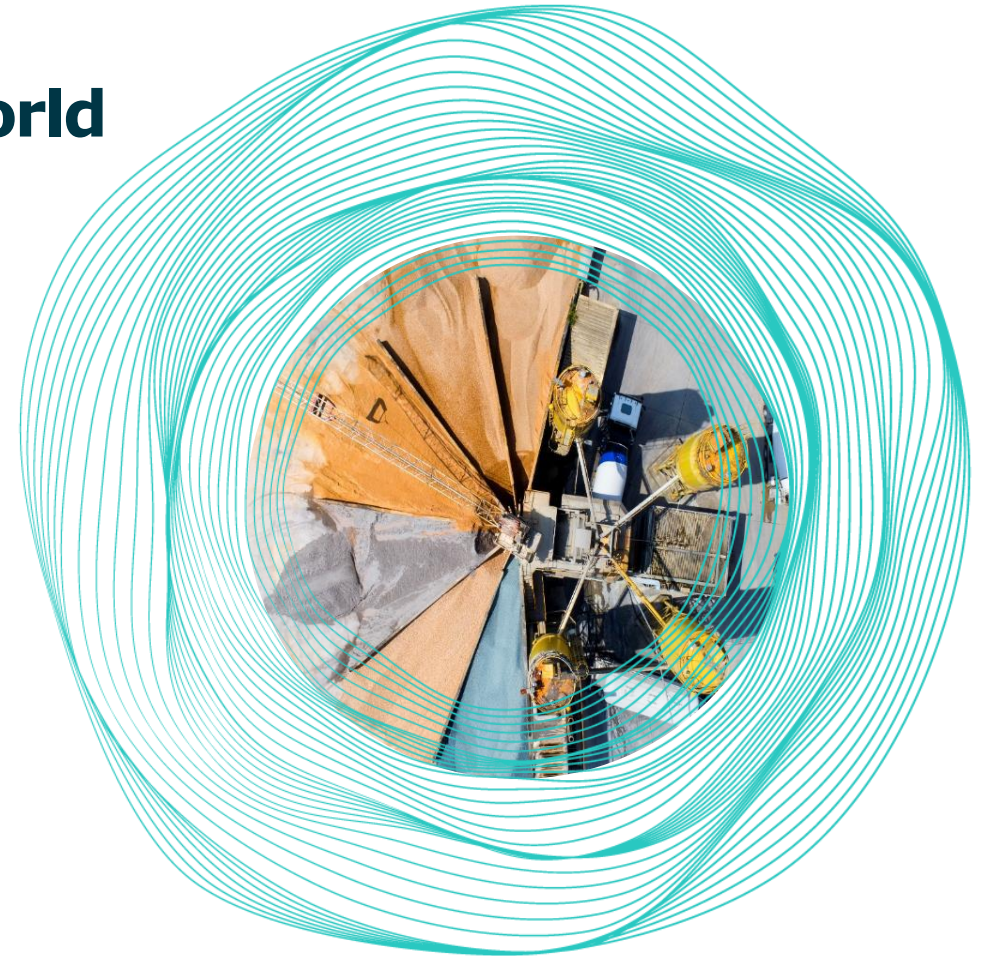




# Delivering a more sustainable world

## Tax Contribution Report 2023



Level 17 141 Walker Street  
North Sydney NSW 2060  
Australia

T: +61 2 8923 6866  
Worley Limited  
ABN 17 096 090 158

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## Foreword from our Chief Financial Officer – Tiernan O’Rourke

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Welcome to Worley Limited’s (Worley’s) Tax Contribution Report for the year ended 30 June 2023 (FY23), our eighth consecutive Tax Contribution Report. In preparing this report, Worley has followed the recommendations of the Board of Taxation’s Tax Transparency Code (“the Code”) and we welcome the opportunity to provide readers with an outline of our tax activities and tax contributions for FY23.

This report provides a breakdown of Worley’s global tax contributions – these contributions benefitted the 45 jurisdictions in which Worley operated during FY23. We also provide more detailed information on the tax contributions made across ten of our key jurisdictions.

This report also provides information about our approach to tax governance and strategy, information about our effective tax rate, and details of our international related party dealings. We publish this report in respect of FY23 now as we have finalised and lodged the majority of the Group’s FY23 income tax returns. Whilst not required by the Code, we also provide commentary to allow a better understanding of the tax information published by the Australian Taxation Office (“ATO”) in relation to Worley’s consolidated income tax return for the year ended 30 June 2022.

2023 saw Worley continue to be driven by our purpose to deliver a more sustainable world. Our commitment to transparency and strong compliance globally is a key part of our focus on sustainability.

We are proud to present this report to highlight our global tax profile and demonstrate how our tax contributions and activities benefit the countries in which we operate.



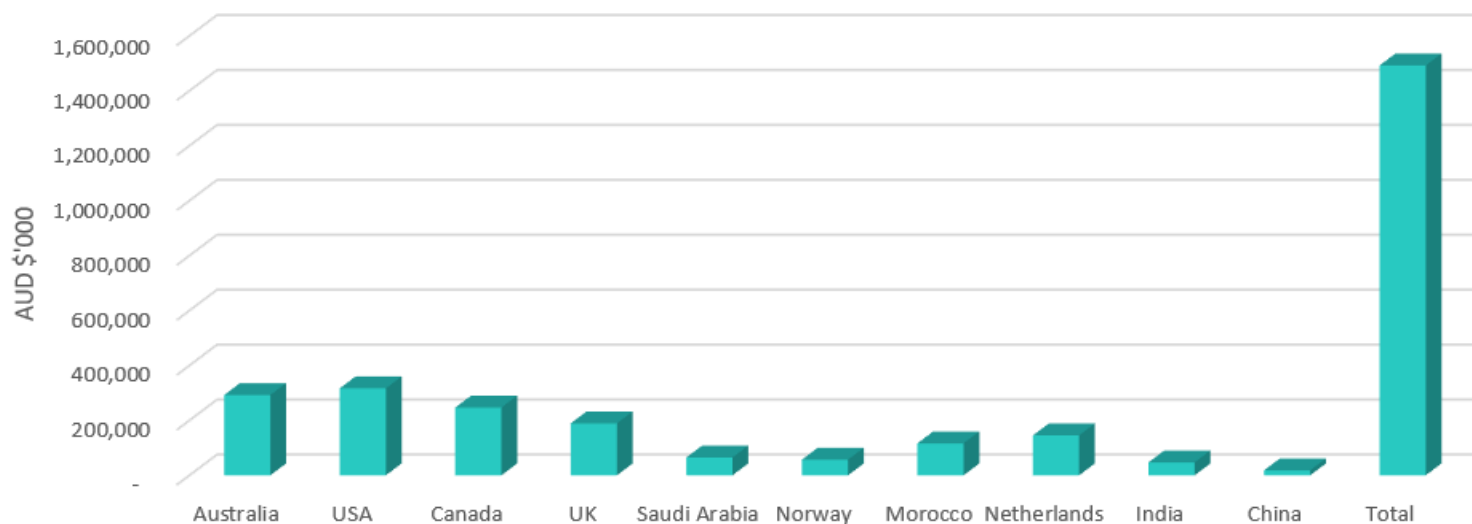
Worley acknowledges and pays respect to the past, present and future Traditional Custodians of Country throughout Australia and extends this acknowledgement and respect to First Peoples in all countries in which we operate.

Artwork “Tracks We Share” by Contemporary Indigenous Artist Lauren Rogers, for Worley.





## Snapshot of Worley's tax contributions in the largest 10 jurisdictions FY23



	<b>Australia</b>	<b>USA</b>	<b>Canada</b>	<b>UK</b>	<b>Saudi Arabia</b>	<b>Norway</b>	<b>Morocco</b>	<b>Netherlands</b>	<b>India</b>	<b>China</b>	<b>Total</b>
Corporate income tax	[1] 0	10,178	12,741	10,687	3,007	318	20,296	9,686	5,018	3,371	75,303
Net indirect taxes	51,479	647	88,360	47,663	55,920	0	10,553	61,801	8,562	7,714	332,698
Employment related taxes	220,362	297,598	141,614	128,779	0	56,224	82,537	73,468	30,356	3,877	1,034,817
Withholding tax on revenue	19,732	7,930	3,904	2,069	5,839	207	2,887	268	2,959	2,850	48,645
Other taxes and payments	549	0	0	0	0	0	0	0	0	89	637
<b>Total A\$'000</b>	<b>292,122</b>	<b>316,352</b>	<b>246,619</b>	<b>189,198</b>	<b>64,766</b>	<b>56,749</b>	<b>116,274</b>	<b>145,223</b>	<b>46,896</b>	<b>17,901</b>	<b>1,492,100</b>

[1] Australian corporate income tax has been reduced to zero due to franking credits and foreign tax credit offsets – the Australian consolidated group earns income with an offshore source upon which foreign tax has been paid. So as not to be subject to double taxation, this foreign tax paid can be used to reduce Australian corporate income tax payable.

## Our Governance, Policy and Strategy

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### Accountability and Governance

Worley has a long-established Tax Corporate Governance framework which has been approved by our Board and seeks to ensure that our tax obligations continue to be met. The Tax Corporate Governance Board Policy, which is part of this framework, also seeks to formalise and document the responsibilities of the Worley tax function as expected by the Board, particularly in relation to tax risk management.



Worley's tax strategy and principles apply to all our operations in all jurisdictions.

Worley management reports at least semi-annually to the Board in relation to tax risks and adherence to tax strategy.

Worley employs appropriately qualified and trained tax professionals with the right levels of expertise and understanding.

### Compliance

Worley seeks to comply with the tax legislation of the countries in which we operate.

Worley puts in place strong compliance procedures to ensure accurate and complete tax returns, submitted by their due dates.

Taxes will be managed with the objective that all tax liabilities properly due under the law are paid, recorded, and accounted for.

Worley will not seek to artificially reduce its tax obligations. However, in order to preserve shareholder value, it will also seek to ensure that it does not enter into arrangements whereby it pays more than the appropriate level of tax, as determined under the laws of the countries in which we operate.

All intercompany transactions will be undertaken in accordance with the arm's length principle.





## Business Structure

Worley is transparent about the entities that it owns around the world.



Worley pays tax on profits according to where value is created within the normal course of commercial activity.

All transactions and dealings are subject to thorough review processes and, where relevant, escalated to the Board for approval to ensure the transaction gives rise to a low level of tax risk. We will not engage in arrangements where the sole purpose is to create a tax benefit in excess of what is reasonably understood to be intended by relevant tax rules.

## Relationship with Authorities

Worley strongly believes that the fostering of strong relationships with revenue authorities is critical to the proper management of tax risk.



We seek to maintain a positive relationship with revenue authorities with the aim of enabling an efficient and collaborative hearing of any tax issues that arise. We are open and transparent with tax authorities, responding to enquiries in a straight-forward and timely manner.

Where there is significant uncertainty about how tax rules apply to our business Worley will seek to enter into early dialogue with the relevant authorities. Where it is not possible to seek certainty up front, Worley will seek the earliest available opportunity to engage with authorities.

## International Related Party Dealings FY23

International related party dealing	Primary counterparty countries	Revenues (A\$m)	Expenses (A\$m)
<b>Engineering services</b>	United Kingdom, India, Saudi Arabia, Indonesia, Singapore, New Zealand, Canada, United States, Chile, Malaysia	76.6	(38.2)
<b>Global support services</b>	United States, Canada, United Kingdom, Netherlands, India, Norway, Saudi Arabia, Singapore, Oman, Chile	346.8	(396.7)
<b>Marketing intangible license fees</b>	United States, United Kingdom, Canada, Netherlands, Oman, Singapore, Germany, Belgium, Chile, Qatar	54.0	-
<b>Intra-group loans (interest)</b>	United States, Canada, United Kingdom, Norway, Chile, South Africa, Singapore, Hong Kong, Papua New Guinea, Bermuda	47.7	(26.8)
<b>Other</b>	India, Canada, United Kingdom, Saudi Arabia, Netherlands, United States, Oman, Malaysia, China, Chile	178.6	(2.4)
<b>Total</b>		<b>703.7</b>	<b>(464.1)</b>

Worley operates through subsidiaries, branches, and joint ventures in 45 countries across six continents, all of which are subject to local tax regimes.

Our Australian business (“Worley Australia”) enters into various international related party dealings with our overseas operations and these dealings are summarized below:

- **Engineering services** – fees for technical engineering and related services obtained from / provided to a Worley affiliate in relation to a client project.
- **Global support services** – fees received and paid for a range of strategic, operational and administrative support services provided to Worley affiliates on a regional and global basis, including business strategy, quality assurance, marketing, legal, risk management, treasury services, etc. Worley Australia centralises and recharges global support service costs for the Worley Group.
- **Marketing intangible license fees** – royalties received from Worley affiliates who license Worley Australia’s suite of intangible assets.
- **Intra-group loans** – interest received and paid for intra-group loans typically required to support working capital and other cash requirements across the Worley Group.
- **Other** related party transactions which include software license recharges, insurance charges and reimbursements of certain business related costs incurred by Worley Australia on behalf of other group entities.

The table on the left provides a summary of the total value of these international related party dealings for Worley Australia for the financial year ended 30 June 2023.



## Effective tax rate and reconciliation of accounting profit to income tax expense

Description	Australia (A\$'000)	Global Group (A\$'000)
Statutory accounting profit/(loss) before tax	107,609	146,000
Income tax expense	31,445	99,800
Effective tax rate	<b>29.2%</b>	<b>68.4%*</b>

Worley calculates its effective tax rate as income tax expense divided by accounting profit before tax.

\* We note that the statutory effective tax rate for our Global Group is 68.4%. This is due mainly to the one off, non-deductible loss on sale of the Group's North American maintenance and turnaround business in the period. The FY23 underlying effective tax rate, excluding the non-deductible loss on sale and other one off items was 33.5%.

### Reconciliation of statutory accounting profit to income tax expense

Worley Australia Tax Consolidated Group	A\$'000
Profit Before Tax	107,609
At the statutory income tax rate of 30%	32,283
<i>Increase in income tax expense due to:</i>	
Controlled foreign company income	6,031
Non-deductible amortisation of performance rights	8,000
Non-deductible foreign exchange losses	2,483
Non-creditable withholding taxes	12,000
<i>Decrease in income tax expense due to:</i>	
Exempt overseas dividends	(30,086)
Exempt foreign branch income	(1,734)
Under/(over) provision for prior financial period	2,468
Income tax expense	<b>31,445</b>

Worley Global Group	A\$'000
Profit Before Tax	146,000
At the statutory income tax rate of 30%	43,800
<i>Increase in income tax expense due to:</i>	
Differences in overseas tax rates and other items	17,000
Non-deductible amortisation of performance rights	8,000
Non-deductible loss on sale of subsidiary	36,000
Non-creditable withholding taxes	12,000
<i>Decrease in income tax expense due to:</i>	
Recognition of previously unrecognised tax losses	(16,000)
Share of profits of equity accounted associates	(7,000)
Under/(over) provision for prior financial period	6,000
Income tax expense	<b>99,800</b>





## Effective cash tax rate and reconciliation of tax expense to current year tax payable

Worley Global Group	A\$'000
<b>FY23 Tax expense</b>	99,800
<b><i>Movement in temporary differences</i></b>	
<b>Provisions &amp; accruals</b>	48,000
<b>Unbilled contract revenue</b>	(25,000)
<b>Prepayments</b>	1,000
<b>Other temporary differences</b>	2,200
<b>Deferred tax on acquired intangibles</b>	(38,000)
<b>Net foreign exchange losses/(gains)</b>	(7,000)
<b>Recognised tax losses</b>	62,000
<b>Under/over provision from prior year</b>	(6,000)
<b>Tax payable in respect of FY23 profits (1)</b>	<b>137,000</b>

Worley Global Group	A\$'000
<b>Statutory accounting profit before tax</b>	146,000
<b>Income Taxes paid per FY23 cashflow statement</b>	70,000
<b>Effective cash tax rate (2)</b>	<b>47.9%</b>

[1] Tax payable in respect of current year profits prior to any available credits or tax offsets. In any income year, there will be a difference between the income tax expense calculated and the total income tax payable to the relevant tax authorities. This is due mainly to the impact of timing (or temporary) differences where the income and expense recognition criteria is different for accounting and tax purposes.

[2] The underlying effective cash tax rate excluding the loss on disposal of the North American maintenance and turnaround business and other one-off items is 16.1%. There will always be timing differences between the income taxes payable for an income year and the total income tax actually paid to tax authorities during that year. This is due to a variety of factors, including the timing of corporate income tax instalment payments, as well as final tax payments being made (or refunds received) in respect of prior periods following the submission of tax returns.



## ATO's tax transparency disclosures

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### ATO public disclosure

In November 2023, the ATO published their ninth annual report on corporate tax transparency. The report published total income, taxable income and tax payable from large taxpayers – including Australian public corporate tax entities with total income of \$100 million or more. The following information was published in respect of Worley Limited's Australian income tax return (ITR) for the year ended 30 June 2022.

Description	A\$'000
<b>Total income</b>	1,458,654
<b>Taxable income</b>	40,352
<b>Tax payable</b>	0

### Total Income

Total income reported in the ITR represents gross income for accounting purposes – that is, income before any expenses are taken into account. Total income is not an indicator of the real, economic or taxable profits of an organisation. To illustrate this, below is a reconciliation of Worley's Limited's total income to accounting profit for the year ended 30 June 2022.

Description	A\$'000
<b>Total income</b>	1,458,654
<b>Less: Total expenses</b>	<u>(1,392,067)</u>
<b>Accounting Profit</b>	<b>66,587</b>



## ATO's tax transparency disclosures

### Reconciliation of profit to taxable income

A reconciliation of Worley Limited's accounting profit to taxable income for the year ended 30 June 2022, as reported in the ITR, is set out below. Tax payable was fully offset by franking credits and foreign income tax offsets.

Description	A\$'000
<b>Accounting profit before tax</b>	66,587
<b>Add:</b>	
<b>Other assessable income</b>	83,922
<b>Non-deductible expenses</b>	125,890
<b>Subtract:</b>	
<b>Deduction for decline in depreciating assets</b>	(32,501)
<b>Capital works deductions</b>	(216)
<b>Section 40-880 deduction</b>	(408)
<b>Non-assessable income</b>	(158,462)
<b>Other deductible amounts</b>	(44,460)
<b>Taxable income</b>	40,352
<b>Tax @ 30%</b>	12,106
<b>Less:</b>	
<b>Franking credits/foreign income tax offsets utilised</b>	(12,106)
<b>Tax payable</b>	0

### Non-assessable income

Dividends received by the Worley Australian consolidated group from its overseas subsidiaries and profits from its overseas branches are included in the accounting profit before tax, however these are then excluded from taxable income under Australia's tax laws, as they have already been subject to tax in the foreign jurisdiction.

### Foreign income tax offsets

The Worley Australian consolidated tax group generates assessable income from overseas, which is included in its ITR. In some instances, foreign tax has been paid on that income in another country. Where this occurs, Worley is able to claim foreign tax offsets in respect of tax paid on assessable income to avoid double taxation.

### Other assessable income

This item relates primarily to controlled foreign company attributable income and timing differences in respect of certain accruals and provisions.

### Non-deductible expenses

This item relates primarily to accounting depreciation, amortization of performance rights and timing differences in respect of certain accruals and provisions.

### Other deductible amounts

This item relates primarily to timing differences in respect of certain accruals and provisions.