

Good Tax Practices Self-Assessment

2024

Repsol Group



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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 2024.
- Also in Annex V of the IGI, tax information is presented in accordance with the requirements of the **European Sustainability Reporting Directive (CSRD)**, which has been verified by our external auditors.
- **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 2014-2023](#)".
- In addition, the **Fair Tax Foundation** has awarded Repsol the [Fair Tax Mark](#), the largest taxpayer to obtain it.
- 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 evaluated 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 complies with international standards such as:
 - The OECD Model Control of Tax Risks (MCRF), which regulates the essential elements of a modern tax risk control framework that large companies can follow to set up and implement their internal risk management systems.
 - The *Tax Control Framework Questionnaire* developed by the *Internal Revenue Service*.

Repsol Group's Fiscal Control Framework

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 FCM 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 FCM 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 Fiscal Control Framework

✓ Fiscal strategy, principles and values

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

☰ Integrated fiscal risk control system

Integrated tax risk management and robust control environment.

👥 Fiscal Function

Governing body, expert professionals, external support of proven solvency.

🏗️ Processes and systems

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



Communication of non-compliance

Non-compliance management through the Ethics and Conduct Channel.



Evaluation and continuous improvement

Periodic monitoring of the TCF to assess its effectiveness, assuming a commitment to continuous improvement.

Summary of evidence of compliance with international standards



Guidelines GRI 207	GRI 207-1 Fiscal approach	GRI 207-2 Fiscal governance and risk management	GRI 207-3 Cooperative Relations and <i>Advocacy</i>	GRI 207-4 Publication of the Country-by-Country Report
Evidence	<ul style="list-style-type: none"> The BoD approves the Fiscal Policy and oversees the execution of the strategy and the management of fiscal risks. Application of the tax law respecting its letter and spirit. Corporate structure aligned with the business and adequate to legal requirements and corporate governance standards. Non-use of instrumentalities in non-cooperative jurisdictions. Publication of the Tax Policy and information on tax payments and presence in non-cooperative jurisdictions. The Global Sustainability Plan (GSP) incorporates fiscal targets. 	<ul style="list-style-type: none"> Regulations and internal control processes to ensure tax compliance. Internal procedure for setting transfer prices aligned with value creation and the arm's length principle. Organizational structure and adequate means to ensure the proper performance of the tax function. Existence of a complaint channel managed by an independent third party available 24/7. Verification that the tax incentives applied are generally available to all economic operators. Support for the publication of oil contracts and their tax incentives. 	<ul style="list-style-type: none"> Application of the Spanish Code of Good Tax Practices (CBPT). Voluntary submission of the Fiscal Transparency Report to the Tax Agency. Qualification as Authorized Economic Operator in the European Union and Peru. Founding member of the Extractive Industries Transparency Initiative (EITI) and committed to its standards. Collaboration with international organizations (OECD, UN, EU), governments and NGOs. Participation in international initiatives on responsible taxation and tax governance (<i>B-Team</i>). Participation in the CONFIA pilot program in Brazil, TGF in Singapore and other countries. 	<ul style="list-style-type: none"> Voluntary publication of the Country-by-Country Report (<i>CbCR</i>) prepared in accordance with OECD and GRI-207 criteria. The country-by-country report published contains economic magnitudes related to the Group's performance, as well as a description of its business model with contextual information on the business activities carried out in each country. The Country-by-Country Report is made public at the time it is submitted to the Inland Revenue (with a one-year lag).
Principles <i>B-team</i>	<ul style="list-style-type: none"> Responsibility and governance Corporate structure Transparency 	<ul style="list-style-type: none"> Compliance Tax incentives 	<ul style="list-style-type: none"> Support for an effective tax system Cooperative relationships 	<ul style="list-style-type: none"> Transparency

- Introduction
- ***B-Team* Principles of Responsible Taxation**
- *GRI* Standard 207: Taxation
- 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 of Responsible Taxation.

Principles Responsible taxation *B-Team* ⁽¹⁾

NO.	Principles	Description	Check ⁽²⁾	Evidence of compliance at Repsol
1	Responsibility and governance	Taxation is a crucial part of corporate responsibility and is overseen by the BoD.		- Tax policy approved by the Board of Directors, which is binding for the entire Group. - The BoD monitors the Group's tax strategy and risk management at least once a year - Repsol's Global Sustainability Plan incorporates tax targets.
2	Compliance	We comply with the letter and spirit of the tax laws of the countries in which we operate and pay our fair share in the jurisdictions where we create value.		- Internal regulations that ensure full compliance with tax obligations. - Organizational structure and adequate means to comply with tax obligations. - Internal procedure for transfer pricing aligned with value creation and the arm's length principle.
3	Corporate structure	We use corporate structures based on commercial reasons, aligned with the business activity and with real substance. We do not seek abusive tax advantages.		- Corporate structure aligned with the business, appropriate to legal requirements and corporate governance standards. - No use of instrumental entities in non-cooperative or special purpose jurisdictions.
4	Relations with Administrations	We seek, as far as possible, to develop cooperative relationships with the tax authorities, based on respect, transparency and mutual trust.		- Implementation of the Spanish CBPT. - Adherence to similar initiatives in Brazil, USA, Netherlands, Portugal, UK and Singapore. - Voluntary submission of the Tax Transparency Report to the AEAT. - Voluntary participation in the first ICAP program. - Participation in the CONFIA pilot program in Brazil. - Qualification as Authorized Economic Operator in the EU and Peru. - Participation in the ETACA program.
5	Application for and acceptance of tax incentives	When we apply tax incentives offered by the authorities, we promote safeguards to ensure that they are transparent and consistent with the legislative and regulatory framework.		- Use of tax benefits respecting the letter and spirit of the law. - Verification that the incentives are generally available to all economic operators - Support for the publication of oil contracts and their fiscal incentives by governments.
6	Support for an effective tax system	We engage constructively in national and international dialogue with governments, business organizations and civil society to support the development of an effective tax system.		- Participation in public consultation processes. Collaboration with OECD, UN and EU. Dialogue with NGOs. - Participation in responsible taxation and tax governance initiatives (<i>B-Team</i>). - Founding member of the EITI and committed to its standards.
7	Transparency	We provide information to our stakeholders on a regular basis about our tax strategy and taxes paid (investors, legislators, employees, civil society and the general public).		- Benchmark in Spain and the EU in tax transparency and responsibility according to third party reports - Publication of tax payments by country. - Detailed tax information on <i>website</i> . - Publication of the Country-by-Country Report (<i>OECD CbCr</i>).

(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 companies belonging to the *B-Team* in a peer review exercise of compliance with the Principles of Responsible Taxation.



Fully complies



Partially complies



Does not comply

- Introduction
- *B-Team* Principles of Responsible Taxation
- **GRI Standard 207: Taxation**
- 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 fiscal year 2024).

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 (BoDlition of Environmentally Responsible Economies)* and *UNEP (United Nations Environment Programme)*.
- It is the institution that created the first global standard for the preparation of **sustainability** reports applicable on a voluntary basis to those companies that wish to evaluate their performance in the economic, social and environmental spheres (i.e. "*triple bottom line*") and thus encourage continuous dialogue with the "*stakeholders*" or "*interested parties*".
- Its standards constitute an internationally accepted/valued reference when assessing the quality of public information prepared by companies, specifically in those areas of special sensitivity related to sustainability.

What is *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 December 5, 2019, they specifically focus on the following areas of interest:
 - **General Principles of Good Fiscal Governance** (Content 207-1, Fiscal Approach).
 - **Fiscal Control Framework** (Content 207-2, Fiscal governance, control and risk management).
 - **Cooperative Relations** (Content 207-3, Stakeholder Engagement and Management of Tax Concerns).
 - **Publicizing the Country-by-Country Report** (Contents 207-4, Presentation of the Country-by-Country Report).
- Its recommendations are applicable as of January 1, 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 prestige. *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. In accordance with the principles contained in the Tax Policy, Repsol is committed to managing its tax affairs by applying good tax practices and acting with transparency, to paying taxes responsibly and efficiently, and to promoting cooperative relations with governments, seeking to avoid significant risks and unnecessary conflicts. The Tax Policy 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 Fiscal 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.		The Repsol Group, aware of its responsibility in the social and economic development of the countries where it operates, pays priority attention to responsible compliance with the payment of taxes in the countries where 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 about their compliance with the law.
a.iv	Link between tax approach, business strategy and sustainable development	Alignment of the Tax Policy and Strategy with business reality and the commitment to sustainability.		The Group's Tax Policy is aligned with the company's mission and values and with its Sustainable Development Goals (SDGs). 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 reality and economic motivation of its businesses. Thus, there are internal regulations and procedures (among others, 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 with the purpose of hiding or reducing the transparency of its activities and the application of the principle of full competition in its intra-group transactions. See also the report on " Presence in Non-Cooperative Jurisdictions and Disputed Territories " published on the corporate <i>website</i> . For more information on the objectives of a fiscal nature incorporated into the PGS, see the Sustainability section of www.repsol.com .



Fully complies





Partially complies



Does not comply



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 of reviewing the TCF.		The BoD is the governing body in charge of 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, please refer to the <i>Audit and Control Committee's Activity Report</i> , which is made available to shareholders on the occasion of the General Shareholders' 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 FCM) 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 the Repsol organization, see the section on "Tax Control Framework" 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 composed of 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 the management of all tax matters of the different businesses and areas of the Group. Under a single dependency of the Corporate Economic and Tax Department (DCEyF), the management of tax matters is decentralized in 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 means of a contingency plan that guarantees succession in key positions. 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 also a complete 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 supervision of tax risks.		<p>Repsol's tax risk management is integrated into the global policy of the Integrated Risk Management System (SGIR) and is reflected in the existence of processes, systems and internal controls (ICFR, Compliance Plan, <i>key controls</i>, etc.). The DCEyF, as the tax <i>compliance</i> body, is responsible for managing the Group's tax risks. In the context of the SGIR, the DCEyF develops a tax risk control activity through the preparation and updating of 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 and areas responsible for each phase of tax management and define all the activities that must be carried out for the preparation of tax returns and settlements. In short, the tax management processes ensure the reliability and traceability of the information and establish an adequate level of prior reviews.</p> <p>In addition, Repsol has robust information management systems that guarantee the integrity of the information and tax <i>compliance</i> processes and minimize the possibility of human error in this type of actions.</p>
a.iv	Compliance of the TCF	TCF supervision process.		<p>The control of tax risks and the <i>reporting of</i> tax matters are complemented by procedures and controls that 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 Audit and Control Committee in its oversight role. Its powers include the periodic review of the effectiveness of the internal control systems, internal audit and risk management systems, including tax risks, the procedure for monitoring and periodic evaluation of the Internal Control over Financial Reporting System (ICFR) and the implementation of the strategy and management of tax risks, submitting transactions involving special risks 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, homogeneity, 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 conduct.		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. The communication 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 analyzes 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 FCM, comparing it with the highest standards in tax governance, including the <i>B-Team</i>'s 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</i> 207 and the OECD's model for controlling tax risks, among others.</p> <p>Likewise, the adequacy of its TCF to the best international practices in tax <i>compliance</i> has been verified and contrasted by independent experts. According to the evaluation carried out by these experts, it is considered that Repsol's TCF reaches 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 <i>compliance</i> standard. Finally, as indicated 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
				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.
a.i	Cooperative relations with tax authorities	Enhancing cooperative compliance as a mechanism to ensure certainty and reduce litigation.		Relevant examples of Repsol's initiatives in the field of cooperative relations include the following: (i) voluntary adherence in Spain to the CBPT and the presentation, since the 2015 fiscal year, 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 formalities; (iii) participation in the EU's <i>ETACA</i> pilot program aimed at facilitating tax compliance by companies 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, as a result of the same, (iv) strengthening cooperative relationships through, among others, the <i>CONFIA</i> pilot program in Brazil, the <i>Fórum dos Grandes Contribuintes</i> in Portugal, the TGF in Singapore, consideration as a low-risk taxpayer in the United Kingdom after review by the tax authorities and through formulas analogous to the <i>Compliance Assurance Process (CAP)</i> program in the U.S., (v) the strengthening of cooperative relationships through, among others, the <i>CONFIA</i> pilot program in Brazil, the <i>Fórum dos Grandes Contribuintes</i> in Portugal, the TGF in Singapore, consideration as a low-risk taxpayer in the United Kingdom after review by the tax authorities and through formulas analogous to the <i>Compliance Assurance Process (CAP)</i> program in the U.S., the <i>Fórum dos Grandes Contribuintes</i> in Portugal and the TGF in Singapore. THE
a.ii	Environment management	Public policy advocacy 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 various international bodies (UN, OECD, EU, etc.). Therefore, Repsol promotes institutional relations with these authorities and other stakeholders in order to align the company's tax policies with social reality, contribute responsibly to the creation of a more balanced and fairer international tax framework and enable 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 bodies such as the UN, the OECD, the EU or the Platform for Collaboration in Tax Matters (UN, OECD, IMF and World Bank).</p> <p>Through 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 or border carbon adjustment, among others. 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 guidelines 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</i> of the Tax Commission of the <i>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 stakeholders	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 is present. 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 the Fair Tax Foundation, Norges Bank, the Corporate Responsibility Observatory, Transparency International Spain, OXFAM, Haz Fundación and VBDO have recognized the company's high level of fiscal transparency in Spain and Europe, confirming Repsol's high level of compliance with the commitments regarding accountability assumed in its Fiscal Policy.</p>

GRI Standard 207: compliance self-assessment (7)



Since 2018, we have been voluntarily publishing the *Country by Country Report (Country by Country Report - CbCR)*, which is made public contemporaneously with its submission 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>Presentation of financial, economic and tax information on each jurisdiction in which Repsol operates</p>	<p>●</p>	<p>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 2023 data as submitted to the Spanish tax authorities in 2024 for automatic exchange with other tax authorities.</p> <p>With the publication of this report, Repsol is ahead of European regulations (EU Directive 2021/2101). The report includes additional information to facilitate the understanding of the presence, performance and tax contribution in each country, which exceeds the scope of the directive.</p> <p>The data included in the Country-by-Country Report follows OECD standards. In addition, to comply with the requirements of GRI 207-4, Annex 3 of the public Country-by-Country Report provides a breakdown of income earned in other tax jurisdiction with related entities.</p> <p>For more information, see Country-by-Country Report at www.repsol.com.</p>

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

OECD Standard for Fiscal Risk Control



What is the OECD MCRF?

The MCRF model developed by the OECD is linked to compliance programs 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 programs do not exempt from periodic checks and certain scope.

OECD Standard for Fiscal Risk Control

NO.	Principles	Description	Check	Evidence of compliance at Repsol
1	Fiscal Strategy	Tax objectives established 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 regulatory compliance.	●	<ul style="list-style-type: none"> • Fiscal Policy. • Risk Management Policy.
2	TCF Omnicomprehensive	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"> • BoD Regulations. • Global Investment Standard. • Standard Intragroup Transactions. • TCF Guide. • Tax reporting. • Fiscal Risk Map.
3	Assigned responsibilities	The development of the tax strategy and the FCM is the responsibility of senior management under the supervision of the BoD. The implementation of the FCM involves other parts of the company involved in routine and non-routine tasks.	●	<ul style="list-style-type: none"> • <i>Decision Rights</i> (assignment of responsibilities) • Tax reporting. • Fiscal Risk Control Procedure. • Dispute communication procedure Spain. • Closing Procedures. • PT and CbCR documentation procedure. • Compliance procedures. • SCIIF procedures.
4	Documented governance	System of rules (procedures) to ensure that transactions are carried out in accordance with applicable corporate policies and standards and that potential non-compliance risks are identified and managed, with sufficient resources allocated. The governance procedure on fiscal risks must include the approval (<i>sign-off</i>) of the BoD.	●	<ul style="list-style-type: none"> • Idem. to Assigned responsibilities. • Fiscal Reporting. • Risk Management System aligned with IS 31000. • Tax Management Procedures + SRF
5	Verifications performed	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"> • Idem. Documented governance. • Integral Tax Risks System (3 defenses + ISO 31000). • ICFR controls in tax processes.
6	Risk insurance	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"> • BoD regulations (<i>sign-off procedures</i>). • Internal and external TCF performance check. • Risk mitigation and error correction mechanisms. • Annual internal audit review (<i>reporting</i> compliance to the Audit and Control Committee of the BoD).

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 U.S. Treasury Department (*IRS*) is an element that complements the OECD standard on MCRF, by implementing a modern mechanism of "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 program (*Compliance Assurance Program*). In this sense, we understand that it provides another relevant source (high standard of a modern tax administration) to *benchmark* the TCF of the Repsol Group.

Content of the *Tax Control Framework Questionnaire*

- Description of internal controls.
- Description of the tax risk review process: presentations to the Board, Board guidance on the management of the tax department and the level of acceptable risk, policies and procedures for escalation of matters 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 evaluate the effectiveness of the controls outlined above.
- Whether the external auditors perform tests on the TCF and, if so, a description of the results and any inefficiencies detected.

Validation by an independent third party

According to the evaluation performed by an independent third party, the Repsol Group's tax risk control system, carried out in accordance with the OECD MCRF guide and the self-assessment questionnaire of the *Tax Control Framework Questionnaire* developed by the *IRS* of the United States, 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 MCRF system articulated by the Repsol Group.

Taxonomy of tax risks

The Group has a methodology that enables it to anticipate, assess and classify risks, characterise them in a clear and robust manner, quantify their economic, reputational and personal impact, and identify effective mitigation measures ⁽¹⁾.

Global model of fiscal risk management

- It pursues the identification, assessment, treatment and *reporting* of tax risks, in order to keep them at levels in line with the Group's acceptability criteria.
- The Group's overall tax risk management ensures that all activities are achieved and that the most relevant risks are mitigated.

Alignment with international standards

- UNE 19602 "Tax Compliance".
- ISO 31000 "*Risk management Principles and Guidelines*".

Organisation with differentiated responsibilities

- Three lines of defence" model:
- First line: Fiscal Management Units (local).
 - Second line: D. AA. Corporation.
 - Third line: Internal and external audit.

Tools

- Tax management and *reporting* applications (SIGEFI and SRF).
- Standardised management processes.
- Fiscal risk map, with treatment plans.

Internal controls

- Regulatory Compliance Procedure.
- Internal Control over Financial Reporting System.
- Crime Prevention Model (MPD).
- Internal and external audit.

- Effective tax management requires analysing and assessing tax risks, identifying their causes and evaluating their impacts, in order to establish measures to prevent or mitigate the consequences should the event occur.
- The factors that can give rise to a tax dispute between taxpayers and administrations are heterogeneous, some with a high exogenous component.

TAX RISK TAXONOMY

Concept	Mitigants
Regulatory changes with fiscal impact.	Management of the environment Participation in forums
Uncertain situations. Conflict with authorities due to discrepancies in the interpretation and/or application of tax regulations, including PP. T. controversies.	Expert team Good practice Cooperative relations Global <i>reporting</i> system Transfer Pricing Standard
Abusive actions. Conflict with the authorities due to arbitrary interpretation of tax rules.	Expert team Management of the environment
Inadequate business decisions due to lack of tax planning or non-consideration of tax issues.	Investment standard Participation in Business Committees
Actions of third parties. Responsibilities for the tax management of non-operational projects, etc.	Partner audit Global <i>reporting</i> system
Operational errors. Non-compliance with tax obligations due to lack of technical capacity, documentation, means, etc.	Expert team Fiscal management systems Documented procedures ICFR controls
Reputational damage. Communication and public image management, including government, tax activism, etc.	Management of the environment Participation in forums Cooperative relations Fiscal transparency
Tax fraud offence.	Good practice Robust control environment and MCF Crime prevention model

(1) For more information on the Integrated Risk Management System and a detailed description of the Group's main risks, see Section 7.4 and Annex IV of the [Integrated Risk Management Report 2024](#).