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Fedrigoni Group's Tax Strategy



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This document defines the tax strategy, i.e. the objectives and approach adopted by Fedrigoni Group (hereinafter also '**the Group**') in managing the tax variable. This document is approved and issued by the Board of Directors of Fedrigoni S.p.A., is made available to all stakeholders in compliance with international sustainability standards and is promptly updated whenever changes occur at a strategic or operational level of the essential elements regulated below or regulatory changes of particular impact and relevance.

Goals

Fedrigoni Group operates in compliance with the principles of legitimacy under formal and substantive aspects as regards fairness, compliance with rules, transparency, clarity and truthfulness of accounting, production and management records, in accordance with the regulations in force, the company procedures aimed at ensuring their application and control, and the provisions of the Code of Ethics.

To this end, the Group is committed to pursuing the following objectives:

- managing the tax variable while protecting the interests of all stakeholders, including the government, shareholders, employees and the communities in which it operates, including at the local level, being aware that tax revenues constitute one of the main sources of contribution to the country's economic and social development;
- always operating in compliance with tax regulations with regard to both the letter of the rules and the underlying rationale, monitoring and overseeing regulatory changes, including through continuous dialogue with tax advisors, as well as with the relevant institutions at national and international level, where necessary;
- making decisions on tax matters, in line with national and international best practices, as well as consistent with its strategic objectives and risk attitude;
- promoting professional diligence in the management of tax-relevant activities and processes, as also set out in the Code of Ethics, and ensure that the relevant procedures are appropriate;
- ensuring adequate technical training for all employees involved in the management of tax-relevant obligations and activities;
- establishing complete and accurate information flows to the management bodies and tax authorities;
- fostering the development of constructive, professional and transparent relations with the tax authorities, based on the concepts of integrity, cooperation and mutual trust.



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The principles and rules set forth in this document are applicable in the management of taxation of Fedrigoni Group, not only with regard to obligations as a “taxpayer”, but also with regard to fulfilments due as a “tax withholding agent”.

Fiscal Risk Awareness

In view of the objective of minimising tax risk, the Group does not implement:

- operations that primarily pursue a tax advantage and do not respond to business logic;
- artificial transactions and/or transactions unrelated to the business of Group companies, but carried out with the main purpose of reducing the tax burden;
- transactions aimed at shifting tax bases to low-tax countries;
- investments in or through tax havens or low-tax jurisdictions with the sole purpose of obtaining tax advantages or structures designed for tax avoidance. Investments or acquisitions in tax havens will only be made when they pursue business purposes and have as their objective the development of the activities included in the corporate purpose. In any case, the Group undertakes not to transfer the value created in other low-tax jurisdictions, ensuring consistency between the place of production of the value and the place of taxation.

The Group also undertakes to:

- fulfil tax obligations in compliance with the deadlines set by the regulations and measures of the relevant authorities;
- adopt a group transfer pricing policy on the basis of the principles of normal value and free competition, in line with the arm’s length principle defined by the OECD Guidelines, preparing the appropriate transfer pricing documentation, in accordance with the OECD Transfer Pricing Guidelines (i.e. Master File, Local File, Country-by-Country Report);
- make use of appropriate tax advice and assistance in order to achieve a greater degree of clarity regarding the tax positions to be adopted in cases where the regulatory environment is unclear or subject to different interpretations;
- consistently and adequately assign roles, responsibilities and powers to personnel involved in processes with tax impacts so as to ensure proper management of tax risk and minimise the possibility of disputes, in order to comply with the Code of Ethics;
- develop and adopt a cooperative and transparent behaviour with the tax authority.



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In addition, the Group, in the broadest spirit of cooperation and with the aim of minimising tax risk, endeavours to activate forms of prior dialogue with the Internal Revenue Service for any interpretative questions of a tax nature relating to the planning of complex transactions.

Tax Governance

Fedrigoni Group has developed its own tax risk management and control system. This system, which is an integral part of the Organisational Model pursuant to Legislative Decree 231/2001, provides for a governance model to ensure that:

- top management is informed of the tax impacts of all strategic and operational business operations, planned and to be implemented, thus ensuring that any decision taken in the tax area is consistent with the Group's tax strategy
- the Tax Function is involved in the preliminary assessment of the tax impacts of such operations.

The operation of the tax risk management and control system, including governance in terms of delegations, roles and responsibilities with regard to the processes of tax risk detection, measurement, management and monitoring, is defined within the Organisational Model pursuant to Legislative Decree 231/2001 (including the special part and its annexes), as well as in the Code of Ethics.

The Group does not provide incentive mechanisms for Managers that include objectives related to the reduction of the tax burden.

Fiscal Conduct

The Group's employees and Management, at all levels, are required to base their conduct on the "general principles" set forth in the Group's Code of Ethics, such as honesty, fairness, transparency, confidentiality, impartiality, diligence, loyalty, mutual respect, in addition to what is set forth in this Fiscal Strategy and in the Organisational Model as well as the operating procedures indicated in the Organisational Model pursuant to Legislative Decree 231/2001.

Failure to comply with these principles may lead to legal action and the adoption of measures against the addressees, consistent with the provisions of the Group's Code of Ethics.



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Relations with Tax Authorities

Fedrigoni Group is committed to establishing relations with the Tax Authorities based on the utmost transparency and collaboration. In particular, the Group undertakes to provide correct, accurate and timely information and to promptly respond to questions and requests for information received from the Tax Authorities.

The Group also undertakes to ensure the timely communication to the Inland Revenue/Local fiscal authorities of all information falling within the scope of application of the DAC 6 regulations (in respect of which a specific procedure has been issued by the Fedrigoni Group).

Amendments and Additions

This Fiscal Strategy represents an act issued by the Board of Directors of Fedrigoni S.p.A., therefore, any subsequent amendments and additions of a substantial nature to the document are the responsibility of the same body.

However, the Chief Executive Officer has the power to make any formal amendments or additions to the text and the power to introduce any changes to the document made necessary by changes in the internal organisational and/or regulatory provisions of reference.

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