

2023

REPSOL Group

Presence
in tax havens
and “other
Controversial
Tax Jurisdictions”



Repsol and Tax Havens	Annexes				
	Repsol Group companies in "other controversial jurisdictions"	Presence in "other controversial jurisdictions"	Delaware and the international expansion of Repsol's LCG business in the US	Case study: Repsol Group's presence in the Netherlands and Luxembourg	Self-assessment of responsible tax contribution

Repsol and tax havens

The Repsol Group undertakes not to have a presence in tax havens, except for legitimate business reasons.



Our tax policy disallows the use of opaque or artificial structures that conceal or reduce the transparency of our activities. Therefore, the Repsol Group undertakes the commitment to have no presence in tax havens and, if it any, to provide information that facilitates understanding of their true scope and nature.

Repsol's presence in these territories is not intended to limit the transparency of its activities or performing unlawful or undesirable practices, but rather responds

to legitimate business reasons and follows ordinary standards of the sector.

Repsol has an irrelevant presence in tax havens. Specifically, the income obtained there represents less than 0.01% of our turnover and there is only one company active in the Group in one of these territories, Trinidad and Tobago, where it carries out hydrocarbon exploration and production activities.

Transparency

We publish information on taxes paid and our country-by-country report www.repsol.com

Public recognition

Repsol, winner of the prestigious "EU Transparency Award" granted by the VBDO (Dutch Association of Investors for Sustainable Development).



Objective

To report in a transparent basis about our presence in non-cooperative jurisdictions



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Non-cooperative jurisdictions

The definition of a tax haven is not a peaceful one. Repsol considers "tax havens" to be those territories classified as non-cooperative jurisdictions by Spanish¹ and European Union (EU) regulations², as well as those included by the OECD in its list of non-cooperative jurisdictions in terms of transparency and exchange of information³.

Numerous legislators make an effort to maintain lists of territories that, either by allowing tax avoidance or by facilitating investment opacity, qualify as "non-cooperative jurisdictions"⁴. Not all of them coincide with those of Spain and the EU.

On the other hand, some non-governmental organisations concerned with responsible business practices also draw up their own lists of tax havens with different criteria and objectives. At Repsol we have selected some of these lists because of their public projection or representativeness, and we have called the countries included there 'controversial jurisdictions'. In an exercise of enhanced transparency, in this report we also identify our companies and activities in these controversial territories and provide information about them (see Appendix).

Repsol Group companies⁵ in non-cooperative jurisdictions

The Repsol Group only maintains an active presence in one non-cooperative jurisdiction, Trinidad and Tobago, where its profits are taxed at a rate of 55%.

Jurisdiction	Entity	Description
Trinidad and Tobago	Repsol Exploración Tobago, S.A. (branch in Trinidad and Tobago)	Spanish company with a branch in Trinidad and Tobago that carries out E&P activities in the country. Its profits are taxed there at a rate of 55%.
	Repsol Angostura, Ltd.	Inactive and in the process of liquidation. Company that provided technical and support services with its local staff to other Group entities in Trinidad and Tobago. Its profits were taxed there at a rate of 55%.
Bermudas	Greenstone Assurance, Ltd.	Inactive. Reinsurance company, which is currently limited to the liquidation of risks assumed in the past (run-off situation).

Trinidad and Tobago

Hydrocarbon exploration and production (E&P) activities are carried out.

¹ In Spain, we refer to the list of non-cooperative jurisdictions, approved by Ministerial Order HFP/115/2023, dated 9 February 2023.

² In the EU we refer to the list of non-cooperative jurisdictions from a tax point of view, prepared by the Economic and Financial Affairs Council -ECOFIN- of the UE, updated in February 2024.

³ We closely monitor existing international initiatives on the subject and their possible impact on the definition of the concept of a non-cooperative jurisdiction (or tax haven).

⁴ In all countries where we operate we respect their particular tax haven regulations.

⁵ Repsol Group entities are considered to be both its parent company Repsol S.A. and its controlled subsidiaries that consolidate their financial statements in accordance with International Financial Reporting Standard 10 and article 42 of the Spanish Code of Commerce.

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Information on activities and figures⁶

Repsol's presence in these territories is not relevant, as its revenues are immaterial (less than 0.01% of the group's turnover) and is not intended to hide or reduce the transparency of its activities.



(M€)			(-losses)	(-return)	(-entry)		(-losses)			
Entity	Jurisdiction	Activity	Income	Profits	Tax paid	Tax due	Social capital	Accumulated results	Tangible assets	Employees
Repsol Exploración Tobago, S.A. (branch in Trinidad and Tobago)	Trinidad and Tobago	E&P	1.9	-1.1	0.5	0.0	38.2	-60.9	1.3	0
Repsol Angostura, Ltd.		Technical services inactive	0.0	0.0	0.0	0.0	0.0	0.0	0.0	9
Greenstone Assurance, Ltd.	Bermudas	Reinsurer ("run-off" situation)	0.2	0.2	0.0	0.0	0.5	-32.6	0.0	1

Transparency is one of the pillars of our tax policy.

⁶ Data for the financial year 2022, according to the criteria of the Country by Country report.

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Companies in non-cooperative jurisdictions with minority participation

Repsol has some minority participations in companies with a presence in non-cooperative jurisdictions. Repsol does not have control or operational management of these entities, but seeks to apply similar standards of transparency and management, as well as the principles of our Code of Ethics and Conduct.



Entity	Jurisdiction	Activity	Participation	Operational detail
BP Trinidad & Tobago, LLC (branch in Trinidad and Tobago)	Trinidad and Tobago	E&P	22.5 %	Branch in Trinidad and Tobago of a U.S. company owned by Repsol and BP. The branch carries out E&P activities in Trinidad and Tobago, being one of the largest hydrocarbon producers in the country. It produces more than half of the gas and crude oil in the territory (73,000 barrels/day@Repsol). Its profits are taxed at a profit tax rate of 55%.
Everen, Ltd. (formerly known as Oil Insurance, Ltd.)	Bermudas	Reinsurance	5.03 %	Mutual insurance company in the Oil&Gas sector covering certain risks of the Group. As it is a mutual insurance company, the coverage of risks requires a shareholding in the entity. Its headquarters are located in Bermuda, a typical jurisdiction for the reinsurance activity of the E&P business assets.

Annexes

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Repsol group companies in "other controversial jurisdictions"

As part of its commitment to transparency, the Repsol Group provides information about other jurisdictions considered "controversial" by unofficial lists of certain organizations.



Introduction

There is an intense social and political debate on the fairness and transparency of tax systems and the tax contribution of multinational companies.

Repsol participates in this debate and defends the principles of responsible corporate taxation. We are part of working groups promoted by governments and international organizations (UN, OECD, among others), we maintain an active dialogue with non-governmental organizations concerned about the application of tax systems and taxpayer practices, and we support international initiatives that seek greater equity in the taxation of large companies (Pillar 2).

In this context, some organizations and social action platforms have developed lists of countries or territories with tax regimes or administrative practices that, in their opinion, may facilitate tax avoidance or opacity. These lists are heterogeneous, serve different objectives

and, on occasion, obey questionable criteria and assessments; in any case, it should be noted that some include countries that are not on any official list of tax havens, because they do not have their characteristic features.

At Repsol we have selected some of these lists (because of their public projection or representativeness) and, although we may not share some of their criteria in the characterization of these jurisdictions, we have called the countries included there 'controversial jurisdictions'. Specifically, to determine the "other controversial jurisdiction" we have used the lists prepared by OXFAM Intermon, Tax Justice Network and the Observatorio de Responsabilidad Social Corporativa en España¹.

In an exercise of enhanced transparency, we identify in this report our entities and activities in these disputed territories and provide information about them.

¹ OXFAM Intermon ("Desigualdad S.A., Filial en España - 2024"), Tax Justice Network ("Identifying tax havens and offshore finance centres - 2007") and Observatorio de Responsabilidad Social Corporativa ("La responsabilidad social corporativa en las memorias anuales de las empresas del IBEX 35 - 2023").

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Summary and main jurisdictions

We voluntarily and transparently provide information on our companies and activities in "other controversial jurisdictions".



Other controversial jurisdictions (Unofficial lists)	2013	2018	2023	Jurisdiction
N.º of entities	81	55	39 (actives 33)	USA.-Delaware 15; The Netherlands 12; Luxembourg 10; Singapore 1; Switzerland 1.

Our presence in controversial jurisdictions is for legitimate business reasons.

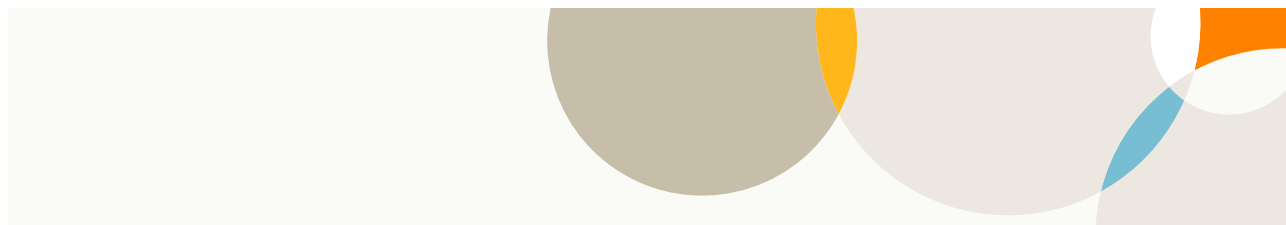
Company developments during the year

Efforts to simplify the structure have been intensified, specifically in the Netherlands, through the liquidation of dormant companies.

- Liquidated/disposed companies: USA/Delaware(1): Talisman Vietnam 07/03-CRD Corporation, LLC; Luxembourg (1): Talisman International (Luxembourg), S.à r.l.; Netherlands (3): Talisman International Holding, B.V., Talisman Vietnam 146-147, B.V. and Repsol Exploración Karabashsky, B.V.
- Companies incorporated/acquired: USA / Delaware (4): Jicarilla Solar 1 Class B, LLC, Jicarilla Solar 1 Holdings, LLC, Repsol US Renewables, LLC, Gulf Coast Offshore Wind, LLC; Luxembourg (2): Tucan LNG, S.à r.l. and Ovalo, S.à r.l.

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Presence in "other controversial jurisdictions"



1. Companies with activity

Jurisdiction	N.º	Entity name	Activity	% Particip.	Commentary
USA (Delaware)	15	Jicarilla Solar 1, LLC	LCG (Low-Carbon Generation)	75 %	Entities mostly stemming from the acquisition of the Hecate Group, which are active in the renewable and LCG business.
		Jicarilla Solar 1 Bond Purchaser, LLC			
		Jicarilla Storage 1 Bond Purchaser, LLC			
		Jicarilla Storage 1, LLC			
		Jicarilla Solar 2, LLC			
		Jicarilla Solar 2 Class B, LLC			
		Jicarilla Solar 2 Holdings, LLC			
		Jicarilla Solar 2 Bond Purchaser, LLC			
		Hecate Energy Frye Solar, LLC			
		Hecate Energy Outpost Solar, LLC			
		Hecate Energy Longhorn Solar, LLC			
		Jicarilla Solar 1 Class B, LLC			
		Jicarilla Solar 1 Holdings, LLC			
Repsol US Renewables, LLC					
Gulf Coast Offshore Wind, LLC					
Luxembourg	9	Gaviota RE, S.A.	Reinsurance	100 %	Reinsurer.
		Albatros, S.à r.l.	Holding	100 %	Head entity of the group of companies in Luxembourg (subgroup Corporation).
		FEHI Holding, S.à r.l.	Holding E&P USA	75 %	Holding entity (head of Talisman's US group of companies) and financial entity (E&P subgroup).
		Repsol Europe Finance, S.à r.l.	Financing	100 %	Financial entity (EMTN issuer and intra-group financing in USD).
		Repsol Transgasindo, S.à r.l.	Holding E&P Indonesia	75 %	Incorporated in 2002, formerly domiciled in Barbados. It owns 15% of Transasia Pipeline Co. Pvt Ltd.
		Repsol E&P, S.à r.l.	Holding	75 %	Holding entity of the E&P business vertical through which alliances with international partners are channelled.

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Jurisdiction	N.º	Entity name	Activity	% Particip.	Commentary
Luxembourg	9	Repsol Financial Trading, S.à r.l.	Financing	100 %	Intra-group financial company.
		Tucan LNG, S.à r.l.	Trading	100 %	Entity for the international marketing of LNG.
		Ovalo, S.à r.l.	Corporation	100 %	Entity for the development of the Group's new international business.
The Netherlands	7	Repsol International Finance, B.V.	Financing	100 %	Financial company raising funds in international markets (bonds).
		Repsol Perú, B.V.	Holding Industrial Peru	100 %	Historical investment structure in Peru (refining) which at the time was articulated through a JV with partners.
		Repsol Sakakemang, B.V.	Holding E&P Indonesia	75 %	Companies carrying out E&P activities in Indonesia through two joint ventures incorporated in Indonesia.
		Repsol Exploración South East Jambi, B.V.		75 %	
		Fortuna International (Barbados), Inc.		75 %	
		Repsol Upstream, B.V.	Holding	100 %	Holding company that channels stakes in the E&P businesses of the Repsol group.
		Repsol Finance Brasil, B.V.	Financing	100 %	Intra-group financial company.
Singapore	1	Repsol Trading Singapore Pte. Ltd.	Trading	100 %	Company active in hydrocarbon trading in the Asian market.
Switzerland	1	Repsol Exploration Advance Services, A.G.	International Staff	100 %	Company providing international assignment services (highly qualified employees for E&P activity).



The Netherlands

Repsol has had a presence in this country since 1990 and carries out financial activities [issuance of corporate debt -EMTN- under the supervision of EU authorities] and holding activities.

The Group does not benefit from preferential tax regimes in the Netherlands and the effective corporate income tax rate is aligned with the nominal tax rate in the jurisdiction.



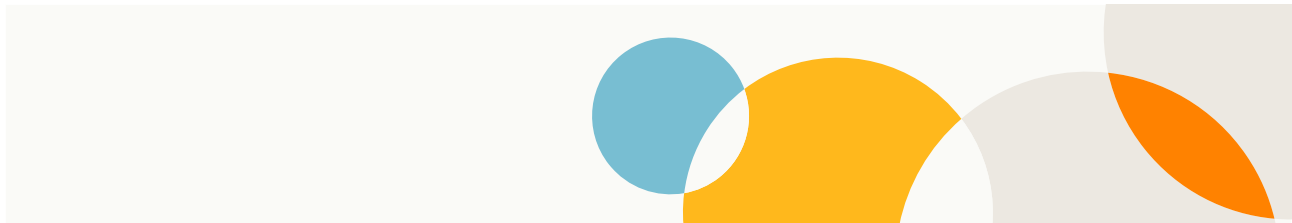
Luxembourg

Repsol carries out reinsurance [supervised by authorities in the EU -CAA Luxembourg-], finance and holding activities.

Luxembourg is a typical jurisdiction to carry out financing and reinsurance activities. Companies are subject to taxation and do not benefit from preferential regimes.

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2. Companies with no activity and in dissolution process



Jurisdiction	N.º	Entity name	Activity	% Particip.	Commentary
Luxembourg	1	Repsol Finance Brasil, S.à r.l.	Financing	100 %	A company that in the past carried out intra-group financial activity.
		Talisman South Sageri, B.V.	E&P Indonesia	75 %	A company that in the past has had E&P operations in Indonesia.
		Talisman (Block K39), B.V.	Holding E&P Iraq (Kurdistan)	75 %	A company that in the past has had E&P operations in Kurdistan.
The Netherlands	5	Vung May 156-159 Vietnam, B.V.	Holding E&P Vietnam	100 %	A company that in the past has had E&P operations in Vietnam.
		Talisman East Jabung, B.V.	Holding E&P Indonesia	75 %	A company that in the past has had E&P operations in Indonesia.
		Repsol Andaman, B.V.	Holding E&P Indonesia	75 %	A company that in the past has had E&P operations in Indonesia.



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3. Activity figures¹

Repsol provides information on the taxes it pays in all countries where it operates (tax contribution report and Country-by-Country report, in relation to profit tax, www.repsol.com)

(M€)		(-losses)	(-return)	(-entry)		(-losses)			
Jurisdiction	Activity	Income	Profits	Tax paid	Tax due	Social capital	Accumulated results	Tangible assets	Employees
USA (Delaware)	Development of projects related to renewable energies.	6.5	5.5	0.0	1.3	63.9	0.0	349.8	34.0
Luxembourg	Reinsurance activities (supervised by CAA Luxembourg), financing and holding activities.	585.5	403.0	0.0	61.3	4,387.4	-9,014.9	0.0	9.0
The Netherlands	Financial activities (corporate debt issuance - EMTN - supervised by CSSF in Luxembourg) and holding activities.	216.9	27.6	15.2	20.6	1,580.3	-3,173.8	0.0	7.0
Singapore	Marketing activities of crude oil and derivatives in the Asian market. Administrative and technical services are also provided to support exploration and production activities in the region.	2,598.2	3.8	0.0	0.4	0.3	-74.0	0.1	22.0
Switzerland	International assignment services (highly qualified employees for E&P activity).	0.9	0.0	0.0	0.0	0.5	0.5	0.0	3.0



¹ Data for the financial year 2022, according to the criteria of the Country by Country report.

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4. Companies with minority participation

Jurisdiction	N.º	Entity name	Activity	% Particip.	Commentary
Andorra	1	BECSOL, S.A. (formerly known as Carburants i Derivants, S.A.)	Marketing	33.25 %	Owner of two service stations in Andorra and exclusive distributor of fuels and LPG.
		Hecate Energy Group, LLC	LCG	40 %	JV with the Hecate Group for the development of renewable generation and storage activities in the US.
		Salamanca Infrastructure, LLC	E&P	16.87 %	Hydrocarbon exploration and production.
USA (Delaware)	8	Sierracol Energy Arauca, LLC	JV Colombia	18.75 %	JV with the Carlyle Group which channels participation in E&P activities in Colombia.
		Sierracol Energy Crude Sales, LLC			
		Ample, Inc.	Corporate Venturing	3.24 %	Minority participation in start-up specialising in autonomous robotics solutions and smart battery technology.
		Dynasol, LLC	Chemistry	50 %	Entities trading rubber in the USA through JV with the KUO group.
		BPRY Caribbean Ventures, LLC	Trinidad and Tobago JV	22.5 %	JV with BP Group which channels participation in E&P activities in Trinidad and Tobago.
		BP Trinidad Tobago, LLC		22.5 %	
Mauritius Islands	1	Transasia Pipeline, Co.	Holding E&P Indonesia	11.25 %	JV with international partners (groups such as Conoco, SPC Indopipeline, Petronas, among others) to participate in an Indonesian company that manages infrastructure for oil activity in Indonesia (Duri Pipeline - 536 km Grissik- and Singapore Pipeline -478 km Grissik-). It receives dividends corresponding to the profits of the Indonesian operating company.
The Netherlands	5	Guará, B.V.	Holding E&P Brazil	18.75 %	JV with Petrobras, for asset management for the development of two oil blocks (Guara and Albacora Leste).
		Lapa Oil & Gas, B.V.		18.75 %	
		Agri Development, B.V.		7.5 %	
		Repsol Sinopec Brasil, B.V.		45 %	JV with Sinopec for the development of activities in Brazil in the E&P sector.
		Akacus Oil Operation, B.V.	Holding E&P Libya	36.75 %	Entity providing operator services in production blocks in Libya established by the majority partner in the project (the state-owned company NOC, which holds 51%).
Switzerland	1	Nnaisense, A.G.	Corporate Venturing	2.49 %	Minority stake in Swiss start-up specialising in advanced solutions based on artificial intelligence.
Singapore	1	United Oil Company, Pte. Ltd.	Lubricants	40 %	Holding entity indirectly owning a lubricants manufacturing plant in Indonesia.

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Delaware and the international expansion of Repsol's LCG business in the US

Repsol is currently carrying out intense LCG business development activity in the US.

The US is one of the world's largest, most dynamic and fastest-growing markets in the renewable energy sector. As such, it is key to Repsol's strategy for developing this business and meeting its decarbonisation targets. The group aims to install 2.5 GW of the 6 GW of power in the country by 2025.

With such an ambitious goal, the Repsol Group decided to enter this market hand in hand with one of the main local business developers, Hecate Energy Group, LLC (Hecate), an entity in which it acquired a 40% participation in May 2021. Thanks to this alliance, Repsol has already begun the construction and development of several photovoltaic parks in the states of Texas and New Mexico.

Additionally, in September 2023, the Repsol Group acquired the renewable energy company ConnectGen, with a project portfolio of 20 GW. With this deal, Repsol adds an onshore wind platform in the US, complementary to Hecate's solar and storage assets.

Repsol's LCG business in the US is carried out by a group of subsidiaries controlled directly or indirectly by Repsol Renewables North America, Inc., a holding company incorporated in Texas and wholly owned by the Spanish company Repsol Renovables, S.A., in which Repsol S.A. holds a 75% participation.

The importance of Delaware for the sector

The renewable energy sector in the US often requires large investments prior to production start-up. These investments are exposed to risk over long periods of time in line with the lifetime of wind farms and photovoltaic plants (more than 30 years).

The Group does not benefit from preferential tax regimes in Delaware.

The large size of the investments means that companies in the sector require third parties to develop their business. In particular, operators rely on dedicated external financing for project development and third party equity investors for the production phase. Both financiers and third party investors require reliable corporate structures to protect their investments with maximum legal certainty, but at the same time with an agile and predictable business regime. They also demand specialised and efficient alternatives for resolving potential disputes. Delaware's legal system has traditionally met these expectations, making it the state of choice for many industries to incorporate their companies in the US.

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Beyond business and commercial considerations, and in accordance with general US tax law, companies in the industry incorporated in Delaware are subject to federal taxes, as well as to the taxes required by the states in which their sales are made or their assets/employees are located. It is therefore clear that the purpose of incorporating in Delaware is not tax motivated.

In addition, and to the satisfaction of many operators such as Repsol, who are opposed to any kind of opacity in the management of their businesses, companies incorporated in the state of Delaware are subject to the federal Corporate Transparency Act as an integral part of the Anti-Money Laundering Act. Under these laws, the Financial Crimes Enforcement Network (FinCEN) approved in September 2022 a new mandatory reporting requirement to disclose the beneficial ownership of entities operating in the US, which is mandatory as of 1 January 2024. This milestone reinforces the transparency of the corporate structure.

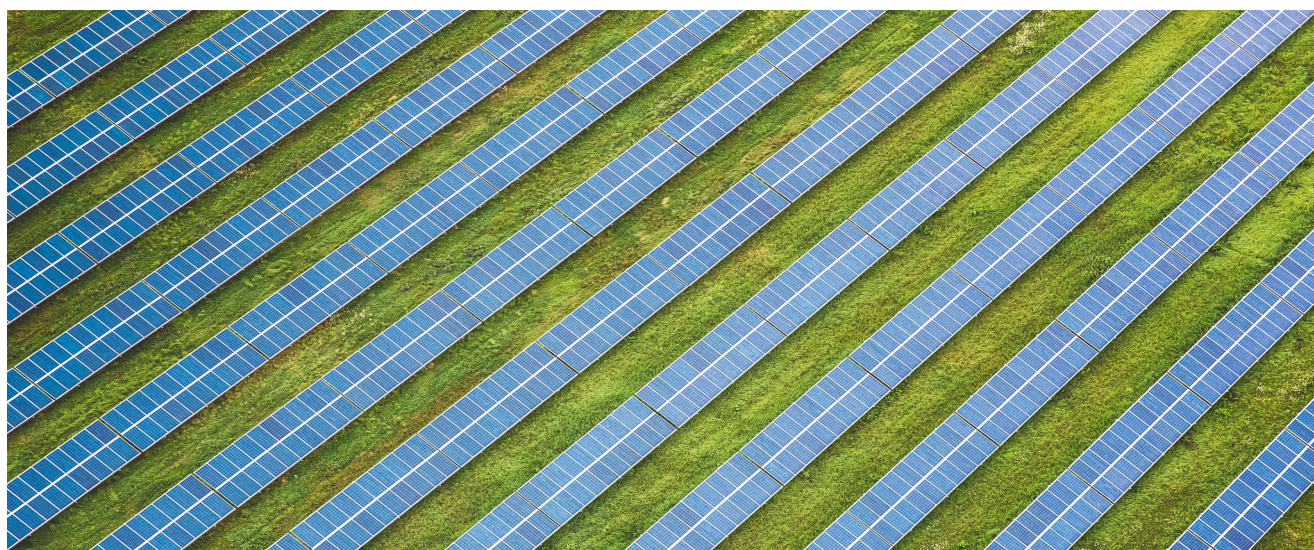
Repsol's position

The Repsol Group rejects any spurious use of the Delaware corporate statute that implies opacity or concealment of the true nature of the activities carried out or of the ultimate beneficiaries thereof. Repsol supports the recent legislative initiatives promoted by the US Congress urging all states (including Delaware) to promote in their respective legislations the disclosure of details of beneficial ownership and, therefore, to avoid the opportunity for certain actors to use shell companies incorporated in Delaware to hide illegal activities.

The Repsol Group subsidiaries incorporated in Delaware exclusively to be able to develop the LCG business in the US respond to the need to participate, on equal terms, in a very mature and extraordinarily competitive market. The presence in this state does not interfere in any way with the Repsol Group's commitment to transparency or responsible compliance with its tax obligations:

- Repsol is prepared to comply with all reporting requirements for "beneficial ownership reporting" under the US Transparency Act.
- The corporate structure of the Repsol Group in the US can be found in the Repsol Group's Consolidated Financial Statements 2023.
- Under US tax law, companies incorporated in Delaware are subject to federal income taxes, as well as taxes imposed by the states in which sales are currently made and assets/employees of the LCG business are located (Texas and New Mexico) regardless of the state of incorporation.

Repsol supports the legislative initiatives of the US Congress in favour of transparency and the reduction of opacity.



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Case study: the Repsol Group's presence in the Netherlands and Luxembourg

Repsol has a multidisciplinary team with extensive experience in the financial and reinsurance business, operating from our offices in The Hague and Luxembourg City.

Origin of the Repsol Group's presence and current situation

The Repsol Group's presence in the Netherlands and Luxembourg dates back to 1990.

In that year Repsol, S.A., then a publicly owned company, obtained the necessary authorisations for the incorporation of its subsidiaries Repsol International Finance, B.V. (RIF, in the Netherlands) and Gaviota RE, S.A. (Gaviota, in Luxembourg), to channel through them international financial and holding activities, as well as intra-group reinsurance activities.

Repsol currently continues to maintain a presence in both countries, particularly in 2015 following the acquisition of the Canadian Talisman Group, having made a significant effort in recent years to simplify its corporate structure.

The Group's operational centres in the Netherlands and Luxembourg are located in The Hague and Luxembourg City respectively, and have their own material and human resources for the development of their activities (professional teams trained in the financial, insurance and economic-administrative areas).

29 M€

of taxes paid in the Netherlands and Luxembourg in 2023

The Repsol Group's presence in the Netherlands and Luxembourg is for legitimate business reasons and does not benefit from any preferential tax regime.

What are the Group's activities in the Netherlands and Luxembourg?

The business activities carried out can basically be grouped into three categories:

- Bond issuance in the markets (financial intermediation),
- Reinsurance activity and
- Business activities of holding international shareholdings (holding activity).

Financial intermediation activity

The financial intermediation activity consists essentially of raising funds in the international debt markets through the issuance of bonds (European Medium Term Notes EMTN programme or "perpetual" bond issues) or other types of financial instruments (e.g. short-term commercial paper - "ECP" programme).

Although these issues have traditionally been carried out by the Dutch entity RIF, as a result of certain novelties introduced in 2021² the entity Repsol Europe Finance, S.à r.l. (REF, a Luxembourg company) has assumed a preferential role in the Group's debt issues. In this context, it should be noted that in June 2021 and under the aforementioned novelty, REF issued two bond issues whose structure (remuneration, etc.) took into account the Repsol Group's sustainability indicators (Sustainability linked bonds).

Industrial groups (such as Repsol) usually require significant volumes of financing with a long-term maturity profile. Such requirements can only be met in favourable economic conditions by the international debt markets.

The activity of these companies facilitates access to competitive sources of financing that are essential for the continuity of the Group's productive investments.

² Possibility of dual issuance, a novelty introduced in the prospectus (Base Prospectus), which regulates the conditions of the Repsol Group's issuance (EMTN).

Annexes					
Repsol and Tax Havens	Repsol Group companies in "other controversial jurisdictions"	Presence in "other controversial jurisdictions"	Delaware and the international expansion of Repsol's LCG business in the US	Case study: Repsol Group's presence in the Netherlands and Luxembourg	Self-assessment of responsible tax contribution



The bond issuance programmes are listed and admitted to trading on the Luxembourg Stock Exchange:

- Both RIF and REF activities are supervised by an EU authority (Commission de Surveillance du Secteur Financier -CSSF- in its French acronym) and are subject to rigorous regulatory controls and requirements, which constitutes a solid guarantee for investors.
- The Benelux regulatory framework combines rigour in supervisory activity with the agility required by economic operators in their decision-making processes. Both characteristics are highly valued by the companies subject to its regulation, as they provide a high degree of security and predictability.

In tax matters, RIF and REF are subject to corporate income tax in the Netherlands and Luxembourg respectively. They do not benefit from any specific regime of a rotated or sectoral nature (they are taxed at the general corporate tax rate applicable in each of their countries).

In determining their profit (i.e. the "margin" which remunerates the intermediation activity described above), both companies follow arms' length principles, as documented by independent expert reports. The operating scheme of the Group's financial institutions has also been validated in the framework of international tax audits (joint reviews by various tax authorities in the context of the ICAP and ETACA programmes) and concluded to be reasonable³.

Reinsurance business

Repsol, as an industrial Group, is exposed to a variety of risks inherent to its activity (including, among others, civil liability, own damage and loss of profit, terrorism or possible damage to the environment).

These risks are covered through a relatively standard scheme in the sector called "captive reinsurance", channelled in the case of the Repsol Group through the Luxembourg entity Gaviota. This company is subject to the supervision and control of the Luxembourg regulator (Commissariat aux Assurances or CAA in its French acronym).

Gaviota, known as a "captive reinsurer" in insurance terminology, actively manages the business risks assumed, determining, on the basis of the policy and tolerance profile deemed appropriate, what percentage of risks it retains and what portion it retrocedes to the global reinsurance markets.

Gaviota is subject to taxation in Luxembourg under the general corporate income tax regime and the special rules applicable to the insurance industry and does not benefit from any specific regime of a rotated nature nor does it benefit from any ad hoc scheme negotiated through tax rulings or similar agreements with the tax authorities.

³ Repsol, classified as a low-risk taxpayer by the tax authorities in Spain, the Netherlands and Luxembourg.

Repsol and Tax Havens

Repsol Group companies in "other controversial jurisdictions"

Presence in "other controversial jurisdictions"

Delaware and the international expansion of Repsol's LCG business in the US

Case study: Repsol Group's presence in the Netherlands and Luxembourg

Self-assessment of responsible tax contribution

**Holding activity**

The Repsol Group also carries out holding activities from both countries, mainly related to international investments in the E&P business segment.

The choice of the Netherlands and Luxembourg as jurisdictions for channelling this type of investment is mainly for reasons of commercial flexibility, as their legislation makes it easy to incorporate business collaboration formulas with other essential partners to diversify the risks and investment efforts required in this business (for example, the case of Repsol E&P, S.à r.l. as a platform for the establishment of international alliances and the development of joint investments in the E&P business segment).

In addition, the need to protect the investment made in the host country against potential disputes is another key element in choosing these countries as investment platforms.

This is not a minor issue. These countries have a very extensive network of "Reciprocal Investment Promotion and Protection Agreements" (and in many cases complementary to the Spanish one) that constitute a guarantee in the event of possible international litigation.

In the specific case of the Netherlands, the configuration of the standard investment structures follows international standards in the E&P segment: Dutch B.V. scheme with permanent establishment(s) abroad ("B.V. + PE").

This configuration is an efficient and flexible tool that can be adapted to local regulatory environments and meet the above-mentioned needs for "mutualisation" of business risk.

PEs abroad, whose investment is channelled through this scheme, are entities fully subject to tax obligations in the jurisdictions where the activity takes place (i.e. in the "country of destination of the investment", which is the one where the natural resources are located).

The taxation in the "country of destination of the investment" of such PEs is established separately and autonomously from the obligations that may be imposed on the head office.

Taxation in the "country of investment" is usually high, given the high tax burden associated with E&P activities (by way of illustration, the Group's PEs in Indonesia are taxed at nominal rates of between 40% and 42% (Corporate Income Tax).

The configuration of the PE as a separate taxable person is a manifestation of respect for the fiscal sovereignty of the "country of destination of the investment".

Repsol and Tax Havens	Annexes				
	Repsol Group companies in "other controversial jurisdictions"	Presence in "other controversial jurisdictions"	Delaware and the international expansion of Repsol's LCG business in the US	Case study: Repsol Group's presence in the Netherlands and Luxembourg	Self-assessment of responsible tax contribution

Self-assessment of responsible tax contribution

Tax Responsibility Thermometer

Using the assessment model called the Corporate Tax Responsibility Thermometer¹ as a reference, we have performed a self-assessment of our tax contribution. The result for the CbCr of 2021 and the CbCr of 2022 is adequate in most cases, in the terminology of the model.

Results for 2020 CbCr are not included due to their low representativeness, as the pandemic caused by COVID-19 had a strong impact on the profitability of Repsol's businesses, with losses reported in most jurisdictions.

CbCr 2022

Aspects	Rate	REPSOL	Tax responsibility scale			
			adequate	acceptable	improvable	deficient
Global Tax Contribution	1. Effective tax rate (global, three years average)	30%	> 20%	15% - 20%	10% - 15%	< 10%
	2. Effective tax rate as a percentage of nominal tax rate (global, three years average)	75%	> 90%	75% - 90%	50% - 75%	< 50%
Location of profits in controversial territories	3. Turnover (tax controversial territories / total)	2%	0 - 10%	10% - 20%	20% - 30%	> 30%
	4. Profits (tax controversial territories / total)	7%	0 - 10%	10% - 20%	20% - 30%	> 30%

CbCr 2021

Aspects	Ratio	REPSOL	Tax responsibility scale			
			adequate	acceptable	improvable	deficient
Global Tax Contribution	1. Effective tax rate (global, three years average)	28%	> 20%	15% - 20%	10% - 15%	< 10%
	2. Effective tax rate as a percentage of nominal tax rate (global, three years average)	76%	> 90%	75% - 90%	50% - 75%	< 50%
Location of profits in controversial territories	3. Turnover (tax controversial territories / total)	2%	0 - 10%	10% - 20%	20% - 30%	> 30%
	4. Profits (tax controversial territories / total)	5%	0 - 10%	10% - 20%	20% - 30%	> 30%

¹ Only the main quantitative indicators of the thermometer have been used, in order to demonstrate that no benefits are being shifted to controversial territories. The full Thermometer model, developed by the working group "Alliance for Fiscal Responsibility", made up of ESADE (School of Law), IHE (Association of State Tax Inspectors), OXFAM Intermón and Sustentia, is available at: www.oxfamintermon.org

2023

REPSOL Group

Presence in tax havens
and “other Controversial
Tax Jurisdictions”



For further information on responsible taxation, you can consult, in addition to the annual financial report, other tax reports published on our website

**Tax contribution
2023**

**Country by Country
Tax 2022**

**Cooperative
relationships 2023**