

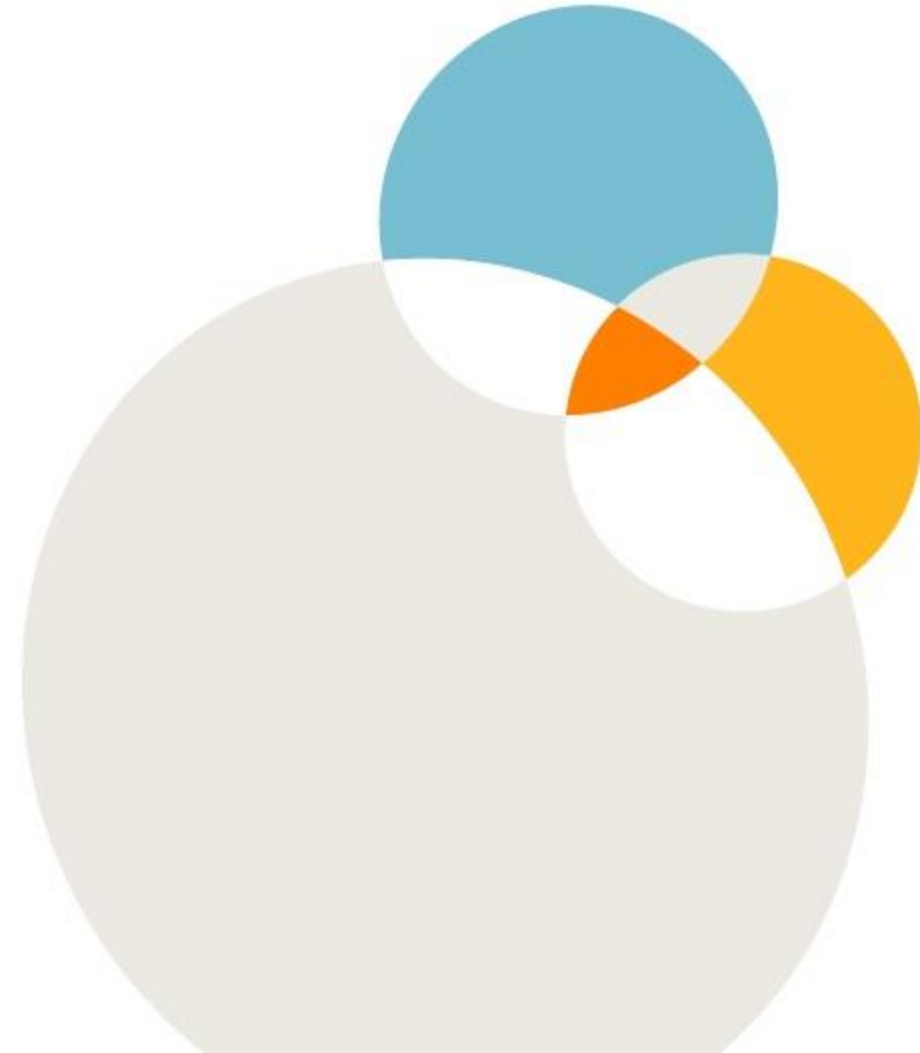


# Self-assessment of Good Tax Practices

2023

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Repsol Group



- **Introduction**
  - Accredited good tax practices
  - Tax Control Framework
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- ***B-Team* Responsible Tax principles**
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## Accredited good tax practices

Repsol is committed to complying with **best practices in responsible taxation and tax governance by voluntarily following the most prestigious international principles and recommendations:**

- The international tax standard **GRI-207 has been validated by our auditors.** For more information, see Appendix V of the Repsol Group's Integrated Management Report 2023.
- **“Haz Fundación” has awarded Repsol the highest score in the ranking of IBEX 35 companies** with best practices in transparency and fiscal responsibility according to its "[Contribution and Transparency Report 2022](#)".
- Repsol was also awarded the prize for fiscal transparency in the EU company category by the Dutch investors' association for sustainable development (VBDO). More information on "[Transparency Benchmark 2023](#)".
- The **B-team rated Repsol as a radically transparent multinational.** For more information, see the [Case Study](#) published on the *B-team* website.
- In addition, **Repsol's Tax Control Framework (TCF) has been assessed by experts of recognized prestige,** who have stated the high level of convergence and compliance with the criteria set out in the most rigorous international standards and is in line with the requirements of the UNE 19602 tax compliance standard. In particular, it has been verified that Repsol meets international standards such as:
  - The OECD Model Control of Fiscal Risks (MCRF), which codifies the essential elements of a modern fiscal risk control framework that large companies can follow in setting up and implementing their internal risk management systems.
  - The Tax Control Framework Questionnaire developed by the Internal Revenue Service.

Repsol has a Tax Control Framework (TCF) that guarantees compliance with the Group's tax obligations and the appropriate management of its tax risks. The TCF is reviewed and evaluated at least once a year by the Executive Committee (EC) and the Board of Directors (BoD) of the Repsol Group. The TCF comprises in a systematic and structured way the principles, values, rules and procedures that define an adequate tax compliance framework. The TCF is aligned with the most advanced tax compliance standards and with the ISO 37301 "Compliance Management Systems" standard.

## Pillars of the Tax Control Framework

### ✓ Tax strategy, principles and values

Strategy, tax principles and values, code of good practices and integrated management in the business.

### 👥 Tax function

Governing body, professional experts, external support of proven solvency.

### ☰ Integrated tax risk control system

Integrated tax risk management and sound control environment.

### 🏗️ Processes and systems

Rules, processes and systems that ensure proper compliance with tax obligations and the identification and appropriate management of tax risks.



### Reporting of non-compliance

Non-compliance management through the Ethics and Conduct Channel.



### Evaluation and continuous improvement

Regular monitoring of the TCF to assess its effectiveness, with a commitment to continuous improvement.

# Summary evidence of compliance with international standards



<b>Guidelines</b> <b>GRI 207</b>	<b>GRI 207-1</b> <b>Tax approach</b>	<b>GRI 207-2</b> <b>Tax governance and risk management</b>	<b>GRI 207-3</b> <b>Cooperative Relationships and Advocacy</b>	<b>GRI 207-4</b> <b>Publication of the CbC Report</b>
<b>E v i d e n c e</b>	<ul style="list-style-type: none"> <li>• The BoD approves the Tax Policy and oversees the implementation of the strategy and the management of tax risks.</li> <li>• Application of the tax law in accordance with its letter and spirit.</li> <li>• Corporate structure aligned with the business and in line with legal requirements and corporate governance standards.</li> <li>• Non-use of special purpose vehicles in non-cooperative jurisdictions.</li> <li>• Publication of Tax Policy and information on tax payments and presence in non-cooperative jurisdictions.</li> <li>• The Global Sustainability Plan (GSP) incorporates tax targets.</li> </ul>	<ul style="list-style-type: none"> <li>• Internal control regulations and processes to ensure tax compliance.</li> <li>• Internal procedure for setting transfer prices aligned with value creation and the arm's length principle.</li> <li>• Adequate organizational structure and means to ensure the proper performance of the tax function.</li> <li>• Existence of a 24/7 complaints channel managed by an independent third party.</li> <li>• Verification that the tax incentives applied are generally available to all economic operators.</li> <li>• Support for the publication of oil contracts and their fiscal incentives.</li> </ul>	<ul style="list-style-type: none"> <li>• Application of the Spanish Code of Good Tax Practices (CGTP).</li> <li>• Voluntary submission of the Tax Transparency Report to the Tax Agency.</li> <li>• Qualification as Authorized Economic Operator in the European Union and Peru.</li> <li>• Founding member of the Extractive Industries Transparency Initiative (EITI) and committed to its standards.</li> <li>• Collaboration with international organizations (OECD, UN, EU), governments and NGOs.</li> <li>• Participation in international initiatives on responsible taxation and tax governance (<i>B-Team</i>).</li> <li>• Participation in the <i>CONFIA</i> programme in Brazil.</li> </ul>	<ul style="list-style-type: none"> <li>• Voluntary publication of the Country-by-Country Report (CbCr) prepared according to OECD and <i>GRI-207</i> criteria.</li> <li>• The published CbCR report contains economic magnitudes related to the Group's performance, as well as a description of its business model with background information on the business activities carried out in each country.</li> <li>• The CbCR is made public at the same time as it is submitted to the Tax Authorities (with a one-year lag).</li> </ul>
<b>Principles</b> <b>B-team</b>	<ul style="list-style-type: none"> <li>• <b>Accountability and governance</b></li> <li>• <b>Corporate structure</b></li> <li>• <b>Transparency</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Compliance</b></li> <li>• <b>Tax incentives</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Support for an effective tax system</b></li> <li>• <b>Cooperative relations</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Transparency</b></li> </ul>

- Introduction
- ***B-Team* Principles of Responsible Taxation**
- *GRI 207* Standard: Tax
- Other international standards

# B-Team and self-assessment of compliance by Repsol Group



The *B-Team* rates Repsol as one of the "*most radically transparent*" companies in terms of compliance with its Principles for Responsible Taxation.

## Responsible Tax Principles *B-Team* <sup>(1)</sup>

NO.	Principles	Description	Check <sup>(2)</sup>	Evidence of compliance at Repsol
1	<b>Accountability and governance</b>	Taxation is a crucial part of corporate responsibility and is overseen by the BoD.		<ul style="list-style-type: none"> <li>• Tax policy approved by the BoD, which is binding for the entire Group.</li> <li>• The BoD monitors the Group's tax strategy and risk management at least once a year</li> <li>• Repsol's Global Sustainability Plan includes tax objectives.</li> </ul>
2	<b>Compliance</b>	We comply with the tax legislation of the countries in which we operate and pay the right amount of tax at the right time, in the countries where we create value.		<ul style="list-style-type: none"> <li>• Internal regulations to ensure full compliance with tax obligations.</li> <li>• Adequate organizational structure and means to comply with tax obligations.</li> <li>• Internal procedure for transfer pricing aligned with value creation and the arm's length principle.</li> </ul>
3	<b>Corporate structure</b>	We will only use business structures that are driven by commercial considerations, are aligned with business activity and which have genuine substance. We do not seek abusive tax results.		<ul style="list-style-type: none"> <li>• Corporate structure aligned with the business, appropriate to legal requirements and corporate governance standards.</li> <li>• No use of instrumental entities in non-cooperative jurisdictions or special purpose vehicles.</li> </ul>
4	<b>Relations with Administrations</b>	We seek, wherever possible, to develop cooperative relationships with tax authorities, based on mutual respect, transparency and trust.		<ul style="list-style-type: none"> <li>• Application of the Spanish CBPT.</li> <li>• Adherence to similar initiatives in Brazil, USA, Netherlands, Portugal, UK and Singapore.</li> <li>• Voluntary submission of the Tax Transparency Report to the AEAT.</li> <li>• Voluntary participation in the first <i>ICAP</i> programme.</li> <li>• Participation in the <i>CONFIA</i> programme in Brazil.</li> <li>• Qualification as an Authorized Economic Operator in the EU and Peru.</li> <li>• Participation in the <i>ETACA</i> programme.</li> </ul>
5	<b>Application for and acceptance of tax incentives</b>	Where we claim tax incentives offered by government authorities, we seek to ensure that they are transparent and consistent with statutory or regulatory frameworks.		<ul style="list-style-type: none"> <li>• Use of tax benefits following the letter and spirit of the law.</li> <li>• Verification that the incentives are generally available to all economic operators</li> <li>• Support for the publication of oil contracts and their fiscal incentives by governments.</li> </ul>
6	<b>Support for an effective tax system</b>	We engage constructively in national and international dialogue with governments, business groups and civil society to support the development of effective tax systems, legislation and administration.		<ul style="list-style-type: none"> <li>• Participation in public consultation processes. Collaboration with OECD, UN and EU.</li> <li>• Dialogue with NGOs.</li> <li>• Participation in responsible taxation and tax governance initiatives (<i>B-Team</i>).</li> <li>• Founding member of the <i>EITI</i> and committed to its standards.</li> </ul>
7	<b>Transparency</b>	We provide regular information to our stakeholders, including investors, policy makers, employees, civil society and the general public, about our approach to tax and taxes paid.		<ul style="list-style-type: none"> <li>• Top score in Spain and the EU in terms of tax transparency and responsibility according to third-party reports</li> <li>• Publication of tax payments by country.</li> <li>• Detailed tax information on <i>website</i>.</li> <li>• Publication of the Country-by-Country Report (<i>OECD CbCr</i>).</li> </ul>

(1) These principles of responsible taxation have been defined by the *B-Team*, a group of multinational companies committed to good tax practices, following an open dialogue with NGOs and official bodies.

(2) This assessment has been validated by other *B-Team* companies in a peer review exercise of compliance with the Principles of Responsible Taxation.

- Introduction
- *B-Team* Principles of Responsible Taxation
- **GRI 207 Standard: Tax**
- Other international standards



# GRI Standard 207: Introduction



Repsol complies with *GRI 207* as a manifestation of its commitment to the best international standards in terms of transparency and good fiscal governance (see Appendix V of the Repsol Group's Integrated Management Report for the 2023 financial year).

## What is the Global Reporting Initiative?

- The *Global Reporting Initiative (GRI)* is a non-profit organization established in 1997 as a joint initiative of two non-governmental organizations, *CEBES (Coalition of Environmentally Responsible Economies)* and *UNEP (United Nations Environment Programme)*.
- It is the institution that created the first global standard for **sustainability** reporting, applicable on a voluntary basis to companies wishing to assess their economic, social and environmental performance (i.e. "triple bottom line") and thus promotes continuous dialogue with stakeholders.
- Its standards constitute an internationally accepted/valued reference when assessing the quality of public information produced by companies, specifically in those areas of particular sensitivity related to sustainability.

## What is the GRI 207?

- It is a set of voluntary **guidelines and recommendations** intended to facilitate civil society's understanding of the tax contribution made by companies and the sustainability of their tax policies.
- Published on 5 December 2019, they focus specifically on the following areas of interest:
  - **General Principles of Good Fiscal Governance** (Disclosure 207-1, Tax Approach).
  - **Tax Control Framework** (Disclosure 207-2, Tax governance, control and risk management).
  - **Cooperative relations** (Disclosure 207-3, Stakeholder engagement and management of tax concerns).
  - **Publication of the Country-by-Country Report** (Disclosure 207-4, Country-by-Country Reporting).
- Its recommendations apply from 1 January 2020.

## Who makes them?

- The *Global Sustainability Standards Board (GSSB)*: an independent operating entity constituted under the auspices of *GRI* and made up of members of recognized experience and standing. The *GSSB* works in the public interest and in accordance with *GRI*'s vision and mission.

# GRI Standard 207: self-assessment of compliance (1)



## Fiscal Approach

207-1	Requirements	Guidelines	Check	Evidence of compliance at Repsol
a.i	Tax strategy	Existence of a public tax strategy applicable to all companies and employees of a Group.		Repsol has a Tax Strategy, approved by the BoD, which is mandatory for all employees and Group companies. The <a href="#">Tax Policy</a> is published on the corporate <i>website</i> .
a.ii	Body tasked with reviewing the tax strategy	Involvement of the BoD in the approval and regular monitoring of Tax Policies.		Repsol's tax strategy, as well as its tax contribution, is reviewed at least once a year by the BoD. It also supervises compliance and the most relevant aspects of the management of tax matters and risks. In 2022, the Tax Policy was ratified by the EC without any proposed modifications being submitted to the Board, as it is considered to be in force.
a.iii	Approach to regulatory compliance	Commitment to regulatory compliance.		Repsol, aware of its responsibility in the social and economic development of the countries in which it operates, gives priority attention to responsible compliance with the payment of taxes in the countries in which it operates with a commitment to comply with the law, respecting both the letter and the spirit of the law. Repsol reconciles scrupulous respect for the regulatory and jurisdictional framework in force in the different states, with the defense of its legitimate interests, through the legally available resources and actions, in cases where it considers that certain initiatives raise doubts as to their compliance with the law.
a.iv	Link between tax approach, business strategy and sustainable development	Alignment of Tax Policy and Strategy with business reality and commitment to sustainability.		The Group's Tax Policy is aligned with the company's mission and values and with its Sustainable Development Goals (SDG). Repsol aspires to be publicly recognized as an integrated and responsible company in tax matters. Tax decisions are taken responsibly, in accordance with a reasonable interpretation of tax regulations and are aligned with the economic activity of the different businesses.  The tax function is present in the Group's business decisions, ensuring that they are in line with the principles of its Tax Policy and are aligned with the economic reality and motivation of its businesses. Thus, there are internal regulations and procedures (including rules on investments, related-party transactions, etc.) that ensure the adoption of tax positions based on sound economic or business reasons (avoiding abusive tax planning schemes or practices), the non-use of opaque or artificial corporate structures to conceal or reduce the transparency of its activities and the application of the principle of full competition in its intra-group transactions. See also the report on " <a href="#">Presence in Non-Cooperative Jurisdictions and Disputed Territories</a> " published on the corporate <i>website</i> . For more information on the tax objectives incorporated in the SDG, see the Sustainability section of <a href="#">www.repsol.com</a> .



Fully complies



Partially complies



Non-compliant

# GRI Standard 207: self-assessment of compliance (2)



## Fiscal governance, control and risk management (1/3)

207-2	Requirements	Guidelines	Check	Evidence of compliance at Repsol
a.i	Governing body responsible for compliance with tax strategy	Identify the highest governance body responsible for the review of the TCF.	●	The BoD is the governing body responsible for approving the Repsol Group's Tax Policy, which contains the tax strategy. The implementation and monitoring of the tax strategy is supervised through meetings held at least once a year, which review, among other issues, the content of the <i>Voluntary Tax Transparency Report</i> , the taxes paid by the Group, the incidence of tax risks, the mechanisms for their management and control, the Group's presence in non-cooperative jurisdictions and initiatives in the area of tax transparency. For further information see the <i>Audit and Control Committee's Activity Report</i> , which is made available to shareholders on the occasion of the Annual General Meeting".
a.ii	Tax strategy in the organization	Description of the processes, projects, programmes and initiatives that support the tax strategy and tax procedures.	●	<p>The orderly management of Repsol's tax affairs is developed within a scope of action (Governance and TCM) that rests on four basic pillars: (i) Principles of action, (ii) Expert team, (iii) Processes and systems for tax compliance and (iv) Control and management of tax risks. For more information on how the tax approach is integrated into Repsol's organization, see the section on "<a href="#">Tax Control Framework</a>" published on the corporate <i>website</i>.</p> <p>The integration of the tax approach at Repsol is governed by an orderly regulatory management model comprising policies, rules (global and specific), procedures and internal controls and standardized processes, all of which are subject to the guidelines contained in the Code of Ethics and Conduct, aimed at mitigating the most relevant tax risks.</p> <p>Repsol's tax area is made up of professionals with expertise in various tax disciplines who are responsible for managing all the tax affairs of the Group's different businesses and areas. Reporting solely to the Corporate Economic and Tax Department (DCEyF), the management of tax matters is decentralized to the tax units of each country and/or business, in order to adequately address the particularities of each business and tax system. The continuity of the implementation of the tax strategy and management in the event of unforeseen events is ensured by a contingency plan that guarantees succession in key positions.</p> <p>The Group's tax experts are subject to the same remuneration and incentive policy as the rest of the Company's employees, and there is a continuous training plan, updated annually, which allows them to strengthen and complete their professional skills and renew their commitments to comply with the obligations derived from the Code of Ethics and Conduct.</p>

# GRI Standard 207: self-assessment of compliance (3)



## Fiscal governance, control and risk management (2/3)

207-2	Requirements	Guidelines	Check	Evidence of compliance at Repsol
a.iii	Tax risk management	Identification, management and monitoring of fiscal risks.		<p>Repsol's tax risk management is integrated into the global policy of the Integrated Risk Management System (SGIR in Spanish) and is reflected in the existence of internal processes, systems and controls (ICFR, Compliance Plan, <i>key controls</i>, etc.). The DCEyF, as the tax <i>compliance body</i>, is responsible for managing the Group's tax risks. In the context of the SGIR, the DCEyF carries out tax risk control activities by drawing up and updating a risk map which is configured through the phases of identification, analysis, assessment, verification and reporting.</p> <p>On the other hand, in order to mitigate tax compliance risks, Repsol has implemented standardized and documented processes that regulate essential aspects of tax <i>compliance</i>. These processes identify the people or areas responsible for each phase of tax management and define all the activities that must be carried out in order to prepare tax returns and settlements. In short, tax management processes ensure the reliability and traceability of information and establish an adequate level of prior reviews.</p> <p>In addition, Repsol has robust information management systems that guarantee the integrity of information and tax <i>compliance</i> processes and minimize the possibility of human error in this type of action.</p>
a.iv	Compliance of the TCF	TCF monitoring process.		<p>The control of tax risks and the <i>reporting of</i> tax matters are supplemented by procedures and controls to ensure the integrity and reliability of the accounting information used in tax processes. One of the primary functions of the Audit and Control Committee is to support the BoD in its oversight role. Its powers include the regular review of the effectiveness of the internal control systems, internal audit and risk management systems, including tax risks, the procedure for monitoring and regular evaluation of the Systems for Internal Control over Financial Information (SCIIF) and the implementation of the strategy and management of tax risks, submitting particularly risky transactions to the Board for approval.</p> <p>Likewise, the rules and procedures are reviewed by the People and Organization General Management in order to ensure the integrity, uniformity, validity, availability and accessibility of the Company's internal regulatory documents, as well as to facilitate management through the established channels and their approval at the appropriate level.</p>

# GRI Standard 207: self-assessment of compliance (4)



**Fiscal  
governance,  
control and  
risk  
management  
(3/3)**

207-2	Requirements	Guidelines	Check	Evidence of compliance at Repsol
b	Complaints channel	Mechanisms for reporting unethical or illegal behaviour.		Any employee or third party may report possible breaches of the Code of Ethics and Conduct or the Crime Prevention Model, including potentially unethical or illegal conduct affecting the integrity of the organization in relation to taxation. Reports can be made confidentially and anonymously through the whistleblowing channel provided for this purpose.
c	Organizational practices on external verification of reports	External verification of the quality/robustness of the TCF.		<p>Repsol has an expert team that analyses the good tax governance initiatives of various international organizations in order to align its tax strategy with the principles that inform global best practices. Thus, Repsol periodically self-assesses and updates its TCF, comparing it with the highest standards in tax governance, including the <i>B-Team's</i> principles of responsible taxation, which have been compared by other <i>B-Team</i> companies in a <i>peer-review</i> process, the requirements of the <i>GRI 207</i> and the OECD's model for controlling tax risks, among others.</p> <p>Likewise, the adequacy of its TCF to international best practices in tax compliance has been verified and contrasted by independent experts. According to the evaluation carried out by these experts, it is considered that Repsol's TCF achieves a high level of convergence and compliance with the criteria set out in international standards and is in line with the requirements of the UNE 19602 tax compliance standard. Finally, as mentioned above, the BoD is informed of the development of the Group's tax policy and strategy.</p>

# GRI Standard 207: self-assessment of compliance (5)



## Cooperative Relations (1/2)

207-3	Requirements	Guidelines	Check	Evidence of compliance at Repsol
a.i	Cooperative relations with tax authorities	Enhancing cooperative enforcement as a mechanism to ensure certainty and reduce litigation.		<p>In accordance with the principles that guide our Tax Policy, Repsol is committed to supporting an effective tax system and to maintaining cooperative relations with the tax administrations of the countries where it operates, based on mutual respect, transparency and trust. To this end, Repsol collaborates with tax administrations in the detection and search for solutions to fraudulent tax practices, facilitates access to information and prioritizes non-litigious means of dispute resolution. This approach includes participation in collaborative agreements and the search for active audits in real time.</p> <p>Relevant examples of Repsol's initiatives in the area of cooperative relations include the following: (i) voluntary adherence in Spain to the CGTP and the presentation, since 2015, of the <i>Voluntary Tax Transparency Report</i>; (ii) Repsol's qualification as an Authorized Economic Operator in the European Union and Peru, in recognition of its status as a reliable operator in the field of customs procedures; (iii) participation in the EU's ETACA pilot programme aimed at facilitating companies' tax compliance on the basis of a relationship of greater cooperation, transparency and mutual trust in line with the OECD's <i>ICAP</i> initiative (coordinated verification by the tax authorities of different countries that assess tax risks, among others, in the area of transfer pricing) and, (iv) the strengthening of cooperative relations through, among others, the <i>CONFIA</i> programme in Brazil, the <i>Fórum dos Grandes Contribuintes</i> in Portugal and through formulas analogous to the Compliance Assurance Process (<i>CAP</i>) programme in the USA.</p>
a.ii	Management of the environment	Public <i>policy advocacy</i> on tax issues and active participation in forums/platforms to manage the regulatory environment ( <i>Public policy advocacy on tax</i> ).		<p>A large part of the regulations on transparency and fiscal responsibility originate from the debates and forums of different international organizations (UN, OECD, EU, etc.). Repsol therefore promotes institutional relations with these authorities and other stakeholders with the aim of aligning the company's tax policies with social reality, contributing responsibly to the creation of a more balanced and fairer international tax framework and enabling anticipation in the management of tax matters in the face of possible future regulatory changes and the minimization of their risks and impacts. An example of this is Repsol's participation, sometimes on its own behalf, in the public information processes regularly issued by various international organizations such as the UN, the OECD, the EU and the Platform for Collaboration in Tax Matters (UN, OECD, IMF and World Bank).</p> <p>Through its participation in these debates (in most cases at the invitation of the corresponding organization), Repsol has had the opportunity to present its views on issues of great importance in the current environment, such as global minimum taxation (OECD and EU), regulatory proposals on corporate taxation (transfer pricing, BE-FIT, etc.), energy taxation and border carbon adjustment, among others. It is worth noting that Repsol is a member of several of the subcommittees created by the UN Committee of Experts on International Cooperation in Tax Matters, which discuss and prepare tax guides for the administrations of developing countries. Repsol is also a member of the Tax Committee of the Business at OECD (formerly known as <i>BIAC</i>) and holds the position of <i>Vice-chair of the Tax Commission of the International Chamber of Commerce (ICC)</i>.</p>

# GRI Standard 207: self-assessment of compliance (6)



## Cooperative Relations (2/2)

207-3	Requirements	Guidelines	Check	Evidence of compliance at Repsol
a.iii	Active dialogue with <i>stakeholders</i>	Description of the mechanisms for dialogue with the main social actors (NGOs, social action platforms, etc.) and their influence on fiscal decision-making processes.		<p>Repsol maintains an open and honest dialogue with NGOs and social action platforms (Intermon OXFAM, Haz Fundación) in the search for a fairer and more effective tax system.</p> <p>This interrelationship has provided first-hand knowledge of the main concerns of stakeholders regarding Repsol's social accountability process and has facilitated a better understanding of the true magnitude and dimension of the company's fiscal contribution in the countries in which it operates. Many of the concerns expressed by stakeholders have found a response in the enhanced fiscal transparency initiatives referred to in this self-assessment.</p> <p>The reception of these initiatives by stakeholders has been positive. Thus, organizations of recognized international prestige, such as Norges Bank, the Corporate Responsibility Observatory, Transparency International Spain, OXFAM, Haz Fundación and VBDO have recognized Repsol's high degree of compliance with the accountability commitments assumed in its Tax Policy.</p>

# GRI Standard 207: self-assessment of compliance (7)



Since 2018, we have been voluntarily publishing the *Country by Country Report (CbCR)*, which is made public at the same time as it is submitted to the Spanish tax authorities (incorporation of data with a one-year lag).

## Country by Country Report

207-4	Check	Evidence of compliance at Repsol
<p data-bbox="606 806 1223 863"><b>Presentation of financial, economic and tax information on each jurisdiction in which Repsol operates</b></p>	<p data-bbox="1472 749 1508 785">●</p>	<p data-bbox="1554 549 2420 735">Repsol maintains its commitment to being transparent and sharing relevant information with its shareholders and stakeholders, and since 2018 it has made public the data in its CbCR for those countries in which it has a tax presence. The latest report published corresponds to the 2022 data as submitted to the Spanish tax authorities in 2023 for automatic exchange with other tax authorities.</p> <p data-bbox="1554 771 2420 899">With the publication of this report, Repsol is ahead of European regulations (EU Directive 2021/2101). The report includes additional information to facilitate understanding of tax presence, performance and contribution in each country, which goes beyond the scope of the directive.</p> <p data-bbox="1554 935 2420 1056">The data included in the CbCR follows OECD standards. In addition, to comply with the requirements of GRI 207-4, Annex 3 of the public CbCR provides a breakdown of income earned in each tax jurisdiction with related entities in other tax jurisdictions.</p> <p data-bbox="1554 1092 2356 1120">For more information, see Country-by-Country Report at <a href="http://www.repsol.com">www.repsol.com</a></p>



- **Introduction**
- ***B-Team* Principles of Responsible Taxation**
- ***GRI 207* Standard: Tax**
- **Other international standards**
  - OECD Standard on Control of Fiscal Risks
  - Tax Control Framework Questionnaire (Internal Revenue Service)

# OECD Standard on Control of Fiscal Risks



What is the OECD MCRF?

The MCRF model developed by the OECD is linked to compliance programmes based on legal certainty and reduced compliance costs in exchange for a higher level of transparency on the part of companies in disclosing their tax risks. However, such programmes do not exempt from regular checks and certain scope.

OECD Standard on Control of Fiscal Risks

NO.	Principles	Description	Check	Evidence of compliance at Repsol
1	<b>Tax Strategy</b>	Tax objectives set by the BoD with strategic focus on risk appetite, tax planning and level of Board involvement in decisions, including the overall operational framework, organization of the tax department and compliance.	●	<ul style="list-style-type: none"> <li>• Tax policy.</li> <li>• Risk Management Policy.</li> </ul>
2	<b>TCF Omnicomprehensive</b>	Routine and non-routine transactions, assessment of the tax treatment of certain transactions. Risk management should reflect the tax strategy set by the Board.	●	<ul style="list-style-type: none"> <li>• BoD Regulation.</li> <li>• Global Investment Standard.</li> <li>• Standard Intragroup Transactions.</li> <li>• TCF Guide.</li> <li>• Tax reporting.</li> <li>• Tax Risk Map.</li> </ul>
3	<b>Assigned responsibilities</b>	The development of the tax strategy and the TCF is the responsibility of senior management under the supervision of the CoA. The implementation of the TCF involves other parts of the company involved in routine and non-routine tasks.	●	<ul style="list-style-type: none"> <li>• Decision Rights (allocation of responsibilities)</li> <li>• Tax reporting.</li> <li>• Tax Risk Control Procedure.</li> <li>• Dispute communication procedure Spain.</li> <li>• Procedures Closures.</li> <li>• PT and CbCR documentation procedure.</li> <li>• Compliance procedures.</li> <li>• SCIIF procedures.</li> </ul>
4	<b>Documented governance</b>	System of rules (procedures) to ensure that transactions are carried out in accordance with applicable corporate policies and standards and potential risks of non-compliance are identified and managed, with sufficient resources allocated. The governance procedure on tax risks should include the approval (sign-off) of the BoD.	●	<ul style="list-style-type: none"> <li>• Idem. to Assigned responsibilities.</li> <li>• Tax reporting.</li> <li>• Risk Management System aligned with IS 31000.</li> <li>• Tax Management Procedures + SIGEFI-SRF</li> </ul>
5	<b>Checks carried out</b>	Monitoring of compliance with policies and processes that are part of the TCF by the company and tax authorities (including cross-checking with reporting obligations such as DAC6).	●	<ul style="list-style-type: none"> <li>• Idem. Documented governance.</li> <li>• Integral Tax Risk System (3 defenses + ISO 31000).</li> <li>• SCIIF controls in tax processes.</li> </ul>
6	<b>Risk insurance</b>	Ensuring that tax risks have adequate controls and reliability of tax returns, establishing "risk appetite" and a risk management framework capable of identifying deviations through mitigation and elimination mechanisms.	●	<ul style="list-style-type: none"> <li>• BoD Regulation (sign-off procedures).</li> <li>• Internal and external TCF performance check.</li> <li>• Risk mitigation and error correction mechanisms.</li> <li>• Annual internal audit review (reporting compliance to the Audit and Control Committee of the BoD).</li> </ul>

# Tax Control Framework Questionnaire (Internal Revenue Service)



## What is the *Tax Control Framework Questionnaire* developed by the *Internal Revenue Service*?

The *Tax Control Framework Questionnaire* (2019) developed by the US Treasury Department (IRS) is an element that complements the OECD standard on MCRF, by implementing a modern mechanism for "self-assessment" of the essential elements of the tax risk management and control system of large companies for the purposes of the participation of an American listed entity in its most relevant cooperative programme (*Compliance Assurance Program*). In this sense, we understand that it provides another relevant source (high standard of a modern tax administration) for benchmarking the Repsol Group's TCF.

## Content of the *Tax Control Framework Questionnaire*

- Description of internal controls.
- Description of the tax risk review process: presentations to the BoD, Board guidance on the management of the tax department and the level of acceptable risk, policies and procedures for escalation of issues to the Board and sign-off procedure for relevant transactions, establishment of materiality, internal audit functions, existence of outsourced tax functions, etc.
- For listed companies, whether SOX certifications assess the effectiveness of the above controls.
- Whether the external auditors carry out tests on the TCF and, if so, a description of the results and any inefficiencies detected.

## Independent third-party validation

According to the evaluation carried out by an independent third party, the Repsol Group's tax risk control system, conducted in accordance with the OECD MCRF guide and the self-assessment questionnaire of the *Tax Control Framework Questionnaire* prepared by the US IRS, reveals a high level of convergence and compliance with the criteria set out in the international standards used to contrast and confirm the correct configuration of the TCF system articulated by the Repsol Group.