

Global Tax Strategy

1st edition

Salvatore Ferragamo

Introduction

The Global Tax Strategy is aimed at affirming a set of **values** recognized as underlying principles of tax behavior and providing related **guidelines**, in order to ensure integrity and reputation over time and guarantee a consistent and uniform approach in tax management within all the entities of the Ferragamo Group.

The rules of conduct set forth in this Global Tax Strategy are in line with the guiding principles and values set forth in the Ferragamo's **Code of Ethics**, with which all employees and suppliers must comply and which represents a basis for the Group's organizational and control models and a tool for preventing unlawful conduct and criminal acts.

The Global Tax Strategy enters into force the first day after its **approval** by Salvatore Ferragamo S.p.A. **Board of Director** and is available for consultation to all Ferragamo's employees, collaborators and stakeholders, interested persons and parties on the **Group's website** (<https://group.ferragamo.com>).

All the entities of Ferragamo Group will be compliant with the Global Tax Strategy.

Values in tax risk management

The Ferragamo Group tax behavior is aimed at acting with **fairness** and **integrity** in every sphere of tax matters, being the Group aware that taxes constitute one of the main sources of contribution to countries' economic and social development. The approach to tax risks at an entity level is consistent with the management of risk across the Group as a whole: indeed, the Global Tax Strategy will be applied worldwide.

The Ferragamo Group pursues the **compliance** with the tax rules and regulations in force in all countries in which it operates, and such rules are interpreted in a way that leads to responsible management of tax risks, in order to satisfy the interests of all *stakeholders* and to ensure the Ferragamo Group's positive reputation.

In this sense, the Group considers and manages taxes as a cost of the business activity, in accordance with the principle of legality in order to pursue the primary interest of creating **value for shareholders**.

Guidelines

Tax Planning

Regarding international taxation, the Ferragamo Group ensures the correct application of local domestic legislation, tax treaties and OECD guidance in cross-border intra-group transactions, in order to guarantee consistency between the arm's length allocation of the profits/losses between Group members and their actual economic value creation.

According to the OECD Guidelines and to the Italian Legislation, the Group performs the filing of the Country by Country Report to the Italian Tax Authority through its ultimate parent entity, Ferragamo Finanziaria S.p.A..

The Ferragamo Group does not enter into arrangements resulting in tax benefits not accompanied by valid economic reasons and that might be abusive.

Further, the Group does not use tax haven jurisdictions for tax avoidance purposes and does not seek tax rulings related to harmful preferential tax regimes.

Notwithstanding the above, the Group reasonably benefits from available tax incentives, i.e. intended by the legislations, that require an economic substance in order to be granted by the Countries and when they are consistent with the business of the Group.

Transparency

The Group maintains a **co-operative** and **transparent relationship** with the local tax administrations, ensuring that the latter, *inter alia*, may acquire the full understanding of the facts underlying the application of tax rules by the Group entities.

With respect to tax risk management, the Ferragamo Group has planned to implement the **Tax Control Framework**, fully aligned to the OECD guidelines. In this context, the Group ensures that the finance and tax department (of the HQ and of the subsidiaries, where applicable) has the necessary resources, both financial and human, as well as the organizational relevance to ensure tax compliance.

The Ferragamo Group pursues a strategy based on the preventive determination with the tax authorities of the Transfer pricing method to be adopted in compliance with the arm's length

principle, by concluding Advance Pricing Agreements in relation to the most significant intercompany transactions.

Agree to disagree

To protect the companies' and their shareholders' interests, the Ferragamo Group believes that, in presence of interpretative disagreements with the tax administrations, it is legitimate to defend – also through legal proceedings – its reasonable interpretation and consequent application of tax rules.