

# **CAMPARI GROUP**

## **Tax Strategy of Davide Campari Milano N.V.**

APPROVED BY BOARD OF DIRECTORS ON 29/10/2024

**TOASTING LIFE TOGETHER**

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## INTRODUCTION AND SCOPE

Campari Group (the “Group”), founded in 1860, is a major player in the global spirits industry, with a portfolio of over 50 premium and super premium brands, spreading across Global, Regional and Local priorities. The Group has a global distribution reach, trading in over 190 nations around the world with leading positions in Europe and in the Americas.

Headquartered in Sesto San Giovanni (Italy) with its legal office registered in the Netherlands, the Group owns several plants worldwide and has its own distribution network in almost 20 countries. Davide Campari Milano N.V. (hereafter also DCM) as Parent Company of Campari Group, has been operating since its incorporation in Italy, in first instance in Sesto San Giovanni (MI), in the historical production site, and now in Novi Ligure, Canale D’Alba, Alghero and Caltanissetta. From July 2020, the company transferred its registered office to the Netherlands, and - without dissolution and liquidation - converted its legal form into that of a Naamloze Vennootschap (N.V.) governed by Dutch law, maintaining all its operations and assets as well as its tax residence in Italy.

This Tax Strategy applies to Davide Campari Milano N.V. and aims to describe the main aspects of the tax approach consistently applied by all companies within Campari Group, including DCM itself. It is considered to be applied from the date of publication until superseded.

Within its exclusive and non-delegable authority for examining and approving Company’s and the strategic, industrial and financial plans, its governance system and the corporate structure, Davide Campari-Milano N.V. Board of Directors approves its Tax Strategy and any subsequent amendments and additions.

## OBJECTIVE

In accordance with the fundamental values set forth in its Code of Ethics, DCM intends to pursue a Tax Strategy inspired by the principles of Integrity, Passion, Pragmatism and Togetherness as well as compliance with tax regulations (according to TCF - Tax Control Framework) and to ensure fair relationships with Tax Authorities and third parties. Tax strategy principles are based on a cooperative and transparent conduct, in order to minimize any significant impact in terms of tax or reputational risk.

For this purpose, DCM is committed to the following objectives:

- manage the tax variable while protecting the interests of all stakeholders, including the Authorities, shareholders, employees and the communities in which it operates;
- define its tax risk attitude with the aim of anticipating potential disputes and presiding over the risk of incurring the violation of tax regulations or the abuse of the principles and purposes of the tax system;
- spread values and codes of conduct in tax matters from Top Management and Management to all DCM employees according to the tone at the top principle;
- promote relations with the Tax Authorities based on professional cooperation, fair information and transparency.

## TAX RISK ATTITUDE

Tax risk is managed in a manner consistent with the management of all other potential business risk categories, taking into account the approach and attitude to tax matters set-out above.

The tax risks are minimized through the adoption of adequate internal controls and by conforming to the best interpretation of the laws and principles of each relevant jurisdiction, taking into account international practice, when applicable, and seeking the advice of external counsel, when appropriate.

More in detail, with the aim to minimizing and overseeing the tax risk, DCM:

- acts in compliance with the applicable laws, best practice guidelines - such as international accounting standards and the Organisation for Economic Co-operation and Development

(‘OECD’) Guidelines for Multinational Enterprises - and the principles of the tax regulations of the country in which it carries out its activities, for the purposes of determining the taxes due and carrying out the required duties;

- ensures transparency and fairness in its dealings with the Tax Authorities, with specific commitment to conduct relations with the Tax Administration based on cooperation and good faith;
- in cases where the tax regulations fosters interpretative doubts or applicative difficulties, pursues a reasonable line of interpretation, inspired by the principles of legality by availing itself, where necessary, also of external professionals;
- avoids and condemns the use of illegitimate or otherwise improper behavior to achieve economic results which, on the contrary are pursued exclusively through excellence of performance in terms of innovation, quality, economic, social and environmental sustainability;
- with respect to intercompany transactions embraces a Transfer Pricing Policy in line with the arm’s length principle, an international standard established by the Model Tax Convention and referred to in the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations (hereinafter also referred to as the ‘OECD Guidelines’);
- with the aim of contributing to the development of best sustainability practices, both within the company and in the communities where it operates, it makes responsible and sustainable investments, also prioritising what would be the fiscal impacts of its strategic choices;
- does not carry out transactions whose purpose is solely or primarily to reduce the tax burden;
- does not adopt any form of staff remuneration or rewards linked to objectives of reducing the tax burden of one or more of the Group’s legal entities;
- investments in countries with a privileged tax regime will be made only if they are truly and directly functional to the Group’s business purposes.

## **APPROACH TO TAX RISK MANAGEMENT**

The Group takes fiscal issues seriously and responsibly, being aware of the importance of the social and economic impact that its business has on the communities in which it operates. Among other things, such impact includes the tax contributions of the Group.

In light of the above, the management of the tax risks is carried out in order to ensure compliance with all the applicable tax laws and regulations in the countries in which Campari Group operates, including the timely payment of the correct amount of taxes and the proper fulfilment of the tax reporting and disclosure requirements. At this aim, different levels of review are performed, in order to ensure a diligent professional care and judgment to identify, monitor and manage potential tax risks.

## **ATTITUDE TO TAX PLANNING**

The Group makes a good faith effort to remain compliant with applicable tax laws while remaining focused on creating sustained value for its stakeholders. In this context, tax planning is considered and undertaken only if it is supported by, and in the spirit of, the law and consistent with both the business of the Group and its mission and values, as defined by the Davide Campari Group Code of Ethics.

This means that Campari Group structures its business, transactions and investments in a manner which is compliant with the regulatory, legal and commercial environment. As a general principle, corporation tax is paid by the Group in the country in which the value arises.

An objective view of the interpretation of the tax laws and regulations is taken in relation to each country in which the Group is located, also frequently with the support of the external advisors.

## **GOVERNANCE**

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The Internal Control and Risk Management System of Davide Campari Milano provides for a governance model designed to ensure that Group Tax Function monitors constantly the compliance of business operations and transactions with tax legislation, in order to ensure that tax risks are managed consistently with the strategic and commercial objectives of the Group and that all tax obligations are complied with. For these purposes, in addition to its ordinary involvement in routine transactions, Tax Department has to be involved when extra-ordinary or non-ordinary operations, with potential impact on taxes, may occur.

The local management is in charge of the tax compliance, with the support of local staff who are appropriately trained and experienced. Nevertheless, general coordination is provided by the Group Tax Function, which is located at the headquarters in Sesto San Giovanni.

In case of uncertainty on the application or interpretation of tax law, appropriate written advice is taken from third party advisers.

## **TAX COMPLIANCE CULTURE**

DCM promotes a business culture inside its organization inspired not only by values set forth in its Code of Ethics such as fairness, honesty and consistency with strong moral principles, but also by the values described in this Tax Strategy.

In accordance with the provisions of DCM Code of Ethics disciplinary measures will be put in place in case of violations of above-mentioned principles and guidelines.

To foster and promote awareness among the organization in relation to tax risk and tax compliance, DCM is committed to organizing training and awareness initiatives to ensure continuous support and workflow on tax related matters, not only within Tax Department, but among all personnel involved in managing tax relevant activities.

## **RELATIONS WITH AUTHORITIES**

DCM adopts transparent, constructive and collaborative relationships at all times with Italian Tax Authorities. This means that, where appropriate, DCM is engaged in a fully dialogue with Tax Authorities to discuss all the relevant items.

In the event that Tax Authorities request further information, a prompt response is provided as soon as possible and any inadvertent errors in submissions made to Tax Authorities are fully disclosed as soon as reasonably practicable after they are identified.