

# Tax Strategy



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## 1. INTRODUCTION

The Tax strategy defines the goals and commitments of Unipol Assicurazioni S.p.A. (“Unipol” or “Holding Company”) and its subsidiaries (“Unipol Group” or “Group”) in **managing the tax decisions** in order to achieve the following objectives, in line with the **Sustainability policy** and in compliance with the Group’s Charter of Values and Code of Ethics:

- **determine and pay in a correct and prompt way the taxes payable** – those to be borne by the Group, as well as those applied on behalf of the Tax authority – considering that, through them, the Group contributes to the needs and welfare of the community;
- control and preside over the **tax risk**: manage and contain the risk to be in violation of tax rules or abuse of principles and purposes of tax regulations, with subsequent property and reputational consequences.

The Tax strategy represents the “first pillar” of the Tax Control Framework or rather the internal control system of the tax risk that the Group has implemented (“**Tax Control Framework**” or “**TCF**”). The TCF, integrated in the wider internal control system and risk management of the Group, aims to ensure the prompt detection, management and monitoring of tax risk.

## 2. PRINCIPLES

The Tax strategy is founded on the **values** adopted by Unipol that finds express recognition in the Charter of Values and Code of Ethics, as well as on principles, strategies and procedures characterizing the Group’s organization and activity.

The value context surrounding the Tax strategy entails that the **guarantees** provided by the Unipol Group’s Charter of Values and Code of Ethics are extended to it, under which everyone can **report** to the Ethics Officer alleged violations of or non-compliances with the same Tax strategy or the underlying tax law.

In addition, the internal system for illegal conducts, which may become relevant for the purposes of the administrative liability of entities pursuant to the Italian Legislative Decree

231/2001, shall apply to the breaches of tax law, in accordance with the provisions of the whistleblowing procedure adopted by the Group. Unipol guarantees the protection of whistle-blowers from reprisals or discrimination for reasons related, directly or indirectly, to the whistleblowing, other than the cases of its groundlessness connoted by absence of good faith.

As part of the Sustainability policy, the tax management is oriented to the pursuit of a sustainable success through the creation of value in the long term to the benefit of shareholders, taking into account the interests of other stakeholders. In the management of taxes, the Unipol Group operates by applying the following principles.

### **Legality**

In applying the values of responsibility, respect and solidarity, the Group pursues the correct application of tax rules, through a behaviour aimed at compliance with and respect of applicable tax prescriptions in the Countries in which it operates, interpreted in order to manage responsibly the tax risk also in the context of ESG risks and impacts which the Group is exposed to related to the factor of the Governance, as defined in the Sustainability policy approved by the Board of Directors of the Holding Company.

### **Sustainability**

Recognizing as essential the context in which it operates, for its capacity to create value and competitiveness, the Group **returns** to the communities where it is present, equally and responsibly, through the **taxes** – its own taxes, as well as those collected on behalf of the Tax authorities – portion of the value created, for the purpose of improving the conditions of widespread welfare.

### **Transparency**

With due regard for the values of accessibility and responsibility, the Unipol Group operates with **transparency** in the relationships with the Tax authority, cooperating with the bodies

responsible for tax assessment and guaranteeing them the full comprehension of the facts underlying the application of tax rules, providing correct, prompt and true information.

### Stakeholder value

In line with the forward-looking value, the Unipol Group pursues the primary interest of the **creation of value** for its stakeholders over a long-term horizon interpreting and applying the tax rules taking care to pay the taxes due under law, at the same time pursuing the legitimate tax savings and tax advantages which are not undue but allowed by the regulations in the protection of the **reputation** of the Group over the time.

## 3. COURSE OF CONDUCT

The Tax strategy is expressed in the following **course of action** intended to achieve the strategic objectives set by the Unipol Group.

### Correct application of the tax code

Considering also the ethical relevance of taxation, the Group operates spreading the culture and value of the prompt and responsible **application** of the **tax code**, so as to guarantee that the Companies of the Group pay taxes and duties pursuant to the tax rules provided by the regulations of the Countries in which they operate.

The Group can rely on the **tax breaks** due to it in compliance with limits and methods provided by the lawmaker.

In the cases in which the tax code is not enough clear and univocal in the meaning attributable to it, the Group's Tax Service pursues a reasonable **interpretation** of the same, inspired by the principle of legality, making use, where appropriate, of external professionals. Where there persist margins of uncertainty on the interpretation of the tax rules, also arising from the incompleteness of the legal framework, the Unipol Group acts with prudence and in full transparency towards the Tax Authority, cooperating with the

latter, wherever possible, in order to reach the most congruent application of the legislation, resorting to all the instruments made available by the regulations.

### **Tax risk control system**

In the awareness of the complexity of the tax code, Unipol has intended to proceed with the implementation of an internal control system specially formulated for the tax risk management – TCF – in line the OECD indications, as acknowledged by the Italian revenue office.

The design and implementation of the TCF are progressively implemented, besides on the Holding Company, also on the main subsidiaries ("Companies within the scope of the TCF"), first of all through the adoption, by the corresponding corporate boards, of this Tax strategy, which represents the first piece of the TCF.

In regulating the tax processes, the TCF, through the corresponding governance documents, clearly attributes the related roles and responsibilities, ensuring an appropriate respect for the principle of segregation and escalation, up to the involvement of top management and corporate boards on tax matters with the greatest impact and complexity for the Unipol Group.

After the adoption of the TCF the Board of Directors examines and approves, with the support of the Control and Risk Committee, the Annual Report that represents the monitoring results of the model and the assessment and management of the main tax risks of the reference tax period. With the extension of the internal control system of the tax risk to other Group entities, an analogous Annual Report will be directed also to the Boards of Directors of the Companies within the scope of the TCF.

### **Full cooperation with the Tax authority**

The Group creates with the competent Tax Authorities a relationship of full cooperation, supporting possible activities to inspect them – both on the Group, and on third parties such as customers and suppliers – and satisfying the requests received with the greatest transparency and as earlier as possible.

In order to consolidate the transparency towards the Italian Tax authority, Unipol promotes the participation of the Holding company and the main Companies within the scope of the TCF in the **cooperative compliance** scheme, introduced by the Italian legislative decree no. 128 of 5<sup>th</sup> August 2015, for the purpose of creating forms of a strengthened relationship between Internal Revenue Service and major tax payers of the Country.

### **Right to dissent**

In case of **allegations** of alleged breaches of the tax code, the Unipol Group tries to reach their definition, in agreement with the Tax authority, and resorts to legal proceedings only when it is deeply convinced of its position, even on the basis of motivated opinions expressed by external consultants.

In this regard, to defend the interest of the company and its shareholders, the Unipol Group deems legitimate to support – also in legal proceedings – the reasonable interpretation of the rules, where there are interpretative discordances with the Tax Authority.

### **Aggressive tax planning**

The Unipol Group does not implement behaviours and operations, whether national or cross-border, that are translated into purely artificial constructions, which do not reflect the economic reality and from which it is reasonable to expect undue tax advantages, in contrast to the purposes or the spirit of tax provisions or reference regulations or rather generating phenomena of double deductions, deduction/non-inclusion or double non-taxation, even as a consequence of asymmetries between tax systems of possible jurisdictions involved.

More in general, the Unipol Group does not use instruments of tax planning contrary to the spirit of rules, neither makes artificially use of low-tax Countries (i.e., tax havens, low tax jurisdictions or non-cooperative jurisdictions for tax purposes), for the only purpose to reduce the tax levy, in order that the profits are subject to taxation in the Country where the substantial economic activity has generated them.

## Soft Controls

The Group's **Tax Service** oversees and manages the application of tax rules and provides all the Companies belonging to the Group with consultancy, guidelines and control, guaranteeing assistance and support also to the control activities activated by the Tax Authority. Hence, Unipol recognizes as a key objective guaranteeing to the Group's Tax Service appropriate level of staffing with professional skills and (material, financial and organizational) resources suitable for the performance of their functions. The Tax Service participates, if appropriate, in the initiatives of public consultation activated by the Tax Authority and other relevant entities (e.g., bodies of the European Union, OECD), in order to provide the contribution of Unipol to the process of formation of the tax law and its interpreting.

The Board of Directors of Unipol has the role and the responsibility to drive the dissemination of a corporate culture shaped around the values defined by this Tax strategy: in this context, the Group's Tax Service undertakes to promote the **dissemination of the culture** of compliance with the tax code, organizing training initiatives for all its personnel, even outside the same tax function.

The **incentive** mechanisms for the management related to the achievement of objectives to reduce the tax levy that can make the management make unethical choices or in conflict with this Tax strategy, laws and regulations even of fiscal nature are not adopted.

The Group promotes appropriate **technological solutions** that maximize data quality and accuracy that support the management of tax and tax returns.

Unipol adheres to the regulatory provisions on **transfer pricing**, in order to ensure the alignment of intra-group transactions with the arm's length principle, in compliance with the indications of the OECD and the Italian revenue office.

## 4. Adoption, publication and update

This Tax strategy, for whose drafting and revision the Group's Tax Service and the corporate structures concerned have been involved, in order to ensure a clear definition and sharing of the objectives, roles and responsibilities, is approved by the Board of Directors of the

Holding company, which is responsible to ensure its application, including in the exercise of its activity of management and coordination of its Subsidiaries and in line with the process on preparation and validation of the policies.

The Tax strategy will be time after time adopted by the Boards of Directors of the Companies within the scope of the TCF, as part of its responsibilities on governance and by the other Group's Companies, where applicable, in compliance with the specific sector regulations and the business model.

The Tax strategy is disclosed and made available through the publication on the website of Unipol Group at the address <https://www.unipol.com/en/governance/corporate-governance-system/tax-strategy-unipol-group>

Its interpreting is referred to the Group's Tax Service, which takes care also of the revision and update through the presentation of suitable proposals to the competent body.

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