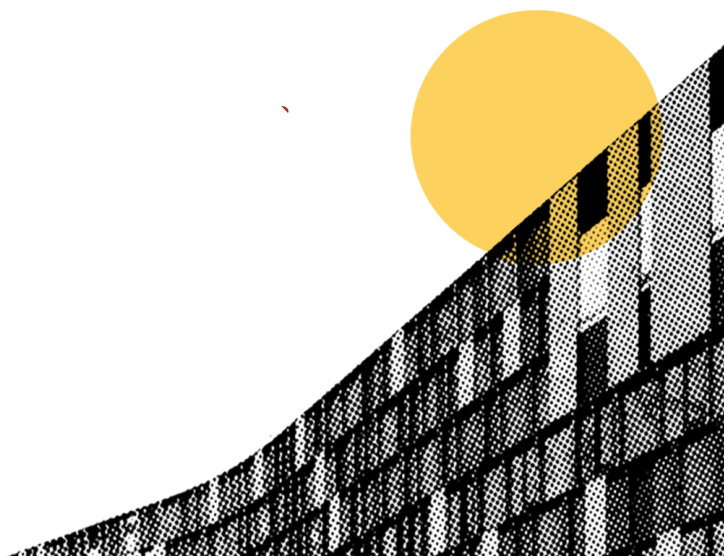




# GROUP TAX STRATEGY

*Approved by the Board of Directors of Luigi Lavazza S.p.A. on March 24<sup>th</sup>, 2021*





## 1. GENERAL PRINCIPLES

The “**Responsibility**” is one of the values of the Lavazza Code of Ethics, which expresses what it means to be part of the Lavazza Group and inspires the commitment to ethical and responsible conduct in all the initiatives undertaken in the conduct of the business.

Hence the sense of responsibility of all Group personnel in respecting both the rules and the "unwritten" rules, inspired by a shared value system aimed at promoting consistency, transparency and a climate of trust towards all the stakeholders, including tax matters.

The Tax Strategy sets forth the sensitivity that the Lavazza Group has always shown towards responsible management of the tax matter based on trust, transparency and collaboration with institutions. It also represents the Group's commitment to consolidate and integrate the management of tax risks in the organization and processes by identifying suitable tools.

The Tax Strategy, by defining the methods of sound and prudent management of taxation, is inspired by the principles set out in the Code of Ethics and integrates the internal control processes designed for the Organisation, Management and Control Model has been adopted pursuant to Legislative Decree 8 June 2001, no. 231 where applicable.

## 2. THE OBJECTIVES OF THE STRATEGY

The Tax Strategy of the Lavazza Group has the following objectives:



To define the tax risk appetite, intended as the risk of infringing tax and customs regulations, which the Group should assume to pursue its strategic targets in compliance with the principle of legality.



To spread the general principles of conduct in tax matters to the employees, keeping in mind - first of all - the value of responsibility, encouraging and adequately recognizing virtuous behavior.



To stimulate the adaptation of the organisation and related processes (fiscal governance) in compliance with the defined objectives.



To promote constant relationships with the Tax Authorities in a professional, transparent and timely manner.

### 3. TAX RISK APPETITE

In order to ensure the concrete implementation of the general principles, the operational activity of the Group must be oriented towards containing the tax risk.

Notably, Lavazza:

- ✓ Supports and applies interpretative positions of tax laws, deemed sound and reasonable in compliance with the principle of legality;
- ✓ Encourages the use of forms of preventive dialogue with the Tax Authorities, in cases of uncertainty in the interpretation and application of rules;
- ✓ Promotes the access to different forms of enhanced relationship with the Tax Authorities, evaluating - where possible and of interest – the application of preventive compliance programs;
- ✓ Sets the transfer pricing policy applicable to cross-border intra-group transactions in compliance with: (a) the "arms' length principle", defined by art. 9 of the Double Taxation Agreement Model drawn up by the OECD and interpreted in accordance with the OECD Guidelines on Transfer Pricing for Multinational Enterprises and Tax Authorities; and (b) the peculiarities of the relevant local regulations and practices;
- ✗ It does not carry out transactions with the sole or main purpose of reducing the tax burden;
- ✗ It does not invest in countries that adopt a privileged tax regime, if not directly functional to the business purposes of the Group;
- ✗ It does not provide personnel remuneration or bonuses models based on a goal of reducing the tax burden of one or more legal entities of the Group.

### 4. FISCAL CONDUCT: CULTURE AND AWARENESS

The Lavazza Group promotes the spread of the tax culture and considers of primary importance to be compliant with all the laws and regulations of a tax nature applicable in the various jurisdictions in which it operates. The prevention of risky situations is, in fact, preferable and always encouraged over the management of the related negative effects.

This Tax Strategy, approved by the Board of Directors of Luigi Lavazza S.p.A., as the Parent Company, sets forth these principles, it establishes the guidelines in full compliance with tax regulations and it is shared by all the Group companies.

This document raises awareness in regards to information and personnel training initiatives, aimed at developing sensitivity to intercepting signs of tax risk also in daily activities, as well as stimulating an attitude of open dialogue and consultation with the competent functions in tax matters.



## **5. TAX GOVERNANCE**

The implementation of the Lavazza Group's Tax Strategy is based on the assumption that the tax risks pertain to the ordinary and extraordinary course of business and to the related internal processes. The involvement of the competent functions in tax matters is necessary in order to avoid or to mitigate risks.

It follows that all strategic or management decisions, ordinary or extraordinary, require a prior assessment of the tax implications. To this end, all the corporate stakeholders involved - starting from the Top management and going down into the organization - have the responsibility of involving in advance the Group Tax Department, competent in tax matters, for the assessment of the tax impact of the transactions and the combined awareness regarding the methods of managing the potential tax risks.

## **6. RELATIONSHIPS WITH THE TAX AUTHORITIES**

The Lavazza Group aims to strengthen the continuous and proactive collaboration relationship with the Tax Authorities, based on the principles of transparency and mutual trust.



To this end, the Lavazza Group reiterates the importance of adopting a conduct aimed at responding promptly to the questions and requests received from the Tax Authorities, by consistently providing correct, accurate and precise information.

As part of the dialogue and preventive compliance programs, the Lavazza Group is committed to comply with the guidelines by continuously engaging in a transparent and collaborative conduct.