



## Corporate Tax Policy

In the exercise of its responsibilities, and within the framework of the law and the company's bylaws, the Board of Directors hereby approves this corporate tax policy, which sets forth the Tax Strategy of Cox ABG Group, SA (hereinafter, Cox Group)

The Corporate Tax Strategy establishes the approach to be followed in tax matters, by all entities within the Group, in the conduct of their business activities across any jurisdictions in which they operate.

### **Mission, Vision of the Company, and Tax Approach.**

At Cox Group, we believe that the World requires solutions that enable more sustainable development. Accordingly, we focus our growth on the creation of new technologies that contribute to such sustainable development.

This approach determines our mission and vision.

#### **Mission**

Cox Group's mission is to develop and implement innovative, competitive and sustainable technological solutions in the Water, Energy and Infrastructure sectors in a socially responsible manner.

#### **Vision**

To be a global reference in the development and implementation of innovative technological solutions that contribute to sustainable development in the Water, Energy and Infrastructure sectors.

From a tax perspective, Cox Group contributes to a more sustainable development through a responsible payment of taxes in those countries where the Company is present, thereby supporting their economic social and cultural development.



## **2. Principles Governing the Code of Conduct of Cox ABG Group SA and its Corporate Governance, Including Tax Matters.**

**We adhere the most stringent international standards, which ensure proper performance in matters of corporate governance.**

The Board of Directors is the body entrusted with the authority to design, evaluate and review the Corporate Governance System and, specifically, to approve and update corporate policies, which set forth the guidelines governing the conduct of the Company and the entities comprising the group headed by Cox ABG Group. S.A.. In this regard, it is the responsibility of the Board of Directors to formulate the tax strategy and to approve the investments or transactions that, due to their significant amount or nature, are of particular tax relevance.

The corporate governance of Cox ABG Group is guided by the principles of efficiency and transparency, in accordance with the main existing recommendations and standards, such as the Unified Code of Good Governance for Listed Companies issued by the Spanish Securities Exchange Commission (CNMV, to use its Spanish acronym).

One of the fundamental principles underpinning the Group's tax strategy is ensuring regulatory compliance, which entails exercising due diligence to guarantee that the Company complies with all applicable legal and regulatory requirements in every country in which it operates. To this end, the Group has implemented a Compliance Program, aimed at preventing, detecting and sanctioning any conduct which could give rise to liability for the company or its employees.

The fight against corruption is also a fundamental priority for the Group, and is ensured through internal prevention mechanisms and specific actions aimed at its detection.

### **Our Code of Conduct and Corporate Culture**

**The honesty, integrity, efficiency, transparency and professionalism of the employees, officers and directors of Cox Group (hereinafter referred to as "Cox Group", "the Group", "the Company" or "the Organization") are**



**essential to maintaining the Company's good reputation and continued success.**

The ultimate purpose of the Code of Conduct is to openly and transparently promote professional rigor by establishing a standard of behaviour applicable to all employees, without exception. It therefore constitutes an express declaration of the Group's values, principles and behavioural guidelines that must govern the conduct and reinforce the culture of all individuals within the group in the performance of their professional duties. These shared values are upheld and promoted from the Company's governing bodies to each employee, including senior management through their example. The level of tolerance is zero.

The Code guides the relationships of all Group employees with stakeholders, reflecting the corporate values that are part of the Group's ethical business culture.

All actions carried out in the performance of assigned duties must be governed by professional responsibility and adhered to the principles established in the Code of Conduct.

### **3. Risk management.**

**For Cox Group, risk management is one of the fundamental pillars for value creation and for enhancing the Company's competitiveness and is therefore fully integrated into the business.**

The Risk Management System is designed to mitigate all risks, including tax risks, to which the company may be exposed as a result of its activities. The risk management structure is based on three pillars:

- Common management systems, specifically designed to mitigate business risks.
- Internal control procedures, aimed at mitigating risks arising from the preparation of financial information and enhancing its reliability, designed in accordance with the SOX Act (Sarbanes-Oxley Act).
- Universal Risk Map.



These elements constitute an integrated system that enables the proper management of risks and their mitigating controls at any level of the organization.

The responsibility for overseeing the effectiveness of this Risk Management System lies with the Audit Committee, which is supported by the Internal Audit Department, responsible for ensuring compliance with and the proper functioning of the risk control systems, as well as by the Risk Management Department.

For Cox Group, due diligence is a key factor in the development of its business activities, both internally, regarding the oversight of members of the organization, and externally, in relation to third parties with whom it engages (external due diligence)

In this regard, Cox Group has a whistleblowing channel that is a fundamental component of the Company's commitment to combating corruption and all practices that contravene applicable laws or voluntarily adopted standards, including tax regulations. This channel serves as a mechanism through which all the company's stakeholders may anonymously report any irregular conduct detected in the course of their professional activities.

#### **4. Cox Group's tax strategy.**

**The Company's tax strategy, aligned with its business strategy, is based on compliance with applicable regulations in all jurisdictions in which it operates through a responsible and efficient payment of taxes, while also fulfilling the objective of delivering value to our stockholders.**

- The decision-making process followed to meet such objective is guided by the principles of **honesty, integrity and professionalism**, which are required of all Cox's employees. Such decision-making must respect compliance with the applicable legal and regulatory requirements in all countries in which the Group operates, interpreting the relevant rules reasonably and taking into account applicable case law and guidelines issued by Tax Authorities.
- **Transparency and integrity** form the foundation of the relationships that Cox promotes with the different Tax Authorities in the various jurisdictions in which it operates.



On this regard, Cox Group aims to minimize regulatory interpretation conflicts through instruments that have been established by tax legislation for such purpose, which include, among others, seeking rulings from the Tax Authorities of the jurisdictions in which it conducts business.

- It is the responsibility of the Board of Directors to approve **investments or transactions** of any kind which, due to their significative amount or particular characteristics, are of **a strategic nature or entail special tax risk**, unless such approval falls within the competence of the General Shareholder´s Meeting.

Decisions regarding investments or transactions with tax relevance are subject to the chain of authorizations established by the Common Management Systems (NOC).

- Cox Group **prohibits the use of opaque structures for tax purposes**, understanding such structures as those intended to prevent Tax Authorities from identifying the ultimate responsible parties for the activities or the ultimate beneficial owner of the assets or rights involved.
- The objective is to develop responsible tax policies that enable the Company to prevent conduct that could give rise to significant tax risks. In this regard, **Cox Group's internal control system**, based on the COSO (Committee of Sponsoring Organizations of the Treadway Commission) methodology, includes a specific section on taxation with corresponding controls.
- With respect to **related-party transactions**, the Group ensures that its transfer pricing policy complies with the arm's length principle, applying market value pricing. To this end, the Company ensures compliance with valuation and documentation requirements for related-party transactions, seeking support from external advisors when necessary.

## 5. Monitoring and Control.

The Board of Directors of Cox and the Group's senior management will promote compliance throughout the organization with the Company's tax strategy and the supporting principles on which it is based. In this regard, they shall provide the organization with the resources required to meet its tax obligations and ensure in all its operations.



The Corporate General Management, which includes the Administration, Control and Tax department, shall oversee the implementation of the Tax Strategy approved by the Board of Directors and coordinate its execution with the business units, geographic areas and the various entities comprising them. These entities are responsible for the proper implementation of the strategy within their respective area of competence and must establish the appropriate control mechanisms to ensure conduct in line with the principles set out in this document.

## **6. Structure and organization.**

For the purpose of implementing the present tax strategy, Cox Group counts with the following structure:

1.- Board of Directors: This body will be responsible for promoting compliance with the tax strategy and will ensure that the necessary resources are available for this purpose throughout the corporate structure.

2.- Corporate General Management: This Directorate, which includes the administration, control and tax areas, coordinates and manages any tax matter of the Group.

3.- Business units/countries/entities: They are responsible for their tax matters, and must report and coordinate with the Corporate General Management in which the Administration, Control and Tax Department is integrated. They will have the necessary material and human resources to perform their functions efficiently.

They will receive support from external advisors on matters that require it. In general, in any area of the normal course of business that has a tax impact, adequate technical support in tax matters must be available.

4.- Audit Committee: With the support of the Internal Audit Department and Risk Management, this committee supervises the effectiveness of the tax risk management system.