

TAX
TRANSPARENCY
REPORT 2023



CONTENTS

1. INTRODUCTION	2	3. TAX REPORTING	10	4. APPENDIX	25
1.1 Good tax governance for ESG	2	3.1 The total tax contribution in 2023	11	4.1 Key Figures for the group	25
1.2 Tax Strategy	3	3.2 Key indicators of the Group's tax contribution in 2023	12	4.2 Key figures for the main countries	25
1.3 Stakeholder engagement	5	3.3 The trend in the Group's tax contribution between 2022 and 2023	14	4.3 Country-by-Country Reporting	27
1.4 Cooperative compliance	6	3.4 The tax contribution by operating segment	16	4.4 Total Tax Contribution 2023-2022	29
1.5 Tax Control Framework	7	3.5 The total tax contribution by geographical area	18	4.5 Reconciliations with the consolidated financial statements	32
2. THE MUNDYS GROUP: AN OVERVIEW	8	3.6 The main countries	19	4.6 Other information	32
				4.7 Glossary	34

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1. INTRODUCTION

1.1 GOOD TAX GOVERNANCE FOR ESG

With the publication of the Tax Transparency Report, Mundys intends to share with its stakeholders how:



on the one hand, taxation is an integral part of the group's sustainability strategy, through the adoption of the best standards of tax governance, from an ESG perspective (**Governance**)



on the other hand, the payment of taxes produces benefits in the communities in which the group operates (**Social**)

TAX STRATEGY

TAX CONTROL FRAMEWORK



STAKEHOLDER ENGAGEMENT

COOPERATIVE COMPLIANCE



STAKEHOLDERS INVOLVED

- Tax authority
- Communities in which we operate
- Partners
- Investors
- Employees



Involvement of the Board of Directors

- Tax Strategy
- Policies and procedures
- Annual report on the Tax Control Framework
- Code of Conduct



Definition of the Tax Strategy

- Tax Strategy approved by the BoD in 2018 and revised in 2023



Definition of processes and procedures

- Tax Control Framework
- Tax Compliance Model
- Interpretative Tax Risk Management Policy



Establishment of a reporting system

- GRI 207
- Total Tax Contribution
- Tax Transparency Report

1.2 TAX STRATEGY

Since 2018, the Mundys Group has implemented a Tax Strategy, which may be [consulted here](#), setting out the principles and values that guide the Company’s and the Group’s approach to tax matters.

In 2023, Mundys revised its Tax Strategy, bringing it even more into line with the indications provided by the EU Taxonomy and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.

In 2024, the Mundys Board of Directors acknowledged of the new "Code of Conduct" introduced by the Decree of 29 April 2024, which regulates the mutual commitments undertaken by taxpayers and the tax authority under the cooperative compliance regime. It is a list of duties to be respected by both parties under the mutual trust and transparency.

Tax Fairness

Ensure the payment of taxes due, within the legally prescribed deadlines, observing the spirit as well as the letter of the law and ensuring that, at the same time, the Group enjoys legitimate tax benefits

Responsible tax management

An approach to taxation that respects the various stakeholders involved and guarantees the highest possible degree of responsibility and disclosure of the adequacy of the Tax Strategy and the risk management processes adopted

Tone at the top

The Board of Directors defines the Mundys Group’s Tax Strategy and oversees its application, as well as the effectiveness of the Tax Control Framework safeguards



Tax authority engagement

The Group maintains a transparent relationship with the tax authority, including through cooperative compliance

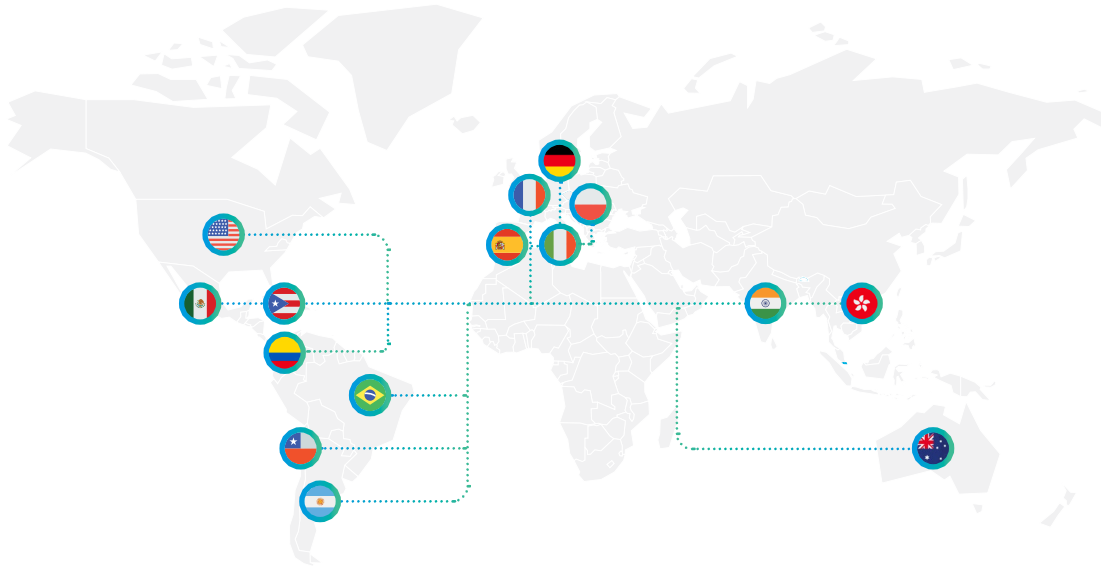
Tax Whistleblowing

The whistleblower protection procedure also applies to conduct that may involve breaches of tax legislation

Intercompany transactions

Mundys applies the arm's length principle in determining the terms and conditions applied to intercompany transactions, in line with internationally recognised standards

Mundys's Tax Strategy adopted by the boards of directors of the main Group companies operating both overseas and in Italy (i.e., the Abertis group, Aeroporti di Roma SpA, Azzurra Aeroporti SpA, Aéroports de la Côte d'Azur SA, Telepass SpA, Yunex Traffic GmbH and Spea Engineering SpA).



1.3 STAKEHOLDER ENGAGEMENT

Communication to stakeholders of Mundys’s approach to the tax management, as a sustainability factor, takes place via both publication of this document, the Integrated Annual Report and the Tax Strategy and through specific communication initiatives.

These include:



the **annual report** on the management of the Tax Control Framework (“TCF”) to shareholders through the related presentation to the Board of Directors



the **closing note**, endorsed by the Italian tax authority as part of the cooperative compliance scheme, in which evidence of the outcomes of checks on the TCF and the discussion of material tax risks is provided



the obligation of suppliers to agree to and comply with the **Code of Ethics**, which includes rules governing the issue of tax management, as set out in the Tax Strategy



the **whistleblowing guidelines**, which enable employees and third parties to disclose offences or irregularities, including those relating to tax, that they have become aware of during their employment, work as a consultant, as a supplier or in another manner

To be:



the Decree of April 29, 2024, introduces the new **“Code of Conduct”** between taxpayers and the tax authority to regulate mutual commitments under the cooperative compliance regime, to be signed by 5th October 2024. It is a list of duties to be fulfilled by both parties under the banner of mutual trust and transparency

STAKEHOLDER MAP



1.4 COOPERATIVE COMPLIANCE

The cooperative compliance regime for the Mundys Group is the cornerstone of the governance of the tax variable, with the aim of preventing related tax risk, understood as the possibility of misapplication of mandatory tax rules.

As a result of this approach:



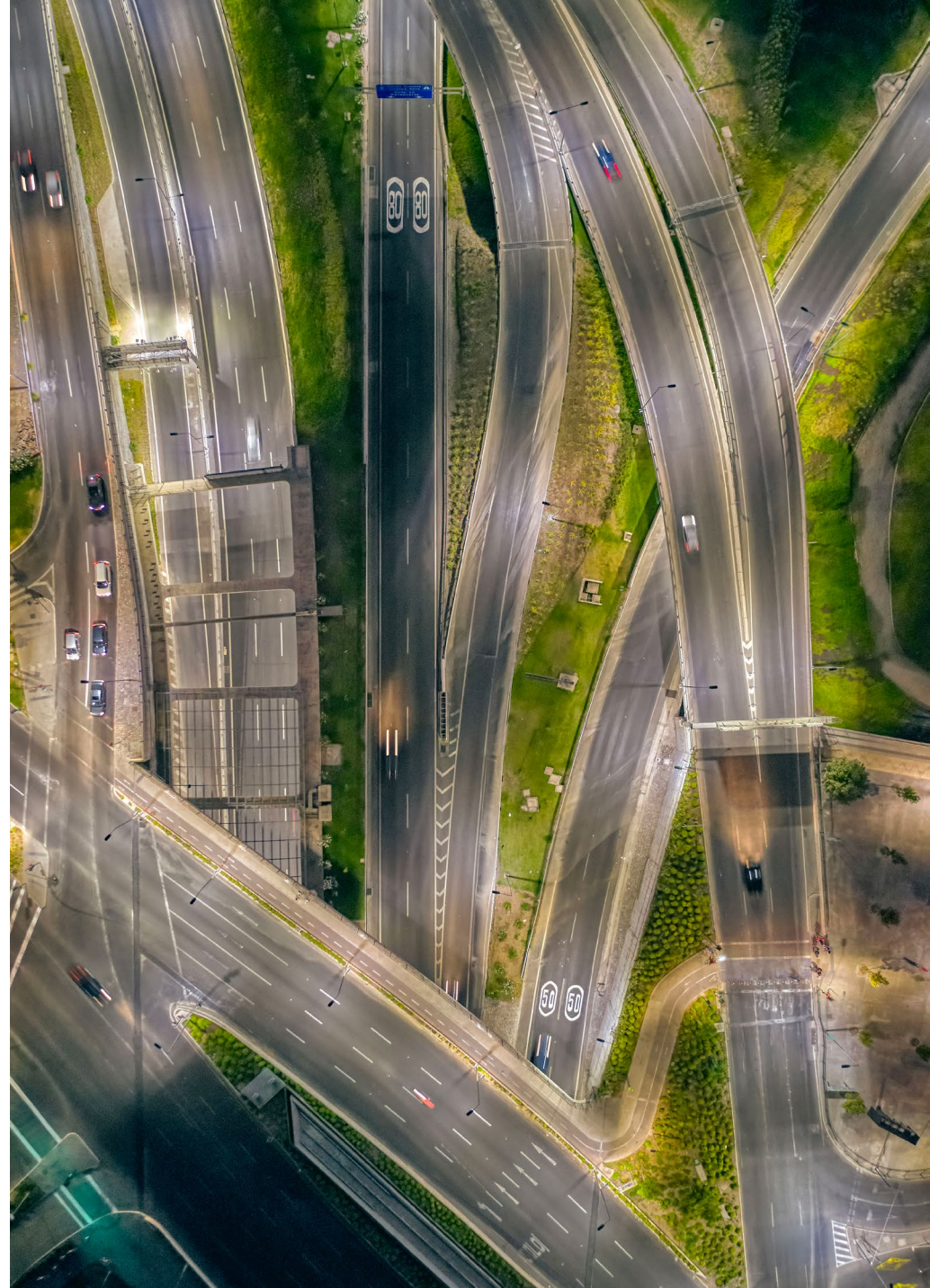
Mundys (2018) and Aeroporti di Roma (2019) participate in the scheme and periodically engage with the tax authority in order to establish prior certainty on particularly complex tax arrangements



In 2024, Telepass has begun the process of participating in the cooperative compliance scheme

The Italian cooperative compliance scheme has, moreover, recently been overhauled. In addition to providing prior certainty, new legislation (Italian Law n. 111/2023) has added further incentives for compliant taxpayers admitted to the scheme:

- i. a significant reduction in the time limit for tax authority investigations
- ii. the disapplication of administrative fines and exemption from punishment for filing a false tax return where the taxpayer has engaged with the tax authority in a timely and exhaustive manner with regard to its tax risks



1.5 TAX CONTROL FRAMEWORK

To control its tax risk, Mundys has implemented a Tax Control Framework (“TCF”), based on international best practices, which is integrated into the Company’s governance and internal control system.

The TCF is thus integrated with:

- i. the system of **controls** over financial reporting and accounting. In this way, Mundys is able to ensure the reliability of the accounting information on which fulfilment of its tax obligations depends
- ii. the measures adopted to **oversee the risk of tax fraud**, operating in harness with such measures for the purposes of mitigating the Company’s liability for the tax fraud offences covered by Legislative Decree 231 of 2001

The TCF adopted by Mundys ensures tax risk controls through:



governance rules ensuring the continuous update and monitoring of the internal control system for the benefit of stakeholders

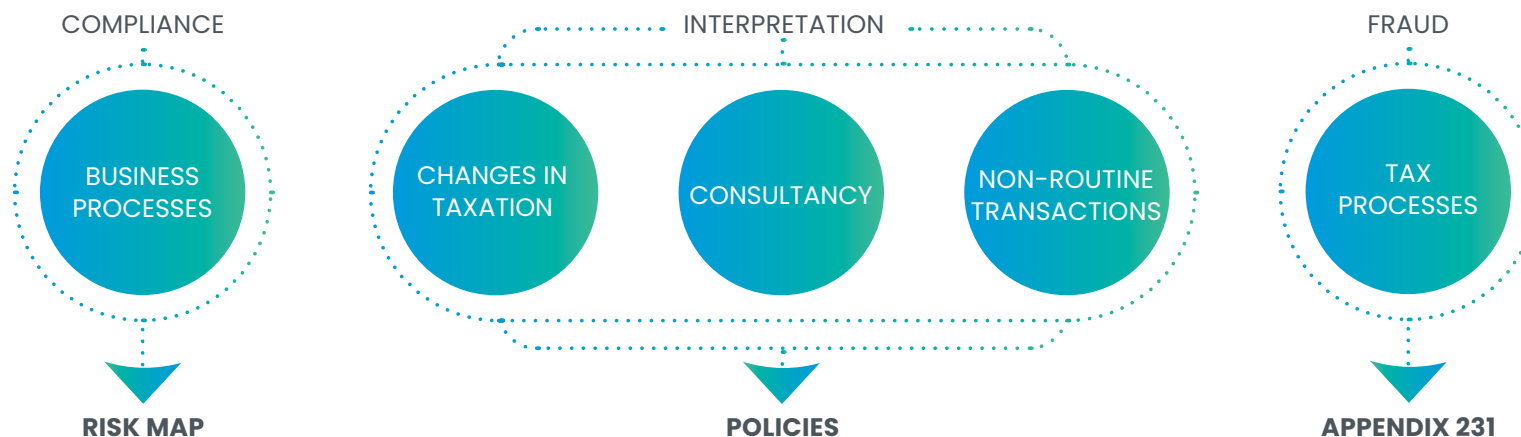


the **tax risk map** used to ensure compliance with tax regulations (compliance risk), associated with the business processes, and control activities, designed to mitigate such risks, together with the related quantitative evaluation



the **interpretative tax risk management policy**, which enables the Company to identify, measure and manage uncertainties surrounding the application of tax regulations (interpretative risk) in order to fully engage with the tax authority to obtain prior clarification as part of the cooperative compliance scheme, thereby achieving certainty and mitigating the risk of sanctions

TAX RISK



2. THE MUNDYS GROUP: AN OVERVIEW

The Mundys Group is present in 30 countries, operating **motorway** and **airport** concessions and providing **mobility services**.



MOTORWAYS

France, Brazil, Spain, Italy, Chile, Mexico, Argentina, India, Puerto Rico, Poland, USA

8,900
Km

46
Concessions



AIRPORTS

France, Italy

5

Airports managed



MOBILITY SERVICES

Australia, Austria, Belgium, China, Colombia, United Arab Emirates, France, Germany, Greece, Hong Kong, UK, Italy, Netherlands, Poland, Portugal, Czech Republic, Serbia, Singapore, Slovakia, Spain, USA, Switzerland, Turkey, Hungary

~ 10 million
onboard units

600 cities
across 4 continents



(figures as of 31 December 2023)

Motorways

ABERTIS

The Abertis group holds 33 concessions assigning responsibility for the development, maintenance and operation of toll motorways, operating approximately 7,700 km of motorway in Europe (France, Spain and Italy), the Americas (Chile, Mexico, Brazil, United States, Puerto Rico and Argentina) and India.

OTHER MOTORWAYS

This segment includes 9 holders of concessions for the construction, operation and maintenance of toll motorways in Chile and Poland, covering a total network of approximately 400 Km.

Airports

AEROPORTI DI ROMA

The group includes Aeroporti di Roma and its subsidiaries that operate within the Roman airport system, consisting of “Leonardo da Vinci” international airport located in Fiumicino and “Giovan Battista Pastine” airport located in Ciampino. Aeroporti di Roma is the number one airport operator in Italy by number of passengers (44.4 million in 2023, compared with almost 50 million passengers in 2019 before Covid-19) and the seventh biggest in Europe.

AÉROPORTS DE LA CÔTE D’AZUR

The overseas airports segment includes *Aéroports de la Côte d’Azur* (ACA) and its subsidiaries, whose main activity is the management of three airports in France: *Nice Côte d’Azur airport* (ANCA), *Cannes – Mandelieu airport* (ACM) and *Saint-Tropez – La Môle airport* (AGST). The ACA group, which handled 14.2 million passengers in 2023, is France’s second most important airport hub.

Mobility services

TELEPASS

The Telepass group provides sustainable, integrated mobility services. Specifically, Telepass is responsible for operating electronic tolling systems in Italy and 14 European countries and transport-related payment systems (car parks, restricted traffic zones, etc.), and provides digital mobility and insurance services and roadside assistance. Telepass has distributed approximately 10 million onboard units to customers and its Telepass Pay customers number over 1 million.

YUNEX TRAFFIC

Yunex Traffic is a global provider of innovative Intelligent Transport Systems (ITS) and Smart Mobility services, specialising in the development and supply of integrated hardware and software platforms and solutions to the operators of sustainable, smart mobility infrastructure located in both urban and out-of-town areas. The company operates in over 600 cities in approximately 40 countries and across 4 continents (Europe, America, Asia and Oceania).

3. TAX REPORTING

From 2021, Mundys adopt a **tax reporting system** that aims to represent the contribution the group makes to the needs of the communities in which operates, through the payment of taxes to local tax authorities.

The tax reporting model implemented, through the main economic and financial and assets, is part of the broader, threefold perspective **People-Planet-Prosperity** that guides and inspires the Group's approach and considers the business's impacts on society and the environment, seeking to identify the related risks and resulting opportunities.

In moving towards greater transparency, the reporting framework has been progressively enriched with new, updated content. The **Tax Transparency Report 2023** thus contains the following changes:



Presentation of the total tax contribution based on the **5 Ps** model (Profit, People, Product, Property and Planet taxes) in which, in line with the objective of responding to new environmental trends, **environmental taxes** are shown separately



The definition of **specific** total tax contribution indicators for the main **operating segments**



Broader scope and **disclosures** in the section on the main countries in which the Group operates

In this framework, the Company's tax contribution is presented using the "**Total tax contribution**" ("**TTC**") method, where information on the Company's income tax is supplemented with details of all the taxes paid by the Group.

The taxes paid by Mundys are classified as **taxes borne** by the Group and **taxes collected** by the Group on behalf of governments.

For presentation purposes, both taxes borne and collected are shown according to the following 5 categories (the 5 Ps):

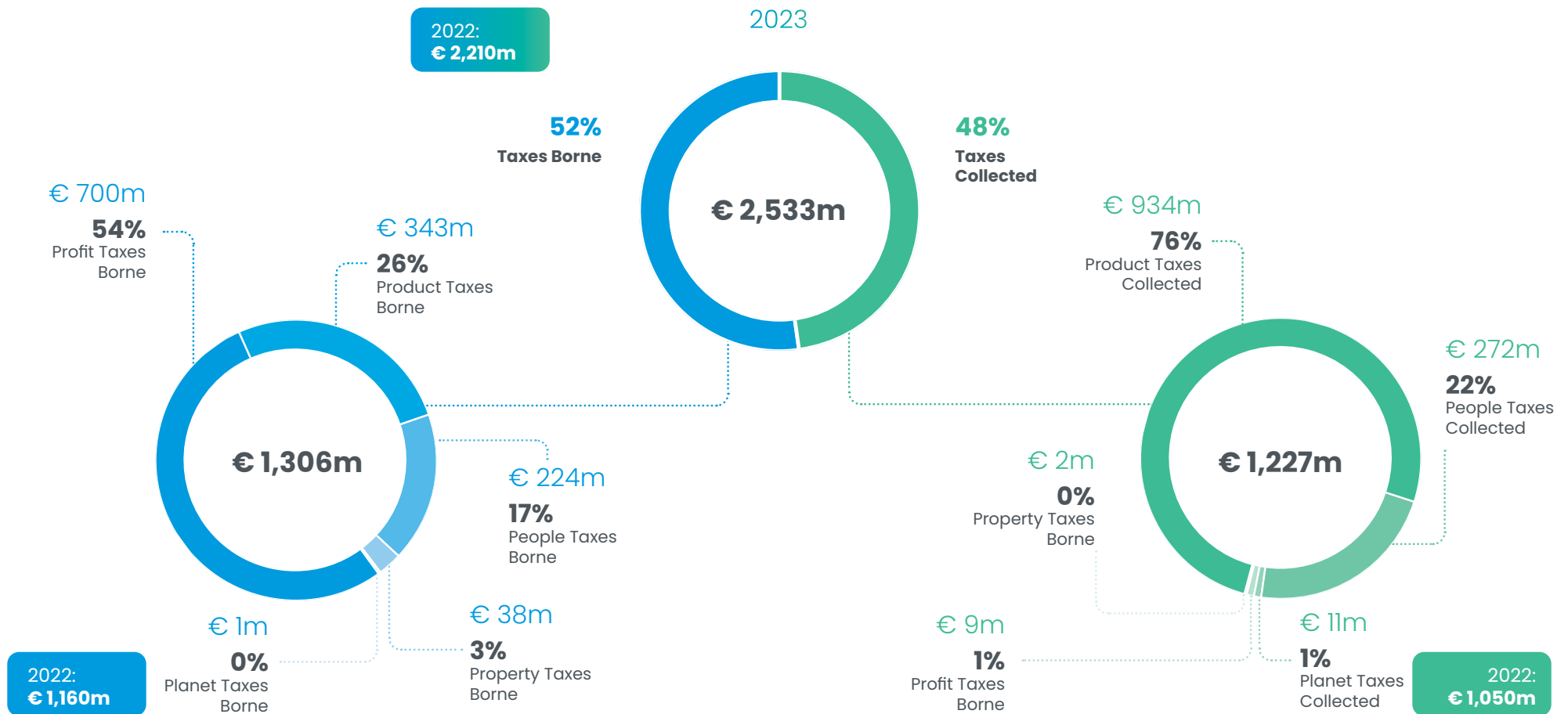
	Profit taxes	Income taxes
	People taxes	Labour taxes
	Product taxes	Taxes on products and services
	Property taxes	Property taxes
	Planet taxes	Environmental taxes

3.1 THE TOTAL TAX CONTRIBUTION IN 2023

Mundys's **total tax contribution** in **2023** amounts to **€2,533** million: **52%** regards **taxes borne** and the remaining **48%** **taxes collected**.

Taxes borne amount to **€1,306** million. The main component regards profit taxes, accounting for 54%. Taxes on products and services and people taxes account for 26% and 17%, respectively.

Taxes collected amount to **€1,227** million. The main component regards taxes on products and service (76%) and people taxes (22%).

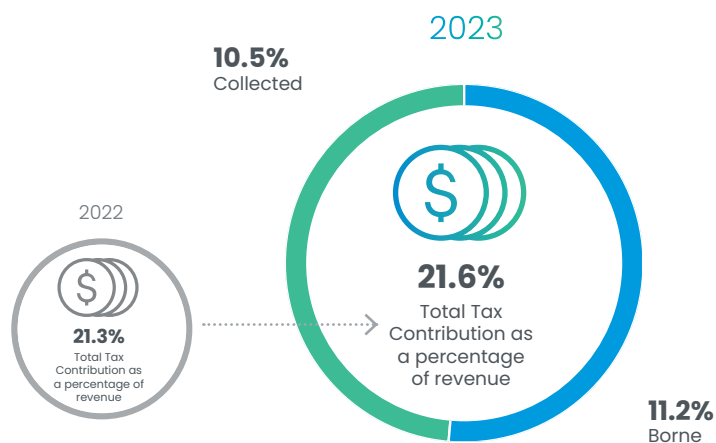


3.2. KEY INDICATORS OF THE GROUP'S TAX CONTRIBUTION IN 2023

TOTAL TAX CONTRIBUTION AS A PERCENTAGE OF REVENUE

TTC as a percentage of revenue

For every **€100 of Revenue** generated by Mundys in 2023, total taxes of **€21.6 were paid**, including **€11.2 in taxes borne** and **€10.5 in taxes collected**.



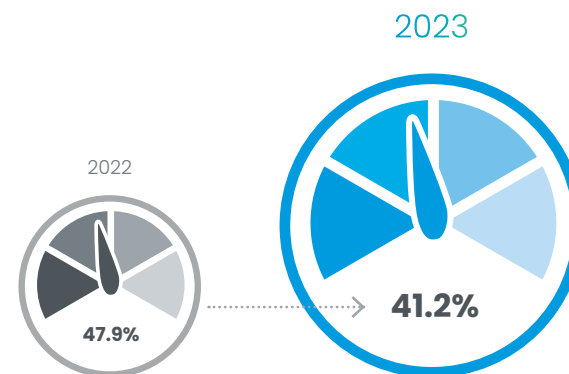
The **total tax contribution as a percentage of revenue** in 2023 is in line with the figure for 2022¹. This trend reflects the operating performance, which resulted in growth in both **revenue** and the **tax contribution**.

1. For comparative purposes, the indicator for 2022 has been adjusted for the **gain** on the sale of Autostrade per l'Italia (€2,809 million), almost entirely exempt from taxation (the participation exemption). If this item is included in total revenue for 2022, the indicator is 16.7%.

TOTAL TAX RATE

Taxes borne as a percentage of profit before taxes borne

For every **€100 of Mundys's profit before taxes borne** in 2023, **taxes borne of €41.2** were paid.



The Total Tax Rate in 2023 is down on the rate in 2022². This reflects an **improvement in the operating performance** that did not result in an immediate, proportional increase in **taxes borne**, and above all in those other than income taxes, which are computed and paid based on tax bases other than profit.

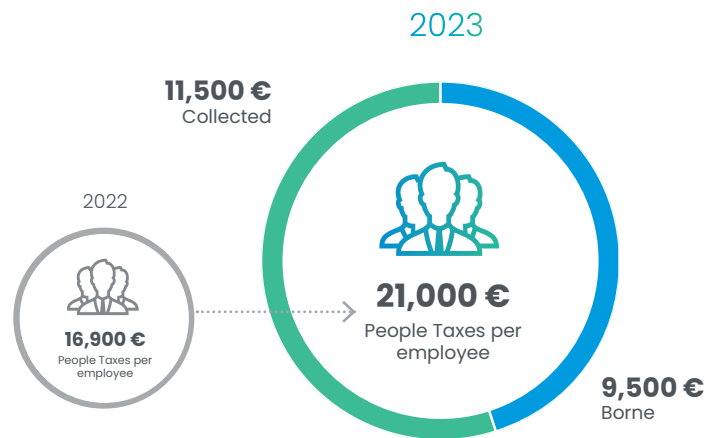
The indicator shows in any event that, in 2023, a significant portion of profit before taxes borne generated by the Group was used to pay the Group's own taxes.

2. For comparative purposes, the above indicators have been measured by adjusting i) for both years, the amounts for Spain, a country in which pre-tax profit was significantly impacted by impairment losses on investments and the amortisation of goodwill, neither of which are tax deductible, ii) for 2022, the effects of the exemption of the **gain** (the participation exemption) on the sale of Autostrade per l'Italia. If these adjustments are not applied, the indicator is 92.8% for 2023 and 33.4% for 2022.

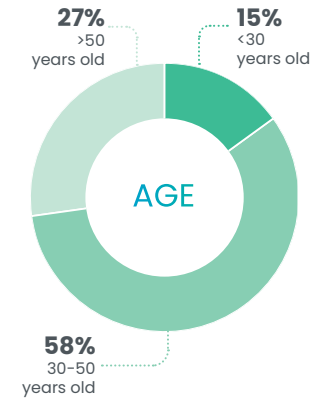
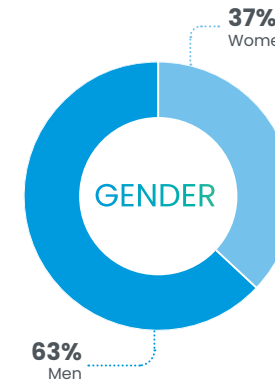
LABOUR TAXES AS A PERCENTAGE OF THE NUMBER OF EMPLOYEES

People tax per employee

For every person employed in 2023, Mundys paid **€21 thousand** in **people taxes**, including **€9.5 thousand** in **people taxes borne** and **€11.5 thousand** in **people taxes collected**.



The value of **people taxes per employee** in 2023 is sharply up on the figure for 2022. This primarily reflects the inclusion of taxes paid by Yunex Traffic throughout 2023, compared with only a six-month contribution in 2022³, whilst the overall workforce at each year end remained essentially stable.

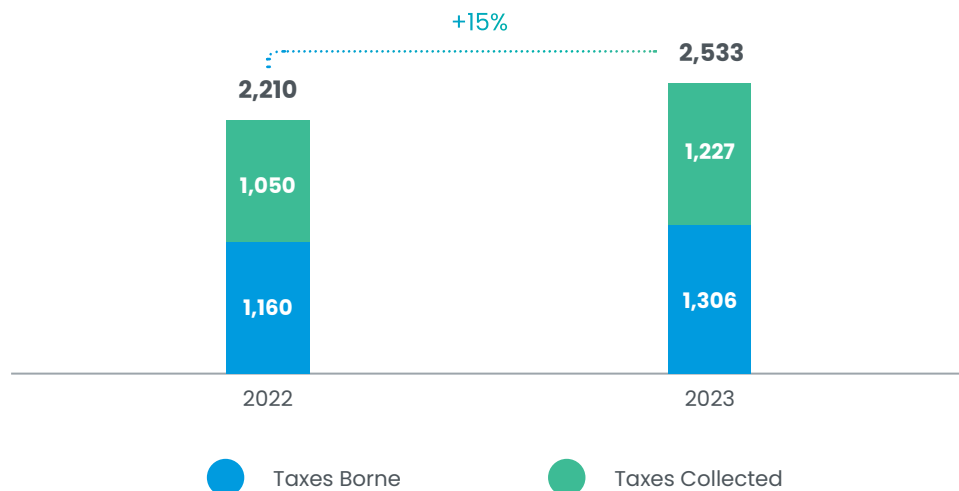


3. In this regard, it should be noted that Yunex joined the Mundys Group from the second half of 2022.

3.3 THE TREND IN THE GROUP'S TAX CONTRIBUTION BETWEEN 2022 AND 2023

2023 recorded an increase in the total tax contribution of **€323 million (up 15%)** compared with 2022.

In terms of the main categories of tax, the tax contribution reflected:



an **increase in profit taxes** (approximately €117 million or 20%) due to the improved operating performance in the post-pandemic period



an **increase in people taxes** (approximately €101 million or 26%), reflecting increases in wages, salaries and social security contributions as a result of the full-year contribution from Yunex Traffic (compared with only six months in 2022) and reduced use of income support schemes



an **increase in product taxes** (approximately €103 million or 9.0%) due to the increase in revenue recorded by all operating segments, due primarily to growth in airport and motorway traffic and increases in motorway tolls

The general increase in the Group's tax contribution affected both **taxes borne** and **taxes collected** to an equal degree, reflecting:

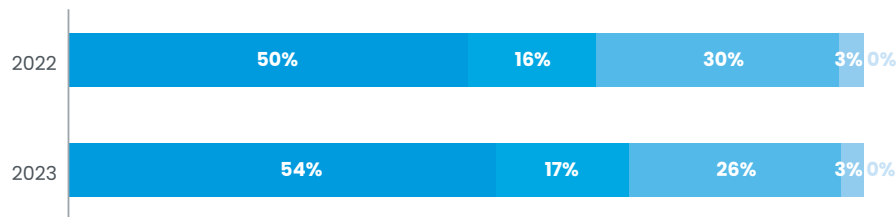
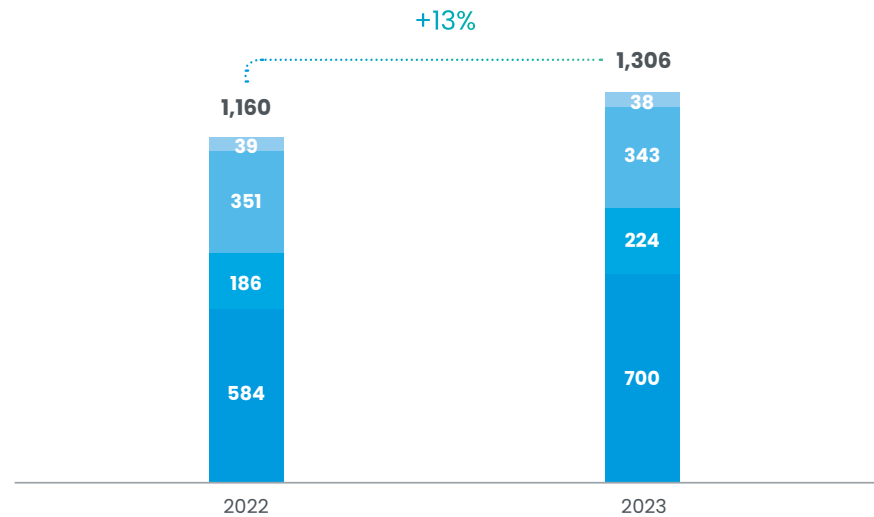


the performance of the motorway and airport segments which, despite the volatile and uncertain international backdrop, in 2023 continued the growth trend seen in the previous year, confirming the return to pre-pandemic levels of traffic



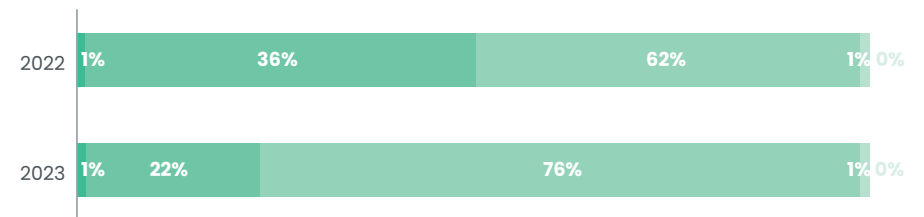
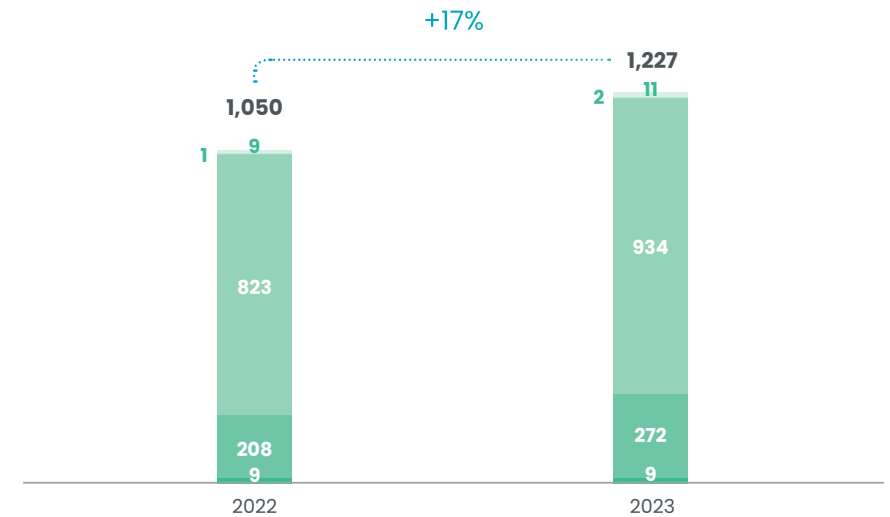
growth in the mobility services segment, primarily due to the contribution from Yunex Traffic for the full year as opposed to only six months in 2022

TREND TAXES BORNE



- Profit Taxes Borne
- People Taxes Borne
- Product Taxes Borne
- Property Taxes Borne
- Planet Taxes Borne

TREND TAXES COLLECTED

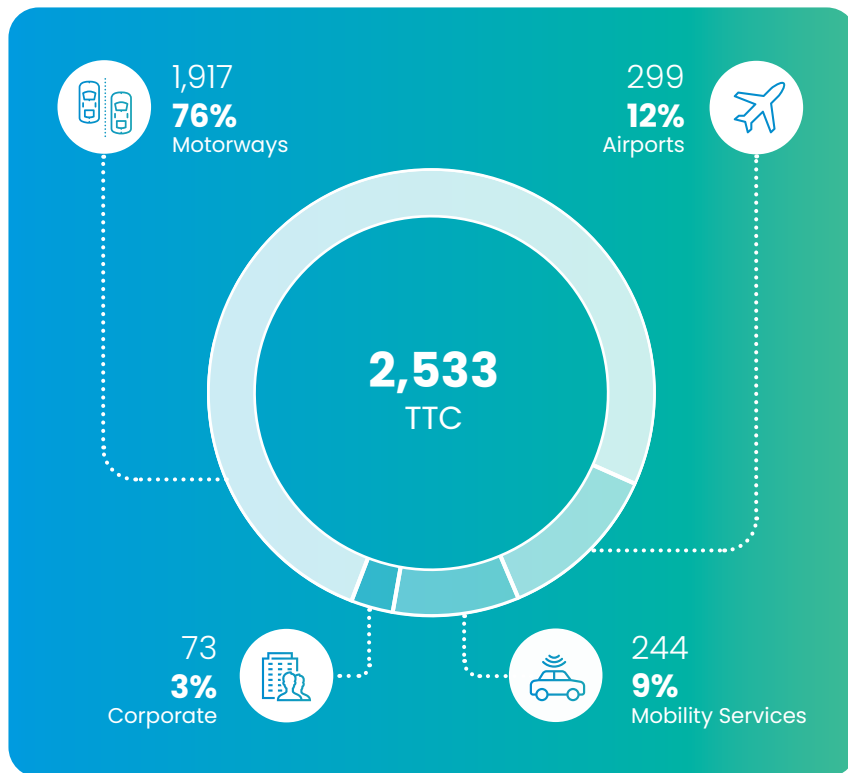


- Profit Taxes Borne
- People Taxes Borne
- Product Taxes Borne
- Property Taxes Borne
- Planet Taxes Borne

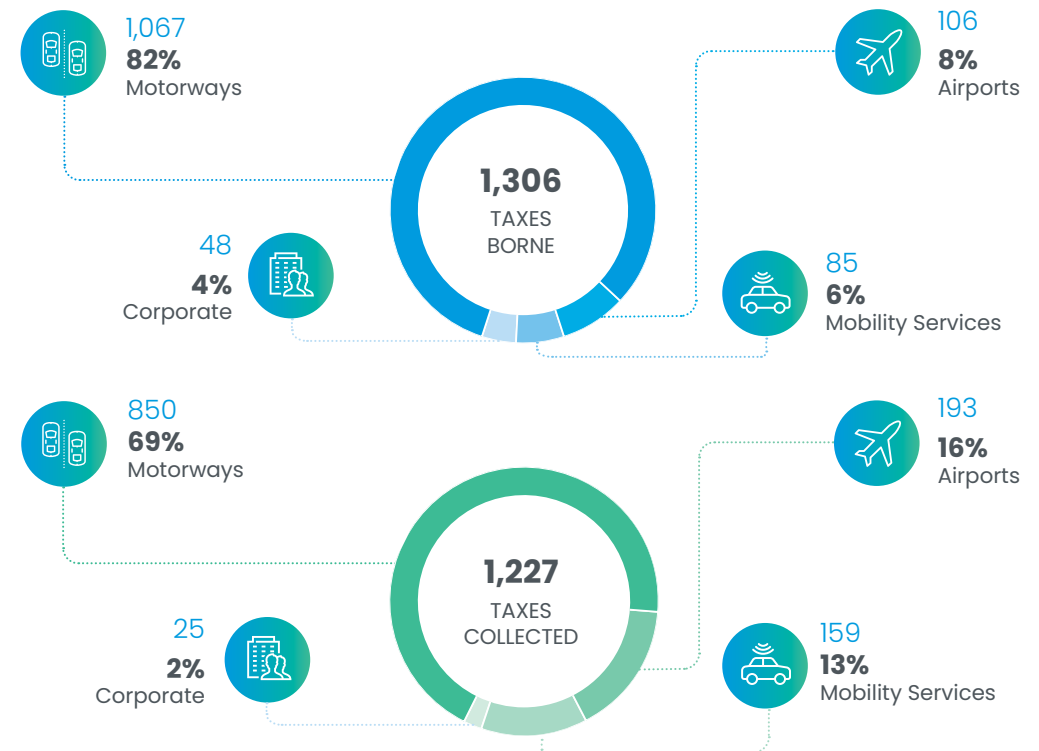
3.4 THE TAX CONTRIBUTION BY OPERATING SEGMENT

The contribution by segment

The breakdown of the total tax contribution in 2023 shows that the Motorways segment accounted for approximately 76%. The Airports and Mobility Services segments accounted for 12% and 9%, respectively. The remaining 3% regards the tax contribution from entities that carry out Corporate activities.



In terms of total tax contribution, compared with 2022, there was an increase in the Airports and Mobility Services segments, reducing the portion accounted for by the Motorways segment.



Generally, the different operating segments contribute to taxes borne and taxes collected in line with the nature of their activities.

The greater weight of taxes collected in the Airports and Mobility Services segments compared with taxes borne is due to:

- in the Airports segment, the presence of passenger boarding fees and taxes on noise emissions
- in the Mobility Services segment, the stage of the business's development and the degree of investment by Yunex Traffic, which despite significant turnover (associated with taxes collected on products and services) has lower levels of profitability (which generate profit taxes borne)

Specific tax contribution indicators for the main segments

Motorways



215 K€
per km
operated

For **each kilometre** of motorway operated, **€215 thousand of taxes** have been paid by Motorways segment, including approximately €120 thousand in taxes borne and €95 thousand in taxes collected.



2,5 € cent
per km
travelled

For **each kilometre** of motorway travelled, **€cent 2,5 of taxes** have been paid by Motorways segment, including approximately €cent 1,4 in taxes borne and €cent 1,1 in taxes collected.

Airports







5 €
per passenger

For **each passenger using the airports** operated, **€5.1 of taxes** have been paid by Airports segment, including approximately €1.8 in taxes borne and €3.3 in taxes collected.

The performance of operating segments

The comparison between 2023 and 2022 shows, albeit to varying extents, an increase in the TTC of each of the Group's operating segments.

OPERATING SEGMENT					TOTAL
2022	1,812	210	125	63	2,210
2023	1,917	299	244	73	2,533
CHANGE 2022/2023	+105	+90	+119	+9	+323
% CHANGE 2022/2023	+6%	+43%	+95%	+15%	+15%

The increase in the tax contribution for each segment reflects:



In the **Motorways segment**, toll increases and traffic growth (+3%), which translated into increases in profit taxes and product taxes



In the **Airports segment**, growth in airport traffic (+30%) that generated increased payments of product taxes (passenger boarding fees), environmental taxes (taxes on noise emissions), and people taxes



In the **Mobility Services segment**, the greater contribution from Yunex Traffic, leading to increases in product taxes and in people taxes

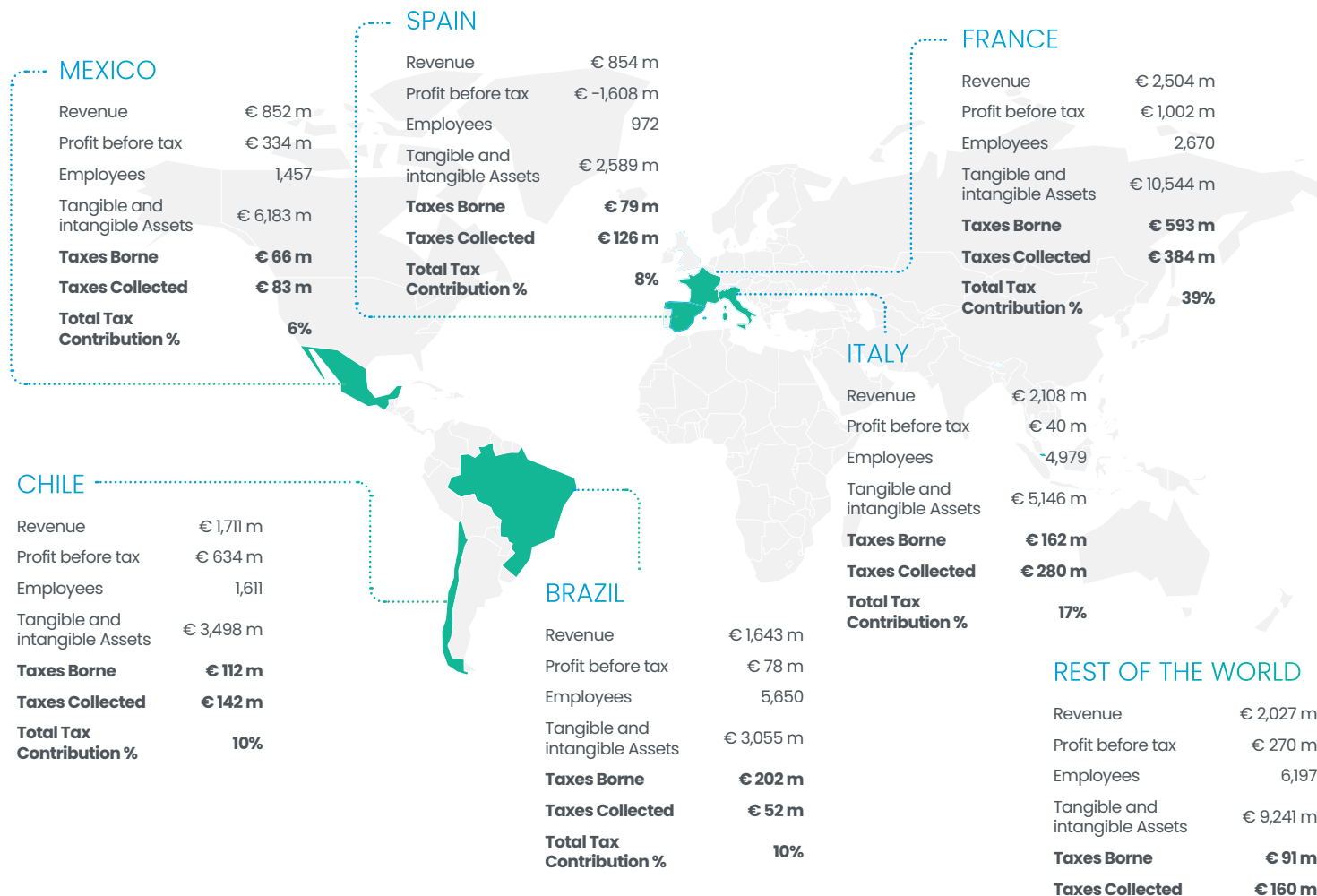


In terms of **Corporate activities**, an increase in profit taxes (above all in taxes on the dividends received by Mundys SpA), which offset i) lower product taxes (non-deductible VAT on purchases) and ii) reduced people taxes following a reduction in personnel

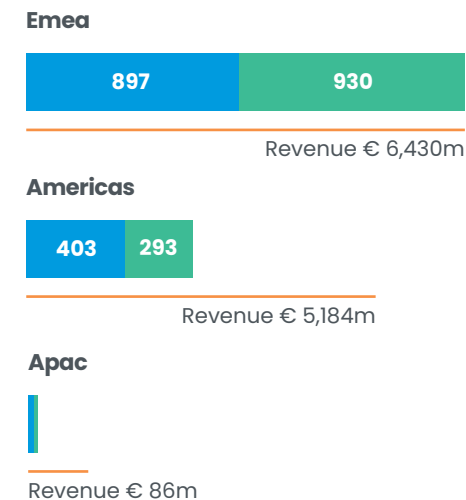
3.5 THE TOTAL TAX CONTRIBUTION BY GEOGRAPHICAL AREA

The total tax contribution is distributed across the various countries in which the Group operates in keeping with the size and importance of the Group's operations in those countries.

France, Italy, Chile, Brazil, Spain and Mexico, which together account for approximately **90% of the total tax contribution**, represent approximately **83% of revenue**, **74% of employees** and **77% of the Group's tangible and intangible assets**.



In terms of geographical area, over **99% of the total tax contribution is concentrated in Europe and the Americas**, in line with the distribution of **revenue**.

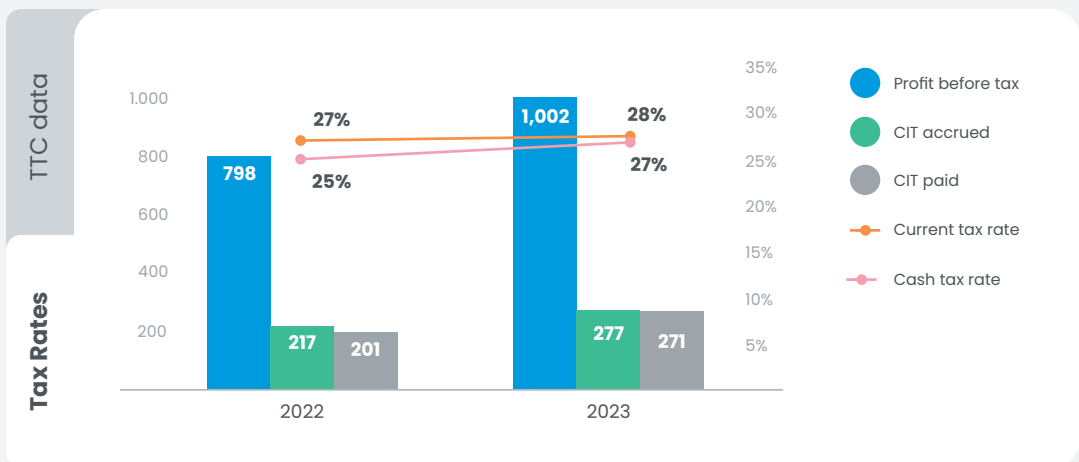


"Total Tax Contribution %" represents the weight of country's TTC on the Group's TTC

3.6 THE MAIN COUNTRIES

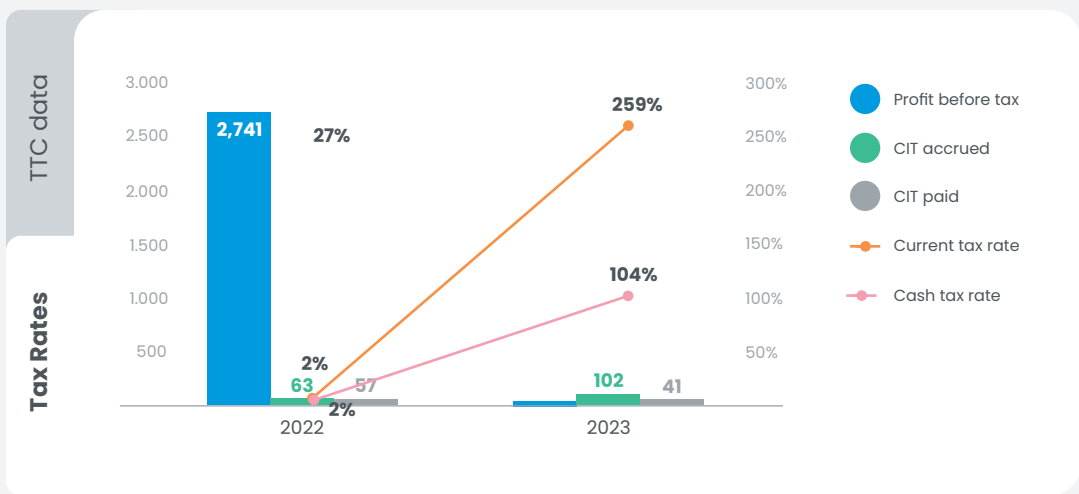


FRANCE



The Group's tax contribution in France amounts to €977 million, up €119 million on 2022, due to increases in:

- i. **profit taxes borne** (up €70 million), due to the progressive upturn in the post-pandemic performance
- ii. **product taxes**, both **borne** (up €15 million) and **collected** (up €26 million), reflecting increased revenue generated by both motorway and airport traffic
- iii. **people taxes**, both **borne** (up €7 million) and **collected** (up €1 million), due to increase in wages and salaries

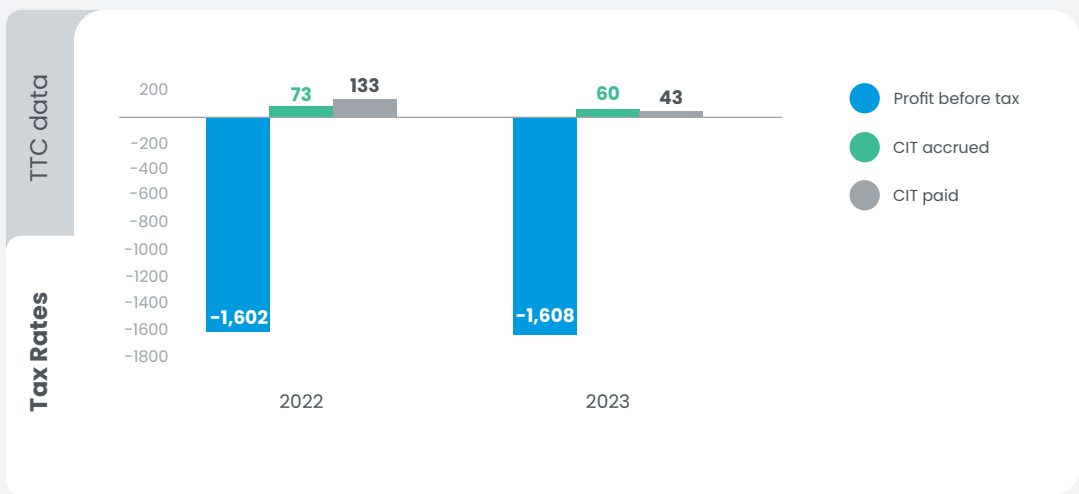
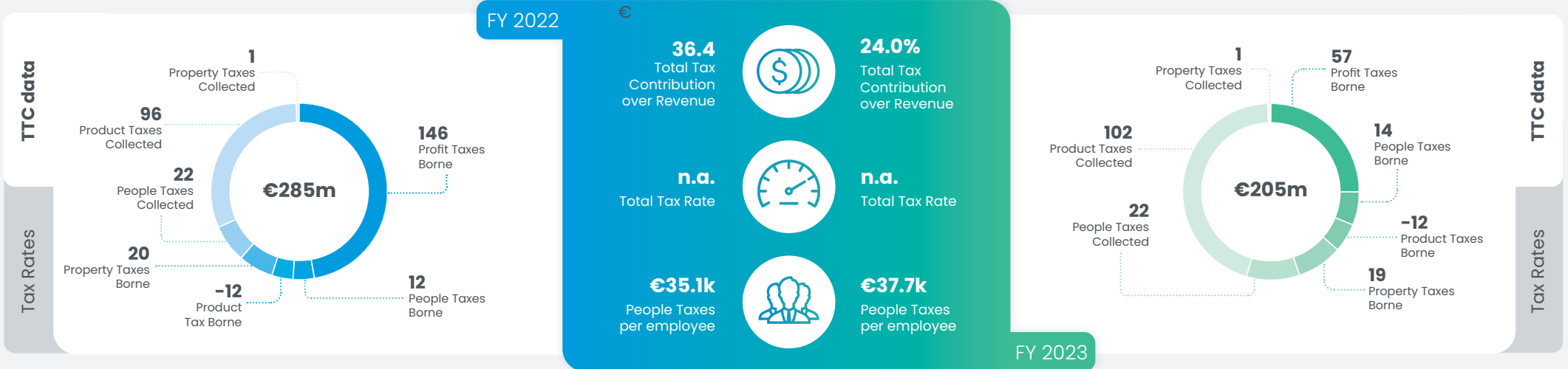


The Group's tax contribution in Italy amounts to €442 million, up €70 million on 2022, mainly due to increases in:

- i. **profit taxes borne** (up €18 million), reflecting i) increased taxes on dividends received by Mundys SpA and ii) increased profit taxes paid by Aeroporti di Roma due to the progressive upturn in airport traffic
- ii. **product taxes collected** (up €43 million), linked to increased revenue from airport traffic
- iii. **people taxes**, both **borne** (up €3 million) and **collected** (up €12 million), due to the increase in the workforce in response to the upturn in airport traffic and the end of income support schemes



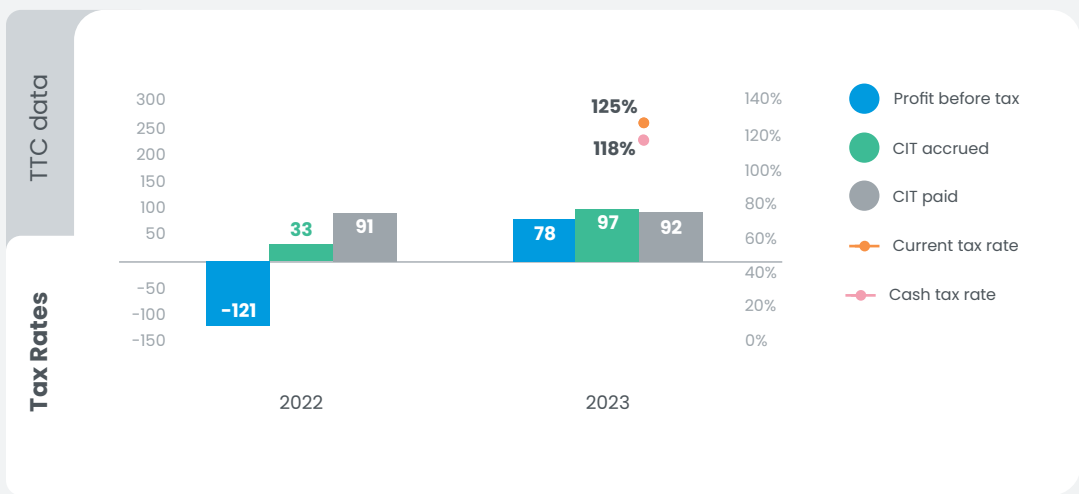
SPAIN



The Group's tax contribution in Spain amounts to €205 million, down €80 million compared with 2022, primarily due to a reduction in profit taxes borne due to the recognition of provisions relating to the concessions for the AP7 and C-32 motorways, which expired in 2022.

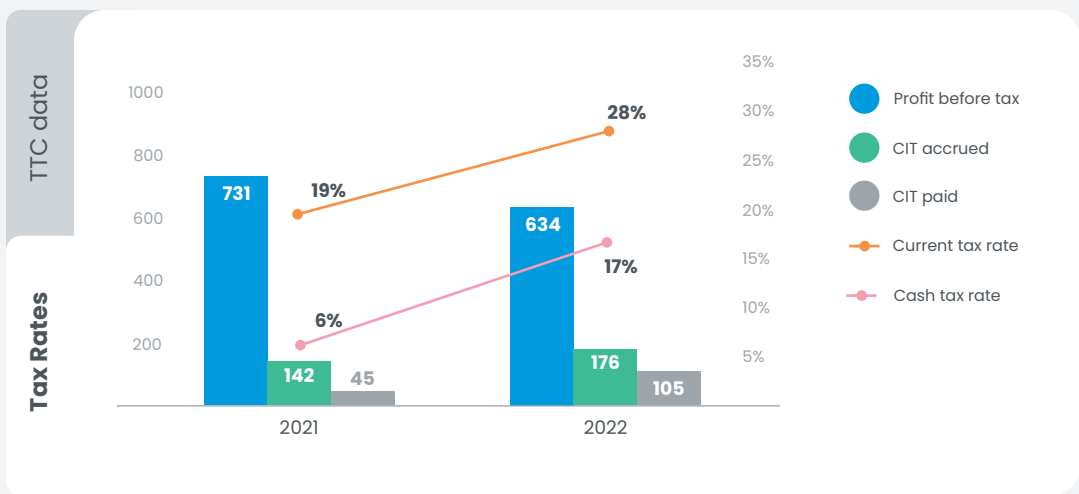
The main tax rates (the Total Tax Rate, Current tax rate and Cash tax rate) could not be calculated as the Group declared a negative profit before taxes.

The negative profit before taxes reflects impairment losses on investments and the amortisation of goodwill deriving from the merger of Abertis Infraestructuras SA with Abertis Participaciones SA. Despite the negative profit before taxes, in 2022 and 2023 income tax was paid and accrued due to the non-deductible nature of the above components.



The Group's tax contribution in Brazil amounts to €255 million, up €13 million compared with 2022 due to the increase in product taxes, both borne (up €5 million) and collected (up €2 million), both mainly due to the toll increases applied by operators and traffic growth on the motorway network operated, and despite the expiry of Triangulo do Sol's concession in April 2023.

In 2023, the main tax rates were significantly affected by the losses incurred by certain operators due to impairment losses on intangible assets. Absent a tax consolidation arrangement, the losses reported by these entities cannot be offset against taxable income generated by the Group's other Brazilian companies.



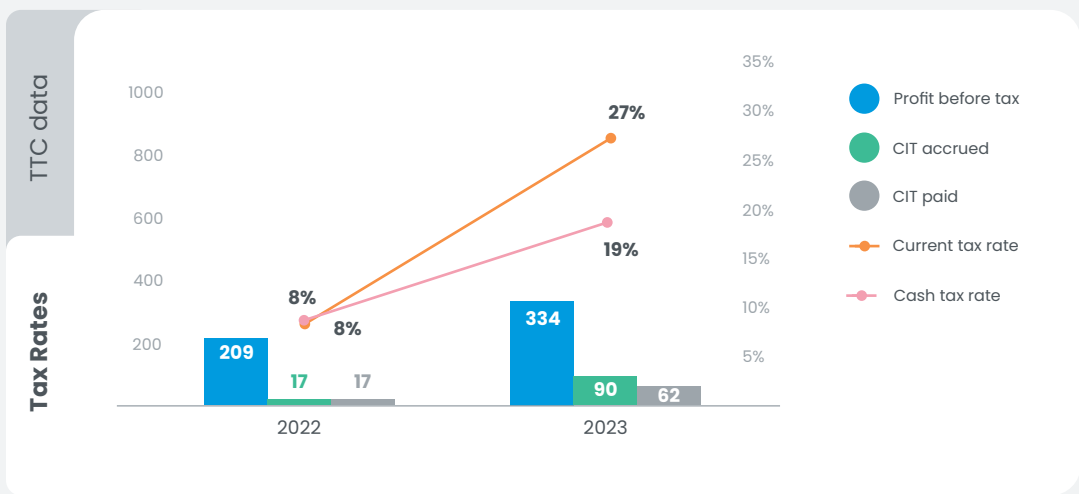
The Group's tax contribution in Chile amounts to €253 million, up €73 million on 2022, due to increases in:

- i. **profit tax borne** (up €61 million), which in 2022 reflected the use of surplus payments on account made in previous years
- ii. **product tax collected** (up €11 million), due to toll increases applied by operators

The tax rates based on taxes paid (the total tax rate and cash tax rate) reflect in 2023, application of the mechanism for paying taxes, as a result of which taxes payable on the result for the year will be paid in 2024.



MEXICO



The Group's tax contribution in Mexico amounts to €149 million, up €36 million on 2022, due to:

- i. an increase in **profit taxes borne** (up €45 million), due to the use in 2022 of tax losses carried forward from previous years
- ii. a reduction in **product taxes collected** (down €10 million) due to an increase in purchases in 2023, which led to a fall in net VAT paid, despite an increase in revenue following growth in motorway traffic and the toll increases applied by operators

The tax rates for 2022 were significantly affected by the use in 2022 of tax losses carried forward from previous years.

4. APPENDIX

4.1 KEY FIGURES FOR THE GROUP

The scope of this Report includes all entities consolidated on a **line-by-line or proportional basis** in the context of Mundys' consolidated financial statements, in accordance with the relevant International Financial Reporting Standards (IFRS), with the exception of entities reclassified for the purposes of this report as discontinued operations in accordance with IFRS 5.

Reference should be made to Annex 1, "The Mundys Group's scope of consolidation and investments as of 31 December 2023" in the 2023 Integrated Annual Report, for information on entity's names, their businesses and tax residence jurisdiction.

In this regard, it should be noted that, in line with the principles set out in Mundys' Tax Strategy, Group entities are incorporated in the jurisdictions in which they conduct their actual business, and their tax residence is always the same as their location, with neither the former nor the latter being guided by tax assessments.

KEY FIGURES	
Intangible assets (concession rights)	€ 39,169 m
Tangible assets	€ 1,087 m
Revenue	€ 11,700 m
Profit before tax	€ 749 m
Corporate income tax accrued	€ 836 m
Corporate income tax paid	€ 648 m
Taxes borne	€ 1,306 m
Taxes collected	€ 1,227 m
Employees	23,537

4.2 KEY FIGURES FOR THE MAIN COUNTRIES

France

	FY 2022	FY 2023	%
Entities	20	18	-
Revenue	€ 2,410 m	€ 2,504 m	+4%
Profit / (Loss) before tax (PBT)	€ 798 m	€ 1,002 m	+26%
Corporate income tax accrued	€ 217 m	€ 277 m	+7%
Corporate income tax paid	€ 201 m	€ 271 m	+35%
Tangible and intangible assets	€ 11,355 m	€ 10,544 m	-7%
Employees	2,713	2,670	-2%

Italy

	FY 2022	FY 2023	%
Entities	30	27	-
Revenue	€ 4,740 m	€ 2,108 m	-56%
Profit / (Loss) before tax (PBT)	€ 2,741 m	€ 40 m	-99%
Corporate income tax accrued	€ 63 m	€ 102 m	+63%
Corporate income tax paid	€ 57 m	€ 41 m	-28%
Tangible and intangible assets	€ 5,183 m	€ 5,146 m	-1%
Employees	4,511	4,979	+10%

 Spain

	FY 2022	FY 2023	%
Entities	25	27	-
Revenue	€ 782 m	€ 854 m	+9%
Profit /(Loss) before tax (PBT)	-€ 1,602 m	-€ 1,608 m	-
Corporate income tax accrued	€ 73 m	€ 60 m	-17%
Corporate income tax paid	€ 133 m	€ 43 m	-68%
Tangible and intangible assets	€ 2,850 m	€ 2,589 m	-9%
Employees	985	972	-1%

 Brazil

	FY 2022	FY 2023	%
Entities	22	21	-
Revenue	€ 1,572 m	€ 1,643 m	+5%
Profit /(Loss) before tax (PBT)	-€ 121 m	€ 78 m	+164%
Corporate income tax accrued	€ 112 m	€ 97 m	-13%
Corporate income tax paid	€ 91 m	€ 92 m	-
Tangible and intangible assets	€ 2,517 m	€ 3,055 m	+21%
Employees	6,070	5,650	-7%

 Chile

	FY 2022	FY 2023	%
Entities	24	25	-
Revenue	€ 1,540 m	€ 1,711 m	+11%
Profit /(Loss) before tax (PBT)	€ 731 m	€ 634 m	-13%
Corporate income tax accrued	€ 142 m	€ 176 m	+25%
Corporate income tax paid	€ 45 m	€ 105 m	+135%
Tangible and intangible assets	€ 4,143 m	€ 3,498 m	-16%
Employees	1,575	1,611	+2%

 Mexico

	FY 2022	FY 2023	%
Entities	8	8	-
Revenue	€ 746 m	€ 852 m	+14%
Profit /(Loss) before tax (PBT)	€ 209 m	€ 334 m	+60%
Corporate income tax accrued	€ 16 m	€ 90 m	+471%
Corporate income tax paid	€ 17 m	€ 62 m	+265%
Tangible and intangible assets	€ 5,645 m	€ 6,183 m	+10%
Employees	1,435	1,457	+2%

4.3 COUNTRY-BY-COUNTRY REPORTING

Jurisdiction (€m, except for the number of employees)	Revenue from third-party transactions	Revenue from intragroup transactions with other tax jurisdictions	Profit/ (Loss) before tax	CIT paid	CIT accrued	Stated capital	Accumulated earning	Number of employees	Tangible assets	Wages and salaries	Intangible assets (concession rights)
AR Argentina	550.6	0.0	149.9	0.5	0.6	266.9	43.6	1,736	11.7	32.6	-
AT Austria	41.3	5.0	6.2	1.2	1.5	0.0	9.4	143	6.3	11.1	-
AU Australia	19.9	1.1	-0.1	0.2	0.0	27.5	-6.6	80	8.9	5.4	-
BE Belgium	11.9	0.1	-1.2	-	-0.2	1.3	1.0	46	7.0	3.1	-
BG Bulgaria	1.7	-	-0.0	-	-	-	-	4	-	1.0	-
BR Brazil	1,643.0	0.0	78.1	92.3	97.3	4,669.2	-778.4	5,650	45.7	44.5	3,009.2
CA Canada	1.0	0.4	0.0	0.0	0.0	0.0	-0.0	8	0.0	0.7	-
CH Switzerland	25.0	1.0	-1.3	0.0	0.0	5.6	-4.2	82	7.9	8.4	-
CL Chile	1,711.2	0.1	633.7	105.2	176.5	1,305.8	1,220.0	1,611	60.1	41.6	3,438.3
CN China	8.6	0.2	1.0	-	0.0	7.3	-2.6	47	5.5	1.9	-
CO Colombia	6.8	0.1	-0.6	0.2	0.0	13.1	-12.0	129	0.6	1.5	-
CZ Czech Republic	6.9	-	1.5	-	-	7.4	-5.0	105	1.5	4.9	-
DE Germany	223.1	18.6	-19.3	0.2	0.2	739.0	299.6	1,068	53.4	77.6	-
ES Spain	796.8	57.1	-1,607.7	42.8	60.2	11,431.5	2,488.7	972	101.2	57.7	2,487.8
FR France	2,485.6	18.6	1,001.6	271.4	276.6	1,887.8	1,860.2	2,670	271.4	131.1	10,272.2
GB UK	246.5	40.9	32.7	7.2	7.0	205.8	-163.8	1,299	72.0	60.7	-
GR Greece	4.7	-0.0	0.0	-	0.0	4.2	-2.2	17	1.8	0.6	-
HK Hong Kong	4.9	-	-0.5	-	-	11.1	-14.2	30	2.2	1.7	-
HR Croatia	1.9	3.3	0.6	0.0	0.1	0.3	1.2	58	0.7	2.2	-
HU Hungary	8.4	0.0	1.2	0.1	0.2	0.0	1.8	25	1.3	0.9	-
IE Ireland	0.1	1.1	0.2	0.0	0.0	0.0	3.2	3	-	0.2	-
IN India	46.5	-	21.2	3.4	4.0	51.4	2.3	48	1.3	1.2	70.1
IT Italy	2,097.7	10.5	39.6	41.0	102.4	3,078.4	5,855.4	4,979	269.7	306.3	4,876.0
LU Luxembourg	4.6	-	0.9	-	0.7	674.2	1.0	10	4.2	0.1	-

Jurisdiction (€m, except for the number of employees)	Revenue from third-party transactions	Revenue from intragroup transactions with other tax jurisdictions	Profit/ (Loss) before tax	CIT paid	CIT accrued	Stated capital	Accumulated earning	Number of employees	Tangible assets	Wages and salaries	Intangible assets (concession rights)
MO Macao	0.5	-	0.2	-	-	-	-	0	0.0	0.0	-
MX Mexico	852.1	0.0	334.2	62.4	90.1	1,344.8	918.4	1,457	21.7	16.7	6,161.7
NL Netherlands	48.8	79.3	5.9	1.7	1.7	2.0	8.4	159	19.1	12.4	-
PL Poland	142.3	5.7	-0.3	12.7	10.4	75.8	111.6	330	15.2	8.9	92.2
PR Puerto Rico	213.9	0.0	65.7	5.1	6.3	1,671.8	53.5	102	38.8	5.0	3,998.2
PT Portugal	5.1	0.1	-1.9	0.0	0.0	2.6	0.4	54	2.4	1.4	-
QA Qatar	6.9	-	0.4	-	0.2	-	-	12	-	0.9	-
RO Romania	-	-	-0.1	-	-	-	-	-	-	-	-
RS Serbia	4.3	0.0	0.6	0.1	0.2	0.4	0.4	15	0.5	0.4	-
SE Sweden	2.4	-	0.1	-	-	-	-	-	-	-	-
SG Singapore	3.6	0.4	-0.6	-	-	1.3	-7.0	24	0.7	1.8	-
SK Slovakia	8.6	0.5	-0.3	-	-	4.8	-9.7	37	1.4	1.6	-
TR Turkey	13.9	0.0	0.8	0.1	-	5.7	-5.1	14	0.8	0.6	-
US USA	199.4	5.3	7.1	0.0	0.0	3,142.6	-31.1	511	52.1	42.3	4,763.2
Total	11,450.3	249.4	749.3	647.9	836.5	30,639.6	11,838.2	23,537	1,087.1	889.4	39,168.8

4.4 TOTAL TAX CONTRIBUTION 2023–2022

2023

Tax jurisdiction (€m)	Taxes Borne						Taxes Collected						Total Tax Contribution
	Profit Taxes	People Taxes	Product Taxes	Property Taxes	Planet Taxes	Total Taxes Borne	Profit Taxes	People Taxes	Product Taxes	Property Taxes	Planet Taxes	Total Taxes Collected	
Americas	266.4	31.3	99.5	5.6	0.0	402.8	4.7	48.1	240.0	0.1	0.0	292.8	695.7
Argentina	0.5	3.0	5.4	0.5	0.0	9.4	0.3	2.4	1.7	0.1	0.0	4.5	13.9
Brazil	92.6	17.1	91.5	1.3	0.0	202.5	2.3	23.2	26.7	0.0	0.0	52.1	254.6
Canada	0.0	0.0	0.1	0.0	0.0	0.2	0.0	0.2	0.0	0.0	0.0	0.2	0.4
Chile	105.7	1.9	0.3	3.6	0.0	111.5	0.5	6.9	134.4	0.0	0.0	141.8	253.3
Colombia	0.2	0.4	0.7	0.0	0.0	1.3	0.0	0.2	0.1	0.0	0.0	0.4	1.7
Mexico	62.4	4.0	0.0	0.0	0.0	66.3	1.4	4.4	77.2	0.0	0.0	83.0	149.3
Puerto Rico	5.1	0.5	1.0	0.1	0.0	6.6	0.3	1.4	0.0	0.0	0.0	1.7	8.3
USA	0.0	4.3	0.6	0.0	0.0	4.9	0.0	9.2	0.0	0.0	0.0	9.2	14.1
APAC	3.3	1.1	1.8	0.0	0.0	6.2	1.0	2.5	1.0	0.0	0.0	4.5	10.7
Australia	0.2	0.5	0.0	0.0	0.0	0.7	0.0	1.8	0.5	0.0	0.0	2.2	3.0
China	0.0	0.4	0.1	0.0	0.0	0.5	0.0	0.3	0.3	0.0	0.0	0.6	1.0
Hong Kong	-	0.1	0.0	0.0	0.0	0.1	0.0	0.1	0.0	0.0	0.0	0.1	0.2
India	3.1	0.1	1.7	0.0	0.0	4.9	1.0	0.3	0.1	0.0	0.0	1.3	6.2
Singapore	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.3	0.3
EMEA	430.7	191.2	242.0	32.1	0.6	896.6	3.5	221.0	692.5	1.5	11.3	929.7	1,826.3
Austria	1.2	3.2	0.0	0.0	0.0	4.5	0.0	4.7	4.4	0.0	0.0	9.0	13.5
Belgium	0.0	0.4	0.0	0.0	0.0	0.5	0.0	1.7	0.4	0.0	0.0	2.0	2.5
Bulgaria	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.2	0.2
Croatia	0.0	1.0	0.1	0.0	0.0	1.1	0.0	0.0	0.0	0.0	0.0	0.0	1.1
Czech Republic	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.4	0.0	0.0	1.1	1.1
France	273.5	70.8	240.5	8.1	0.5	593.3	0.0	39.7	342.7	0.0	1.0	383.5	976.8
Germany	0.2	14.7	0.4	0.0	0.0	15.3	0.0	46.7	16.9	0.0	0.0	63.6	78.9
Greece	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.3	0.4	0.0	0.0	0.7	0.9
Hungary	0.2	0.1	0.0	0.0	0.0	0.4	0.0	0.3	0.2	0.0	0.0	0.5	0.9
Ireland	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.0	0.0	0.0	0.3	0.3

2023

Tax jurisdiction (€m)	Taxes Borne						Taxes Collected						Total Tax Contribution
	Profit Taxes	People Taxes	Product Taxes	Property Taxes	Planet Taxes	Total Taxes Borne	Profit Taxes	People Taxes	Product Taxes	Property Taxes	Planet Taxes	Total Taxes Collected	
Italy	76.8	68.7	12.2	4.1	0.1	161.9	2.9	84.8	182.3	0.0	10.2	280.3	442.2
Luxembourg	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.2	0.6	0.0	0.0	0.7	0.8
Netherlands	1.7	6.4	0.1	0.0	0.0	8.2	0.0	0.0	1.9	0.0	0.0	1.9	10.1
Poland	12.2	1.7	0.1	0.6	0.0	14.6	0.0	3.0	13.1	0.0	0.0	16.0	30.7
Portugal	0.0	0.4	0.0	0.0	0.0	0.4	0.0	0.5	0.2	0.0	0.0	0.7	1.1
Qatar	0.0	0.0	0.2	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.2
Serbia	0.1	0.1	0.2	0.0	0.0	0.5	0.0	0.1	0.4	0.0	0.0	0.5	1.0
Slovakia	0.0	0.6	0.0	0.0	0.0	0.6	0.0	0.5	0.4	0.0	0.0	0.9	1.4
Spain	57.2	14.4	-11.9	18.9	0.0	78.7	0.3	22.2	102.3	1.4	0.0	126.3	205.0
Sweden	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Switzerland	0.0	1.7	0.0	0.0	0.0	1.7	0.0	1.5	0.9	0.0	0.0	2.4	4.1
Turkey	0.1	0.2	0.1	0.0	0.0	0.4	0.2	0.0	0.5	0.0	0.0	0.7	1.0
UK	7.2	6.5	0.0	0.4	0.0	14.2	0.0	14.1	24.4	0.0	0.0	38.5	52.6
Total	700.4	223.6	343.4	37.6	0.6	1,305.6	9.1	271.6	933.5	1.6	11.3	1,227.1	2,532.7

2022

Tax jurisdiction (€m)	Taxes Borne						Taxes Collected						Total Tax Contribution
	Profit Taxes	People Taxes	Product Taxes	Property Taxes	Planet Taxes	Total Taxes Borne	Profit Taxes	People Taxes	Product Taxes	Property Taxes	Planet Taxes	Total Taxes Collected	
Americas	160.3	30.7	110.7	4.9	0.0	306.6	6.6	40.3	240.0	0.2	0.0	287.2	593.8
Argentina	3.0	7.1	22.1	1.4	0.0	33.6	1.1	6.1	4.7	0.2	0.0	12.1	45.7
Brazil	91.1	15.6	86.8	1.2	0.0	194.8	1.6	21.3	24.3	0.0	0.0	47.2	241.9
Canada	0.0	0.0	0.1	0.0	0.0	0.2	0.3	0.0	0.0	0.0	0.0	0.3	0.5
Chile	44.5	1.6	0.1	2.2	0.0	48.5	2.2	5.6	123.8	0.0	0.0	131.6	180.1
Mexico	17.1	3.1	0.0	0.0	0.0	20.2	1.2	4.7	87.2	0.0	0.0	93.0	113.2
Puerto Rico	4.4	0.5	1.3	0.1	0.0	6.2	0.2	1.6	0.0	0.0	0.0	1.8	8.0
USA	0.0	2.7	0.3	0.0	0.0	3.1	0.0	1.1	0.1	0.0	0.0	1.2	4.3
APAC	2.2	0.1	0.9	0.0	0.0	3.2	0.0	0.5	0.2	0.0	0.0	0.7	3.8
India	2.2	0.1	0.9	0.0	0.0	3.2	0.0	0.5	0.2	0.0	0.0	0.7	3.8
EMEA	421.5	155.7	239.4	33.7	0.4	850.7	2.1	166.7	582.8	1.2	9.0	761.8	1,612.5
Austria	1.6	1.8	0.0	0.0	0.0	3.4	0.0	2.9	1.5	0.0	0.0	4.3	7.7
Croatia	0.1	0.8	0.0	0.0	0.0	0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.9
France	203.0	64.1	225.8	8.1	0.3	501.3	0.0	38.6	317.1	0.1	0.9	356.7	858.0
Germany	0.0	5.8	0.2	0.0	0.0	6.0	0.0	17.5	4.6	0.0	0.0	22.1	28.1
Hungary	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.1
Ireland	0.0	0.0	0.6	0.0	0.0	0.6	0.0	0.3	0.0	0.0	0.0	0.3	0.9
Italy	59.3	65.3	19.8	5.3	0.1	149.8	1.8	72.9	139.4	0.0	8.1	222.2	372.1
Netherlands	1.2	0.3	0.0	0.0	0.0	1.5	0.0	2.9	4.8	0.0	0.0	7.7	9.2
Poland	8.6	1.1	0.0	0.5	0.0	10.4	0.0	2.1	12.2	0.0	0.0	14.4	24.7
Portugal	0.0	0.1	0.0	0.0	0.0	0.2	0.0	0.2	0.0	0.0	0.0	0.2	0.4
Qatar	0.3	0.0	0.0	0.0	0.0	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.3
Spain	145.9	12.4	-12.5	19.5	0.0	165.4	0.3	22.1	95.7	1.1	0.0	119.2	284.6
Switzerland	0.0	0.2	0.0	0.0	0.0	0.2	0.0	0.1	0.0	0.0	0.0	0.1	0.4
UK	1.4	3.6	5.5	0.2	0.0	10.7	0.0	7.0	7.4	0.0	0.0	14.4	25.1
Total	584.0	186.4	351.0	38.6	0.4	1,160.4	8.7	207.5	823.0	1.4	9.0	1,049.7	2,210.1

4.5 RECONCILIATIONS WITH THE CONSOLIDATED FINANCIAL STATEMENTS

The reconciliation of the Country-by-Country Reporting (CbCR) data included in this document with the same information presented in Mundys consolidated financial statements as at and for the year ended 31 December 2023 is provided below.

Regarding the data on i. Revenue from third-party transactions; ii. Profit/(Loss) before tax; iii. PPE; iv. Income tax paid in accordance with the cash basis of accounting; and v. Income tax accrued on profits/losses, please refer to the disclosure in section "5.5 Tax transparency" in the 2023 Integrated Annual Report.

Regarding the other CbCR data shown in this document:



The total figure for "Intangible assets (concession rights)" (€39,169 million) in the CbC table is different from the same information included in the consolidated financial statements (€39,022 million) due to consolidation adjustments (amounting to €167 million)



The total figure for "Wages and salaries" (€889 million) indicated in the CbC table is different from the item, "Wages, salaries and related contributions" in the consolidated financial statements (€1,114 million) as the latter also include social security contributions (€176 million) and incentives (€49 million).

4.6 OTHER INFORMATION

Methodological Note

The **Tax Transparency Report** describes the Group's approach to tax governance and tax management strategy. The document aims to provide a clear and transparent overview of the total tax contribution made by the Group in the various countries where it operates, in line with the principles of transparency and social responsibility.

The report is based on two main tools:

- i. **Country-by-Country Reporting (CbCR)**, which integrates tax data for each country.
- ii. **Total Tax Contribution (TTC)**, which details the total tax contribution split between taxes borne by the **Group (tax borne)** and taxes collected by the tax authorities (**tax collected**).

The **Tax Transparency Report** is prepared in accordance with the international standard "**GRI 207: Tax 2019**" of the **Global Reporting Initiative (GRI)**. GRI 207 provides a framework for reporting on tax governance and total tax contribution, with the goal of promoting transparency, accountability, and consistency in the communication of an organisation's tax practices.

By adopting this standard, Mundys provides its stakeholders with comprehensive, clear, and verifiable tax reporting, in line with international best practices.

In addition to the **GRI 207** standard, the **Tax Transparency Report** aligns with the **OECD Guidelines for Responsible Business Conduct** for multinational enterprises, ensuring responsible tax management.

The **Total Tax Contribution (TTC)** methodology is widely recognised and applied in order to transparently represent the total tax contribution. The **TTC Framework** used by Mundys distinguishes between taxes that represent a cost for the **Group (tax borne)** and those collected on behalf of tax authorities (**tax collected**).

Taxes are further classified into five main categories, the so-called **5 Ps**:



People tax

Labour and employee-related taxes.



Planet tax

Environmental taxes, such as taxes on emissions or energy consumption.



Product tax

Taxes on goods and services, such as VAT and excise duties.



Profit tax

Corporate income and profit taxes.



Property tax

Taxes on property and assets.

The scope of this Report includes all Group entities **fully or proportionally consolidated** in the consolidated financial statements, excluding any operations classified as **Discontinued Operations**. The tax data presented covers the entire 2023 and includes revenues, profit before taxes, accrued and paid taxes, employees, and investments in tangible and intangible assets.



This Report has been subjected to limited assurance by KPMG S.p.A..

Fair Tax Mark



For the third year in a row, Mundys has been awarded the **Fair Tax Mark**, rewarding responsible and fair tax management in the Mundys Group.

PwC Support*

This Report has been prepared by the Mundys Group with the support of PwC TLS Avvocati e Commercialisti, through a team which has developed specific expertise in the area of tax governance and tax transparency. This Report provides evidence on the tax governance and strategy of the Mundys Group, as well as discloses information on the Group Total Tax Contribution and Country by Country Reporting.



PwC TLS Avvocati e Commercialisti

*The content of this report is based on the information and data provided by Mundys Group management. PwC TLS did not verify or audit the origin and accuracy of such information. PwC does not accept or assume any liability towards any third party

Disclaimer

This document has been prepared in euros. Unless otherwise stated, amounts (except for the number of employees) are rounded to the first decimal place. As a result, the sum of rounded amounts may not coincide with the rounded total.

4.7 GLOSSARY

Country-by-country Reporting (CbCR) data

Accumulated earnings: earnings generated by entities in scope in previous years and in the reporting period, net of any dividends paid and any reductions due, for example, to losses or capital increases.

Corporate income taxes accrued: corporate income taxes accrued by entities in scope on the basis of taxable income for the annual reporting period. They do not include deferred tax assets and liabilities or any provisions for uncertain tax liabilities.

Corporate income taxes paid: corporate income taxes paid (in accordance with the cash basis of accounting) by entities in scope at the end of the annual reporting period, regardless of the tax period to which such taxes relate.

Corporate income taxes paid include taxes paid to both home jurisdiction and to other jurisdictions (for example, withholding taxes incurred in other tax jurisdictions). They do not include taxes paid on dividends received from other entities in scope. Income tax refunds received during the annual reporting period are deducted from the amount effectively paid regardless of the tax period to which such refunds relate.

Intangible assets (concession rights): the net intangible assets deriving from concession rights of entities in scope at the end of the annual reporting period.

Number of employees: the number of people employed by entities in scope, calculated on a Full Time Equivalent (FTE) basis.

Profit/(Loss) before tax: profit/(loss) before tax generated by entities in scope during the annual reporting period. In line with the definition of “Third-party revenue” and “Intercompany revenue from other tax jurisdictions”, in addition to profits and losses from ordinary activities, profit/(loss) before tax includes extraordinary and financial income and expenses. It does not, however, include dividends received from entities in scope.

Revenue: the sum of “Revenue from third-party transactions” and “Revenue from intragroup transactions with other tax jurisdictions”.

Revenue from intragroup transactions with other tax jurisdictions: revenue earned by entities in scope from entities in scope resident in other tax jurisdictions during the annual reporting period.

Revenue from third-party transactions: revenue earned by entities in scope from third-party entities during the annual reporting period.

“Revenue from third-party transactions” and “Revenue from intragroup transactions with other tax jurisdictions” in addition to the profit from ordinary activities, includes extraordinary and financial income. It does not, however, include dividends received from entities in scope.

Stated capital: the issued capital of entities in scope at the end of the annual reporting period.

Tangible and intangible assets: the sum of “Property, plant and equipment” and “Intangible assets (concession rights)”. These assets do not include intangible assets other than concession rights.

Tangible assets (tangible assets other than cash and cash equivalents): net tangible assets of entities in scope at the end of the annual reporting period. These assets do not include cash or cash equivalents, or intangible or financial assets.

Wages and salaries: wages and salaries paid by entities in scope during the annual reporting period. Wages and salaries do not include social security contributions payable by the entities.

CbCR indicators

Cash tax rate: percentage of corporate income tax paid as a percentage of profit/(loss) before tax.

Current tax rate: percentage of corporate income tax accrued as a percentage of profit/(loss) before tax.

Total Tax Contribution (TTC) data

The “Total tax contribution” (“TTC”) methodology: this is a universally recognised method applied by entities to disclose the total amount tax paid by the entity in the different countries in which it operates in a clear and simple manner. In this sense, the TTC methodology is based on three essential criteria:

- the definition of “tax”;
- the distinction between “taxes borne” (those payable by the entity) and “taxes collected” (as, for example, a withholding agent), even if they all result from the entity’s operations;
- classification of the different taxes into categories (the 5 Ps).

Tax: in line with the OECD definition, the term “tax” means a “*Compulsory, unrequited payment to general government*”. The term does not, therefore, include payments for a right or an asset used in operations or payments that translate into a direct return of value to the entity.

Taxes borne: taxes that represent a cost for the Group and are paid by Group entities to the governments of the various tax jurisdictions.

Taxes collected: taxes collected from other parties by the Group on behalf of governments and paid by Group entities to the governments of the various tax jurisdictions.

Total tax Contribution (TTC): the sum of “Taxes borne” and “Taxes collected”.

Categories of tax

The TTC methodology is used by entities operating in different sectors and countries, each with different tax regulations and specific forms of taxation. For this reason, the TTC methodology establishes five macro categories (the “five Ps”) based on which both taxes borne and taxes collected are classified and presented:

Profit Taxes: corporate income taxes (including withholding taxes). Profit Taxes may be borne (for example, an entity’s income taxes) or collected if there is withholding tax on payments to third parties (such as withholding tax on interest or royalties or on professional fees. Unlike corporate income taxes paid, Profit Taxes also includes taxes paid on dividends received from other entities in scope.

People Taxes: labour taxes and social security contributions. These taxes may be both borne (payable by the Group as an employer – e.g., social security contributions, health insurance/pension/disability contributions) and collected (payable by the employee – e.g., personal income tax or social security contributions – but collected by the Group as an employer).

Product Taxes: indirect taxes on the production, sale or use/consumption of goods and services (e.g., value added tax or VAT, excise or customs duties). These taxes may be both borne (e.g., customs and import duties, non-deductible VAT, taxes on insurance contracts, stamp duty) and collected (e.g., net VAT payable).

Property Taxes: taxes on the ownership, use or transfer of property, plant and equipment or intangible assets. Property taxes may be borne (e.g., taxes on the ownership or use of buildings, taxes on the transfer, purchase or sale of an asset, registration tax, stamp duty on the transfer of shares) or collected (e.g., tax on leases collected by entities acting as lessor).

Planet Taxes: taxes on the production, sale, use or consumption of goods and services considered damaging to the environment. Classification as a Planet Tax is based on the definition of “Environmental taxes” agreed within the scope of the harmonised statistical framework developed jointly by Eurostat, the European Commission, the OECD and the International Energy Agency (IEA), according to which environmental taxes are a tax whose base is a physical unit (or a proxy of a physical unit) of something that has a proven, specific negative impact on the environment. Environmental taxes include taxes on energy (e.g., excise duty on energy products, electricity, gas and coal), on transport (e.g., road taxes), on pollution and resources (e.g., the tax on carbon dioxide emissions, taxes on noise emissions). Such taxes exclude VAT as this is applied to all products. Planet taxes may be borne or collected depending on whether or not the entity incurs the cost (Planet taxes borne) or collects the amount payable on behalf of the government (Planet taxes collected).

TTC indicators

Total tax contribution rate (TTC as a percentage of revenue): the ratio of the total tax contribution to revenue. This indicates the share of revenue used by the Group to pay taxes borne and collected.

Total tax rate (taxes borne as a percentage of profit before taxes borne): the ratio of taxes borne to profit before such taxes (profit before taxes borne). This indicates the share of profit before taxes borne used to pay taxes representing a cost for the Group. In the event that the percentage of profit before taxes borne is negative, the total tax rate has not been calculated.

People taxes per employee: the ratio of people taxes to the number of employees. This indicates the amount of taxes, both borne and collected, paid by the Group for each employee.

