



Tax Transparency
Report
2025

TAX POLICY, STRATEGY AND GOVERNANCE

Corporate Governance

SGH continues to be mindful of its corporate governance responsibilities and takes a proactive approach to ensuring that it stays at the forefront of corporate governance practices. Tax governance and tax risk management are a key priority of the SGH Board and SGH management.

SGH's tax strategy is based on its commitment to build sustained shareholder value through high quality tax management which ensures SGH's compliance with revenue laws and which preserves and enhances the Company's integrity and reputation. SGH seeks to meet all tax compliance obligations and to apply sound tax risk management principles within the Board approved tax risk management framework and consistent with SGH's overall risk framework. SGH's approach to tax is aligned with, and supports, SGH's broader business strategy and sustainability commitments. SGH's risk appetite is governed by the "more likely than not" principle which is enshrined in the SGH Tax Risk Management Policy.

The tax risk framework works in conjunction with SGH's other policies including the Code of Conduct, under which employees are expected to behave honestly and openly and with integrity and maintain ethical standards.

The Board is assisted in carrying out its responsibilities by the Audit & Risk Committee (ARC) whose purpose is to oversee financial risk management and internal controls across the Group, including tax. The ARC is regularly informed of tax matters and is chaired by a former member of the Board of Taxation.

SGH is committed to achieving the highest standards in the areas of corporate governance and business conduct and its tax responsibilities are managed in line with this commitment. SGH aims for certainty in relation to all tax positions that it adopts.

Formal risk management procedures incorporating tax include SGH's Risk Management Policy and Corporate Governance Statement.

Engagement with tax authorities

A fundamental tenet of SGH's commitment to governance is its transparent and co-operative relationship with the Australian Taxation Office (ATO) and other relevant tax authorities on a range of issues as part of the ongoing activities of the Group.

SGH seeks to be proactive and ensure that its engagement with taxation authorities is constructive. The Board recognises that the management of financial and non-financial risks are an integral part of its operation and has established effective policies and procedures for the oversight and management of material business risks. The Board oversees the risk management framework which is aimed at identifying and delivering improved business processes and procedures across SGH. As part of this commitment, the Tax Risk Management Policy is also regularly reviewed and updated.

About this Report

In this Report references to "SGH", "the company", "we", "us" and "our" refer to SGH Ltd (ABN 46 142 003 469), unless otherwise stated. References to "SGH Group" refers to SGH and its accounting consolidated group including its subsidiaries. References to a "year" are to the financial year ended 30 June 2025 unless otherwise stated. All dollar figures are expressed in Australian dollars (AUD) unless otherwise stated. This report should be read in conjunction with the [SGH FY25 Annual Report](#).

Included in this Report is data prepared by the management of SGH. This data is included for information purposes only and has not been subject to the same level of review by the company as the financial statements, so is merely provided for indicative purposes. The company and its employees do not warrant the data and disclaim any liability flowing from the use of this data by any party.



EFFECTIVE COMPANY TAX RATE¹

The Australian company income tax rate applied to SGH is 30 per cent. Taxable income represents the net profit of SGH for income tax purposes, that is gross assessable income less allowable deductions or exemptions for the tax year.

The effective tax rate is calculated as income tax expense divided by accounting profit before tax. Non-temporary adjustments to accounting profit generate a difference between a company's effective tax rate and the Australian company tax rate.

Non-temporary adjustments are amounts which are recognised for either accounting or income tax purposes but not both. For example, dividends received by SGH from overseas subsidiaries are exempt income for Australian taxation purposes. SGH pays tax on the profit in the country in which the profit is earned.

Temporary differences arise when amounts are assessable or deductible for tax at a different time to when they are recognised in accordance with the accounting principles adopted by SGH. For example, different depreciation rates may be used for tax and accounting purposes creating a temporary difference over the life of an asset.

Material temporary and non-temporary differences are discussed below and should be read in conjunction with the relevant disclosures in Note 6 of the SGH FY25 Annual Report on pages 106 – 108.

Australian operations

SGH's continuing Australian operations had an effective tax rate of 37.1 per cent for the 2025 year. This compares to 32.0 per cent for the 2024 financial year. The FY25 rate for SGH's Australian operations is higher than the corporate income tax rate of 30 per cent. The value of non-deductible amounts such as impairments offset by non-assessable income and utilisation of unbooked tax losses has given rise to an ETR that is much higher than the prior year and is also higher than the statutory corporate tax rate of 30 per cent.

Global operations

SGH's global effective tax rate for continuing operations was 36.7 per cent for 2025 which is higher than the 31.8 per cent reported for 2024.

The sale of foreign operations during the prior year has meant that the global operations very closely align with the Australian operations as described above. This trend will continue into the future as SGH continues to focus on Australia.

The comparatives are outlined in the table below.

Effective Tax Rates	2025 %	2024 %
Australian operations	37.1	32.0
Global operations	36.7	31.8

1. All values reflect continuing operations.

RECONCILIATION OF ACCOUNTING PROFIT TO
TAX EXPENSE AND INCOME TAX PAID/PAYABLE¹

The reconciliation of accounting profit to tax expense and tax payable was previously published in Note 6 to the SGH FY25 Annual Report. These disclosures were prepared for the statutory accounts in accordance with the relevant Australian Accounting Standard. As such, the values in the accounts reflect the accounting consolidated group, including offshore subsidiaries, subsidiaries in which the Group's investment is less than 100% and equity accounted investees. Income tax expense in the company's income statement is calculated by multiplying SGH's accounting profit for the year, adjusted for non temporary differences, by the relevant company tax rate (30 per cent in Australia).

Identification of material temporary and non-temporary differences

A reconciliation of accounting profit to income tax expense and material temporary and non-temporary differences is detailed on pages 106 – 108 of the SGH FY25 Annual Report. The continuing operations current year non-temporary adjustments of \$(68.8) million during FY25 reflects SGH's adjustments for the impairment of the investment in equity accounted investees, partially offset by the non-assessable equity accounted profits, utilisation of unbooked losses and other non-assessable income..

FY25 Temporary differences of \$(51.8) million were mainly driven by accounting provisions, tax and accounting depreciation differentials, deferred income and other individually immaterial balances which led to the difference between tax expense and income tax payable.

Further detail is provided in the SGH FY25 Annual Report.

Tax paid or payable reconciliation	2025 \$m	2024 \$m
Accounting profit before income tax	774.2	765.8
Income tax expense at the statutory rate of 30%	(232.3)	(229.7)
Add/ (subtract): Non-temporary differences	(68.8)	(14.4)
Prior year adjustments	17.0	0.4
Tax expense	(284.1)	(243.7)
Add/ (subtract): Temporary differences: deferred tax	51.8	(59.9)
Current year tax paid or payable	(232.3)	(303.6)

1. The information disclosed above reflects continuing operations only. The value of income tax payable of \$232.3 million, referred to above, includes both Australian and global operations.



AUSTRALIAN TAX CONTRIBUTION SUMMARY

The table outlined below details the Australian federal, state and local government taxes contributed by SGH.

Australian taxes borne by SGH	2025 \$m	2024 \$m
Corporate Income Tax	227.8	240.5
Payroll Tax	90.7	88.3
Fringe Benefits Tax	6.0	7.7
Stamp Duty	83.4	7.6
Land Tax	23.6	25.1
Other (miscellaneous)	4.7	2.3
Total taxes borne	436.2	371.5
Australian taxes collected by SGH	2025 \$m	2024 \$m
Employee Withholding Taxes	375.1	387.4
Goods and Service Tax	1,036.8	1,031.1
Total taxes collected	1,411.9	1,418.5
Australian taxes distributed by SGH	2025 \$m	2024 \$m
Fully franked dividends paid	244.2	454.4

The amounts reported above relate to amounts paid or accrued in the relevant financial year. Corporate income tax is reported on a cash paid basis and includes payments for periods other than the year ended 30 June 2025. Prior year comparatives have been restated in line with current guidance on the proposed Public Country-by-Country Reporting legislation. The increase in stamp duty is due to the acquisition of 100% of Boral Limited during the year.

INTERNATIONAL RELATED PARTY DEALINGS

SGH is an Australian company listed on the Australian Securities Exchange. As an Australian headquartered business, SGH is Australian centric with the majority of its global revenues being generated in Australia. SGH’s international revenue for FY25 was less than \$1 million.

A full list of the entities as at 30 June 2025, their jurisdictions of incorporation and tax residency are disclosed in the Consolidated Entity Disclosure Statement on pages 155 – 157 of the SGH FY25 Annual Report.

SGH's international related party dealings remain very limited. SGH always seeks to ensure that it complies with the regulatory requirements of each of the jurisdictions in which it operates and therefore seeks to price its international related party dealings on an arm’s length basis.

The only material international related party dealing in FY25 was international related party financing between Australian based parent entities and their offshore subsidiaries.

SGH is a Country-by-Country Reporting Entity and will be reporting its public CbC data in accordance with the new legislation mandating disclosure for the year ended 30 June 2025 by the due date, 30 June 2026.

