IMERYS	Policy	**Version No**: 3
	Tax	

Basic information

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Application date: November 2023

Version history

Version	Date	Version/modification summary
1	February 2006	Creation of the policy
2	July 2022	Update to reflect the purpose and current organisation
3	November 2023	Added a mention on general tax policy principles

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1. Purpose

The world's leading provider in mineral-based specialties for industry, Imerys delivers high value-added, functional solutions to a great number of industries, ranging from process manufacturing to consumer goods.

Ethical working is of major strategic importance for Imerys. The Group attaches significant importance to its ability to act in accordance with its fundamental values that it wants to promote and defend, both internally and as regards its stakeholders.

As part of these fundamental values, Imerys recognises its corporate responsibility to ensure that all businesses within the Imerys Group follow responsible tax practices around the world.

Consistency with this approach is the responsibility of the Corporate Tax Department which is responsible for:

- Overseeing the Group's tax charge (Effective Tax Rate) and the tax reporting;
- Ensuring, together with the Consolidation, Accounting and Reporting (CAR) organisation, that the Group legal entities comply with all applicable tax laws and regulations;
- Ensuring that the Group tax burden reflects the proper ethical and professional application of all applicable tax laws and regulations to its commercial transactions and to the organisation of the Group;
- Managing the Group's tax risk (at compliance, planning and implementation levels);
- Supporting the business by providing tax advice and input to commercial transactions; and
- Driving consistent tax behaviors across the Group.

Tax payments represent a substantial part of its economic contribution in the countries where Imerys is located.

Imerys believes that one of the fundamental long-term business requirements is a fair and sustainable Group Tax Policy. This document is a part of its corporate responsibility.

The Corporate Tax Department works with transparency, integrity and ethical standards.

2. Organisation

The Corporate Tax Department is organised as follows:

- The Corporate Tax Department is headed by the Tax VP - Group, located in Imerys Headquarter in Paris;
- The Tax VP - Group directly reports to the Chief Financial Officer;
- The Tax VP- Group has hierarchical responsibility over the Imerys Corporate tax Directors, who are in charge of Group tax matters and assistance to subsidiaries, and functional responsibility over the Country or Regional Group tax Directors who report to the country's or regional CAR organisation. In countries or companies which are not covered by a country or regional tax director, the CAR

organisation is responsible for their company's tax affairs, especially for tax compliance and tax accounting matters, under supervision of the Tax VP-Group.

The Group supports all employees working on tax matters to ensure that they have the skills and technical expertise to fulfill their tax responsibilities and perform to the best of their abilities. Each member of the Tax Department has a consistent understanding of the identification, report and management of a tax risk. The corporate tax responsibility is to ensure that all businesses within the Imerys Group follow responsible tax practices around the world.

The Corporate Tax Department is available, on call, to give assistance and answer any question raised by any Group member and should be involved in all matters under its responsibility.

The Corporate Tax Department coordinates its activity with all other Corporate Services and Business Areas, and works in close cooperation respectively with the CAR organisation, the Corporate Treasury, Strategy & Development, Legal functions and the Business Area Finance VPs.

Moreover, Imerys is supported by external advisers specialised in tax issues when the Group needs their assistance. They are contacted notably because of the highly complex and constantly changing applicable rules across the world, to ensure that the advice from the Corporate Tax Department remains accurate and valid at all time and in all jurisdictions.

With professionalism and transparency, Imerys is globally engaged with tax authorities in a positive relationship based on mutual trust. The Tax Department maintains proactive communication with tax authorities to ensure that all tax filing requirements are met on a timely basis.

3. General tax policy principles

The Tax Policy general principles are fully aligned with the Group's wider commercial, reputational and business strategy and are consistent with our commitment to corporate responsibility. Those principles are also meant to meet the requirements set by countries where Group's Companies are implemented.

The Group tax policy is fully in line with the best international standards with respect to anti-tax avoidance and tax evasion practices. The Group operates in countries chosen solely for industrial or commercial purposes and does not enter into artificial arrangements for tax planning purposes, neither transfer value created to low tax jurisdictions, nor use secrecy jurisdictions or so-called "tax havens" for tax avoidance. It is committed to full compliance with its tax obligations, paying the right amount of tax in the right country at the right time.

The Corporate Tax Department is responsible to perform the following tasks:

- Tax accounting and reporting: Overseeing the consolidated current and deferred tax charge (Effective Tax Rate), tax liabilities and tax cash flows; implementing a proper tax reporting.
- Tax compliance: Ensuring, together with the CAR organisation, that all companies in the Group comply with applicable laws relating to the filing of tax returns and other tax documentation and to the payment

of applicable taxes. Overseeing tax consolidations where applicable.

- ➢ Tax management: Managing the tax consequences of the business of each legal entity in the Group with a view to monitor the applicable direct and indirect tax costs and risks in full compliance with the business objectives, requirements and practices as well as in full compliance with applicable fiscal laws and regulations.

3.1 Tax Accounting

The Corporate Tax Department is responsible for: reviewing, analysing and commenting on the consolidated tax charge and tax liabilities for interim and year-end reporting purposes and in budgets and forecasts.

The CAR organisation is responsible for:

- ➢ Completing accurately the quarterly tax reports included in the Magnitude consolidation package
- ➢ Identifying and reporting to the Corporate Tax Department, as soon as possible, and in any case, before the end of the year or interim period any element impacting the tax charge of the period by more than 250 K€
    - ○ Increase, adjustment or reversal of tax provision;
    - ○ Adjustment on prior-years' tax expense;
    - ○ Adjustment on deferred tax assets and liabilities.

3.2 Tax Compliance

The Group complies with applicable tax laws, double taxation treaties, local authorities and international organisations (like OECD and EU) rules. The Group respects not only the letter of the rule but also the spirit of its underlying principles.
Tax Incentives and reliefs are used only for the purposes intended by the legislator.

The tax strategy of the Group is aligned with the business and commercial strategy. As a consequence, Imerys is convinced that artificial or aggressive tax planning prevents the Group's growth in the long term. No decision could ever be motivated by tax avoidance. Moreover, the Group fights corruption and doesn't interfere in political life.

Imerys pays corporate income taxes, property taxes, custom duties, excise taxes, stamp duties, employment and others in all countries where the Group is implemented when applicable.

The CAR organisation (or Tax Managers in certain countries) are responsible for:

- ➢ Performing the necessary documentation, formalities and payments to comply with local tax law, where necessary with the assistance of external advisers, including the preparation;

- The filing of all tax returns;
- The payment of all taxes;
- The filing of all tax-related claims;
- Elections and notices; and
- The preparation of documentation to support transactions which might be examined by tax authorities in those jurisdictions.

The Corporate Tax Department reviews the tax compliance and manages the compliance-related tax risk by the following reporting flows:

- Frequent contacts and tax reviews with managers, controllers, internal auditors and external auditors;
- Annual Tax Reporting Form issued by the Corporate Tax Department to be filled in by controllers;
- Required notification to the Corporate Tax Department of any audit or investigation by any tax authority.

The compliance-related tax risk is further managed through reviews and audits performed by the Corporate Internal Audit function and external auditors.

The Corporate Tax Department is responsible for: establishing documentation required by applicable tax legislations and regulations at the level of the Group, such as Group Transfer Price Policy, Group Master File, CBCR and related documentation. The Corporate Tax Department also prepares or reviews the supporting documentation related to regular intercompany services (Imerys Fees, ImerTech Fees…).

3.3 Tax Management

The aim of the tax decisions is to monitor tax costs and to assess and minimise tax-related risks of the Group

The Corporate Tax Department is responsible for managing the tax consequences of the business of each legal entity in the Group by informing and training the Management and Business Areas about tax legislation and tax incentives available. The objective is to make sure that, on the one hand, managers act in full compliance with the business objectives, requirements and practices as well as in full compliance with applicable fiscal laws and regulations, and on the other hand the decision makers are aware of the tax environment before taking any investment, commercial, administrative or legal decision, and know the tax consequences of such decision in order to be able to calculate after-tax results and take business decisions accordingly.

It includes amongst others:

- Tax news update and information to Group management;

- Tax advice on transactions and business structuring;

- Tax due diligence and review of relevant documentation in case of acquisitions;

- Information to the Management about the Transfer Price rules and decisions in co-operation with the Management the most appropriate Transfer Price methods for the transactions under review in full compliance with local legislations and OECD principles;

- Management of the risk of challenge from the tax authorities, with a view to make sure the legal entities do apply the right tax treatment of the transaction they have entered into, or fully assess the risk of disagreement with the tax authorities when the tax treatment of a given transaction is uncertain, and make sure the legal entities do not enter in any transaction likely to be considered as abusive or illegal by tax authorities;

- Determining the Group corporate shareholding structure, in full cooperation with the business management, Corporate Legal and Treasury functions, with a view to simplify the Group structure and avoid double taxation, while trying to reduce the number of legal entities, in order to reduce administrative expenses.

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