



# Taxes

## Global Policy



### OBJECTIVE

Ensure tax compliance in every location where we operate.

### INTRODUCTION

In September 2014, the Organization for Economic Co-operation and Development (OECD) published the first set of rules and reports about the Domestic Tax Base Erosion and Profit Shift (BEPS), to provide countries with the necessary tools to ensure profit taxation wherever there's economic activity and value is created.

The BEPS initiative became an international collaboration to avoid tax evasion. By November 2021, 141 countries were part of it.

In Sigma, we're a multinational company with operations in different countries. We are committed with tax compliance wherever we operate and implement, in a timely manner, any change in each country's regulations, including the OECD BEPS recommendations.

In Sigma, we incur in income taxes, financial remuneration taxes, social security contributions, and a variety of indirect taxes (such as value-added taxes, special tax on Production and Services, among others). Tax collection and payment contributes to the countries' economy and communities; therefore, we're convinced it's our responsibility to honor our tax obligations.



## POLICY

In Sigma:

- We don't reduce amounts and/or tax rates transferring value created by the Company to low tax jurisdictions.
- Every decision with a financial impact made by the Company has commercial substance, by no means we operate in tax havens to avoid taxes.
- We comply with national and international transfer prices regulations, using the arm's length principle.
- We keep records of our operations and their financial treatment.

The Chief Finance Officer, through the Central Controllershship and Tax areas, is responsible of the validation and implementation of Sigma's tax strategy, which is managed by the corresponding tax leaders in each Organizational Unit (hereinafter OU).

Our consolidated and individual financial statements, including tax items, are prepared in accordance with the International Financial Reporting Standards (IFRS, which are issued by the International Accounting Standards Board), and are audited by an international accounting firm.

Our Advisory Council and the Administration Council of our holding company supervise the adherence to this policy, ensuring our operations and management are underlain in solid principles and comply with the applicable laws and regulations among the different jurisdictions in which Sigma operates.

### The Central Tax area shall:

- Validate that all OUs comply with their obligations in a timely manner.
- Ensure our financial planning schemes are supported by a business purpose, materiality, and transparency.
- Collaborate with OUs to assure that all audits from Tax Authorities are attended in a cooperative and transparent way in a timely manner.
- Be aware of tax regulation changes in the countries where we participate and notify the CFO of possible financial impacts.
- Ensure all tax obligations incurred when merging or acquiring companies are paid in a timely manner.
- Foster the application of signed treaties by the countries where Sigma operates, to avoid double taxation.



- Request the support of external experts whenever there is uncertainty regarding the application of a regulation (current or new), ensuring compliance with all tax obligations.

### The area responsible of taxes of each OU shall:

- Ensure the compliance of this Policy.
- Manage their OU tax declaration.
- Maintain the documentation of the Business Unit's (if any) operations and their tax treatment.
- Encourage practices that lead to the prevention and reduction of tax risks.
- Comply with the regulations regarding reportable schemes and/or tax schemes open to interpretation.
- Avoid all investments and transactions contrary to resolutions or criteria defined by tax authorities.
- Cooperate with the tax authorities' consultants, auditors, or advisors whenever required.
- Document any situation that represents a tax risk, notifying the Central Tax area for their information and support with the situation.
- Ensure the application of tax deduction criteria of our outlays, adjusting to local laws and regulations.