August 24, 2020
Ashland’s tax strategy for the fiscal year ending September 30, 2020

Approach to Risk Management

Ashland is committed to responsible tax management and transparency across our global operations. With businesses operating in more than 100 countries, our tax contribution is substantial and similarly global in scope, and includes corporate, sales, customs and employment taxes that make a significant contribution to societies around the world.

The Corporate Tax function is led by the VP, Taxes, and reports to the Chief Financial Officer, who is a member of the group’s executive committee. The day-to-day tax operations and tax planning functions are executed by a team of full-time in-house professionals, who hold a combination of accounting, tax and legal qualifications. The Tax function ensures compliance with local and international tax laws and regulations, which are continuously reviewed, and are revised in the light of factors such as material changes within the group or in tax legislation.

Advisory and technical tax support is provided by a combination of global accounting firms, various legal firms and other smaller firms with the required skills. The use of advisory firms that are also our auditors is strictly controlled by, and regularly reported to, the Audit Committee of the Board of Directors.

Attitude Towards Tax Planning

Our practice in this area is to align tax planning to Ashland’s global business strategy. Professional advice is sought based on an assessment of risks associated with planning to create tax efficiencies aligned to transactions designed to meet underlying commercial objectives. The UK impact of the relevant transactions is considered as part of the global business strategy.

Level of Risk

As is normal in a multi-national group such as ours, tax management can involve many areas of uncertainty on which we must make judgements. These arise in areas such as the application of tax law, assumptions on deferred tax recognition and the assessment of potential tax liabilities where matters are in dispute. We deal with judgement through the employment of skilled personnel, the use of professional advice, and regular reporting on such matters to the Executive Committee and the Audit Committee of the Board of Directors.

Approach Towards Dealings With Tax Authorities

We believe our dealings with tax authorities should be based on mutual respect and trust. To this end, we engage proactively with authorities in the territories in which we operate. We meet regularly with various tax authorities to ensure that our business dealings are better understood and to exchange views and insights. We respond timely to audit inquiries, and provide the relevant information requested.