

Group Tax Policy

Approved by the ARMC on 2022/11/08

Note: This policy is released in English. In case of divergence between the English version and other translated versions, the English version will prevail.

Scope: Aperam aims to ensure the highest standard of compliance with tax regulations when managing its tax affairs and by doing so to create value for its stakeholders. This policy applies to all Aperam employees who are involved in tax matters of the Group, and are responsible for making sure that the Group meets all its tax obligations at the right time.

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APPROACH TO TAX

At Aperam, tax is a corporate responsibility issue

Our tax strategy is designed to support Aperam conducting its business activities in compliance with applicable laws and regulations, and in a fair, transparent and trustful manner, acting responsibly, proactively addressing concerns, and by creating value to our stakeholders. At Aperam, tax is a corporate responsibility issue and while it comes at a cost, it also contributes to the economic wellbeing of the local and national communities where we operate.

Our corporate responsibility also includes the way we conduct our relations with the tax authorities aiming for accuracy and timeliness when fulfilling our tax obligations in accordance with the letter and spirit of the tax law, and always in a cooperative dialogue. Please refer to our approach to engage with tax authorities in Section “Stakeholder engagement” of this policy.

Aperam does not support tax evasion and does not make use of instrumental entities in non-cooperative jurisdictions, so-called ‘tax havens’ as defined by the Organisation for Economic Co-operation and Development (OECD). Please refer to our ‘Code of Business Conduct’ and ‘Prevention of misconduct and Whistleblowing Policy’ for further details on Aperam’s commitment to ethical behavior and creation of an environment within which everyone can bring to the attention of the Company concerns and complaints about particular incidents of wrongdoing involving Aperam.

Our corporate structure is aligned with the business and has economic substance. We ensure that profits are declared and taxes are paid where the economic activity occurs contributing to the sustainable development of the jurisdictions where we operate.

Our transfer price (TP) takes into account the value creation within Aperam and observes the arm’s-length / market price in accordance with the OECD TP guidelines for multinationals. We aim to consistently apply our TP policies across the Group.

When available and appropriate, we use tax incentives and exemptions, provided by laws and regulations, which are aligned with our operations.

For more guidelines on this topics ➤



► Tax haven refers to a country which imposes a low or no tax, and is used by corporations to avoid tax which otherwise would be payable in a high-tax country.

They have the following key characteristics:

- No or only nominal taxes;
- Lack of effective exchange of information;
- Lack of transparency in the operation of the legislative, legal or administrative provisions.

For more, see [Aperam policies](#)

- Code of Business Conduct
- Prevention of misconduct and Whistleblowing Policy

GOVERNANCE, CONTROL AND RISK MANAGEMENT

The tax strategy is regularly reviewed and approved by the appropriated governance body in accordance with Aperam’s internal procedures.

Tax matters are overseen by the Finance and Tax Committee, chaired by the Group Chief Financial Officer, and are managed by an experienced in-house tax department.

This tax department regularly undertakes training in order to ensure that the highest standards of professionalism are applied to Aperam’s tax matters and frequently reports /

updates the highest governance bodies at Aperam on key tax changes and challenges, Group's effective tax rate, tax provisions, etc. External adviser support is sought whenever technical expertise is not internally available.

Further, tax guidelines, which include the definition of the roles & responsibilities within Aperam's tax department and employees closely associated with tax matters, are documented and widely available. These documents set out practical guidance for our staff, including the procedures for considering tax risks. Calls take place on a regular basis so that recent developments and best practices are shared. Technology is used to ensure a proper performance of the tax function.

Tax risks are part of a global risk review process by Aperam's Audit and Risk Management Committee which is taking place on a quarterly basis. Risks relating to tax matters are included in regulatory disclosures of Aperam's financial documentation. Further, external auditors regularly review our tax controls as part of the audit of our financial results.

STAKEHOLDER ENGAGEMENT

As a responsible company, Aperam aims to sustain sound relationships with local authorities and regulators.

In addition to complying with regulations, we cooperate fully with the authorities and respond diligently when requested. Aperam does not usually participate in the public debate directly and relies primarily on its professional associations to promote the development of fair, effective and sound tax rules. We support OECD international tax work contributing to a coherent and coordinated taxation in a global environment, mitigating the risks of non or double taxation.

We seek to resolve uncertainty in the interpretation of the tax laws with the support from third-party consultants or directly with tax authorities proactively engaging them with real-time information before filing the tax return. This cooperative approach minimizes the risk of future disputes. Where necessary, we seek resolution through the judicial system.

TRANSPARENCY

Aperam is transparent about its approach to tax and its tax position.

In addition to disclosures made in accordance with the relevant domestic regulations, as well as applicable reporting requirements and standards such as IFRS, we regularly and voluntarily share information about our tax policy and total tax payments, both at group level and for our main countries of operations within our Annual, and Sustainability reports (including supplement Country reports).

We also benchmark our practices against the best standards, also through the participation in respected transparency initiatives.