	(12.5)	(8.1)
Provision for Income tax (payable)/receivable²	13.4	8.4
Income tax instalments paid	(13.4)	
Income tax (payable)/receivable for 30 June 2021	13.4	
Income tax paid for year ended 30 June 2021³	0	

1. Tax payments reflects all cash payments paid to the Australian Taxation Office during the financial year ended 30 June 2021, which will include payments in relation to prior financial years.

2. Income tax payable as disclosed in the 2021 Boral Annual Report.

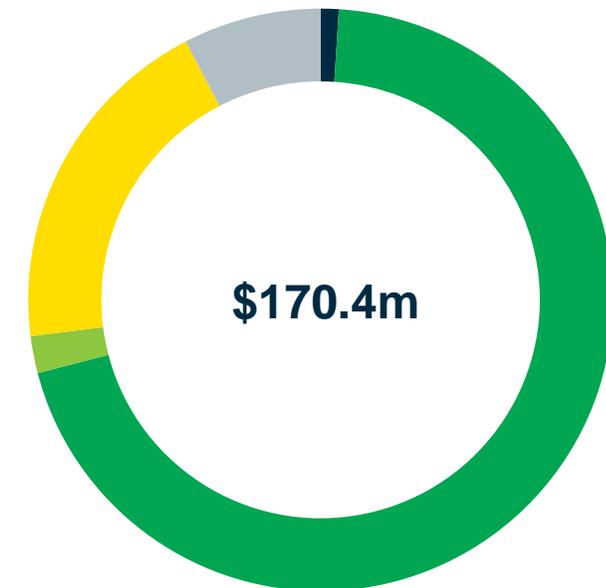
3. Income tax paid for FY2021, after adjusting for amounts payable/ refundable for 30 June 2020, following the lodgment of the 2021 company tax return.

04 Tax contribution statement

During FY2021, Boral has paid, or collected and remitted approximately \$170.4m of taxes to the Federal and State governments in Australia.

A summary of the taxes paid and collected and remitted is noted below.

Tax Contribution	Level of government	FY2021 A\$m
Corporate tax ¹	Federal	1.7
Goods & services tax	Federal	119.2
Fringe benefit tax ²	Federal	3.5
Payroll tax	State	33.0
Land tax	State	13.0
Total		170.4



1. Corporate Tax reflects cash payments in relation to the company tax made to the Australian Taxation Office in FY2021. This does not reflect the income tax liability for FY2021. Income tax payable for FY2021 is disclosed in Section 3 of this report.
2. Fringe benefit tax was for the period ended 31 March 2021.

05 International related party dealings

Boral Limited, as the ultimate parent company, is an Australian company listed on the Australian Securities Exchange, and is also the head of the consolidated group for Australian taxation purposes. The entities and their foreign jurisdictions are disclosed in the Annual Report (refer Section 6.3 Controlled Entities) and are subject to the taxation regime of their respective jurisdictions.

During the financial year, Boral completed the sale of its interest in USG Boral Australia, New Zealand, Asia and the Middle East. As a result, Boral has a reduced international footprint.

Boral Limited has relatively limited international related party dealings with its foreign subsidiaries. Boral receives and pays interest on a number of intercompany loans and there are various inter-group charges for services provided by different parts of the group.

All international related party dealings are conducted on an arm's length basis in accordance with the regulatory requirements of the relevant jurisdiction and in accordance with the OECD transfer pricing rules and guidelines.

Boral also complies with its Country by Country Reporting (CbCR) requirements.

BORALTM

Triniti 2
39 Delhi Road
North Ryde NSW 2113