

# Tax Governance and Risk Management Statement

## Repsol Trading Singapore Pte. Ltd.

The Tax Governance and Risk Management Statement (TGRM) sets out Repsol Trading Singapore Pte. Ltd. (hereinafter, “RTS” or “the Company”) tax strategy and approach towards tax risk management in Singapore, which is inspired and completely aligned and respectful with the Repsol Group’s Corporate Tax Policy (Tax Policy)<sup>1</sup>.

Compliance with the Tax Policy is mandatory for all companies, including RTS, and its employees regardless the kind of contract which determines their employment relationship, the position that they occupy and the place where they work.

The TGRM covers all taxes, including corporate income tax, withholding tax, personal income tax and Goods and Services Tax (GST), as well as any other taxes which may be imposed afterwards, including penalties and interest imposed by the tax authorities on RTS.

### 1. Compliance with tax laws

RTS gives priority to the responsible fulfilment of its duty to pay required taxes consistent with the commitment to comply with the following Principles:

- Comply with tax laws, regulations and requirements and respects the intent of the laws and regulations.
- Update the Company’s policies and procedures when necessary to reflect changes in the relevant tax laws and regulations or whenever there are significant changes to the Group’s Tax Policy and/or Company’s business strategies or tax risk environment.
- Apply the “arm's length” principles in intra-group transactions.
- Adopt its tax positions on sound economic and business principles and commonly accepted best practices, refraining from the use of abusive tax schemes and planning practices.
- Abstain from the use of opaque or contrived corporate structures in order to conceal or reduce the transparency of its activities.
- Disclose truthful, complete information about its operations.
- Strive for certainty, stability and predictability in the tax criteria applied by management, by using the procedures defined by law and through the collaboration with authorities (APAs, tax enquiries, tax rulings, among others).

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<sup>1</sup> [Repsol Group’s Tax Policy](#) approved by Repsol, S.A.’s Board of Directors in its meeting of November 25, 2015, and ratified by the Executive Committee on November 22, 2022. This Corporate Tax Policy is based on managing tax affairs by applying good tax practices and acting transparently, paying taxes on a responsible and efficient manner, and promoting cooperative relations with governments, avoiding significant risks and unnecessary disputes.

## **2. Corporate Governance**

Repsol's system of corporate governance, which was established in accordance with best national and international practices and standards, guides the structure, organization, and operation of its corporate bodies in the interests of the Group and of its shareholders, and is based on the principles of transparency, independence, and responsibility.

Repsol, S.A.'s Board of Directors is the governing body in charge of adopting the Repsol Group's Tax Policy, which contains the tax strategy. The implementation and monitoring of the tax strategy is overseen at meetings held at least once a year where they review, among other issues, the Tax Policy applied by the Group in the corresponding fiscal year, the fulfilment of its tax strategy, the incidence of tax risks, the mechanisms for their management and control, the Group's presence in tax havens and the initiatives related to tax transparency.

In the particular case of RTS, Company's Board of Directors', through the Executive Director of the Company and Group's Internal Tax Team (through local reputed external advisors), is responsible for overseeing the Company's tax and tax risk management, including producing timely, accurate and reliable tax returns and paying all taxes due.

## **3 Risk management**

Repsol Group aims to maintain a risk profile of a global, integrated and diversified energy company, differentiating between those in which the Company is willing to assume an exposure within the global tolerance threshold, and those in which it seeks to reduce it to levels as low as reasonably possible (for example, ethics and conduct, and compliance).

The management of tax risks by RTS is embedded in the Repsol's Group Global Integrated Risk Management Policy, under which the Company shall actively manage tax risks in order to prevent, mitigate or to eliminate them, and where said risks are assumed (due to it having been impossible to reach a mutual understanding with the tax administration), to defend its legitimate interests according to Group's interpretation of existing laws.

The Company maintains a system of risk management and internal controls to prevent tax risks, and particularly, to identify, assess, monitor, actively manage and mitigate them and ensure their accurate reporting.

The Company may engage reputable external advisors to seek their advice or clarification on complex tax issues.

The senior management updates the Company's Board of Directors whenever appropriate and at least once a year or when of key tax risks that may give rise to substantial tax exposure or affect the Company's reputation arise.

## **4. Relationship with tax authorities**

Following the Group's tax strategy, RTS shall continue fostering relationships with the Tax Authorities inspired by principles of trust, good faith, professionalism, collaboration, loyalty and a search for mutual understanding, on the basis of reciprocity, all with the

purpose of ensuring the implementation of the tax system, increasing legal security and reducing litigation. In particular, the Company:

- Will collaborate with the Tax Authorities to detect and find solutions to errors, or fraudulent tax practices that may be occurring in the country.
- Will provide Tax Authorities with information and required documentation with tax relevance as soon as possible and within the scope due.
- Will give priority to non-litigious means for resolving disputes, when possible, and will make use of the options offered by legal procedures to strengthen agreements with the Tax Authorities whenever feasible.
- Will work pro-actively and transparently with fiscal authorities to prevent, minimize and mitigate disputes and reach agreement on any areas of disagreement on a timely basis wherever possible.
- Will engage with governments, and their various bodies, on the development of tax laws, and their administrations, either directly or through trade and other similar associations as appropriate with the aim of contributing in an honest and disinterested manner to a fair tax system. The Company's approach is evidenced by a robust tax governance framework, our behaviors and supported by our track record of collaborative relationships with the relevant tax authorities.

## **5 Transparency**

Repsol is committed to public transparency as one of the guiding principles of its tax activities. This implies that the Company undertakes to:

- Refrain from the use of opaque or contrived business or contractual structures with the intention of concealing or reducing the transparency of its tax activities.
- Not to have a presence in tax havens<sup>2</sup>, unless this is justified for business reasons.
- Strive to comply with the highest standards required in external tax reporting, with the aim of facilitating understanding of its tax contributions and the tax policies applied.

**This Policy was approved by the Board of Directors of Repsol Trading Singapore Pte. Ltd.'s on April 4, 2024.**

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<sup>2</sup> Repsol considers "tax havens" to be those territories classified as non-cooperative jurisdictions by Spanish and European Union (EU) regulations, as well as those included by the OECD in its list of non-cooperative jurisdictions in terms of transparency and exchange of information. A description of the Repsol Group's companies in countries and territories classified as non-cooperative jurisdictions and other controversial territories can be found in the following [link](#).