



**CORPORATE TAX RISK MANAGEMENT
AND TAX PROCEDURE POLICY**

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1. INTRODUCTION

1.1 Background

Social commitment constitutes the founding legacy and a central pillar of the corporate culture of CaixaBank, S.A. (hereinafter, "CaixaBank" or "the entity"), a fact that is consubstantial with the conducting of its activity.

CaixaBank's Board of Directors promotes the conducting of the entity's activity as a profitable and sustainable business in the long-term, through respect for the corporate culture of responsible banking. All employees, managers and members of the governing boards of CaixaBank are focussed on this goal, along with those of its dependent companies (hereinafter, jointly with CaixaBank, "the CaixaBank Group" or "the Group"), and their activity must follow the entity's Code of Ethics and its action principles: compliance with the law, respect, integrity, transparency, excellence, professionalism, confidentiality and social responsibility.

CaixaBank's tax strategy, tax risk control and management and tax procedure are in line with the values that make up the entity's corporate culture and a low tax risk profile, which has traditionally characterised the Group in the management of compliance with its tax obligations.

1.2 Tax risk

The risk subject to management and control through this policy is tax risk, which falls under legal and regulatory risk, which is defined as follows: "lost potential or reduced profitability of the CaixaBank Group as a result of changes in current legislation, incorrect implementation of said legislation in the processes of the CaixaBank Group, inadequate interpretation thereof in the different transactions, incorrect management of the legal or administrative requirements or claims received."

All of CaixaBank's tax decisions shall be adopted having weighed up the tax risk, taking into account the general principles of the management of tax risk and tax procedure, in accordance with the risk appetite framework of the CaixaBank Group.

1.3 Purpose

The purpose of this policy is to establish the principles and premises that regulate tax risk and tax procedure, with the desire to preserve the low tax risk profile that characterises the activity of the CaixaBank Group.

The content of this policy includes:

- General principles that govern tax risk management.
- Governance framework.
- Tax risk management framework.
- Control framework.
- Information/reporting framework.

2. SCOPE OF APPLICATION

This is a corporate policy. Therefore, the action principles defined are applicable to all companies of the CaixaBank Group with exposure to tax risk. The governing bodies of these companies will make the appropriate decisions with the goal of integrating the provisions of this policy, adapting their governance framework to the idiosyncrasies of its structure of governing bodies, committees and departments and its action principles, methodologies and processes to that described in this document according to the principle of proportionality.

This integration may imply the approval of a specific policy on the part of a subsidiary, amongst other decisions. Approval shall be necessary in subsidiaries that need to adapt the provisions set out in this policy to their own specific nature, due to either their area of operation, jurisdiction or the relevance of the risk to the subsidiary. In cases in which the subsidiary's risk control and management activities take place directly from CaixaBank, either due to the significance of the risk for the subsidiary, for reasons of efficiency or because the subsidiary has outsourced the operational management of this risk to CaixaBank, the governing bodies of the affected subsidiaries shall at least be aware of the existence of this corporate policy and its application to said subsidiaries.

In any case, given its corporate nature, the compliance department will ensure consistency throughout the CaixaBank Group, that the integration of this policy in the subsidiaries is proportionate and that any own policies approved by the subsidiaries are in line with the corporate policy.

Finally, in addition to being a corporate policy, this policy is considered an individual policy of CaixaBank, the parent company of the CaixaBank Group.

3. REGULATORY FRAMEWORK. APPLICABLE LEGISLATION AND STANDARDS

This policy shall be governed by that set out in the applicable legislation in force, in addition to any legislation that comes to modify or replace this in the future. Specifically, as at the date on which it was drawn up, the legislation in force applicable to CaixaBank is the Capital Companies Act, article 529 ter of which establishes the undelgateable power of the Board of Directors to determine the tax strategy and risk control and management policy, including tax risk, in addition to the supervision of the internal information and control systems, serving as a base for the development of the internal regulatory framework.

In the case of subsidiaries or, if applicable, branches subject to foreign jurisdictions or complementary sectoral legislation, the policies and procedures developed by these subsidiaries shall take into account the obligations at the consolidated level contained in the aforementioned legislation in addition to their own legislation, insofar as these do not contradict the specific requirements of the corresponding sectoral jurisdiction or legislation.

Finally, in each of the Group's companies or, if applicable, branches, the necessary frameworks, rules, guides and procedures forming part of the tax risk management and control framework shall be developed for the correct implementation and execution of this policy and compliance therewith.

4. GENERAL PRINCIPLES FOR TAX RISK CONTROL AND MANAGEMENT

The **principles** that will guide the decision-making of the CaixaBank Group on the subject of tax procedure for tax risk control and management are as follows:

- Compliance with the tax legislation of the various countries and territories in which it operates, respecting the internal procedures established for the management of tax decisions and compliance with tax obligations, in addition to tax risk control procedures.
- Financial motivation of decisions, reasonably interpreting current legislation (considering the legislator's intention and the underlying financial rational) and making efficient use of the tax benefits established by the tax legal system.
- Cooperation with the Tax Authorities, promoting a relationship based on the principles of transparency, good faith and mutual trust.
- Submission of any transactions the tax impact of which might be relevant due to the amount or its special characteristics to the governing bodies and, if applicable, the delegated bodies, following an analysis by the Tax Advisory Office.
- Promotion of transparency through adequate communication with and information to customers, shareholders and other stakeholders regarding the tax impact of the products marketed, the Entity's tax situation and its tax contribution to society.

Together with these principles, the following **good tax practices** that implement and complement these:

- Rejection of the use of opaque structures, as well as the performing of transactions through non-cooperating countries or jurisdictions⁽¹⁾ in

accordance with that set out in Spanish and European tax legislation and the applicable international agreements and, in any case, mechanisms that might be indicative of reduced taxes.

- Implementation of a control environment to avoid interpretations that lean towards aggressive tax planning or the use of deceptive and abusive structures with no financial substance for the main purpose of obtaining a tax advantage.
- Ensuring tax certainty when necessary by consulting external expert advisors or the competent Tax Authorities through the voluntary cooperation channels established and the means provided by the tax legal system (consultancy, evaluation agreements, etc.).
- Development of a collaborative relationship with the tax authorities which shall include the following actions, amongst others:
 - The diligent supplying of true and complete information in due time and form.
 - Fostering the interchanging of proposals with the tax authorities with a view to improving the tax system.
 - Cooperation in the detection and seeking of solutions for fraudulent tax practices in the markets in which the CaixaBank Groups is present.
 - Effective defence of the CaixaBank Group's interests avoiding unnecessary tax conflicts and seeking resolution with amicable agreements where possible.

(1) The non-cooperating countries and jurisdictions include the territories of RD 1080/1991.

- Adherence to the Code of Good Tax Practices of the State Tax Administration Agency and the Large Company Forum.⁽²⁾
 - Application of CaixaBank's transfer price policy to linked transactions based on the principles of free competition and assigning of value according to the assumption of risks and profit in the jurisdictions in which it operates.
 - Facilitating compliance with the Code of Ethics in general and the internal regulations in particular through the provision of a consultation and reporting channel for all board members, employees, temporary staff, agents and suppliers,
- essential for the prevention and correction of regulatory non-compliance, which includes that in relation to tax matters, including the Group's tax compliance system.
- Promoting the constant updating of the management of the tax department based on standards of excellence, in addition to the digitisation of said management and technological updating of the management control tools used to meet the entity's tax obligations, including the Group's tax compliance system.

(2) Since March 2015, CaixaBank adheres to the Code of Good Tax Practices, approved on July 20, 2010, by the Large Companies Forum plenary meeting, held on July 10, 2009, at the request of the State Tax Administration Agency.

5. TAX RISK MANAGEMENT FRAMEWORK

Tax risk management in the CaixaBank Group has four fundamental goals:

- To identify tax risk as defined in this policy.
- To inform the entity regarding tax risk.
- To manage tax risk in accordance with the principles of tax management.
- To reduce tax risk through the updating and improvement of the tax information control and management procedures.

The effectiveness of the execution of this policy, in addition to its goals, are guaranteed by the orientation of the management following standards of excellence and the promotion of functional management control tools, in an environment of digitisation, that minimise the risk in the drawing up of the tax information used to comply with tax obligations.

The companies of the CaixaBank Group diligently manage compliance with the tax obligations arising from their financial activity in all jurisdictions in which they operate.

The management and control of compliance with tax obligations corresponds to the tax department under the coordination of CaixaBank's Tax Advisory Office, which also supervises and coordinates the management of the tax risk control systems for compliance with tax obligations and their constant adaptation to the evolving regulatory and technological environment.

Tax compliance mainly refers to the management of the following:

- Payment of own taxes.
- Payment of taxes retained and paid on behalf of third parties.
- The Tax Authorities' tax information and collaboration requirements.

CaixaBank's Tax Advisory Office shall be responsible for approving internal procedures to evaluate and manage tax risk, applicable to all the Group's companies, which shall include certain objective criteria to classify transactions based on their tax risk, being the body responsible for tax compliance within the entity, in coordination with the Compliance Office, proactively and independently ensuring compliance with tax legislation, in addition to the principles and good practices contained in this policy. All without detriment to the Compliance Office's own duties as the second line of defence.