

Outokumpu UK Tax Strategy for year ending 31 December 2022

This tax strategy document applies to all our UK subsidiaries and ensures compliance under paragraph 16(2) of the Finance Act 2016 to publish its Group tax strategy in the current financial year. A Group Tax Statement is also **published**.

Our approach

As a global corporate citizen, we are fully committed to report and pay taxes in a timely manner, in compliance with local regulations in the countries where we create value.

All transactions must have a solid business rationale in accordance with the corporate strategy. Our objective is to ensure predictability in all tax matters. We support competitive business growth in a tax efficient manner without compromising on tax compliance principles.

Double taxation, i.e. when the same income is taxed in more than one country, is costly. If it occurs, mutual agreement procedures and other legal proceedings are used in order to eliminate double taxation.

Governance

Outokumpu tax function (Group Tax) is part of the Finance function, reporting to the Chief Financial Officer. Group Tax is overall responsible for the Group's tax matters and group-level tax planning, as well as setting tax policies, controls and instructions on tax matters and managing and mitigating tax related uncertainties. Group Tax is also responsible for the Outokumpu transfer pricing model globally and, together with Legal and Treasury, responsible for the Group's legal and internal capital structure. New material business transactions are subject to tax review involving Group Tax before launched / implemented to ensure tax compliance.

The Group has a tax control framework to identify key tax risks and to manage those tax risks through appropriate policies, controls and processes, ensuring compliance with all relevant

laws and regulations and maintaining accounting systems and processes to support tax compliance.

Compliance and reporting risk

New material business transactions are subject to tax review involving Group Tax before launched / implemented to ensure tax compliance

Each legal entity is responsible for its tax compliance, disclosure requirements, the quarterly financial tax reporting and adherence to Group's tax policy and guidelines.

Tax coordinators / Country tax responsible are appointed to ensure efficient tax handling and optimization.

Transaction risks: Taxes are always a consequence of business operations. All responsible parties must ensure that all business decisions also consider the tax impact as well as potential tax and reputational risks.

Reputational risks: Aggressive tax planning and artificial arrangements are not in line with good corporate citizenship and constitutes a direct threat to the company's brand, reputation and company's relationships with its shareholders, customers, tax authorities and the wider community.

Tax planning

Outokumpu acknowledges that aggressive tax planning and artificial arrangements purely aiming at achieving tax benefits are not in line with good corporate citizenship and constitutes a direct threat to the company's brand and reputation. Such arrangements are therefore strictly prohibited. No transaction is to be executed solely

based on tax planning schemes. Tax is an integrated part of business processes.

Level of risk acceptable to the Group for UK

The Group's risk appetite is such that where tax law is unclear, its position is at least more likely than not to be allowable under applicable tax laws.

Approach to dealing with HMRC

Transparency and enhanced co-operation/horizontal monitoring arrangements with authorities are encouraged. We deal transparently, professionally and appropriately with all tax authorities. We are thus committed to working with HMRC in a cooperative and transparent manner. The Group will participate in any HMRC formal consultation process where it is expected that the matter under consultation will have a material impact on the Groups tax liability or compliance management.