Introduction
This tax policy sets out the strategic tax objectives of Valero’s UK companies. The policy is applicable to the Valero business in the United Kingdom and it is posted on the Valero website.

The taxes in scope for this policy are corporate taxes, property taxes, employment taxes and indirect taxes.

Valero considers tax to be an important part of business decision-making and we adopt a responsible, commercial perspective. We aim to be efficient in all areas of tax and to proactively engage with HM Revenue & Customs to ensure that we pay the correct amount of tax, according to the laws of the United Kingdom.

This tax policy is aligned with our Code of Business Conduct and Ethics and is approved by senior management.

Tax Strategy & Objectives
Our strategy is to manage all taxes to provide a competitive and responsible outcome in the interests of all business stakeholders.

Our key tax objectives are:

- To act responsibly in relation to all tax affairs and fulfil all compliance and disclosure requirements.
- To have an open, professional and constructive relationship with HMRC.
- To be efficient in our tax affairs, ensuring any planning is based on sound commercial business principles.
- To use incentives and reliefs to minimise the tax cost of conducting our business, whilst taking account of the intention of the underlying tax legislation.
- To contribute to the development of UK and international tax policy and legislation where appropriate.

Relationship with HM Revenue & Customs
Valero has a constructive, collaborative and open relationship with HMRC.

We aim to participate in real time discussions with HMRC in relation to significant transactions and our ongoing business and tax affairs.

Our objective is early agreement on disputed matters, and to achieve certainty wherever possible.

Tax Compliance and Governance
Valero is committed to compliance with all applicable laws, rules, regulations, and reporting and disclosure requirements in the United Kingdom.

We seek to meet our tax compliance obligations by delivering our tax returns and tax payments on time. We have the appropriate resources, processes and controls in place to enable us to achieve these objectives.
Tax governance within the tax group works through a set of documented procedures and controls that are tested on a regular basis. The controls testing assists in meeting our Senior Accounting Officer obligations.

Responsibility for the tax strategy, policies and management of risk ultimately lies with the Vice President Corporate tax and the Vice President Global Indirect tax, with the day to day responsibility for the operation of the tax function resting with the local direct, indirect and employment tax teams and their direct line managers.

Risk Management

Tax management can involve areas of uncertainty and risk on which we are required to make judgements.

We try to identify, assess, monitor and manage these risks to ensure they are reduced to a minimal level, in line with our tax objectives.

Where there is uncertainty as to the application or interpretation of tax law, we make these judgements through the employment of skilled personnel and, where necessary, the use of third party professional advice.

In reviewing the risks of a tax action or decision, the following would be considered:

- The legal and fiduciary duties of directors and employees
- The requirements of any internal policies and procedures
- Valero’s reputation, brand, corporate and social responsibilities
- The tax benefits and potential costs involved

Tax planning and incentives

In line with our objective of tax efficiency, we seek to make use of any incentives available, within the context of sound and sustainable business decision-making.

Valero tax planning aims to support the commercial needs of the business by ensuring that the companies’ affairs are carried out in the most tax efficient manner whilst remaining compliant with all relevant laws. The tax function is therefore involved in commercial decision making processes and provides appropriate input into business proposals to ensure a clear understanding of the tax consequences of any decisions made.

Valero utilises tax reliefs and allowances available in the manner in which it was intended by the tax authorities and statute.