

W. R. Grace & Co. – UK Tax Strategy Statement

This UK tax strategy statement applies to UK resident corporations (“UK Group”) in the consolidated group of W. R. Grace & Co. (“Grace”).

Grace regards this policy as complying with the requirements of paragraph 19 (2) in Schedule 19 to the Finance Act 2016 (United Kingdom) and sets out the UK Group’s approach to conducting its tax affairs and dealing with tax risks effective for the year ended 31st December 2019. This statement has been approved by Alltech Associates Applied Sciences Limited, UK Board of Directors (“Board”),

Approach to tax risk management and governance arrangements

The UK tax strategy conforms with Grace’s Business Ethics Policy and the unwavering commitment to integrity and ethics. We proactively seek to identify, evaluate, manage and monitor tax risks to ensure that we comply in full with our legal obligations. The Board has oversight on how tax risks are monitored as well as ensuring there are appropriate controls. Grace’s Tax department is responsible for tax risk management and governance and ensures that there are appropriate processes and systems in place for tax risk monitoring.

Attitude toward tax planning

The tax planning undertaken by the UK Group is aligned with the group’s commercial objectives and strategies and takes into account the potential impact on our reputation. Grace will ensure all tax planning undertaken is compliant with laws and regulations and will not undertake planning that is without commercial or economic substance.

Level of tax risk accepted

Grace seeks to avoid uncertainty and unexpected results in tax positions. Where there is significant uncertainty or complexity in relation to a tax issue, external tax advice may be sought. We do not have prescriptive levels of acceptable tax risk as each matter is assessed based on its specific facts and circumstances.

Approach toward transfer pricing

Grace seeks to avoid uncertainty and unexpected results related to tax positions, and as such it follows best practices to conduct intra-group transactions following the “arm’s length” principle.

Approach to dealing with tax authorities

Grace engages with tax authorities with honesty, integrity, respect and fairness and in a spirit of co-operative compliance. Grace seeks to resolve any disputed matters through pro-active and transparent discussion and negotiation.