

2022

REPSOL Group

Integrated Management Report

*Translation of a report
originally issued
in Spanish. In the event
of a discrepancy,
the Spanish language
version prevails*



The Repsol Commitment
Net Zero Emissions
by 2050



The company

Repsol's **mission** (its reason for being) is to be an energy company committed to a sustainable world.

Our **vision** (where Repsol is heading) is to be a global energy company that relies on innovation, efficiency and respect to create sustainable value in the service of societal progress.

Repsol has laid down **values**—Value creation, Respect, Efficiency and Anticipation—and company behaviors—Results Orientation, Accountability, Cooperation, Entrepreneurial Attitude and Inspiring Leadership—to make this mission a reality and our vision an attainable challenge.

Further information available at www.repsol.com.

The Management Report

Repsol¹, as a further show of its commitment to transparency, has drawn up this **Consolidated Management Report** (the “*Management Report*”), which integrates both financial and non-financial information, specifically information on sustainability. This report is intended as the cornerstone of the Group's annual public reporting.

This Management Report faithfully presents the Repsol Group's business, results and financial position, together with a description of the main risks and uncertainties it faces, and the approach set out in the Strategic Plan. It also provides information on sustainability, including Environmental, Social and Governance (ESG) criteria.

The report not only complies with applicable legal requirements² but is also aligned with best practice, particularly the recommendations of the International Integrated Reporting Framework of the International Integrated Reporting Council (IIRC), the “*Guía para la Elaboración del Informe de Gestión de las Entidades Cotizadas*” of Spain's securities market regulator, the CNMV and the European Commission Guidelines on non-financial reporting (methodology for reporting non-financial information) (2017/C 215/01).

This report should be read together with the 2022 consolidated **Financial Statements**, which have been filed along with this report with the CNMV (www.cnmv.es) and are also available at www.repsol.com.

Report information

The **financial information** contained in this document, unless expressly indicated otherwise, has been prepared in accordance with the Group's reporting model, as described in Note 4 “Segment information” to the 2022 consolidated Financial Statements. Some of the financial indicators and ratios are considered Alternative Performance Measures (APMs) in accordance with the Guidelines of the European Securities Markets Authority (ESMA)³. The Repsol Group has a System of Internal Control over Financial Reporting (ICFR) so as to provide reasonable assurance that the Group's financial reporting is reliable.

The **information on sustainability** is presented in accordance with the Global Reporting Initiative (GRI)⁴. Appendix V.c “GRI Index” contains a list of the sustainability indicators included throughout this report, in other public reports released by the Company, and also in Appendix V “Additional information on Sustainability (includes Non-Financial Statement)”. These indicators, together with the additional information required by Law 11/2018, and the breakdowns on environmentally sustainable activities in accordance with the requirements prescribed by the Sustainable Finance Taxonomy (Appendix V.e), comprise the Non-Financial Statement, the content of which is as indicated in Appendix V.d “Non-Financial Statement” and is verified by an external auditor (PwC), according to ISAE 3000 (verification report available at www.repsol.com). Sustainability figures and indicators have been calculated according to corporate rules that specify the criteria and common methodology to be applied to labor, environment, human rights and social issues that are described in detail in each of its sections. The report also includes voluntary disclosures in accordance with the Sustainability Accounting Standards Board (SASB) (Appendix V.f), the Corporate Human Rights Benchmark (CHRB), IPIECA and the World Economic Forum (WEF); WEF Stakeholder Capitalism Metrics – International Business Council” (Appendix V.h). Lastly, the 10 Principles of the United Nations Global Compact⁵ have been taken into account in drawing up this information. The Repsol Group also has a System of Internal Control over Non-Financial Reporting (ICnFR).

Repsol also discloses information on **corporate governance** each year in the form of its Annual Corporate Governance Report (Appendix VI) and Annual Report on Director Remuneration (Appendix VII), both drawn up in accordance with Articles 540 and 541 of the Spanish Corporate Enterprises Law (*Ley de Sociedades de Capital*), as per the instructions provided in CNMV Circular 3/2021 of 28 September, amending the templates for the annual corporate governance and director remuneration reports of stock market listed companies. The Company also follows the recommendations of the Good Governance Code for Listed Companies, as last revised by the CNMV on 26 June 2020.

The **forward-looking information** contained in this document reflects the plans, forecasts or estimates of the Group's management at the date of their authorization for issue. Such forward-looking information is based on assumptions that are considered reasonable, and cannot be considered as a guarantee of the entity's future performance, in the sense that such plans, forecasts or estimates are subject to risks and uncertainties, meaning that the future performance of the Group will not necessarily coincide with what was initially planned.

¹ Henceforth, the names “Repsol”, “Repsol Group” or the “Company” are used interchangeably to refer to the corporate group consisting of Repsol, S.A. and its subsidiaries, associates and joint arrangements.

² Among others, the Spanish Commercial Code, the Consolidated Text of the Spanish Companies Act and Law 11/2018 of 28 December, which amends the Commercial Code, the Consolidated Text of the Companies Act and the Auditing Act as regards non-financial information and diversity, and transposes into Spanish law Directive 2014/95/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups.

³ Appendix II, “Alternative performance measures”, includes the reconciliation between the adjusted figures and those corresponding to IFRS-EU financial information.

⁴ All GRI standards are followed in their 2016 version, with the exception of the Water (2018), Occupational Health and Safety (2018), Taxation (2019), Waste (2020) and Universal (2021) standards. Additionally, the new GRI standard for the Oil & Gas sector (2021), replacing GRI-G4-OG from 2012, is followed.

⁵ See section 6.



Message from the Chairman

Dear shareholders,

In 2022 we were reminded once again that energy dependence remains one of the main weaknesses of the European economy. Our continent does not have enough energy of its own, so we have to import it from countries that often do not share our values or our environmental standards. A unified and stable energy model is therefore key to prevent unexpected events, such as Russia's invasion of Ukraine, from jeopardizing the well-being of our society.

This unjustified and wholly unacceptable action led to one of the biggest humanitarian crises in Europe since the Second World War, resulting in the displacement of millions of people, the destruction of civilian infrastructure and, sadly, the loss of thousands of lives. I would like to express my unwavering support for the people of Ukraine, in the hope that a solution to this conflict will be found and the rebuilding can soon begin, in which those affected can certainly count on the support of the European Union.

Aside from the humanitarian toll, the invasion of Ukraine has caused a profound energy crisis. The sanctions placed on Russia and its response by cutting the supply of gas into Europe called into question our continent's ability to find a reliable supply of hydrocarbons, quickly pushing up the prices of energy, metals and agricultural commodities. The consequences were soon felt, and throughout 2022 we witnessed a sharp rise in inflation and a slowdown in economic activity.

However, the war in Ukraine has not been the only factor jeopardizing the energy "trilemma" of security of supply, affordable prices and decarbonization. In Europe we have spent years focusing our energy policy on reducing emissions, with the design of a secure and competitively priced system taking a back seat. What this means, as indeed we saw last year, is that we rely excessively on Russian gas supplies and that today many households and businesses are finding it hard to pay their energy bills.

A smarter energy transition

The crisis we are now enduring also reveals certain failures in the energy transition process designed by the European authorities. For this reason, we believe that it is now high time to seriously rethink the EU's route to minimizing its greenhouse gas emissions, which still focuses on replacing the use of fossil fuels as soon as possible. In our expert view, we consider this decision to be overly hasty and unrealistic and fear that it may threaten the economy.

As an alternative, our sector would call for the development of a smarter energy transition that minimizes emissions as soon as possible, but always at a cost that society can afford and without making our industry less competitive in the process. To succeed in this task, it is important for European



“Our industry calls for the development of a smarter energy transition; one that minimizes emissions as soon as possible, but always at a cost that society can afford and without making our industry less competitive in the process.”

and Spanish regulations to respect the principle of technological neutrality, which means fostering the development of all solutions that can contribute to decarbonization, without prohibiting any technology a priori. Notably, this is a path that certain major players, including the United States, are already following.

The key is to diversify our options, without focusing on a single technology. And that is precisely what we are doing at Repsol, where we have long been committed to a multi-energy strategy to reduce our emissions and guarantee the security of energy supply for the benefit of society. More precisely, our strategy is to combine the deployment of new alternatives, such as hydrogen and renewable liquid fuels, with a gradual but planned reduction in the use of hydrocarbons, which, according to the International Energy Agency (IEA), will still be needed in the coming decades within key sectors of the economy, such as heavy industry, transportation, petrochemicals and healthcare, as well as for the production of a multitude of everyday items.

Given these forecasts, we believe that walking away from hydrocarbon production is not the way to go at this time. Oil and gas will still be part of our energy mix in 2050, to a greater or lesser extent, so it is best to concentrate our efforts on using them as efficiently as possible. With this in mind, our industry has been investing heavily for years to reduce both energy consumption and emissions across all of its processes and products, while also developing innovative technologies such as those used to capture, use and store CO₂ from the atmosphere or from an industrial facility.

All these developments demonstrate that European industry can, and indeed must, play a strategic role in decarbonization, thanks to our high capacity to innovate and develop new technologies. To unlock our full potential, we need regulation to be more supportive and protective of industry, with flexible and inclusive policies that drive innovation and avoid prohibitions that only hinder the competitiveness of a sector that, in the coming years, faces the daunting challenge of undertaking the biggest transformation in its history as we adapt to the demands of the energy transition.

Moreover, this transformation process is a hugely important opportunity to regain the leading role lost by the European industrial sector, which in the last decade, to give just one example, has had to endure the closure of 20 or so refineries due to an increasingly restrictive regulatory landscape in the field of hydrocarbons. It is time, therefore, to reindustrialize the continent, to continue to create jobs, to transform existing facilities to make them more energy efficient and to be able to manufacture the circular materials and low carbon footprint products that our economy now needs.

Spanish industry, a key player in the energy transition

To seize the opportunities offered by the energy transition, our industry's strategy is to transform —not replace— existing industrial facilities, adapting them to use new forms of energy as we build and develop the circular economy. At Repsol, we have been firmly committed to this industrial transformation for years, through which we aim to convert our complexes into multi-energy hubs, capable also of treating different types of waste and producing, among other products, renewable liquid fuels, which are essential for reducing the carbon footprint across all transport sectors.



“Our strategy is to combine the deployment of new alternatives, such as hydrogen and renewable liquid fuels, with a gradual but planned reduction in the use of hydrocarbons.”

The industrial transformation we are now undergoing shows that it is possible to strike the right balance between economic development and energy transition. As confirmed by our commitment to achieving net zero emissions by 2050, at Repsol we are aware that we must move quickly to address climate change, but also that we must do so without bringing the economy to a halt or destroying our industrial fabric in the process. To achieve this, we strongly advocate close collaboration between companies and authorities, in the conviction that our response must be coordinated, with regulatory decisions based on technological progress and not on ideology, and with simpler and clearer rules for all players in the sector.

The decarbonization of the economy is one of the greatest challenges of our time and we must face it together. Rest assured that Repsol has pledged to continue leading this process.

Thank you for your support and trust.



Antonio Brufau Niubó

Chairman



Message from the CEO

Dear shareholders,

I am writing to you after a year in which, as a company, we have once again faced enormous challenges, calling for the utmost flexibility and agility. Just when it seemed that we were about to recover a degree of normality in the wake of the pandemic, the war in Ukraine erupted; an unjustified invasion that, in addition to the human tragedy, brought new uncertainty, pushed up commodity prices and threatened our energy supply capacity. Allow me to start this letter by expressing my unflinching support for the people of Ukraine and all the victims of this tragedy. I sincerely hope that a solution to this conflict can be found as soon as possible, as it is not something that should be taking place in this day and age.

The invasion of Ukraine caused crude oil and gas prices to rise sharply during the first half of the year, and this upward pressure increased further as new sanctions against Russia were announced. Oil prices reached figures close to US\$140 per barrel, a level not seen since 2008, before plummeting to below US\$80 during the second half of the year amid fears of a global economic recession.

Faced with this complex situation, in 2022 Repsol reinforced its contribution as an essential service to society, increasing its inventories by more than €2,000 million to guarantee the supply of energy to the national market and the operation of its refineries.

We also did our level best to cushion the effects that the market volatility could have on our customers, by becoming the first company to offer significant discounts on the fuels we supply at our service stations in Spain. Between March 16 and December 31, 2022, we generated savings of €500 million for our customers, beyond those already achieved in the previous year. Our sensitivity to the current situation, which is still fraught with uncertainty, prompted us to extend these discounts until March 31, 2023, once again ahead of other market players.

We need to invest in industry

Last year was proof that the necessary improvement in sustainability is not the only challenge facing the energy sector. Coming up with a decarbonization model to transform the industry while also guaranteeing its future viability is also a key strategic concern. We operate in a sector of the economy that generates employment (200,000 families rely, in one way or another, on the refining sector in our country), makes Spain more energy independent and is essential for making further progress in the fight against climate change.

Our commitment to the future of industry is clear, with our investment in refineries having averaged €1 billion per year since 2008. This has allowed us to optimize the use of our assets and increase their efficiency and flexibility, as evidenced by the more than 50% reduction in gas consumption at our industrial facilities, compared to previous periods. Thanks to these steps, we have provided a better response to the tensions within the international fuel market, while at the same time helping to secure energy supply in Spain.

However, despite the positive results obtained by this business and its valuable contribution to the wellbeing of everyone, the outlook for the sector remains precarious. Europe has curtailed its refining capacity by more than 10% in the last decade, compounded by regulatory and fiscal uncertainty. The long-term profitability and competitiveness of these facilities will suffer if the endemic situation into which the European sector has been plunged is not corrected soon.



“In 2022, our company prioritized the security of supply in Spain by increasing its hydrocarbon inventories by more than €2,000 million.”

Notable progress toward our strategic objectives

The best tools for making it through this tumultuous period are our integrated business model and the 2021–2025 Strategic Plan, a roadmap focused on flexibility, efficiency and value creation that has allowed us to perform remarkably well so far. In 2022, we made further progress toward the objectives envisioned in the plan, by transforming the portfolio to decarbonize our activities, welcoming strategic partners, strengthening our balance sheet and increasing the dividend.

You will surely agree with me that we have taken hugely significant steps in relation to our dividend, such as the 11% increase in cash remuneration for 2023, allowing us to achieve our 2024 target under the Strategic Plan ahead of schedule. Notably, we have achieved our share buyback and redemption target three years ahead of schedule, with 200 million shares redeemed at the end of 2022, a target initially set for the entire 2021–2025 period. Both measures have helped to cement our status as one of the most attractive companies in the sector—and indeed on the IBEX-35 bluechip index—when it comes to shareholder remuneration, this being a target we set ourselves at the beginning of this strategic cycle. Our strong cash generation certainly helped in this regard and also paved the way for a significant reduction in net debt.

Our net profit for the year, at €4,251 million, allows us to partially offset the losses experienced in 2019 and 2020, when the global health pandemic hit us hard. Our businesses have performed remarkably well, while deepening their transformation and further boosting our multi-energy profile.

At this point I would like to highlight two milestones at our Upstream and Renewables divisions, which, with the incorporation of new strategic partners, have underscored the strength of their respective business models. Both operations demonstrate the value and worth of the roadmap for these divisions and, above all, reinforce our decarbonization strategy, based on the use of all technologies capable of reducing emissions, as well as the digitalization of our processes to improve decision-making and become more efficient.

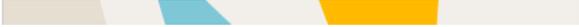
Towards the decarbonization of our assets

A key objective under this strategy is the development of renewable energies. To become a global operator, in 2022 we increased our international presence by acquiring Asterion Energies, which has a significant portfolio of projects in Spain and Italy, and by starting up our first photovoltaic plant in the United States, among other operations. In Spain, we launched Solar360, a joint venture with Telefónica to enable the self-consumption of photovoltaic energy by individuals, neighborhood communities and businesses.

In the realm of mobility, our main commitment for bringing about an immediate reduction in emissions within the sector is advanced biofuels. These renewable fuels can be used in today's engines, making them essential in minimizing the carbon footprint across all transport sectors. The plant we are now building at our Cartagena refinery, the first in Spain, will start operating in late 2023 and will produce 250,000 metric tons of these fuels per year from organic waste.

This circular economy project is the best example of the industrial transformation going on at Repsol, which is turning its facilities into multi-energy hubs capable of treating all manner of raw materials to manufacture more sustainable products. One of the main drivers of this process will be renewable hydrogen, the production of which we want to lead in Spain by 2030. To succeed, we have created Shyne (Spanish Hydrogen Network), the largest consortium for this sustainable gas, and we will also be launching several key projects in and around our industrial centers.

All these initiatives show that Repsol will continue to invest in the transformation of its industry, which will ultimately boost the Spanish economy and protect jobs within the sector. We are therefore firmly committed to a strategy based on the sustainable development of society, in which the 17 goals of the UN Agenda 2030 are fully integrated. In addition, in our daily running of the business we have pledged to respect the 10 Principles of the Global Compact



“Repsol will continue to invest in the transformation of its industry, which will ultimately boost the Spanish economy and protect jobs within the sector.”

on human rights, labor standards, anti-corruption and the environment, as evidenced by our adherence to the CEO Water Mandate last year, which will lead to further improvements in water management at our facilities.

Aside from these initiatives, I would be remiss not to mention the signing of the new Framework Agreement, governing key labor aspects such as wage increases and new teleworking arrangements. The commitment shown by our employees to this project and the support of our shareholders have been essential to achieving our objectives and pursuing our decarbonization strategy, which will ultimately allow us to become a net zero emissions company by 2050.

To all of you, my most sincere appreciation and gratitude.



Josu Jon Imaz
Chief Executive Officer

Contents

1. 2022 Overview	8	6. Sustainability	49
2. Our Company	12	6.1 Energy transition and climate change	
2.1 Value chain and businesses		6.2 Environment	
2.2 Repsol around the world		6.3 Technology and innovation	
2.3 Corporate structure		6.4 People	
2.4 Corporate Governance		6.5 Safe operations	
2.5 Strategy		6.6 Responsible tax policy	
3. Environment	19	6.7 Supply chain and customers	
3.1 Macroeconomic environment		6.8 Ethics and compliance	
3.2 Energy landscape		7. Outlook	119
4. Financial performance and shareholder remuneration	23	7.1 Outlook for the energy sector	
4.1 Results		7.2 Outlook for our businesses	
4.2 Cash generation		7.3 2023 relevant events	
4.3 Financial position		7.4 Risks	
4.4 Shareholder remuneration		7.5 Russia's invasion of Ukraine	
5. Performance of our businesses	29		
5.1 Upstream			
5.2 Industrial			
5.3 Commercial and Renewables			

Appendices

124

Appendix I. Table of conversions and abbreviations

Appendix II. Alternative performance

Appendix III. Consolidated Financial Statements - Repsol reporting model

Appendix IV. Risks

Appendix V. Additional information on Sustainability (includes Non-Financial Statement)

Appendix VI. IAnnual Corporate Governance

Appendix VII. Annual Report on the Remuneration of Directors

6. Sustainability

Sustainability model

Repsol's Sustainability Policy sets the goal of meeting the growing demand for energy and products, while contributing to sustainable development.

This policy, created in 2015 and updated in 2017, was revised in 2022 to reflect the Company's commitment to achieve net zero emissions by 2050 and contribute to a fair energy transition. ● *Zero net emissions, measured according to the IIC (Carbon Intensity Indicator) methodology, described at www.repsol.com (Sustainability - Carbon Intensity Indicator) (For more information see section 6.1.4)*

The policy is implemented through the Sustainability Model, in accordance with best practices in environmental, social and governance matters, and it is structured into six pillars: climate change, environment, innovation and technology, safe and secure operation, people, and ethics and transparency.

Sustainability plans are drawn up every year, serving as public commitments in line with the 2030 Agenda of the United Nations and its 17 Sustainable Development Goals (SDGs) and for which the Company is accountable year after year.

The 2022 Global Sustainability Plan (GSP), which sets out 49 medium-term objectives built around the six pillars of the model, incorporates new commitments this year to the production of renewable hydrogen and the reduction of absolute CO₂ and methane emissions to move towards net zero emissions.

Based on the GSP, Local Sustainability Plans (LSPs) are implemented in countries and operating centers. They incorporate annual initiatives that respond to the Company's objectives and the needs of local stakeholders. In 2022, Repsol had a total of 19 local plans in place: 13 across its countries (Algeria, Bolivia, Brazil, Canada, Colombia, United States, Indonesia, Mexico, Norway, Peru, United Kingdom, Libya and Venezuela) and six at its industrial facilities (Bilbao-Petronor, Cartagena, Coruña, Puertollano, Tarragona and Sines). The LSPs have led to the implementation of more than 3,000 initiatives since 2014, aligned with the 2030 Agenda and its Sustainable Development Goals. ● *For more information on the Global Sustainability Plan and Local Sustainability Plans, see www.repsol.com (Sustainability - Sustainability Strategy - Reports and KPIs - Sustainability plans).*

Succes stories

Throughout section 6, different success stories related to sustainability management in the Company are identified in boxes such as this one.



Repsol and the Sustainable Development Goals

Committed to the United Nations 2030 Agenda for Sustainable Development since its adoption in 2015, Repsol contributes to achieving the SDGs and works to ensure their implementation at all organizational and business levels.

Repsol focuses its efforts on SDGs 7, 8 and 13 with the aim of guaranteeing access to sustainable energy, promoting economic growth and fighting climate change. Moreover, it is committed to technological innovation, sustainable water management and the circular economy (SDG 6, 9 and 12) and it collaborates with its stakeholders and actively participates in business associations, in line with SDG 17.

Since 2019, Repsol has published an annual report which includes more than thirty indicators, projects and testimonials that show its contribution to the SDGs both globally and locally¹.

Likewise, in 2022 Repsol analyzed its contribution to the SDG Roadmap for the oil and gas sector, developed by IPIECA and the World Business Council for Sustainable Development (WBCSD), and in which it played a leading role in its preparation. This document sets out the actions that companies in the oil and gas sector should undertake to help achieve a future with a low carbon footprint and a healthier and more prosperous world in line with the 2030 Agenda.

On the basis of this analysis, the degree of alignment between Repsol's plans and the roadmap was established and improvements have been identified to continue making progress in the SDGs in the coming years.

Another major milestone was the Company's participation in two pilot projects for the valuation of impact assessment tools of the United Nations Development Program (UNDP) and UNEP-FI

¹The SDG reports are available at www.repsol.com (Sustainability - Sustainability strategy - Our contribution to the SDGs)

Repsol and the Sustainable Development Goals

Decent work and economic growth

€17,002M
paid in taxes

23,810
employees

4,017
suppliers

5,403
telecommuters

€21.04M
voluntary social
investment

39.6%
women

3,702
evaluations

79
nationalities

of **878 suppliers**

Clean and affordable energy

↑ 1.5 million
electricity customers

€770M
renewables investment
in 2022

3,870MW
total low-emission
installed capacity

355
solar communities
connect

3,400 tons
of CO₂ avoided

Clean water and sanitation

↑ 117%
increase in water
reused vs. 2015

25%
water reused of total
water used in the
Company's operations⁽¹⁾



Industry, innovation and infrastructure

+500
digital
initiatives

12
new
patents

€59M
R&D investment

Climate action

337kt
reduction in CO₂e in 2022

9.6%
reduction in CII
compared to 2016 baseline

Goal
0
net
emissions
by 2050

29% CO₂e
reduction in absolute Scope
1+2 emissions compared
to base year 2016

Responsible production and consumption

+300
circular initiatives
in **12 countries**

+220
partnerships

35%
total recovered waste

+40
types of waste and technologies
under analysis

⁽¹⁾ Does not include water withdrawn and injected or water from open-loop cooling processes in combined cycle power plants.

Governance model

The Board of Directors approves, subject to oversight by the Sustainability Committee, the Company's sustainability strategy and policy proposed by senior management. This Committee, among other functions, oversees and guides the policy, objectives and guidelines in the environmental, social and governance domains. In 2022, the committee held a total of 5 meetings and addressed the following matters, among others:

- 2030-2050 business scenarios analysis of the Company's resilience to the energy transition.
- Accident rate scorecard.
- Global Sustainability Plan (year-end of Plan 2021 and Plan 2022).
- 2022 Report on Sustainable Development Goals.
- 2022-2027 Sustainability risk map.
- CO₂ emission allowances.
- Progress made on strategic safety and environmental projects.
- Assessment of the report on Repsol's participation in industry initiatives and associations.
- Local Sustainability Plans.
- Non-financial reporting framework strategy with a view to 2024.
- Progress in human rights: social management of the La Pampilla spill (Peru).
- Updates of the Sustainability Policy, Health and Safety Policy, and the new Environmental Policy.
- Results of the 2022 materiality analysis.
- Progress towards natural capital and biodiversity.
- Progress made on water management.
- Progress in human rights in the Low Carbon Generation business.
- ESG 2022 performance, valuations from the main ESG analysts and O&G sector rankings.
- Summary of COP27.

There is a growing demand for information from investors, analysts, shareholders and financial institutions regarding compliance with Repsol's energy transition strategy. ESG (Environmental, Social and Governance) criteria have become increasingly relevant in recent years, such that environmental, social and good governance factors are highly valued by investors, beyond financial results.

The Company provides its main stakeholders with timely, accurate and transparent information on ESG aspects during the quarterly and annual presentation of results and strategic events. The management team also conducts specific ESG roadshows, some of which are led by the CEO himself.

The sustainability ratings prepared by prestigious entities (MSCI, S&P, Sustainalytics, CDP, among others) represent an indicator of compliance with the strategic objectives and the quality of the Company's management and governance in this area.

The reports obtained from the roadshows and other ESG events, such as ESG Day held on October 4, 2022, are periodically presented to the Board of Directors. On this occasion, aspects about the role of technology in accelerating the energy transition were explained. Moreover, the Ecoplanta project was presented as an opportunity for a technology-driven circular economy. The main lines of work relating to diversity and inclusion, as well as Repsol's approach to assessing the climate credentials of an energy company were also discussed.

As for ethics and transparency, the Audit and Control Committee and the Ethics and Compliance Committee are responsible for ensuring compliance with the Code of Ethics and Conduct in all areas of the Company.

The Company's senior management defines the objectives, action plans and practices with regard to sustainability. To ensure that the organization is properly aligned, sustainability and decarbonization objectives accounted for 20-35% of the variable compensation of all Company employees in 2022, and 25% of the CEO's annual variable compensation. Additionally, there is a long-term incentive for the 2022-2025 period, where 40% of the objectives are linked to sustainability. It applies to all senior management, including the CEO, and other employees.

ESG Awards

(1) For more information on awards, see <https://www.repsol.com/en/about-us/our-brand/awards/index.cshhtml>

Leadership and talent

Merco Líderes Ranking
Antonio Brufau and Josu Jon Imaz are among the top 15 executives with the best reputation in Spain in 2022.

Merco Talento Ranking
Repsol ranks second among the top 100 Spanish companies with the greatest ability to attract and retain talent.

Technology and digitalization

Repsol Data School
It received an award from AMETIC in the category of more and better trained ICT professionals at the Digital Skills Awards Spain 2022.

HR Excellence in Research
The first private company research center in Europe to receive this award.

Accessibility

Leed Platinum certification awarded by the US Green Building Council
The corporate headquarters is a sustainable and 100% accessible workspace. Among other aspects, energy efficiency, use of alternative energies and efficiency in water use are valued.

Communication and corporate reputation

Repsol, with 72,4/100 points, has the **best corporate website** in Spain, according to data from the annual Webranking study. Sustainability is one of the most highly valued sections.

Repsol is among the **top 6 in corporate reputation** among Spanish companies, according to the Merco study.

37%

of institutional shareholders are ESG investors

ESG 2022 indexes and ratings

CDP Climate change
Repsol maintains its score of A- in the leadership category.

MSCI
Score of A (on a AAA-CCC scale) which places Repsol above the average for the O&G sector.

Sustainalytics
Repsol is among the best in its sector, with a rating of 26.9/100 (Medium Risk).

S&P ESG Evaluation
Score of 65/100. The sustainability strategy is highlighted as the most advanced in the sector.

Ecovadis
Within the top 8% of companies with the best valuation in the sector.

ISS-ESG
Prime rating, which places Repsol among the leading companies in its sector.

Repsol, a company recognized for its commitment to sustainability

Repsol maintains leadership positions in its sector in the main ESG ratings.

6.1 Energy transition and climate change^{1,2,3}

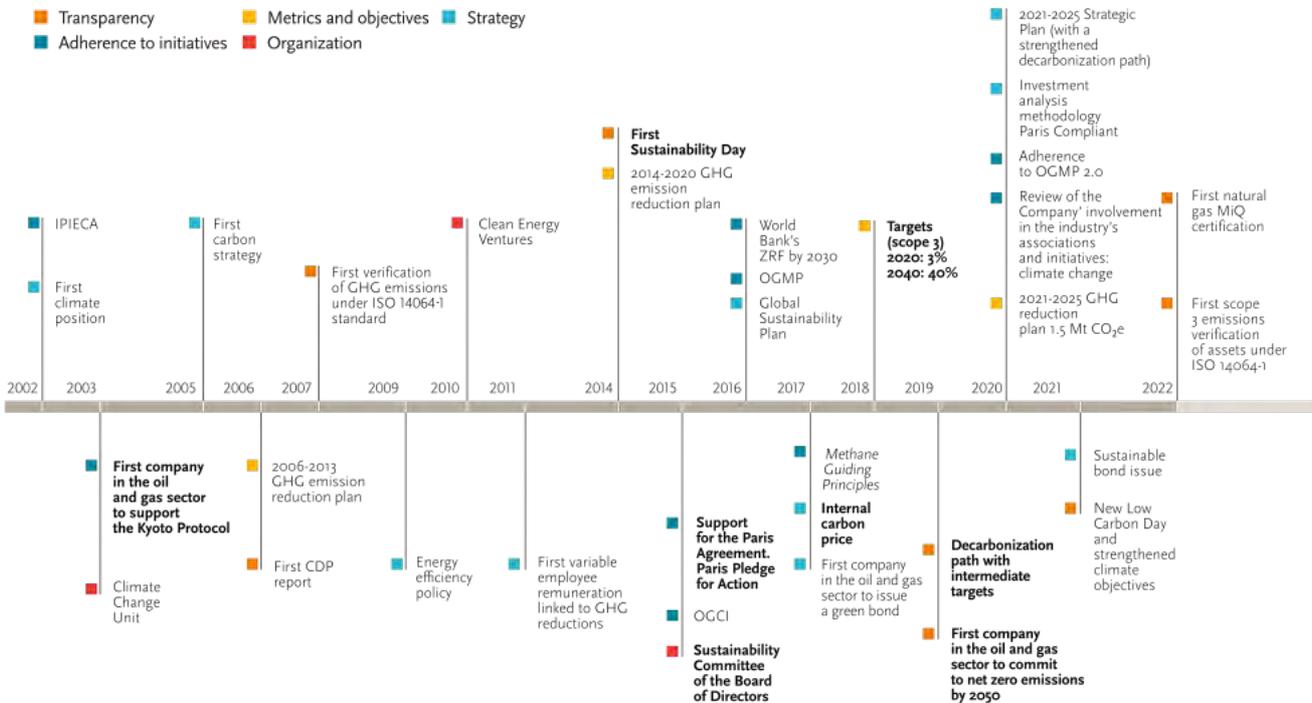


Over the past twenty years, Repsol has built a leading position in relation to the energy transition and the fight against climate change in the global O&G industry.

The Company has been a pioneer in the sector, by in 2019, taking on the challenge of achieving net zero emissions by 2050, in alignment with the Paris Agreement, and making a commitment to technology and digitization. Repsol is decarbonizing its traditional operations, investing in renewable electricity generation and producing renewable fuels to offer customers power with a low carbon footprint for the mobility, industry and residential sectors.

The energy transition is an unprecedented challenge. We are facing the so-called 'energy trilemma', it is necessary to decarbonize the energy mix, while also guaranteeing a reliable and affordable supply of energy. Solving climate change issues is a great challenge for society. Repsol wants to be part of the solution and it has created a roadmap with specific targets that it is already starting to meet.

Decarbonization in Repsol's DNA

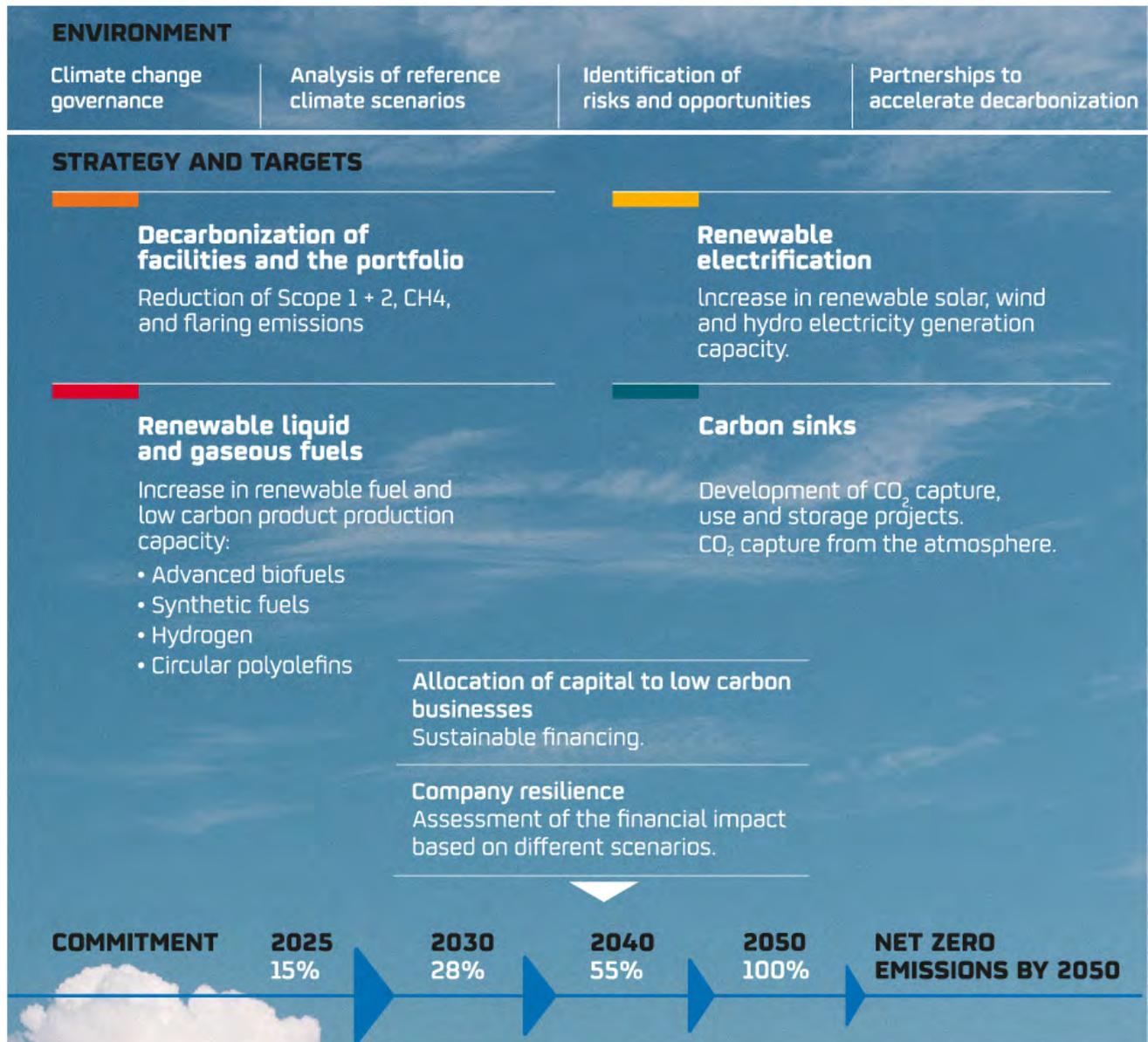


¹ The figures and indicators in this section have been calculated in accordance with corporate standards that set out the criteria and common methodology to be applied in energy transition, safety and environmental matters (S&E). As a general rule, environment and safety information includes 100% of the data from companies in which Repsol holds a controlling interest or control over operations.

² This section fulfills the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), to which the Company adhered in April 2018.

³ Each year, Repsol discloses additional climate change information in the CDP survey (available at www.cdp.net and at www.repsol.com [Sustainability - Sustainability strategy - Reports, indicators and alliances - Management and sustainability reports]).

Roadmap for the energy transition



6.1.1. Governance

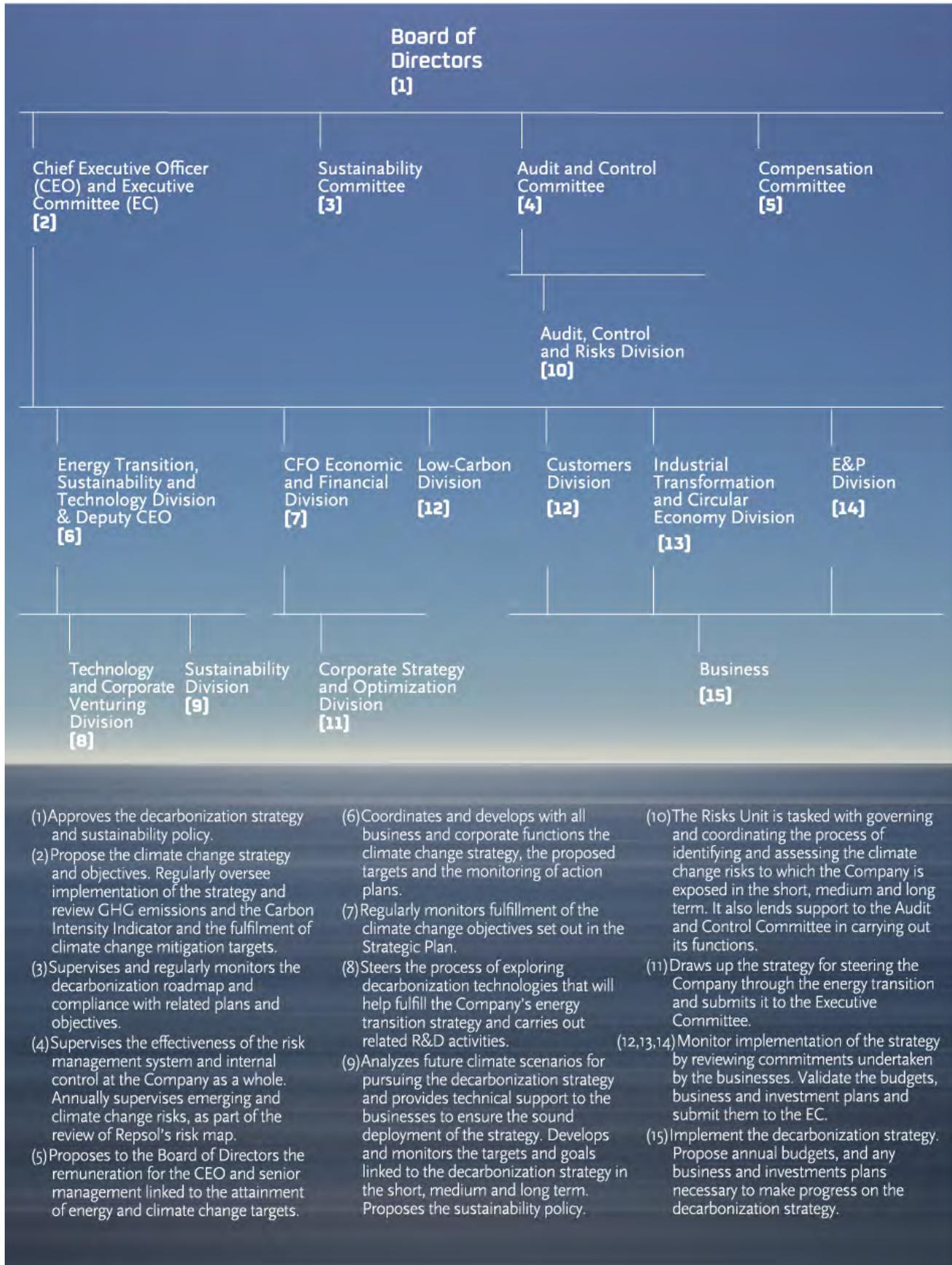
Repsol has a governance structure for managing matters related to climate change that is led by the Board of Directors, it approves the decarbonization strategy that forms part of the company's overall strategy and oversees its compliance by monitoring sustainability and energy transition targets and indicators. This monitoring includes performance metrics, targets for reducing emissions and carbon intensity, technological advances and investment proposals. By decision of the Board of Directors, the energy transition strategy and plans were submitted to the advisory vote of the General Meeting of Shareholders in 2022.

The Executive Committee (EC) and the Board of Directors oversee the compatibility of the investment proposals with the energy transition targets through specific reports drawn up by the Sustainability Department. In these reports, the impact of each investment on the Carbon Intensity Indicator (CII)⁴ is measured, a metric that indicates the progress made toward decarbonization.

Moreover, specific sessions have been held for Board members on matters related to the energy transition and climate change, such as critical minerals for the energy transition, technologies to transform waste into products and circular chemistry, artificial intelligence technologies, gas markets, and the impact of the war in Ukraine.

⁴ For more information, see Section 6.1.4. Metrics and targets.

Climate change governance



The Sustainability Committee and the Audit and Control Committee of the Board, as well as the Executive Committee, regularly monitor the information on the implementation of the climate change strategy and the change in compliance with the CII.

Specifically, in 2022 the Sustainability Committee reviewed the following aspects, among others:

- Fulfillment of the energy transition targets by the end of 2022.
- Quantification of investments to ensure they are in line with the energy transition.
- CO₂ emission allowances.
- Greenhouse gas (GHG) emissions map for 2022.
- Non-financial reporting frameworks.
- 2030-2050 business scenarios.
- Participation in industry initiatives and associations and their alignment with the Company's climate position.
- Results from COP27.

Meanwhile, the Audit and Control Committee reviewed the non-financial information published in the Management Report, as well as the non-financial risk control and management systems⁵.

The Executive Committee is directly responsible for managing matters related to the energy transition:

- It oversees and proposes to the Board of Directors a Company's strategy aligned with the energy transition, as well as the long-term scenario analysis (2030-2050).
- It approves and assesses the targets, budgets and annual investment plans.
- It approves the qualification of investments to ensure they are in line with the energy transition.
- It approves potential changes to the CII calculation methodology and monitors the progress made towards achieving the targets established for this key indicator at least once a year.

- It assesses the investment proposals and their impact on the CII.
- It periodically oversees the state of risk management policies and the emerging risks and climate change map presented by the Audit, Control and Risk Department.

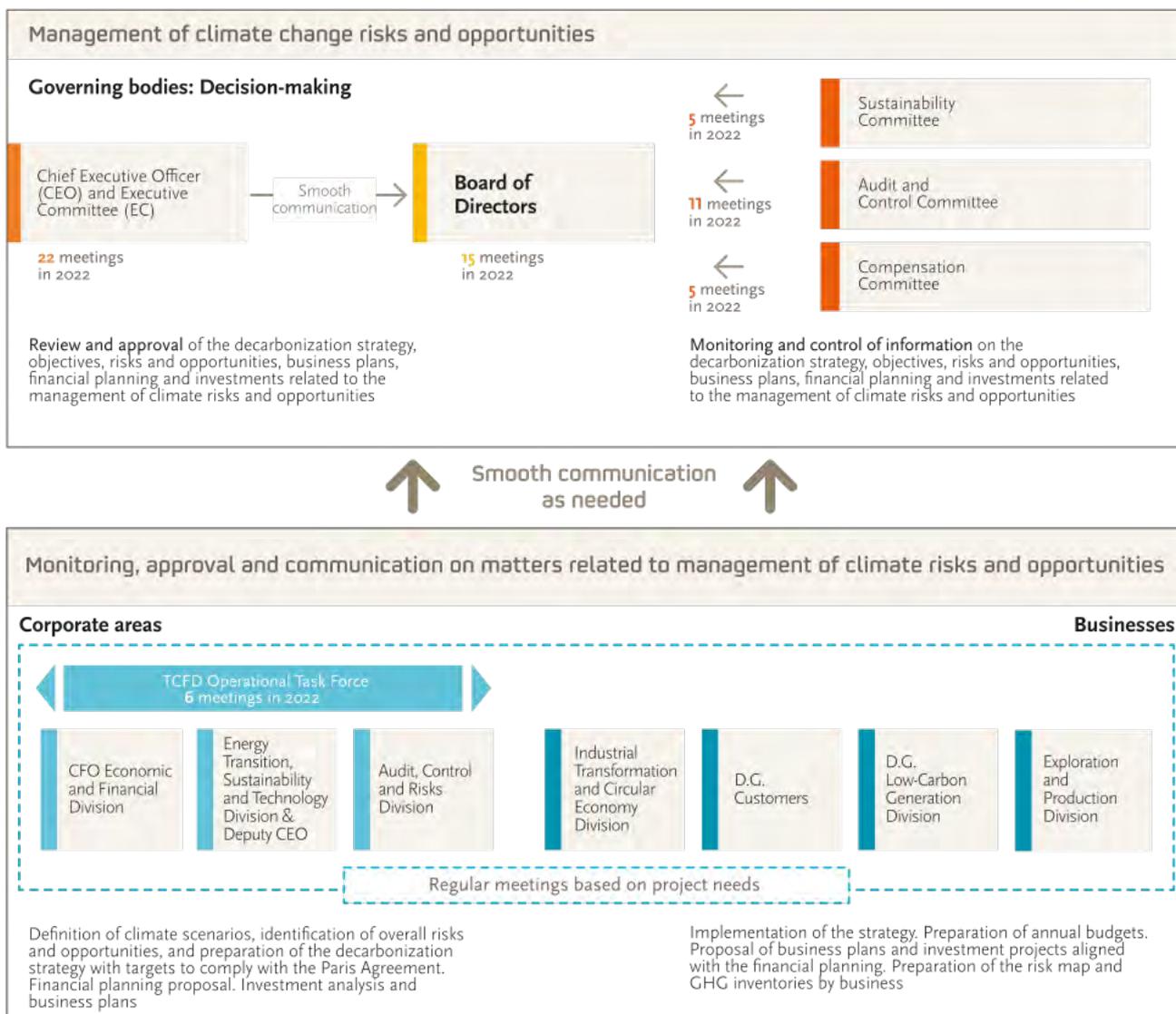
The executive managing divisions and business areas with the most significant impact on the energy transition strategy collaborate and hold regular coordination meetings. They review ongoing projects related to managing climate change risks and opportunities, and specialized teams advise them on climate-related issues. More than 60 full-time employees work on climate and energy transition issues, distributed across corporate functions (sustainability, legal, risk management, strategy, technology, investor relations, communication, institutional relations, etc.) and business units.

Fulfillment of the energy transition targets have a direct impact on the variable remuneration of all employees:

- Short-term variable remuneration is defined and reviewed on an annual basis. In 2022, up to 20% of this remuneration is based on sustainability commitments linked to the decarbonization pathway, which focus on CII reduction and making progress in renewable electricity generation capacity.
- Repsol also has a long-term incentive in place for the 2022-2025 horizon. 30% of this incentive is linked to compliance with the CII reduction goal and 10% is linked to compliance with the renewable generation capacity targets. This long-term variable remuneration applies to all executives and members of senior management, including the CEO, as well as a high percentage of leaders with managerial and technical responsibilities.

⁵ For more information, see the annual reports of the Audit and Control Committee and the Sustainability Committee and the Annual Corporate Governance Report.

Climate risk governance model



6.1.2. Strategy

Repsol's strategy focuses on achieving net zero emissions by 2050, including all emissions from production to final consumption of the primary energy that is produced.

To define this strategy, Repsol carried out a process to identify and analyze the risks and opportunities related to the climate and the energy transition⁶.

Repsol considers that the energy transition should be accompanied by technological development in a series of decarbonization areas:

- Energy efficiency and the decarbonization of current operations.
- Renewable electrification.
- Renewable liquid and gaseous fuels.
- Carbon sinks based on CO₂ capture.

The strategy is translated into on plans and targets for this decade, a period with greater visibility in terms of environmental conditions. In the long term (2031-2050), Repsol uses global and regional energy demand scenarios to analyze several possible energy transition routes. They take into account the uncertainty associated with factors such as the pace of technological development, regulations or the energy needs and habits of consumers.

⁶ See information in section 6.1.3 Risks and opportunities.

Reference energy scenarios

Given the uncertainty with regards to the pace and direction of the energy transition in the long term, the scenario analysis based on different assumptions about changes in the energy context (demand for oil and gas, growth of renewables, changes in new technologies, climate policies, etc.) will become particularly important. In this sense, Repsol will adapt its businesses to varying future conditions, without compromising its decarbonization targets. The scenario analysis should make it possible to test the resilience of the Company's strategy to financial risks that arise from climate change and the necessary transition toward a decarbonized energy portfolio.

As a reference for its business analysis, Repsol adopted the forecasts of oil and gas demand, renewable generation growth and other macroeconomic environmental conditions from the International Energy Agency (IEA) scenarios described in its World Energy Outlook 2021⁷, since they are widely referenced in the energy sector:

- **NZE (Net Zero Emissions by 2050 Scenario):** a scenario in which net zero emissions are achieved by 2050 in the global energy sector, and compatible with the temperature not increasing by more than 1.5 °C by 2100.
- **SDS (Sustainable Development Scenario):** a scenario which allows for a 1.65°C pathway to be reached in line with the Paris Agreement goal of maintaining it "to well below 2°C".
- **APS (Announced Pledges Scenario):** a scenario in line with the fulfillment of the commitments and pledges publicly announced by governments around the world.

It is important to note that the IEA highlights its NZE scenario as one of the many possible scenarios that can be proposed to limit the increase in temperature to 1.5°C:

"There are many possible paths to reach CO₂e net zero emissions worldwide by 2050 and many uncertainties that could affect any of them; the NZE scenario is, therefore, one path but not the definitive one toward net zero emissions" (IEA, 2021, Net Zero by 2050: A Roadmap for the Global Energy Sector).

In fact, the Sixth Assessment Report, AR6, by the Intergovernmental Panel on Climate Change (IPCC), published in 2022, includes more than 200 scenarios in line with limiting the increase in temperature to 1.5 °C by 2100, of which only 28⁸ achieve emissions neutrality by 2050, whereas the rest do so later.

With regards to change in the demand for energy end products, Repsol considers a single scenario, determined by

the European Green Deal and the associated 2030 legislative package Fit for 55, as will be described later, since its industrial complexes (refining and chemicals) and commercial assets are mostly located in Spain and Portugal.

Repsol's Pathway to net zero emissions: 2030 strategy and 2030-2050 projections

In **this decade, until 2030**, Repsol will follow a decarbonization pathway that is based on specific business targets proposed in its Strategic Plan (November 2020) and bolstered in October 2021. In the **long term (2031-2050)**, the decarbonization pathway is built on Company projections considering the environmental conditions of the three IEA scenarios mentioned.

The hydrocarbon **upstream business** mainly responds to changes in global oil and gas supply and demand.

- Until 2030, the strategy focuses on optimizing the asset portfolio, prioritizing assets that are already productive as well as projects to develop profitable reserves at moderate crude oil prices, with a shorter life cycle and a lower carbon intensity. Hydrocarbon production in this period remains stable in the range 600-630 kboed, which compares with maximum production of 709 kboed in 2019. It will start to decline toward the end of the decade accompanied by a drop in demand in each scenario. During this period, a large part of the natural decline in field production will be offset by projects to develop reserves and contingent resources already discovered. Particular attention is given to reducing direct emissions from the assets, so that by 2025 methane intensity will fall below 0.2% and routine flaring emissions will decrease by 50%. In addition, for this decade CO₂ capture and storage (CCS) has only been included in the Sakakemang project (Indonesia), but other opportunities are being explored.
- In the long term, a more severe drop in production from 2030 onwards has been taken into consideration than the worldwide decline envisaged in the IEA scenarios, entailing a greater contribution of lower-cost hydrocarbons in the hands of national companies in producing countries. This, meanwhile, makes it easier to reach Repsol's decarbonization targets. In 2050, hydrocarbon production is estimated to be at 350-400 kboed (APS scenario), 250-300 kboed (SDS scenario) or less than 100 kboed (NZE scenario). This last case entails the decline resulting from the depletion of the assets that are already in operation by 2030, assuming that no new developments will have been undertaken from that date.

The **industrial business** (refining, chemicals and new renewable and circular products) must adapt to the local or regional demand trends and regulations Repsol's industrial operations, mainly located in Spain and Portugal, will be subject to demand trends where the Fit for 55 legislative package, published by the European Commission in 2021, is expected to have a decisive influence. The European Union aims to reduce GHG emissions by 55% by 2030 compared to

⁷ In the latest edition of the WEO 2022, published after the development of scenarios by Repsol, the SDS scenario has been eliminated. The APS scenario revised in 2022 is close to the 2021 SDS (+1.7°C vs. +1.65°C, respectively) since emission reduction announcements from new countries were included. A Stated Policies 2022 scenario is maintained which incorporates only the current policies established by the countries and that leads to a +2.5°C pathway that is incompatible with the Paris goals.

⁸ The 28 scenarios correspond to those that reach net zero emissions from the energy sector with a > 95% reduction compared to 2021.

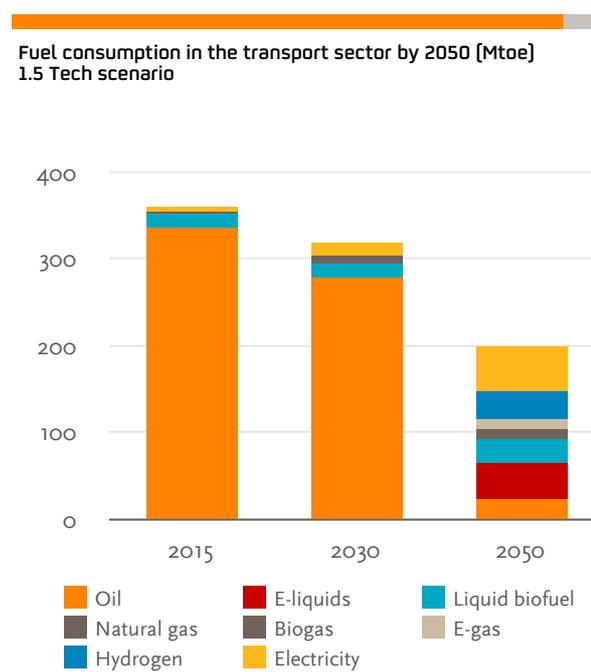
1990, as an intermediate step towards achieving emissions neutrality by 2050, as set forth in the European Green Deal.

Transport-related regulations will be particularly relevant to Repsol since they could lead to a very significant drop in the demand for petroleum products in the 2030-2050 period. These products would be progressively replaced by electricity in the light road transport segment (and partially in the heavy-duty segment), and by renewable fuels (advanced biofuels, synthetic fuels and hydrogen), in the latter case especially aimed at the transport segments that are most difficult to electrify (aviation, maritime and heavy road transport).

Thus, in the so-called 1.5 Tech Scenario prepared by the European Commission, the total demand for fuels in the transport sector by 2050 in the European Union would be covered by 15% conventional fuel, 25%⁹ electric mobility and 60% renewable fuels (including biofuels, synthetic fuels and hydrogen, all partly generated using renewable electricity as well).

Renewable liquid and gaseous fuels will be necessary for the decarbonization of the many energy uses where renewable electricity is not applicable or the most efficient option. The circular economy will also play a key role in decarbonization and the transformation of refining and petrochemicals industrial complexes, since a large part of the renewable fuels will be obtained from organic waste.

- Until 2030, Repsol's refining activity will continue to be high, with a reduction in crude processing toward the end of the decade of around 15% from 2019 values, while renewable fuel volumes will increase. Biofuel production will reach 1.3 Mt by 2025 and 2.0 Mt by 2030, and renewable hydrogen production will reach 0.55 GWe by 2025 and 1.9 GWe by 2030. In the chemicals segment, Repsol will recycle the equivalent of 20% of its total polyolefin production by 2030.
- In the longer term, distillation of crude oil is expected to drop by 80-90% by 2050, compensated by an increase in the production of renewable fuels (biofuels, synthetic fuels and hydrogen), which will constitute some 60-70%¹⁰ of the Company's energy product mix by 2050. It should be noted that the competitive position of Repsol's industrial assets (first quartile in the EU by economic profit and market share in Spain) currently makes it easier to undertake the necessary investments for their transformation:
 - Repsol's production of renewable hydrogen will reach 10-15 GWe by 2050.
 - The Chemicals business shows growth in line with the increase in demand estimated under the IEA scenarios. Circular economy projects (waste as raw material, mechanical and chemical recycling) will be the main investment vectors. By 2050, Repsol expects to recycle the equivalent of 50% of its total production of polyolefins, which will be used in applications with a long-life cycle.



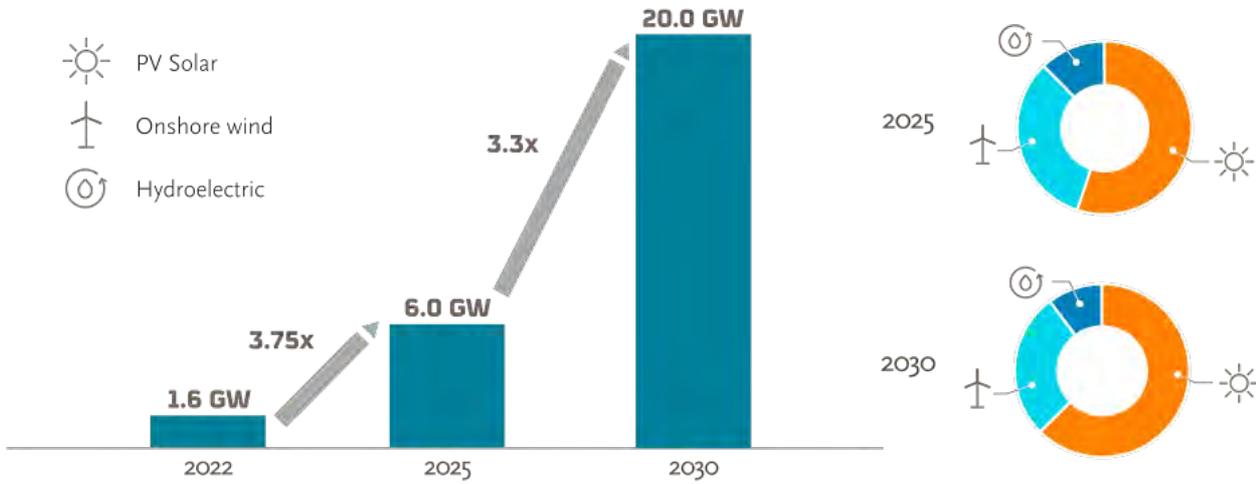
Source: 1.5 Tech scenario, Clean Planet for All.

Repsol's **renewable electricity generation** business' assets are distributed across various regions of the world, each with different perspectives in terms of growth in energy demand and other environmental conditions. These have been incorporated into the Company's projections.

- The Company aims to reach a renewable electricity generation capacity of 6 GW¹¹ by 2025 and 20 GW¹¹ by 2030.
- This will continue to be the business line that will see the most growth in the long term. By 2050 Repsol would reach an installed capacity of 40-45 GW under the SDS scenario and 50-55 GW under the NZE scenario.

⁹ 25% in terms of energy supply for mobility, equivalent to 51% of useful energy due to the greater efficiency of electric motors.
¹⁰ Percentage expressed in energy terms.
¹¹ Operated capacity expressed in gross terms.

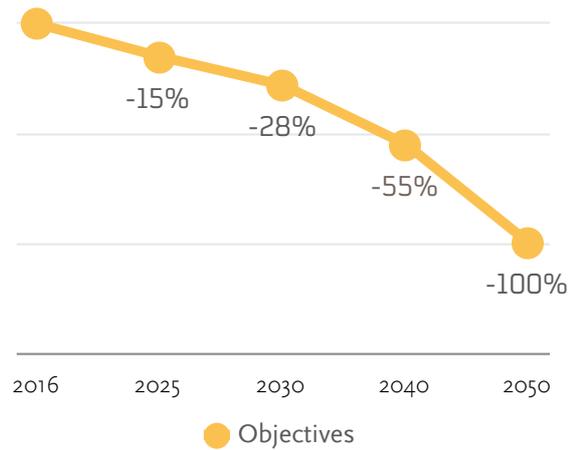
Renewable electricity capacity generation



In the **commercial** business, the strategy offers customers a multi-energy package of low-carbon products and services for mobility and for the residential and business sectors, leveraging digital channels for a more personalized relationship and with high levels of energy efficiency that go hand in hand with digital applications.

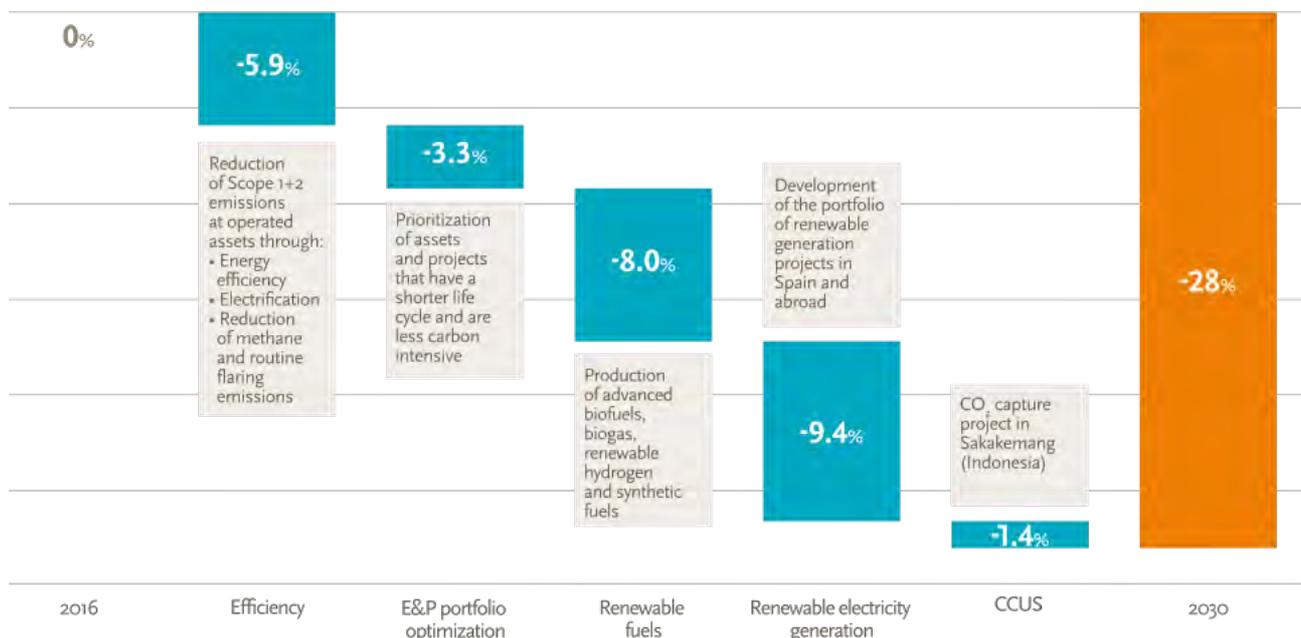
At the consolidated company level, the reduction in the CII is the key metric used to monitor and set targets for decarbonization toward becoming carbon neutral by 2050. This indicator includes both direct emissions (Scope 1) and indirect emissions (Scope 2 and Scope 3, the latter derived from the use of products obtained from the Company's production of primary energy). Since the announcement of its first decarbonization pathway in December 2019, Repsol has raised these targets twice and today they are set at 15% by 2025, 28% by 2030 and 55% by 2040, to reach 100% by 2050, in line with the goal of emissions neutrality.

Carbon Intensity Indicator (CII) Reduction targets

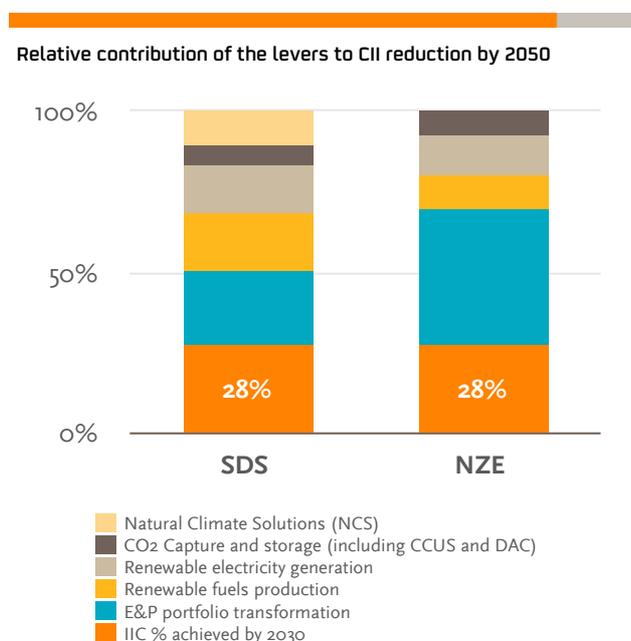


As for the period until 2030, the CII reduction target of 28% will be achieved by applying a broad combination of technologies and solutions. This is in line with Repsol's vision of the energy transition, according to which both renewable electrification and renewable fuels and CO₂ capture will be required, alongside with the reduction of the carbon intensity of the traditional operations:

Contribution of the levers to CII reduction by 2030



In the 2031-2050 period, the relative contribution of the different decarbonization levers to the reduction of the CII reduction is (in relation to the different IEA scenarios analyzed):

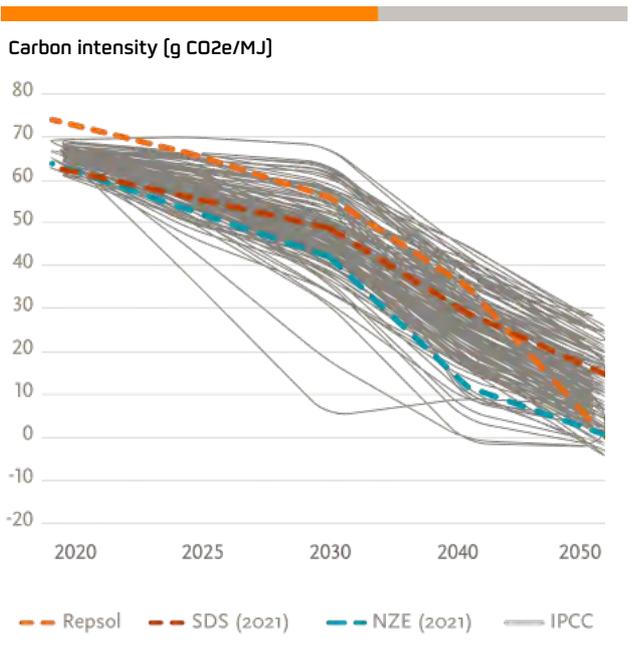


In the SDS scenario, more than 90% of decarbonization is achieved with energy solutions and the need to offset the remaining emissions through natural climate solutions (NCS) is anticipated, given potential technological limitations in sectors with emissions that are difficult to eliminate. In the NZE scenario, offsetting with NCS would not be required since Repsol's oil and gas production is already very low (net zero emissions are reached before 2050).

Lastly, Repsol compared its decarbonization pathway with that of the different 1.5°C scenarios of the IPCC (AR6, 2022), calculating their carbon intensity based on GHG emissions (CO₂, CH₄, N₂O) and primary energy data (IIASA)¹², to be able to compare them with Repsol's CII reduction.

As shown in the graph, the reduction rate of Repsol's pathway indicator declines, starting in the short term, within the variation interval of the 1.5°C scenarios of the IPCC, even when its starting point is higher due to the greater initial weight of oil and gas in its energy production. It should also be noted that in most IPCC scenarios emissions neutrality is achieved after 2050.

¹² IIASA (International Institute for Applied Systems Analysis) (2022), AR6 Scenarios Database hosted by IIASA, data.ene.iiasa.ac.at/ar6.



The role of carbon sinks at Repsol

- CO₂ capture from emission points or from the atmosphere itself will be necessary to achieve emissions neutrality, using both technological solutions and NCS, such as reforestation.
- Among the technological solutions, a reduction of CO₂ emissions in the range of 10-15 Mt/year through CCUS in 2050 has been considered.
- Repsol will apply the principle of “mitigate first; offset later”. Its decarbonization pathway does not include applying offsetting with NCS at least during the present decade. In the long term, only residual emissions unable to be removed by other means to achieve carbon neutrality by 2050 will be offset.
- Furthermore, Repsol has launched initiatives through which its customers and society as a whole can also contribute to mitigating their own emissions through NCS projects. It combines reforestation and social impact through job creation in rural areas), and the proposal to its customers to share the cost of offsetting the emissions that arise from the use of products purchased from Repsol through digital platforms such as Waylet.

Allocation of capital

Repsol's allocation of capital to the different businesses responds to compliance with the decarbonization target in the different scenarios described: committing increased investments to low-carbon segments in order to mitigate risks and take advantage of the opportunities generated as a result of the energy transition.

Investment in low carbon technologies and businesses¹³ represents **35% of total investments in the 2021-2025 period**. For the 2030-2050 period, Repsol estimates that the

allocation of capital under the different scenarios analyzed will be:

Percentage of capex in low carbon businesses out of total capex (average in the period)	2031-2040	2041-2050
Scenario consistent with APS demand	50-60	60-70
Scenario consistent with SDS demand	55-65	65-75
Scenario consistent with NZE demand	70-80	80-90

In 2030, Repsol plans to reach a capital employed of up to 45% in low-carbon businesses, a proportion that will continue to increase until 2050 at the pace of the energy transition in each scenario considered:

Percentage of capital employed in low carbon businesses out of the total	2030	2040	2050
Scenario consistent with APS demand	40-45	50-60	60-70
Scenario consistent with SDS demand	40-45	55-65	65-75
Scenario consistent with NZE demand	40-45	65-75	75-85

Resilience to the financial risks of climate change

In order to assess the financial resilience of the strategy in terms of climate change, an economic analysis of the current and future business models has been carried out in the three scenarios based on the IEA's forecasts. The result is shown in the following graph, in terms of net present value (NPV) variation in the different scenarios and contexts, taking the SDS scenario as the baseline:

The Company's value does not vary significantly in the different IEA demand scenarios, between -4% and +2% for the price levels considered in each of the three, for the following reasons:

- The environment of the Industrial and Commercial fuel businesses was considered invariable in the three scenarios, determined by the European Green Deal and the Fit for 55 legislative package. The strategy involves investments in low-carbon projects (renewable, synthetic and hydrogen fuels) that preserve the value of these businesses, today in the first quartile in the EU by economic profit and market share in Spain
- For its part, the upstream business maintains value in this decade, which are the years with the greatest impact in terms of NPV, and, starting in 2030 it progressively decreases, at the rate of the fall in production and the drop in prices due to lower demand.
- The Low Carbon Generation and Electricity Marketing businesses, on the other hand, create economic value at the rate of their growth.

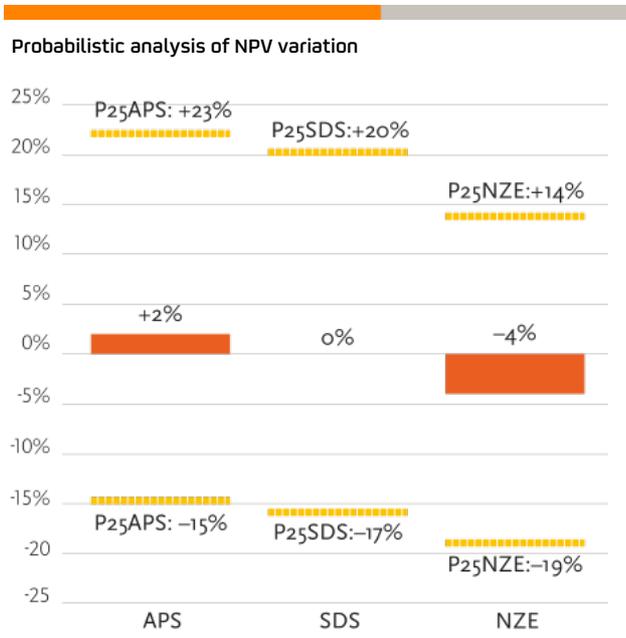
The limited variation of the Company's NPV in the three scenarios shows that the proposed strategy is resilient to the different speeds of the energy transition which are implicit in these scenarios.

¹³ Low carbon technologies and businesses: energy efficiency, renewable electricity generation, production and marketing of biofuels, renewable hydrogen, synthetic fuels, CCUS; marketing of renewable electricity, distributed generation and other value-added services such as electric mobility.

Regarding the prices in each scenario until 2030, Repsol has used its internal price pathway, framed by the references of analysts and agencies. From 2030 onwards, it has been linearly interpolated until reaching the IEA prices in 2040 in each of the three scenarios and thereafter, following that prices evolution.

The IEA estimates a deterministic price scenario in each of the demand scenarios. However, the current energy environment imposes great uncertainty on the supply-demand balance and the prices of raw materials, which adds to their inherent volatility. For this reason, for each of the three scenarios, a probabilistic analysis of sensitivity to oil, gas and refining margin prices has been carried out based on the historical variability of these indicators.

The results of this analysis are presented below, showing the P25 (25th percentile) and P75 (75th percentile) price ranges for each of the demand scenarios.



This variation in economic value is more related to the historical volatility of raw material prices than to the structural impact that the energy transition may have on these prices, but it is considered to provide useful supplementary information. In its price evolution, the IEA aims to provide a look at the impact of the energy transition on prices, calculating them from the marginal cost of production in the different demand scenarios, although other factors such as geopolitical ones are not taken into account.

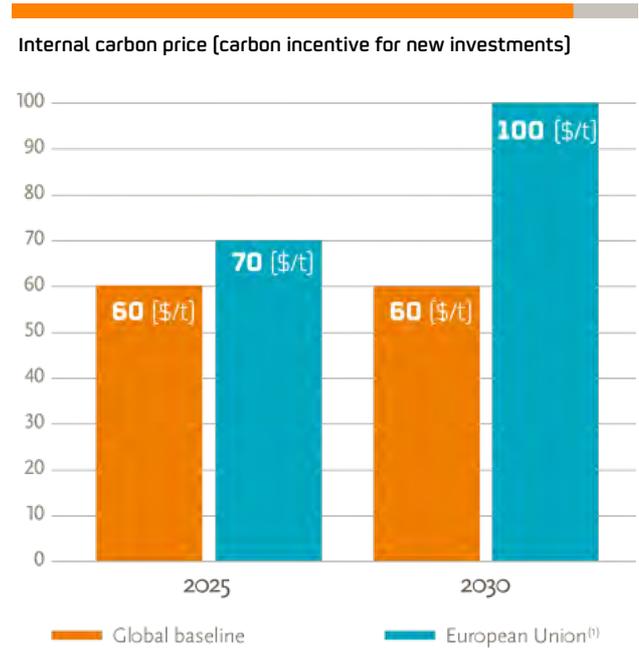
Mechanisms to incentivize decarbonization

Repsol has various internal mechanisms in place to promote the allocation of capital to low carbon investments, such as the internal carbon price and the methodology to gauge whether an investment is in line with the energy transition.

The Company has set an internal carbon price for making investment decisions on new projects. It applies to all investments, including cases where there is no regulated

carbon price. This has been done with the conviction that the cost of CO2 emissions will be internalized through regulatory mechanisms in all geographical areas over the time horizon of the life span of such investments.

The internal carbon price¹⁴ used by Repsol distinguishes between the EU and the rest of the world. Thus, new investments in the EU are assessed at \$70/t over the 2022-2025 period (or the regulated price if this is higher), rising to \$100/t in 2030. In the rest of the world, in countries without more stringent specific regulation, \$60/t is applied across the entire 2022-2030 period.



⁽¹⁾ Based on EU projections. For other regulated markets that may arise, a similar methodology would be applied.

Furthermore, in 2021 Repsol developed its own methodology to assess whether a new investment is in line and consistent with its path towards decarbonization.

Any investment proposal submitted to the Executive Committee and the Board of Directors must include a report drawn up by the Sustainability Department that reflects its impact on the Company's CII.

The investments can be categorized as follows depending on whether the impact is positive, neutral or negative:

- **Aligned with the energy transition**, when it does not affect or facilitate the Company's CII reduction targets.
- **Enabling the energy transition**, if it has a negative impact on the CII of less than one percentage point and it can be offset by other initiatives. Additional conditions are also imposed on upstream investments (limited life of exploitable reserves and no investment in oil sands, extra-heavy crude and Arctic offshore).
- **Misaligned**, when it does not meet the requirements of either of the two previous categories.

¹⁴ Prices expressed in nominal terms.

In 2022, following the investment qualification methodology, the sustainability report was incorporated into 38 investment proposals that were submitted to the Executive Committee for approval (7 from E&P, 17 from Low Carbon Generation and 4 from Industrial Transformation and Circular Economy). Of these proposals, 61% were aligned, 33% were facilitators and 5% were misaligned.

Partnerships and collaborations
Repsol engages constructively in open and well-informed discussions with governments, companies, investors, academic institutions, non-governmental organizations and other shareholders on the key aspects of sustainable development and the energy transition. Being aware that a collective approach can lead to additional achievements to its individual action in defense of legitimate interests, Repsol participates in industrial and business associations. However, it must also ensure that any position expressed on its behalf or with its support are aligned with its own views on climate change.

Alignment with industry associations
Repsol works to ensure that all the associations and initiatives in which it takes part are in line both with the fulfillment of the objectives of the Paris Agreement and with its main courses of action regarding climate change. Since 2020, the Company has published the Assessing Repsol's participation in industry associations report on its website, analyzing the associations that are closely related to the energy sector because they operate in regions where the Company has a significant presence and have an important role to play when it comes to climate change. It is updated annually.
<https://www.repsol.com/content/dam/repsol-corporate/es/accionistas-e-inversores/pdf/informe-asociaciones-industria-2022.pdf>

developed for this purpose has been updated, taking the risk classification proposed by the Task Force on Climate-related Financial Disclosures (TCFD) as the main reference. It includes the categories of climate change risks, both those derived from the energy transition (regulatory, legal, technological, market and reputational) and the physical risks that could be exacerbated by the progress of climate change (acute and chronic). It includes a total of 17 risks classified according to their nature. Of these risks, the ten that account for most of the exposure are prioritized for subsequent analysis. These risks are prioritized by a group of the Company's experts in strategy, markets, regulation, finances, reputation, legal affairs, technology and sustainability. They reach a consensus using the Delphi technique.

The importance of each of the risks identified is determined by semi-quantitatively estimating their economic impact on each of the business lines and geographical areas. Each risk is considered a factor of uncertainty that may cause a deviation in the long-term economic results (2030-2050 horizon) in each of the scenarios analyzed according to the Company's decarbonization roadmap.

On the 2030 horizon, the risk analysis reveals that the probability of suffering negative impacts from the energy transition is relatively low. In other words, the Company is prepared for even the most rapid transition scenarios thanks to its decarbonization pathway. Thus, in 2030, the Company has a very high probability of being able to harness opportunities that will completely neutralize any potentially negative impacts, as a result of its position and its long-term climate strategy compared to the rest of the sector, which places it in a favorable competitive position. Examples of these opportunities include energy efficiency, renewable electricity generation, advanced biofuels, renewable hydrogen, the circular economy and, in the medium to long term, carbon capture and storage.

In the long term (2040 and 2050), exposure to climate risks will increase, as there will be added uncertainty associated with risk factors and the scale at which these factors may materialize and opportunities can be exploited.

However, the commitment to become a net zero emissions company by 2050 and the analysis of its response to different energy transition scenarios mitigate these risks and demonstrate the company's resilience (see the Resilience to the financial risks of climate change section, in section 6.1.2).

The exposure of all Repsol's businesses to the various risks has been examined in detail and differentiating elements can be seen, due to the specific characteristics of each business. The main risks, which may become opportunities through mitigation measures (see section 6.1.2, Strategy), are the following:

6.1.3. Risks and opportunities

The risks and opportunities associated with the energy transition and climate change are becoming increasingly important in the medium and long term.

Repsol identifies and assesses the long-term risks associated with the energy transition and climate change from several perspectives by using its own analysis methodology. It adapts the medium-term risk assessment envisioned in the Integrated Risk Management System with the aim of extending its scope to 2050. This supplements the Group's general risk map, (five-year horizon) and the emerging risk map (ten-year horizon) looking forward to 2030, 2040 and 2050 for climate change and energy transition risks.

- The risk analysis is based on the IEA's three scenarios: Announced Pledges Scenario (APS), Sustainable Development Scenario (SDS) and Net Zero Emissions (NZE) described in the previous section. Climate risks may have an adverse or positive impact depending on the strategies for mitigating risk and adapting to the scenarios, since they imply the emergence of business opportunities that can be unlocked.
- The most significant climate change risks for the Company have been identified. Thus, the taxonomy

TRANSITION RISK ⁽¹⁾	IMPACT ASSESSMENT				Geography		
	Time horizon relevance ⁽²⁾	Business ⁽³⁾					
Regulatory and legal	Regulatory changes that affect the Company's results	Short, medium, and long term	●	●	●	●	Special relevance for EU and North America
	Increase in litigation derived from the effects of climate change	Greater relevance in the short and medium term	●	●	●	●	
Technological	Inefficient, late or premature adoption of new practices, processes or developing technologies.	Greater relevance in the long term	●	●	●	●	UE and rest of the world
	Scarcity or unavailability of raw materials and natural resources		●	●	●	●	
Market	Decoupling of the portfolio management strategy with the speed of the energy transition	Short, medium, and long term	●	●	●	●	Special relevance for EU and North America
	Changes associated with the preferences of final consumers or intermediaries	Greater relevance in the long term	●	●	●	●	
	Potential difficulty or limitation in raising funds	Short, medium, and long term	●	●	●	●	
	High competition in the markets associated with the energy transition	Greater relevance in the long term	●	●	●	●	
Reputation	Stigmatization of the O&G sector (includes failure to meet objectives)	Greater relevance in the long term	●	●	●	●	UE and rest of the world
	Difficulties associated with talent management	Greater relevance in the short and medium term	●	●	●	●	Special relevance for EU

⁽¹⁾ See Appendix V for a detailed description of climate change risks.
⁽²⁾ Short, medium and long term are understood as the time horizons 2030, 2040 and 2050 respectively.
⁽³⁾ The impact on each of the business divisions in a NZE 2050 scenario is semi-quantitatively determined on the basis of the consensus reached by the group of experts who participated in the analysis.. Three qualitative impact levels have been defined which reflect the relative contribution of each business to the total impact of each of the risks.

E&P (upstream) Industrial Customer LCG (Low Carbon Generation) ● High ● Average ● Low

Regarding the physical risks of climate change, given the nature and location of the Company's activities, the team of experts agrees that they are lower risk factors than those derived from the energy transition. However, and as a result of the public disclosure obligations arising from the European Union regulation (Taxonomy Regulation 852/2020), which establishes the framework to promote sustainable investment, Repsol has developed a semi-quantitative methodology to perform a detailed analysis of the physical risks of climate change in existing facilities, and especially in the new facilities that it includes in its portfolio and that meet the requirements established to be considered environmentally sustainable activities.

To carry out this long-term analysis, the global warming scenarios described by the Intergovernmental Panel on Climate Change (IPCC) were considered: RCP 8.5, RCP 4.5 and RCP 2.6¹⁵, with the same time horizon as for transition risks (2030, 2040 and 2050), in each of the geographic locations of the facilities studied¹⁶: wind, photovoltaic, hydraulic power plants and certain petrochemical plants.

The climate projections being used to carry out these analyses are, among others, those of the Copernicus services (the EU's Earth observation program coordinated and managed by the European Commission).

¹⁵ According to the Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC), the RCP (Representative Concentration Pathways) scenarios used in this study correspond to a projected increase in global average temperature in 2100 of 4.5°C in the RCP 8.5 scenario; 2.8°C in the RCP 4.5 scenario; and 1.85°C in the RCP 2.6 scenario.

¹⁶ Wind power plants (PI, Delta I, Delta II, Atacama, Cabo Leónés, Elena and Antofagasta), photovoltaic power plants (Valdesolar, Kappa, Sigma and Jicarilla), hydraulic power plants (Aguayo, Picos and Navia), petrochemical power plants (C43 project in Cartagena; RECPUR project in Puertollano; Electrolyzer 2.5 MW in Bilbao).

In view of these climatic condition forecasts (studied through the analysis of the physical variables associated with acute and chronic risk factors related to variations in temperature, rainfall, wind speed, etc.), possible impacts on these facilities are analyzed, both from the point of view of potential structural damage due to intensification of extreme weather events and the potential production losses or operational inefficiencies as a result of these events or changes in weather patterns.

Likewise, the barriers currently implemented to mitigate these risks and other possible mitigation measures that can be implemented in the future are also analyzed, in the case

that these types of events, which significantly reduce the probability of having an impact, come about.

The conclusion reached is that Repsol is more exposed to transition risks than to physical risks. However, it is taking steps to reduce exposure to all risks.

Climate change risks, both physical and transition risks, are managed and mitigated in the same way as the other risks to which the Group¹⁷ is exposed. However, the fact that they are emerging risks means that they will need to be examined in greater detail in the long term and mitigated through a long-term commitment to net zero emissions by 2050¹⁸, a decarbonization roadmap through to 2050 and a 2021-2025 Strategic Plan that is already laying the groundwork for the transition in the short term.

¹⁷ For more information, see Appendix V or section 7.4 Risks.

¹⁸ For further information on the measures of Repsol's decarbonization pathway, see section 6.1.2, Strategy.

6.1.4. Metrics and targets

Transition targets

	2016	2017	2018	2019	2020	2021	2022	2025	2030	2040	2050
Carbon Intensity Indicator vs. 2016 %					-3		-9.6	-15	-28	-55	-100
Reduction in net absolute Scope 1+2+3 emissions vs. 2016 ⁽¹⁾ (%)							-29		-30		
Reduction in absolute emissions (%)											
Scope 1+2 vs. 2016 ⁽¹⁾ (%)							-37		-55		
Emission reduction plan ^(1,2) (Mt CO ₂ e)			-2.4 ⁽²⁾				-0.9 ⁽³⁾	-1.5			
Methane intensity ⁽¹⁾ (%;m ³ /m ³)							0.23	0.2			
Reduction in E&P emissions intensity vs. 2020 (%)							-70	-75			
Zero Routine Flaring ⁽¹⁾ (kt CO ₂ e)							50 ⁽¹⁾	172	ZERO		
Installed renewable energy capacity ⁽³⁾ (GW)							1.6	6	20		
Renewable fuel production capacity (Mt)							0.7	1.3	2		
Renewable hydrogen ⁽⁴⁾ (GWe)								0.55	1.9		
Recycled polyolefins (%)							2	10	20		

Net zero emissions

| Base year X Data 2022 X Commitments

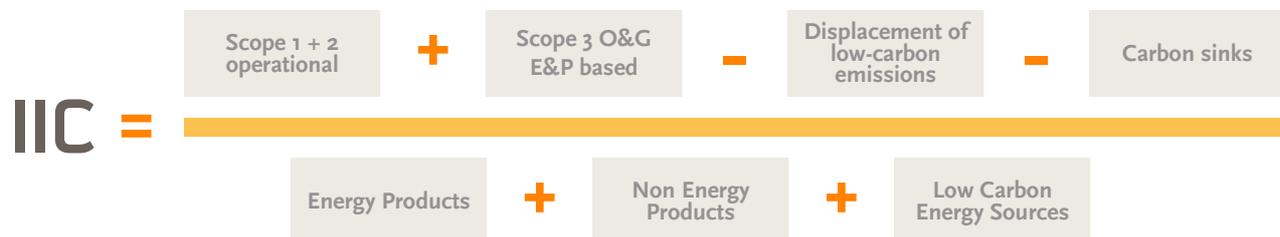
(1) Detailed information can be found below.

(2) Cumulative value in the 2014-2020 period. Exceeded the target in the 2014-2020 Emission Reduction Plan by 0.3 Mt CO₂e. New emission reduction plan for the 2021-2025 period.

(3) Capacity expressed in gross terms.

(4) Installed capacity for renewable hydrogen production. First commissioning scheduled for May 2023.

Carbon Intensity Indicator (g CO₂e/MJ)



Direct and indirect emissions and energy consumption

		2022	2021	2020	2019
Scope 1 emissions⁽¹⁾	Total GHG (Mt Co2e)⁽⁸⁾	15.7	19.4	22.4	24.7
	Total CO₂ (Mt CO₂)	14.9	17.0	19.0	20.1
	Total CH₄ (Mt CO₂e)	0.7	2.3	3.3	4.5
	Total N₂O (Mt CO₂e)	0.11	0.10	0.07	0.08
	Breakdown by source				
	Flaring	0.6	0.9	1.0	0.8
	Combustion	11.8	12.1	12.9	13.7
	Venting	0.7	4.2	6.2	7.6
	Fugitive emissions	0.1	0.2	0.3	0.4
	Process	2.4	2.0	2.0	2.2
Scope 2 emissions⁽¹⁾	Total GHG (Mt CO₂e)	0.4	0.4	0.5	0.5
Scope 1 and 2 emissions	Total GHG (Mt CO₂e)	16.1	19.9	22.8	25.2
	Refining ⁽²⁾	8.6	7.8	7.6	8.7
	Chemicals	3.0	3.4	3.3	3.3
	Upstream ⁽³⁾	2.1	7.5	9.9	11.0
	Power & Gas	2.4	1.2	2.0	2.1
	Others ⁽⁴⁾	0.05	0.04	0.1	0.1
Allocation of emissions to Repsol facilities under European regulation EU ETS (Mt CO₂)		7.3	7.6	7.7	
Intensity of Scope 1+2 emissions	E&P emissions intensity (t CO ₂ e/ thousands of boe produced)	17	53	56	66
	Refining energy intensity (t CO ₂ e/t crude processed)	0.2	0.2	0.2	0.2
Scope 3 emissions⁽⁶⁾	Raw materials (category 1)⁽⁷⁾				
	Crude oil (Mt CO ₂ e)	5.6	5.5	5.4	7.6
	Hydrogen (Mt CO ₂ e)	0.6	0.6	0.6	0.7
	Use of sold products (category 11)				
	Use of refinery output products (Mt CO ₂ e) ⁽⁵⁾	161	151	151	180
	Use of primary energy base products (Mt CO ₂ e)	66	69	79	88
	Use of marketed energy products (Mt CO ₂ e)	182	172	175	205
Use of marketed energy products to end users (Mt CO ₂ e)	70	65	67	77	
Energy (Scope 1+2)	Total (M GJ)	244	246	265	278
	Chemical energy (Scope 1+ 2) (M GJ)	54	61	60	
	% of electricity grid	0.2%	2%	3%	
	of which % renewable	42%	47%	44%	
	Total electrical energy generated by Repsol Chemicals (M GJ)	1.3	3.0	4.3	
Energy intensity	E&P energy intensity (GJ/boe produced)	0.2	0.3	0.3	0.3
	Refining energy intensity (GJ/t processed crude oil)	2.9	2.8	3.2	2.9
Energy (Scope 3)	Total (M TJ)	2.5	2.3	2.3	2.8
	Use of refinery output base products (M TJ)	2.4	2.3	2.3	2.7
	Raw materials (M TJ)	0.06	0.07	0.06	0.08
TOTAL Flared hydrocarbons (Mt)		0.31	0.37	0.43	0.32
Vented hydrocarbons (Mt)		0.03	0.10	0.15	0.19

(1) The Company's direct and indirect emissions (Scope 1 and Scope 2) in operated assets reported in gross basis will be subject to additional verification according to EU-ETS and international standard ISO 14064-1. Once verified, the data will be available at www.repsol.com and it will be updated in the next edition of the Integrated Management Report. For the 2021 financial year, no relevant changes were observed after verification.

(2) The steam cracker plant is included in the Chemicals business.

(3) The breakdown by source for the Upstream business is as follows: 1.1 Mt CO₂e for fuels; 0.2 Mt CO₂e for flaring; 0.1 Mt CO₂e for fugitive emissions; and 0.7 Mt CO₂e for venting.

(4) Includes LPG, lubricants, asphalts and specialized products, mobility and headquarters.

(5) Scope 3: use of products counting the production of natural gas at E&P (Upstream) and the production of LPG, naphtha, gasoline, kerosene, diesel, fuel oil and petroleum coke produced at the refineries.

(6) For more information see the Scope 3 emissions report section.

(7) Calculated based on refinery input.

(8) Global warming potential (GWP) factors from the IPCC's Fourth Assessment Report are used as a reference.

Research and development investment

	2022	2021	2020	2019
Research and development investment (€M)	59.0	57.0	65.0	72.0
Percentage allocated to achieve neutrality⁽¹⁾ (%)	40	35	20	8

(1) The percentage allocated to the development of low-carbon technology projects is calculated on the total investment of the Tech Lab.

Scope 3 emissions report

Although there are up to 15 categories of Scope 3 emissions in the oil and gas sector, most emissions come from those derived from the final use of its products. Repsol decided to link its target of reaching net zero emissions and its intermediate targets to a Carbon Intensity Indicator (CII) that takes into account the energy and emissions associated with the use of fuel products derived from its primary energy production (oil and natural gas). Doing this, instead of referring to the emissions from the products it sells, makes more sense strategically and it entails a number of positive aspects:

- Hydrocarbon production is the most capital-intensive activity and its investments have a longer life cycle. Investment decisions today translate into production and product use many years later. The marketing activity, on the other hand, is much less capital intensive and can be adapted more easily to demand in the short term.
- Energy products are bought and sold successively throughout the value chain, meaning that a sales-based system could count emissions from the same product multiple times

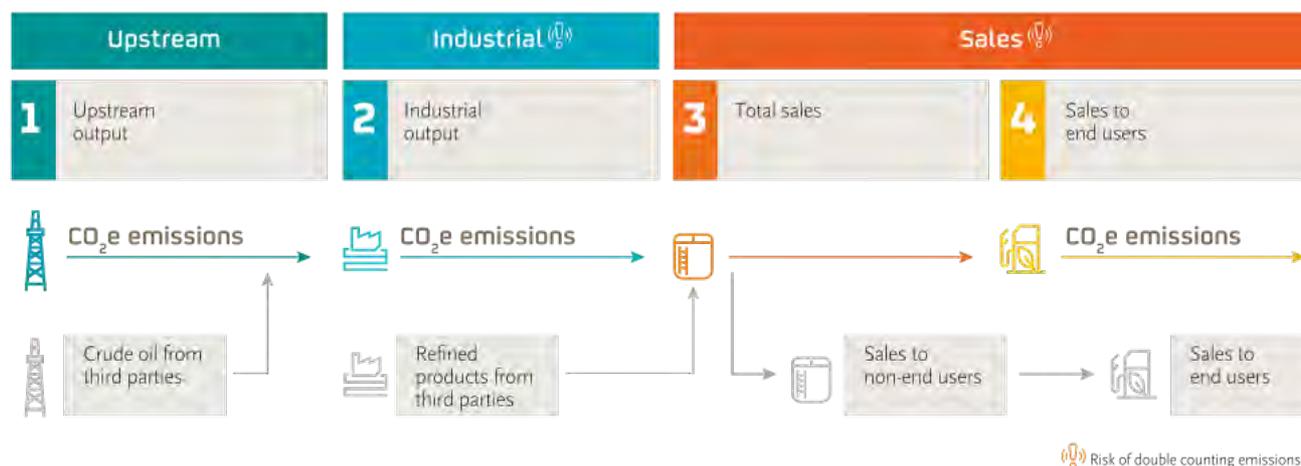
- An emissions accounting system based solely on sales will allow an integrated company to increase its hydrocarbon production without impacting its Scope 3 emissions if it sells a greater volume of products than the hydrocarbons it produces.

However, Repsol also considers that metrics related to Scope 3 emissions of marketed products can provide a useful complementary perspective to understand companies' energy transition strategy. That is why this management report includes the following metrics, in addition to the Scope 3 emissions of the products obtained from its own production of hydrocarbons¹⁹ that are used for the CII:

- Scope 3 emissions of the products marketed by Repsol to the end user (the one who uses the fuel and, therefore, generates the emissions).
- Scope 3 emissions of all products marketed, excluding those that Repsol buys and resells to a non-final consumer without any other intermediate transformation.

Scope 3 (category 11) Mt CO ₂ e	2022	2021	2020	2019
Marketed energy products	182	172	175	205
Marketed energy products to end users	70	65	67	77

Scope 3



¹⁹ Corresponds to Scope 3 category "Use of primary energy products (Mt CO₂e)" in the table: Direct and indirect emissions and energy consumption.

Reduction in the Carbon Intensity Indicator

As indicated, Repsol has defined its CII in g CO₂e/MJ as the main metric for monitoring the Company's progress toward the goal of net zero emissions by 2050 upon achieving a 100% reduction in the CII. Moreover, it has set intermediate reduction targets of 15% by 2025, 28% by 2030 and 55% by 2040 compared to the base year (2016).

Carbon intensity	2022	2021	2016
g CO ₂ e/MJ	70.3	73.9	77.7

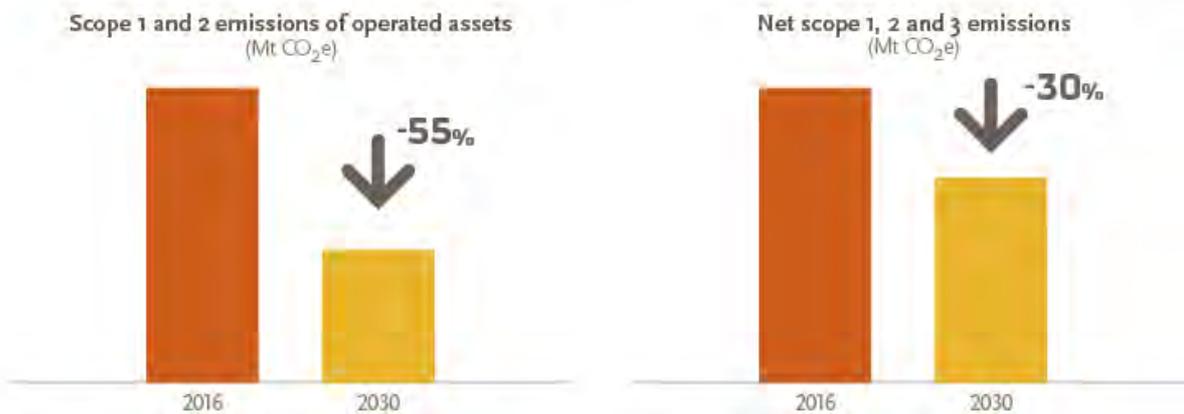
In 2022, a reduction of 9.6% was achieved with respect to the base year 2016, mainly due to the optimization of the E&P business asset portfolio, together with the continuation of the energy efficiency plans, the management of methane emissions in E&P operated assets and the growth in installed renewable capacity.

The numerator of the CII shows the emissions generated by the Company's activities (direct and indirect emissions, Scope 1 and Scope 2, derived from E&P and Refining and

Chemicals, and from Electricity Generation), as well as Scope 3 emissions generated by the use of fuel products derived from primary energy production (oil and natural gas) and the displacement of emissions from the fossil mix through renewable energy substitution. The denominator shows the energy that Repsol makes available to society in the form of end products derived from the production of primary energy from oil and gas and from low carbon energy sources²⁰.

In addition to the CII reduction targets, and in response to the demands of its stakeholders, the Company has set two new targets based on its absolute emissions. In October 2021 the company announced for the first time, its targets for reducing absolute emissions, Scope 1+2 of operated assets and for net emissions under Scope 1+2+3:

Reduction in absolute emissions [%]



Reduction in absolute Scope 1+2 emissions

Repsol aims to reduce its emissions from operated assets by 55% by 2030 compared to 2016.

This commitment focuses on Scope 1 emissions (those produced by sources directly controlled by Repsol) and Scope 2 emissions (associated with the purchase of electricity, heat, cooling or steam consumed by Repsol).

Today, the Company has already undertaken initiatives with which it has achieved a 37% reduction in emissions through portfolio optimization, energy efficiency measures, reduction of methane emissions and reduction of gas flaring in the E&P business, and recovery of flare gases in the Industrial business.

Absolute Scope 1+2 emissions	2022	2021	2016
Mt CO ₂ e	16.1	19.9	25.4

Reduction in net absolute Scope 1+2+3 emissions

The target of reducing these emissions, which make up the CII numerator, by 30% compared to the base year of 2016, has been established.

²⁰ Further information in www.repsol.com/content/dam/repsol-corporate/es/sostenibilidad/indicador-intensidad-carbono.pdf

In 2022, a reduction of 29% was achieved due to the reduction of Scope 1+2 emissions described above, lower E&P production and the positive impact of renewable electricity generation, due to emissions displacement. Given that it has reached values very close to achieving the 2030 target, Repsol will consider the possible reformulation of a more ambitious objective.

Net absolute Scope 1+2+3 emissions	2022	2021	2016
Mt CO ₂ e	79.1	87.1	111.7

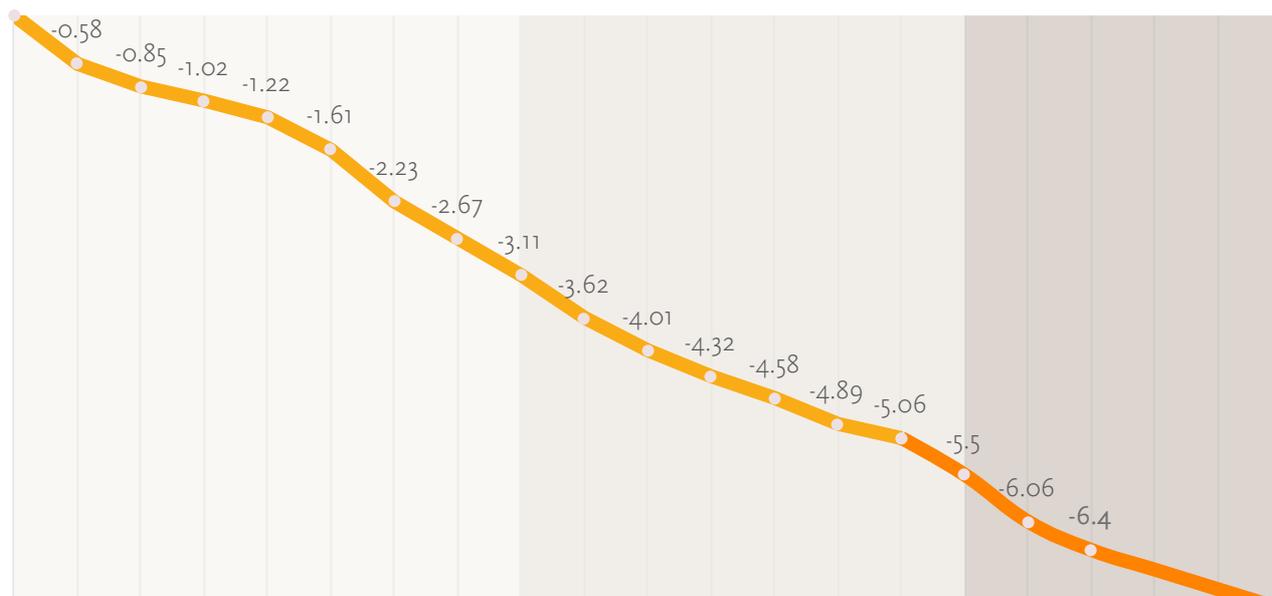
CO₂e emission reduction plan

Repsol has multi-year emission reduction plans (Scope 1 and 2) that envision various measures to improve operational efficiency. These plans were launched in 2006 and remain in force today. A plan for the 2021-2025 period is underway, with the aim of achieving an additional reduction of 1.5 Mt CO₂ by 2025, which includes, among others, electrification projects, energy integration of units, process optimization, operation efficiency of the facilities and reduction of methane emissions. In 2022, Repsol achieved a reduction of 0.34 Mt CO₂e. In energy terms, this is equivalent to a reduction of 3.1 million GJ.

CO₂e emission reduction (Mt)

Reduced Mt CO₂e per year

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
—	-0.58	-0.27	-0.17	-0.2	-0.39	-0.62	-0.44	-0.44	-0.51	-0.39	-0.31	-0.26	-0.31	-0.17	-0.44	-0.56	-0.34



2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025

2006-2013 Reduction: -3.1 Mt CO₂e | 2014-2020 Reduction: -2.4 Mt CO₂e | 2021-2025 Target: -1.5 Mt CO₂e | Mt CO₂e cumulated reductions

Reduction of methane emissions intensity

The detection, monitoring and reduction of methane emissions throughout the gas chain is of great importance given the role of natural gas in the energy transition.

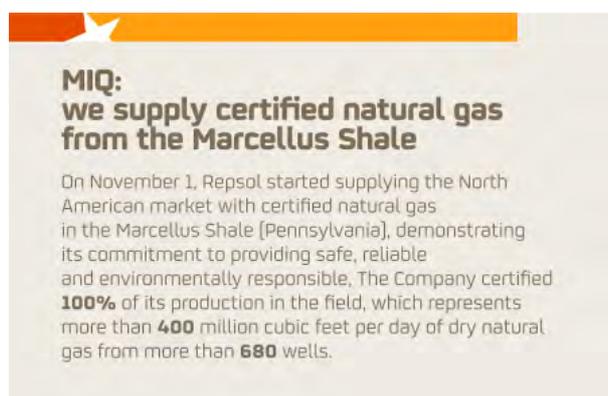
Repsol participates in initiatives aimed at establishing standards of excellence in methane reduction and it has adopted short-term reduction targets.

OGMP 2.0

In 2020, UNEP launched the OGMP 2.0 initiative, which already involves more than 80 signatory companies throughout the entire gas value chain (from production to distribution).

With this commitment, Repsol began deploying different technologies in its operated assets, combining measurements at the source and aerial level (especially drones and light aircraft), to confirm the measurements detected at ground level.

In October 2022, the International Methane Emissions Observatory (IMEO) published its second report, and Repsol again obtained the Gold Standard from UNEP for its report and implementation plan. This indicates that the Company is well on its way to achieving the goal of reporting under the Gold Standard for all its operated assets by 2023 and non-operated assets by 2025.



Reduction target

Repsol aims to reduce the methane intensity to 0.20% by 2025 at its operated E&P assets. This value is recognized as near zero for the oil and gas sector by international organizations such as the UNEP, and it is consistent with the commitment recently announced by the Oil and Gas Climate Initiative (OGCI), of which Repsol is a member.

Methane intensity ⁽¹⁾	2022	2021	2017
CH ₄ emissions /gas produced (%)	0.23	0.77	1.34

⁽¹⁾ Calculation based on volume..

This year there has been a greater decrease in methane intensity due to the addition of divestments of carbon-intensive asset to the reduction initiatives.

Reduction of routine flaring

The progressive reduction of routine gas flaring is key to the E&P business. That is why Repsol, in June 2016 joined the World Bank's Zero Routine Flaring by 2030 initiative, which brings together governments, oil and gas companies and international development organizations.

Repsol also set an intermediate target of achieving a 50% reduction in CO_{2e} emissions from routine gas flaring activity by 2025 at its operated E&P assets and with 2018 as the baseline year, along with specific action plans to achieve it.

In 2022, the volumes of hydrocarbons sent for routine flaring decreased very significantly due to the additional contribution of divestments in Malaysia and Ecuador, exceeding the target set for 2025.

Routine gas flaring	2022	2021	2018
kt CO _{2e} flaring routine at upstream	50	327	344

6.2. Environment^{1,2}



Repsol supported the Nature Is Everyone Business call of the Business for Nature international initiative, which drives business action aimed at business models that value nature and are environmentally friendly and nature-positive by 2030

Repsol is committed to protecting the environment and the sustainable use of resources. For this reason, it prioritizes the necessary actions to prevent and minimize the potential impacts of both its operations and the products and services it offers to its customers, and it encourages measures that promote the protection of natural capital.

These commitments were reaffirmed this year through the approval of a specific environmental policy for the first time in the Company. This policy reflects the commitments to protection and preservation of biodiversity and ecosystem services, the sustainable management of water resources, the preservation of air quality, the fight against climate change and the application of the principles that govern the circular economy, extending all these commitments to the entire value chain. The circular economy fosters the optimization of natural resources and proper waste management, following the principles of the management hierarchy, reducing waste or, when this is not possible, giving it a second life in its own processes or in third-party processes by reusing and recycling it.

Repsol implements certification, verification and assurance processes through internal and external audits to ensure proper compliance with current regulations. Moreover, it addresses voluntary processes, such as the certification granted by AENOR to Repsol's 100% Circular Strategy, which are a sample of its commitments to society and the environment, beyond those that are strictly regulated.

6.2.1. Air quality

Repsol is aware of the importance of protecting air quality for society and the environment. That is why one of the commitments of the new Environmental Policy promotes "applying the latest technologies to minimize air emissions from both our operations and from the products we manufacture", using the most demanding standards to achieve this.

Air quality is mainly affected by the concentration of pollutants caused by combustion. It is determined by the energy mix, the size and density of populations, meteorological conditions, etc. Air quality management focuses mainly on emissions of sulfur dioxide (SO₂), nitrogen oxide (Nox) and particulate matter and volatile organic compounds (VOCs).

To control air emissions, Repsol closely monitors the conditions under which its operations are carried out. Its industrial facilities have a network of continuous measurement systems and immission cabins (shared with the authorities) that allow the composition and levels of atmospheric emissions to be continuously measured and analyzed, with the results being sent to the environmental authorities for monitoring and control.

To cite a specific example, in 2022, Repsol continues to lead the Air Quality Observatory initiative at Camp de Tarragona (Spain) and collaborate with the Chemical Business Association of Tarragona, with technical support from scientific institutions such as the Universitat Rovira i Virgili and the Eurecat Technological Center of Catalonia in Tarragona. The entity is coordinated by the Institut Cerdà which aims to provide an ongoing assessment of air quality in the cities and neighborhoods of Camp de Tarragona to improve the environment and the sustainability of the region.

Minimization of emissions from operations

Emissions from processes are continuously minimized through the implementation of the best technologies available. This includes low NOx burners (DLN technology), vapor recovery units or particulate abatement systems. In addition, and in order to control and minimize fugitive emissions, periodic Leak Detection and Repair (LDAR) campaigns are carried out and high sealing systems are installed to prevent the leakage of volatile organic compounds.

Minimization of emissions from products

The commitment to air quality goes beyond operations, as Repsol is constantly working to expand the range of products offered that generate lower emissions when used by customers. For example, renewable energy for mobility, advanced biofuels, synthetic fuels, renewable hydrogen, LPG, ad-blue, Autogas, LNG or specific gas oils for state-of-the-art boilers, among many others.

¹ For more information, visit www.repsol.com (Sustainability - Environment)

²The figures and indicators in this section have been calculated in accordance with corporate standards that set out the criteria and common methodology to be applied in safety and environmental matters. As a general rule, environment and safety information includes 100% of the data from companies in which Repsol holds a controlling interest or control over operations.

6.2.2. Natural capital and biodiversity

Repsol and natural capital

Natural capital is defined as the inventory of both renewable and non-renewable natural resources. Through ecosystem services, it provides benefits to people by contributing to their well-being, the development of society and progress in the world economy, and it does so in the form of energy, materials supply, cultural aspects, etc. Repsol, like other companies, depends on natural capital and generates both positive and negative impacts through its operations. Therefore, conservation and protection are key factors in achieving sustainable development and ensuring that the benefits provided by these ecosystems, and specifically biodiversity, are safeguarded for present and future generations, in line with the commitments of the Environmental Policy.

In the scope of natural capital, Repsol has adopted a unique approach that makes it possible to quantify and value from an economic point of view the services provided by ecosystems in general, and biodiversity in particular, which makes it easier to include them in management decision-making. This approach is especially relevant, since it provides a new way of understanding the Company's relationship with nature and the related risks and opportunities, with the ultimate goal of guiding actions for its protection.

To this end, Repsol developed the Global Environmental Management Index (GEMI³) methodology, which comprehensively assesses the environmental impacts of projects and operations globally, and it has implemented it as a digital solution (READS⁴). In 2022, new functionalities were added and implemented to cover the entire energy sector. Thus, it covers all the Company's activities throughout the entire value chain.

READS helps to advance management by providing key indicators for the economic analysis of the impacts of projects and assets on biodiversity and ecosystem services, climate change, water resources and well-being.

In 2022, Repsol has modeled all types of facilities in the READS tool, which has made it possible to obtain an analysis of its portfolio with natural capital criteria and thus understand the impacts, in order to develop and prioritize specific action plans.



In 2022, Repsol assessed its dependence on natural capital as a company and the ecosystem services it provides. To carry out the analysis, it used the ENCORE methodology⁵, developed by Natural Capital Finance⁶ in collaboration with UNEP-WCMC. Among other things, it allows the risks and opportunities associated with the dependencies on natural capital to be assessed, with the ultimate goal of managing them properly. The following table summarizes the results obtained:

³ Recognized in 2020 by experts from The Capitals Coalition (www.capitalscoalition.org) and the World Conservation Monitoring Centre (www.unep-wcmc.org) of the United Nations Environment Programme (UNEP-WCMC) for its scientific soundness, for its adaptation to the standards established in that program, and for being in line with the Natural Capital Protocol and the Biodiversity Supplement that accompanies it.

⁴ For more information, visit www.repsol.com (Sustainability – Environment)

⁵ The tool has a database that encompasses a selection of ecosystem services, natural assets and drivers of environmental change for the different economic sectors.

⁶ Economic sectors follow the Global Industry Classification Standard (GICS), while the categorization of ecosystem services is based on the Common International Classification of Ecosystem Services (CICES). The classification of natural assets follows that established by a group of researchers at the United Nations Environment Programme World Conservation Monitoring Centre (UNEP-WCMC).

⁶ naturalcapital.finance.

Type of ecosystem service	Ecosystem services (included in ENCORE)	Upstream	Refining	Chemicals	Lubricants and specialized products	LPG	Customer	Service stations	Low Carbon Generation	Corporation
		Are enabling factor for all or part of a production process	Maintain nursery habitats							
Soil quality			●							
Ventilation										
Water flow maintenance	●		●	●	●				●	
Water quality	●		●							
Pollination										
Help to mitigate direct impacts associated with a production process	Bioremediation	●	●							
	Dilution by atmosphere and ecosystems									
	Filtration	●	●							
	Attenuation of sensory impacts			●	●			●		
Input into a production process	Fibers and other materials									
	Animal-based energy									
	Genetic materials									
	Ground water	●	●	●	●				●	
	Surface water	●	●	●	●			●	●	
Provide protection from disruption to the production process	Disease control									
	Buffering and attenuation of mass flows									
	Climate regulation	●	●		●	●	●		●	
	Flood and storm protection	●	●	●	●	●	●	●	●	
	Mass stabilization and erosion control	●	●		●	●	●		●	
	Pest control									

All economic activity, in the same way that it produces impacts (positive or negative) on natural capital, also has dependencies on ecosystem services generated by that capital. This table contains a summary of the dependency analysis carried out in 2022 (see text) using the ENCORE tool⁷. Only the dependencies (rows) for the representative economic activities in each of Repsol Group's main business lines (columns) are included, without taking into account the dependencies with a "low" or "very low" level according to the results provided by ENCORE. Each business line will show dependency on a given ecosystem service provided that at least one of the economic activities of that business line has this dependency.

Biodiversity protection and conservation in all our activities

One of the main assets of natural capital is biodiversity. This term encompasses not only ecosystems and their living components, but also the ecological processes that sustain them and the valuable offer of services on which society depends.

In December 2022, during the United Nations COP15 High-Level Segment on Biodiversity was established the commitment of the signatory countries to undertake a coordinated global action "to stop the loss of biodiversity by 2030 and to achieve the goal of living in harmony with nature by 2050". Repsol, through IPIECA, is working to establish a Global Biodiversity Framework (GBF) together with IUCN, with traceable targets and goals to halt the current decline in biodiversity and guarantee its conservation and recovery.

As an energy company with a clear commitment to a sustainable world, Repsol plans and develops its projects and operations, regardless of their location, bearing in mind biodiversity conservation and protection, as well as the mitigation of the impacts⁷ that may arise. To do this, it applies the mitigation hierarchy (avoid, minimize, restore and offset) throughout the life cycle of its operations, and especially in protected areas. This commitment has been embodied in the new Environmental Policy published in 2022.

Likewise, and fully aware of the positive role that companies can play in finding solutions to the challenges regarding the loss of biodiversity and ecosystem services, Repsol develops its management practices according to the following principles:

⁷ For more information on the potential impact of operations on biodiversity, see Appendix V – Further information on sustainability (includes Non-Financial Statement).

- Integrating natural capital, biodiversity and the protection of ecosystem services into decision-making processes.
- Engaging with local communities and other stakeholders, and understanding their expectations regarding biodiversity.
- Assessing the impacts and dependencies associated with the ecosystem services and provided by the elements of natural capital, with special focus on biodiversity.
- Preventing and minimizing impacts on biodiversity and natural capital, in addition to restoring the environment in which activities are carried out and offsetting residual impacts if necessary, applying the mitigation hierarchy at all times, with a special focus on sensitive and protected natural areas.
- Developing indicators to measure performance and optimize management efforts.
- Involvement in research, biodiversity conservation, education and awareness projects.

Repsol has internal environmental management regulations that envisage the performance of environmental, social and health impact assessments (ESHIA) for all new operations or facilities (even when not required by local legislation).

According to this regulation, and considering the pre-existing environmental baseline, risks and impacts on biodiversity are assessed from the design phase to the decommissioning of each project, advanced assessment and monitoring procedures are developed in areas where biodiversity is especially sensitive, and appropriate mitigation measures are defined.

This information is used to draw up biodiversity action plans (BAPs), which are developed at sites and operations located in areas that are sensitive in terms of biodiversity.

Described below are some of the main protection and restoration activities⁸, along with other actions related to biodiversity management that are carried out by Repsol in 2022. It should be noted that independent and competent legal bodies have overseen the standards and methodologies used in each case.

Repsol and its commitment to biodiversity



Release of the first Bonelli's eagle chicks in Aragon, Spain.

Repsol released five Bonelli's eagles in the Sierra y Cañones de Guara Natural Park (Huesca, Aragon). The action is part of the plan on accompanying measures developed by the Company and defined in the environmental impact statements of the wind farms associated with the Aguas Vivas complex, belonging to the Delta I project. Repsol funded and promoted the program with the oversight of the Department of Agriculture, Livestock and Environment of Aragon (through its Natural Environment and Forestry Management Division) and the technical support of the GREFA association (Group for the Rehabilitation of Native Fauna and its Habitat). This bird of prey is one of the most threatened in the Autonomous Community of Aragon and it is listed

as an "endangered" species. Its main threat today is related to electrocution and collision with powerlines. The Bonelli's eagle population in Aragon has dropped by 35% in the last 15 years and currently stands at 20 pairs. The project envisages the release of a total of 25 chicks in 5 years, and involves maintaining contact and collaboration with local agents, Natural Park representatives and all related associations and sectors, as well as local society. In this sense, informative talks and presentations of results will be held to promote awareness and dissemination of nature conservation and the importance of all native species in the balance of ecosystems.



Repsol Exploration Mexico begins its reef restoration program in Veracruz

This year, and in collaboration with the National Commission of Protected Natural Areas (CONANP) and the company Blu Tech/Oceanus AC, a work program started to restore 3 hectares of reef in Mexico's Veracruz Reef System National Park (PNSAV). This program is aligned with compliance with the compensation constraints established in the Environmental Impact Authorization for the exploratory drilling projects in Block 10 and Block 29, both located in deep waters. One of the aims of this program is to increase healthy and genetically diverse coral

colonies, rehabilitating their structure and ecological functions, as well as establishing other species. The procedures developed by the Oceanus AC company, the technical expert that will implement the program, will be followed and it will allow for an increase of 15,000 coral colonies in 3 reefs through the installation of nurseries, fragment stabilization, colony transplantation and monitoring. All this will be complemented with education and dissemination activities, a handbook of good practices, and training and certification to promote sustainable tourism.

⁸ For more information, see Appendix V. Further information on Sustainability (includes Non-Financial Statement)



Land Custody Agreement for the Gaià Reservoir, Spain.

As a continuation of the actions framed in the Biodiversity Action Plan (BAP) of Repsol lands around the Gaià reservoir (Repsol owns 499.44 Ha in the Gaià River Natural Area), the company signed a custody agreement for that land with the “La Sínia” Environmental Association, with which it has been collaborating since 2014 to protect this area of high faunal and ecological interest. Both entities agree on the need to use the land in a manner that is compatible with the conservation of its natural, landscape and heritage elements. One of the noteworthy actions set forth in the custody agreement is the collaboration with the land turtle (*Testudo hermanni*) reintroduction project in the protected natural area of the Gaià River, which is promoted by the Generalitat of

Catalonia and has the technical support of CRARC, Amphibian and Reptile Recovery Center of Catalonia. This custody agreement seeks to establish joint lines of work to maintain, promote and increase the conservation of the Gaià River natural area. Moreover, it encourages the celebration and joint organization of events, conferences, talks, and scientific and technical studies for dissemination of the natural values of the Gaià River natural area, such as those already carried out for the creation of a shelter for bats, margin restorations and improvements in riparian vegetation or fostering corporate volunteering with Repsol workers through actions such as support rafts for fauna, plantations of riparian vegetation, construction of nest boxes, etc.



Wildlife rescue at La Pampilla in Peru

Following the incident of January 15 2022 at La Pampilla refinery terminal in Peru, together with the other environmental measures implemented by Repsol, the rescue of the affected fauna was carried out in a meticulous manner and hand in hand with the competent authorities, the National Service of Natural Protected Areas by the State (SERNANP) and the National Forestry and Wildlife Service (SERFOR), in association with the Las Leyendas Zoo, also contracting a consulting firm of international prestige for its expertise in the recovery of animals after oil spills: Akaupa. After the identification, capture and transfer of the affected individuals, clinical examinations

were carried out with the evaluation of vital parameters, hydration with saline and/or electrolyte solutions, division of birds by species groups, appropriate care according to their condition, and feeding with fish or supplements, until their condition was stabilized. Once they met the clinical criteria, they were washed, rinsed and dried; then they were kept in pools until they recovered waterproofness of their feathers and their weight, with appropriate feeding and constant medical attention. More than 100 birds have already been released into their natural habitat, including Peruvian boobies, gulls, cormorants and pelicans.

6.2.3. Water

2025 target

To have integrated water management at 100% of our assets and industrial facilities at the Upstream, Refining and Chemical businesses

Water, a key element in energy management

Water and energy are intrinsically connected. Water is used in industrial processes, factories and in hydrocarbon upstream activities. For this reason, the strategic and joint management of water and energy resources is key.

In this regard, Repsol, as an energy provider, is committed to carrying out sustainable water resource management, promoting the search for new solutions to optimize water use, guaranteeing the reduction of freshwater withdrawal and promoting measures to increase internal and external reuse as well as to preserve the quality of the receiving environment, as stated in the new Environmental Policy.

In 2022, Repsol reinforced its commitment to address global water challenges by endorsing the CEO Water Mandate, an initiative led by the United Nations Global Compact. This mandate offers a unique platform to share best practices and establish multi-stakeholder partnerships to address challenges related to scarcity, quality, governance, and access to water and sanitation.

Endorsement to the CEO Water Mandate



Repsol's CEO, Josu Jon Imaz, supports this mandate by making public Repsol's commitment to continuous improvement in water management and transparent progress reporting.

Specifically, the **six** lines of action for strategic water management that the company is committed to working on are:

- Direct operations.
- Supply chain and watershed management.
- Collective action.
- Public Policy.
- Community engagement.
- Transparency.

Repsol will define its company objectives and align its main projects in a way that allows the company to uphold the commitments made.

Interactions with water as a shared resource

Most of the water withdrawn by Repsol comes from the ocean (77%) and is used for cooling processes. The remaining water comes from different sources: from third parties (13%), mainly public water network suppliers, from surface water sources (5%), production and flowback water (3%); and from groundwater sources (2%).

Of the total water withdrawn, 19% is freshwater and only 0.6% of this freshwater comes from regions with high or extremely high water stress levels.

The main use of the withdrawn water is for industrial cooling process. It is also used to produce steam or be incorporated into industrial processes, in drilling activities and, to a lesser extent, to supply sanitation networks, firefighting systems and cleaning services.

In terms of water discharge, the main destination is the ocean (95%). Other minority destinations for effluents are surface water bodies (3%) or their transfer to third parties for effluent treatment or final disposal (2%).

Repsol promotes optimization and circularity in the use of water at all facilities. That is why in 2022 19 Mm³ of water were reused internally, 25% of the total incoming water, excluding that water withdrawn for once-through cooling processes in combined cycle power plants and produced and flowback water. By implementing this type of responsible water reuse practices, it has been possible to reduce the withdrawal and dependence on natural environment and its potential impacts.

Strategic action lines for 2025

For several years, Repsol has been working on a series of strategic lines in water management that are based on the analysis of its main risks and the implementation of specific

actions to minimize the impacts, on the incorporation of its real economic value in decision-making, and on promoting a responsible water culture in the Company.

In this sense, efforts are being made to define and implement improvement action plans in the different business areas until 2025. Specific targets are set in some selected cases, and regular monitoring of key performance indicators is carried out at each facility or operational center.

Analysis and management of water risks

Given that water is used throughout the life cycle of projects and activities, it is essential for Repsol to have the Repsol Water Tool (RWT), which allows it to identify and minimize associated risks.

The RWT was developed in 2013 to identify and assess the main water-related risks to which operations are exposed. Its analysis methodology takes into account both internal factors (measurement level, types of use, quality treatment, withdrawal sources and discharge receptors) and external factors (future availability, regulatory changes and reputational aspects).

RWT was fully updated in 2022 to incorporate functionalities such as exposure to the risk of water stress⁹ and the option to calculate the value of water price¹⁰ based on the risks associated with quantity and quality, which allows this value to be used in the economic analysis for strategic decision making.

Once its analysis criteria was updated, the scope of risk calculations has been expanded to include new businesses and operations, in order to identify those centers or critical assets where greater effort must be made to mitigate risks by prioritizing and implementing improvement programs.

⁹ The reference tool used to analyze the risk of water scarcity is the Aqueduct Water Risk Atlas, from the World Resources Institute (WRI, www.wri.org/aqueduct).

¹⁰ The reference tool used to calculate the price of water is Water Risk Monetizer, developed by Ecolab in partnership with Trucost and Microsoft, about.smartwaternavigator.com.

Strategic lines until 2025. Sustainable water management

EXTERNAL REUSE OF WATER

Encouragement of the search for and use of alternative sources of water.

At the Marcellus E&P operations in the USA, agreements have been reached with other operators in the area to exchange and reuse surplus produced water from Repsol Operations to avoid water withdrawal from the environment. This good practice of shared water management encourages the use of alternative non-freshwater sources.



EFFICIENT USE OF WATER

Work to reduce and optimize water consumption in the different activities that are carried out.

At the Marcellus E&P operations in the USA, agreements have been reached with other operators in the area to exchange and reuse surplus produced water from Repsol Operations to avoid water withdrawal from the environment. This good practice of shared water management encourages the use of alternative non-freshwater sources.



REDUCING THE IMPACT OF DISCHARGES

In 2022, a total of 31.7 million m³ of water has been discharged, without counting once-through cooling processes in combined cycles power plants. This made for a reduction of 37% compared to 2015.

An initiative has been implemented at the Escatrón combined cycle power plant (Spain) An initiative has been implemented at the Escatrón combined cycle power plant (Spain) to improve the efficiency and control of chemical parameters in all sanitary water discharge lines.



INTERNAL REUSE OF WATER

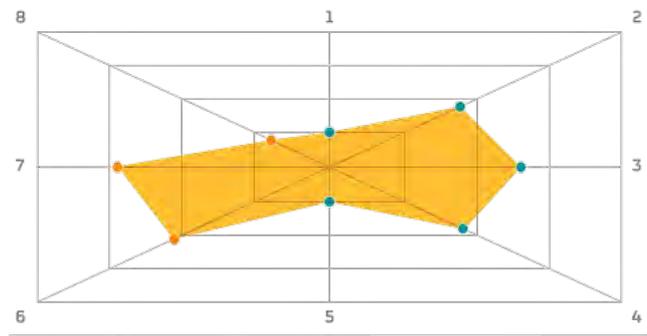
Use of the most advanced treatment technologies to obtain high-quality treated water for reuse in its operations. Reused water increased by 117% between 2015 and 2022. In 2022, reused water accounted for 27% of total water used in the Company's operations, not including produced water withdrawn and injected open loops in the combined cycle power plants of the Low Carbon Generation business and considering E&P produced water and flowback.

At the Cartagena refinery (Murcia), an ultrafiltration unit was installed before the reverse osmosis membranes in the boiler water treatment plant number 2 (PTAC no. 2). As a result, the quality of the inlet water to the membranes is improved and contamination is minimized, the useful life is increased, the number of required chemical cleanings is reduced, and the reliability of the PTAC is improved. Likewise, by increasing the recovery of effluent water, both in the production of boiler water and in other uses, water withdrawal from the network is reduced.

The plant began operations in April 2022 and water recovery has more than doubled (from 80 to 180 m³/h). This improvement will increase internal recirculation, equivalent to the consumption of more than 3,700 families in one year.

Repsol's water risk analysis

Internal factors
1. Measurement
Level of knowledge and monitoring of all water flows (volume and quality) of the water balances.
2. Water use
Determination of the volumes based on the different types of water use and the internal management capacity (efficiency and reuse) of all water flows (volume and quality) of the water balances.
3. Water quality
Analysis of water treatment technologies to ensure their quality (water withdrawn and discharged).
4. Water sources
Assessment of the impact and importance of the water withdrawal sources (based on their availability, environmental sensitivity, degree of protection and water stress).
5. Water receiving bodies
Assessment of the impact and importance of the discharge receptors (based on their availability, environmental sensitivity, degree of protection and water stress).



External factors
6. Future availability
Study on the access and guarantee of water supply (short term) and comparison of the demand for water vs. competition (medium term).
7. Regulation
Assessment of potential risks derived from regulatory changes and impacts in the case of non-compliance with the regulations.
8. Reputation
Analysis of the relationship with other stakeholders and users of shared water resources.

Minimization of impacts

The main potential impacts derived from the use and water consumption in operations are related to withdrawal and the consequent reduction of availability in the environment. Regarding discharges, there may be potential impacts with the possible decrease in quality in the receiving bodies.

To carry out proper identification and monitoring, a series of specific tools are applied, including:

- Environmental, social and health impact assessments, which are conducted in accordance with the requirements established by legislation in the countries where the Company operates, internal regulatory standards and requirements of reporting, controlling and monitoring each facility or asset on a regular basis as agreed upon with the environmental authorities and based on internal requirements.
- Analysis of the impacts and dependencies of Upstream assets, following the internal GEMI (Global Environmental Management Index) methodology, which assesses water management as a key element, based on a natural capital approach.
- Analysis of the product life cycle, including the water vector.
- Water footprint studies, such as the Blue Certificate of the Peru Business Unit and other detailed technical analyses (water map studies or environmental risk analysis carried out at the LPG factories).

Managing the impacts derived from the use of water at Repsol takes into account both compliance with legal requirements that affect operations and internal standards developed according to the best international practices and recommendations published by IOGP, IPIECA, CONCAWE or other governmental agencies in which the Company participates.

Collaborative approach to water management

To promote an integrated water resource management, it is necessary to adopt a participatory approach that involves all users, water planning authorities and water government agencies at all levels.

For Repsol, it is important to establish relationships with all stakeholders involved in water management, including regulators, and taking their needs and interests into account. This approach leads to more effective management strategies to help prevent risks and mitigate impacts in each river basin where it is present.

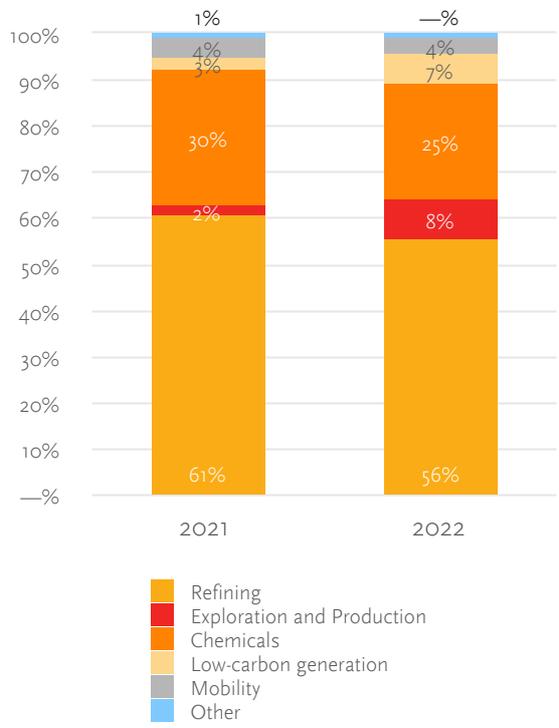
Examples of collaboration with stakeholders with regard to water include:

- Participation in sectorial working groups at associations such as IPIECA, CONCAWE, AOP, CEFIC and FEIQUE. In the case of IPIECA, specifically in the water risks and opportunities working group, one of the initiatives in 2022 involved validating the accuracy and usefulness of the global flood and drought risk identification tools vs using local data. The aim is to determine whether these global

tools can assess risks at a local level, with the same accuracy as local tools or assessments, reinforcing the standardization of their use and the comparability of results.

- Establishment of permanent dialogue channels between society and the Company, such as public advisory panels at the industrial facilities, which allow us to become aware of and convey the concerns of neighbors regarding safety, health and the environment (including water).
- Multidisciplinary coordination at the operational level through the Operational Excellence Group (OEG) for water management among industrial facilities (refineries and chemical plants) with the participation of technical experts in the field.

Evolution of freshwater withdrawal by activity



Water management	2022	2021
Freshwater withdrawn (thousands of m ³)	59,681	50,519
Reused water (thousands of m ³)	19,532	17,691
Discharged water (thousands of m ³) ⁽¹⁾	276,637	250,858
Hydrocarbons in discharged water (tons)	71	158

In 2022, freshwater withdrawal increased by 18%, mainly due to an increase in Refining and Low Carbon Generation production (use of water for once-through cooling) and for carrying out drilling campaigns in E&P North America. On the other hand, non-freshwater withdrawal dropped 4% due to a decrease in the extraction of produced water from E&P after divestment of assets. This reduction offsets the increase in seawater withdrawal in Low Carbon Generation for once-through cooling.

6.2.4. Circular economy¹¹

In recent decades, the industrialization of emerging economies and the accelerated production and consumption models of developed countries have led to unparalleled growth in demand for resources. The link between economic development and the consumption of raw materials, the basis of the linear economy, represents an unsustainable model over time.

The risks of a linear economy are not only associated with resource scarcity, with the problems involved in sourcing the supply chain or the impact on the price of commodities, but also with growing waste generation with a high environmental impact on ecosystems.

Given this scenario, the circular economy emerges as a new production and consumption model that promotes maintaining a balance between the preservation of the planet and economic development.

Since 2016, Repsol has promoted the circular economy, not only as a key lever in the industrial transformation and decarbonization process, but also as a clear reflection of its duty to preserve the environment. In 2022, the new Environmental Policy reinforces Repsol's express commitment to the principles of the circular economy.

2025 target | Develop cross-company circular economy initiatives in partnership with external firms, working with all businesses

Repsol applies the circular economy in all the countries in which it operates and throughout its value chain. This encourages extending the life of products, optimizing the use of resources, reducing the consumption of raw materials and reusing waste, giving it a new life or recycling it to turn it into new products.

The Company relies on the Repsol Technology Lab to apply circularity to its production processes and to the products it offers to society. Moreover, it works closely with partners, suppliers and customers, generating synergies and partnerships that allow progress to be made in technological developments and the implementation of projects.

To this end, it analyzes circular raw materials and technological pathways that progressively reduce the use of fossil fuels: municipal solid waste, organic waste, residual plastics, biogas, renewable hydrogen, CO₂, etc.

In the framework of its strategic objectives, Repsol will:

- Process 4 Mt of waste by 2030.
- Reach low carbon biofuel production capacity of 1.3 Mt by 2025 and more than 2 Mt by 2030, of which more than 65% will be produced from waste.
- Recycle the equivalent of 20% of its polyolefin production by 2030, incorporating waste plastic material from mechanical and chemical recycling into the manufacture of new polymers.

¹¹ More information about the circular economy and Repsol's commitment at www.repsol.com (Sustainability – Circular Economy)

+300 **+220** **+160** **+40** **+4**

circular initiatives in 12 countries

strategic alliances

circular projects under development with strategic partners

types of waste and technologies under analysis

million tons in waste processed as raw materials by 2030

In 2022, some of the most notable advances in the circular economy that are worth mentioning are:

- Search and assessment of new pathways, technologies and raw materials. In 2022, more than 40 different types of waste and technologies were assessed to ensure the production of advanced biofuels and circular petrochemical materials.
- Progress in the decommissioning of the Tarragona and Puertollano thermal power plants following the principles of circularity. Joint work with specialized waste managers in order to optimize a new life for waste as resources through reuse and recycling.
- To disseminate good circular practices, Repsol collaborated in the third conference series “Towards a circular economy”, organized by Repsol Foundation and Funseam, which had more than 900 participants.
- Repsol Foundation and the University of the Basque Country launched the Energy Transition Classroom, focused on the role of the circular economy in the industry’s value chain.
- Active collaboration in the public consultations initiated by the Government of Spain and the European Commission on circularity. In 2022, it has participated in more than 50 consultations directly or through sector organizations.

- Contribution, as a signatory company to the Circular Economy Pact and for the third consecutive year, to the initiatives launched by the Government of Spain: business indicators and the development and dissemination of good circular economy practices.
- Active participation in more than ten national and international circular economy working groups (World Economic Forum, IPIECA, CONCAWE, Plastics Europe, CEFIC, Spanish Chamber of Commerce, CEOE, COTEC, CTN323 UNE, Circular Economy Observatory by the Club de Sostenibilidad, Spanish Association of Petroleum Product Operators, FORÉTICA Circular Economy Group, etc.).
- First multi-energy company to obtain the voluntary 100% Circular Strategy certification from the Spanish Standardization and Certification Association (AENOR), which endorses the commitment to the goal of reaching net zero emissions by 2050.

In addition, this year Repsol has launched various circular economy initiatives. • *For more information, see Section 5.2, Performance of our businesses - Industrial, Section 5.3, Performance of our businesses - Commercial and Renewables, and Section 6.3.1, Technologies for Decarbonization.*

Repsol obtains the 100% Circular Strategy certification granted by AENOR

In 2022, Repsol obtained the 100% Circular Strategy certification, which endorses its commitment to circularity and sustainability.

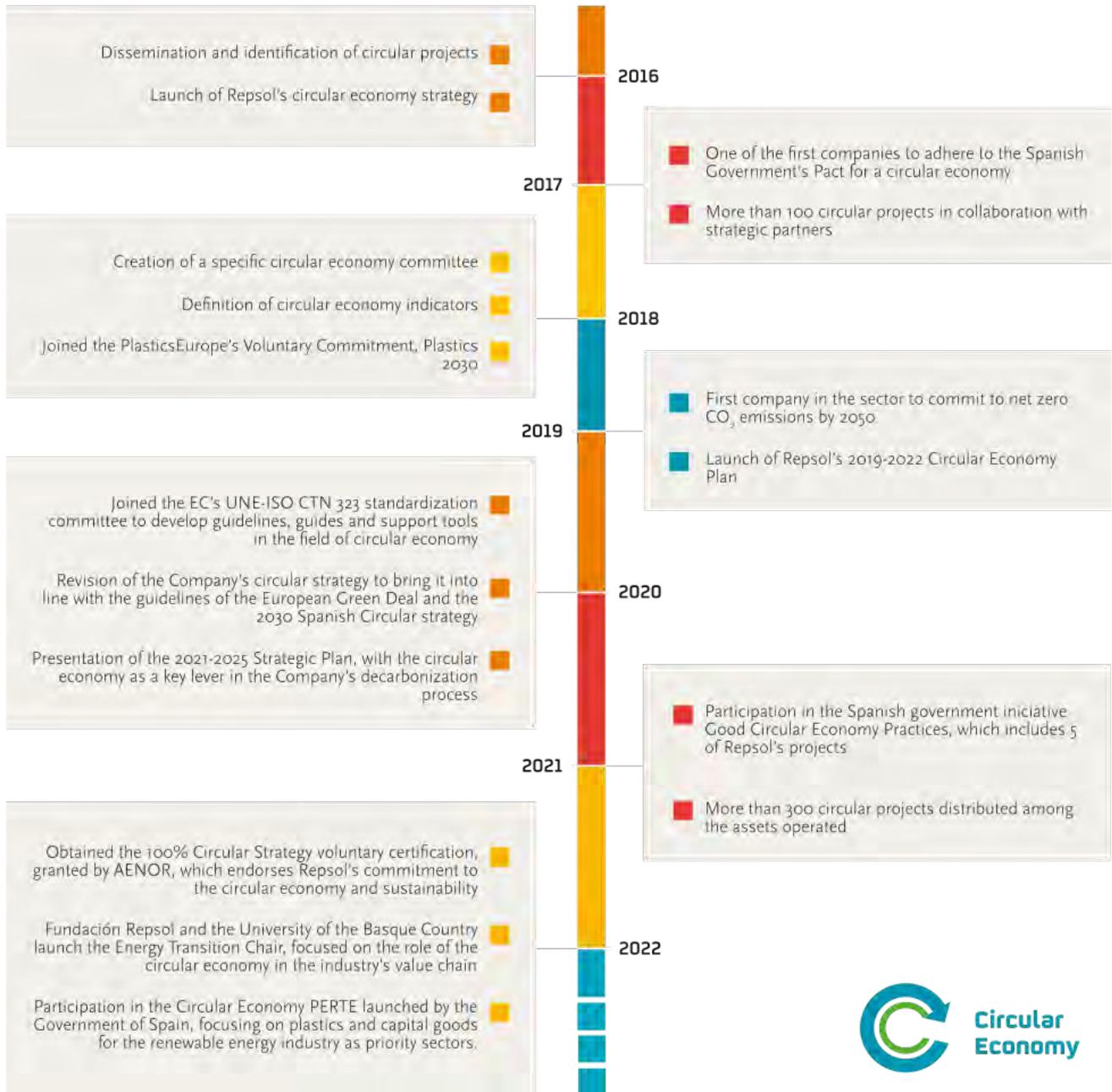
Through the audit, AENOR learned about the strategic plan and the roadmap to become a net zero emissions company by 2050, in which it has the circular economy as a key lever. It also validated the strategy’s alignment with the pillars that support the certification: share, optimize, virtualize, exchange, regenerate, innovate and act with transparency.

Repsol, Grupo Sesé and Scania come together to test renewable fuels in long-distance freight transport

Repsol, Grupo Sesé and Scania started a one-year pilot project to promote decarbonization in freight and car transport with renewable fuels. This project is supported by Seat and Cupra, as well as the commitment of Coca-Cola Europacific Partners, where all the links in the freight transport value chain are represented.

In Spain and Europe, **ten Scania trucks** from Grupo Sesé will circulate for one year and until May 2023 using Repsol’s advanced biofuel, produced from waste to verify the reduction of CO2 emissions that, with the use of these fuels, can be up to 90%.

Repsol's commitment to the circular economy



6.3. Technology and innovation

6.3.1. Technology and innovation¹



Ambition

Drive technological innovation as a lever of transformation towards more sustainable business models

Technological innovation is an essential driver for building more sustainable energy models and meeting the challenge of decarbonization in industrial production and transportation.

Repsol's technological development resides in its Technology Lab and it supplements the Company's own research work with the Corporate Venturing investment fund and an open innovation strategy by establishing partnerships with technology centers, companies and universities around the world.

Repsol Technology Lab works on detecting, validating, and developing relevant technologies for its industrial activity, among which the most important are those aimed at decarbonization, such as:

- Production of renewable hydrogen through the use of technologies such as first- generation electrolysis and development of future generations from renewable electricity, biomethane reforming and photoelectrocatalysis.
- Production of renewable fuels from waste, and development of synthetic fuels from CO₂ and renewable hydrogen.
- Circular economy as one of the pillars for transforming the industrial centers into large multi-energy hubs, capable of using different types of waste and converting them into carbon-neutral products.
- Development of technological products for the energy transition, such as the Energy Management System (EMS), which optimizes the electric energy consumed, generated, and stored by customers.

2027 target

50% of the investment in R&D projects in line with the pillars of the Sustainability Model.

Production of renewable hydrogen at refineries and petrochemical plants

Repsol has recently proposed an ambitious renewable hydrogen development strategy with objectives set at 550 MWeq in 2025 and 1,900 MWeq in 2030. To succeed, more mature electrolysis technologies that allow for early development will be needed, as well as disruptive technologies to improve the efficiency of the process over the medium term. Repsol Technology Lab is working on both time horizons.

With regard to more mature technologies, such as alkaline electrolysis and Proton Exchange Membrane (PEM), efforts in 2022 have focused on selecting the most suitable technologies and their use in industrial applications for projects that are expected to be launched over the short and medium term. At the same time, we continue looking for new solutions that allow us to improve the efficiency and the investment costs of both technologies, seeking to implement said technologies in medium- and long-term projects.

In addition, a project subsidized by the Center for the Development of Industrial Technology (CDTI) program Misiones (Missions) called Zeppelin has been developed in collaboration with companies and technology centers such as Técnicas Reunidas, Naturgy, Aqualia, Reganosa, Redexis, Norvento, and Perseo Biotechnology to explore different alternatives for the production of renewable hydrogen from waste.

Work also continues on initiatives for the development of disruptive technologies capable of improving the efficiency of the renewable hydrogen production process. One such initiative has turned into a consortium of Spanish companies for the development and scaling of SOEC technology (solid oxide electrolyzer cells), being submitted to two national calls for public aid (PERTE H₂ and "Misiones" - "Missions" 2022).

The second initiative, based on photoelectrocatalysis technology, was developed in 2021 through the spin-off Sunrgyze, together with the company Enagás. During 2022, we have continued supporting Sunrgyze in its optimization and scaling so that it can be implemented in a demo plant that will start up in 2025 at the Puertollano refinery, for which an European aid was received under the Innovation Fund (Small Scale) call.

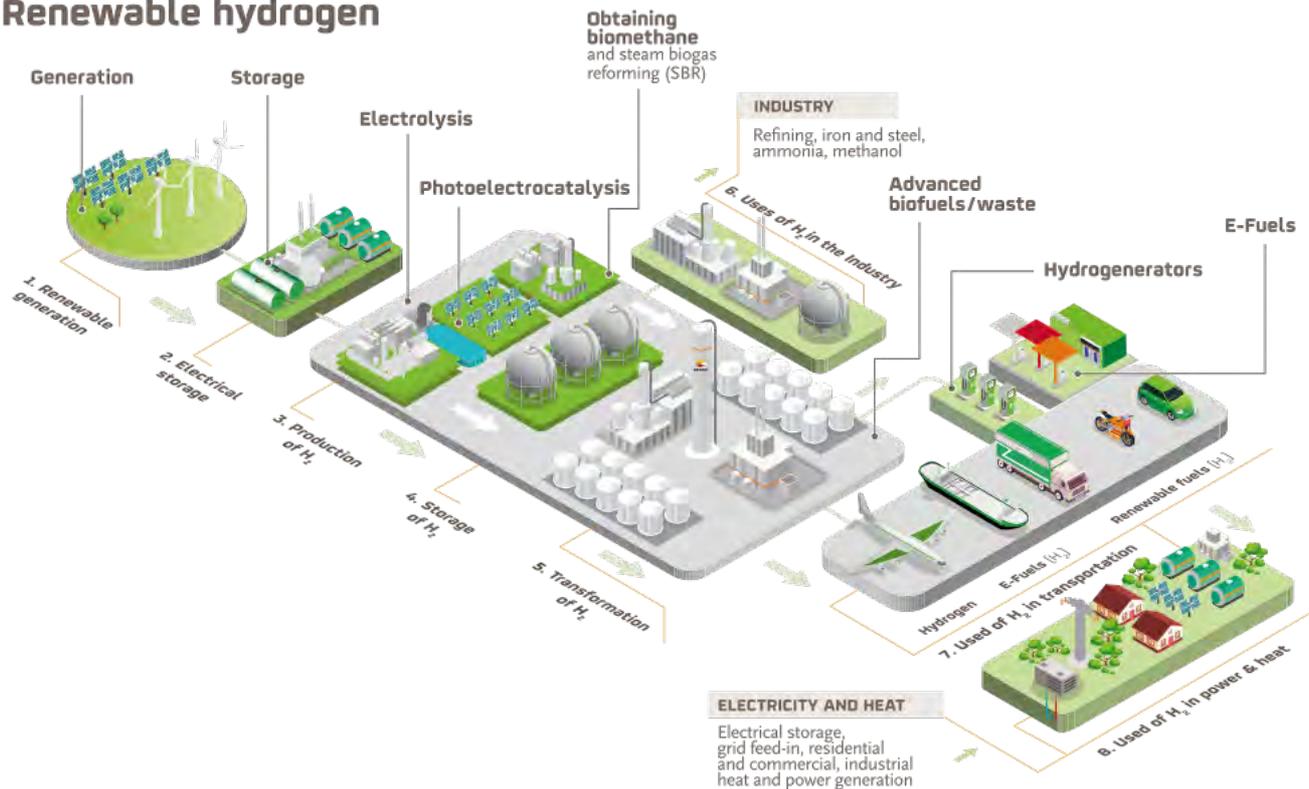
¹ The figures and indicators in this section have been calculated in accordance with corporate standards that set out the criteria and methodology applicable.

Development of fuels with a low carbon footprint for mobility

Repsol is working to seek out new carbon neutral fuels for road, air and maritime transport. During 2022, progress has continued in the activities started in 2021, such as the

design, manufacture, and supply of the first 100% renewable gasoline for single-seater competition, manufactured at Repsol Technology Lab.

Renewable hydrogen



Production of synthetic fuels from renewable hydrogen and CO₂

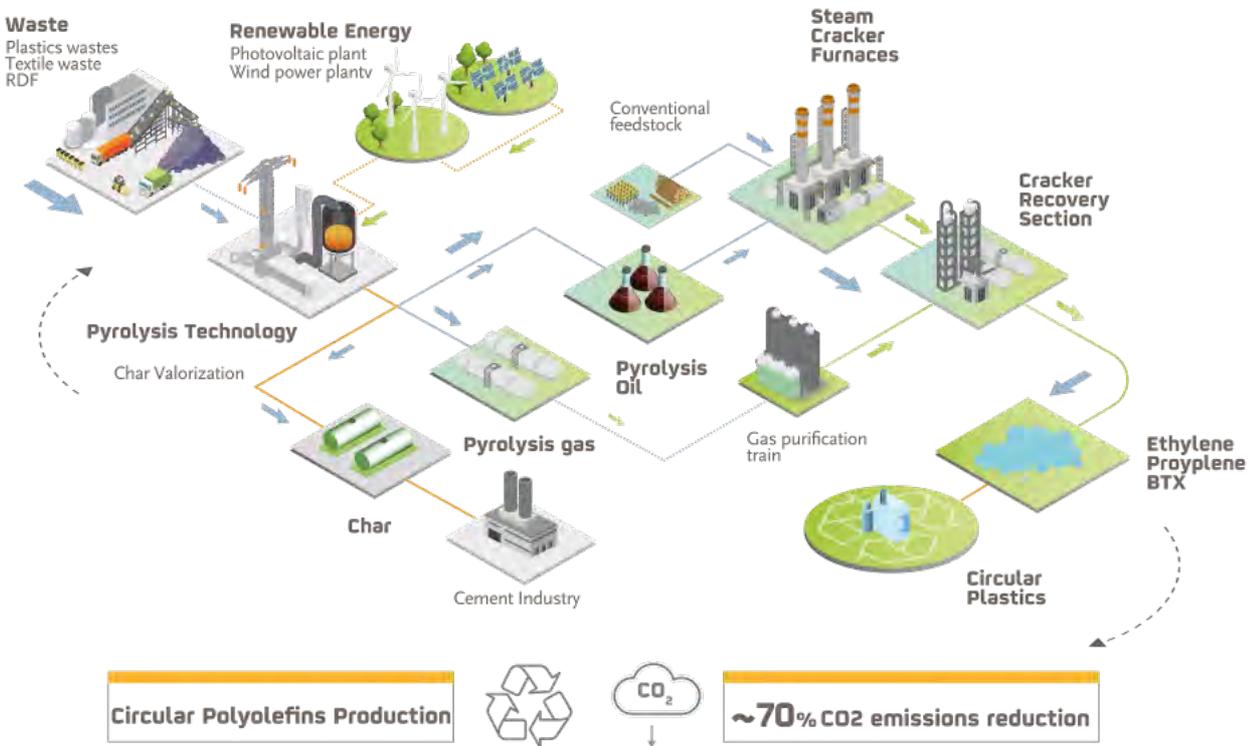
In 2022, in collaboration with Saudi Aramco, a demonstrational project was developed for the production of synthetic fuel from renewable hydrogen and CO₂. The installation is located at the Port of Bilbao, in the vicinity of the Petronor refinery. The project will allow for the validation of a key technology to achieve the objectives set by the European Commission.

Decarbonization and circular economy in refineries and petrochemical plants

Repsol is working to transform its existing refineries and petrochemical plants into industrial centers that can convert organic waste and recycled plastics into carbon-neutral fuels. In 2022, the following initiatives were implemented:

- **Development of the basic engineering design for the first plant on the Iberian Peninsula to transform waste into chemicals and fuels**, doing so in alliance with Enerkem. The plant will be able to convert around 400,000 tons of non-recyclable municipal solid waste into approximately 220,000 tons of methanol, which can be transformed into renewable plastics or advanced biofuels.
- **Start of the Horizon Europe Plastic 2 Olefin project.** Repsol is coordinating the project, which aims to develop a new technology for the chemical recycling of plastic waste for the production of circular olefins, doing so in a consortium with twelve other technological and industrial partners. Its objective is to scale the technology from a pilot plant to a demo phase, building a demo plant in one of Repsol's industrial complexes in 2027.

Plastic2Olefins Project



Biomethane production

In 2022, an alliance between Reganosa, Repsol, and Naturgy was established to create a network of biomethane production plants. The agreement aims to progressively deploy a network of plants throughout Spain that use cattle, pig, and poultry slurry for the production of renewable energy.

CCUS

Repsol and its Oil & Gas Climate Initiative (OGCI) partners are channeling their efforts into the development of carbon capture, utilization and storage (CCUS) technologies through the Climate Investment Fund². The OGCI brings together 12 major companies in the oil and gas sector, and its fund invests in decarbonization technologies. During 2022, it invested in five new companies and projects with which it hopes to reduce emissions from various industrial sectors.

Repsol is likewise appraising CCUS opportunities at its upstream assets with the scientific support of the Repsol Technology Lab.

Intelligent systems for energy management and flexibility

Repsol is working on developing integrated solutions based on artificial intelligence and complex optimization algorithms applied to energy systems.

EMS (Energy Management System) is a technology developed at Repsol Technology Lab and tested with positive results at customer facilities over the last two years was transferred in August of 2022 to the company Smarkia.

EMS is an energy management system that allows us to remotely and autonomously optimize the customers' consumption (residential, commercial, and industrial), saving them on their electricity bill while reducing CO₂ emissions. It is based on predictive intelligence and physical modeling of assets.

Repsol and MNB invest in the Smarkia energy management platform

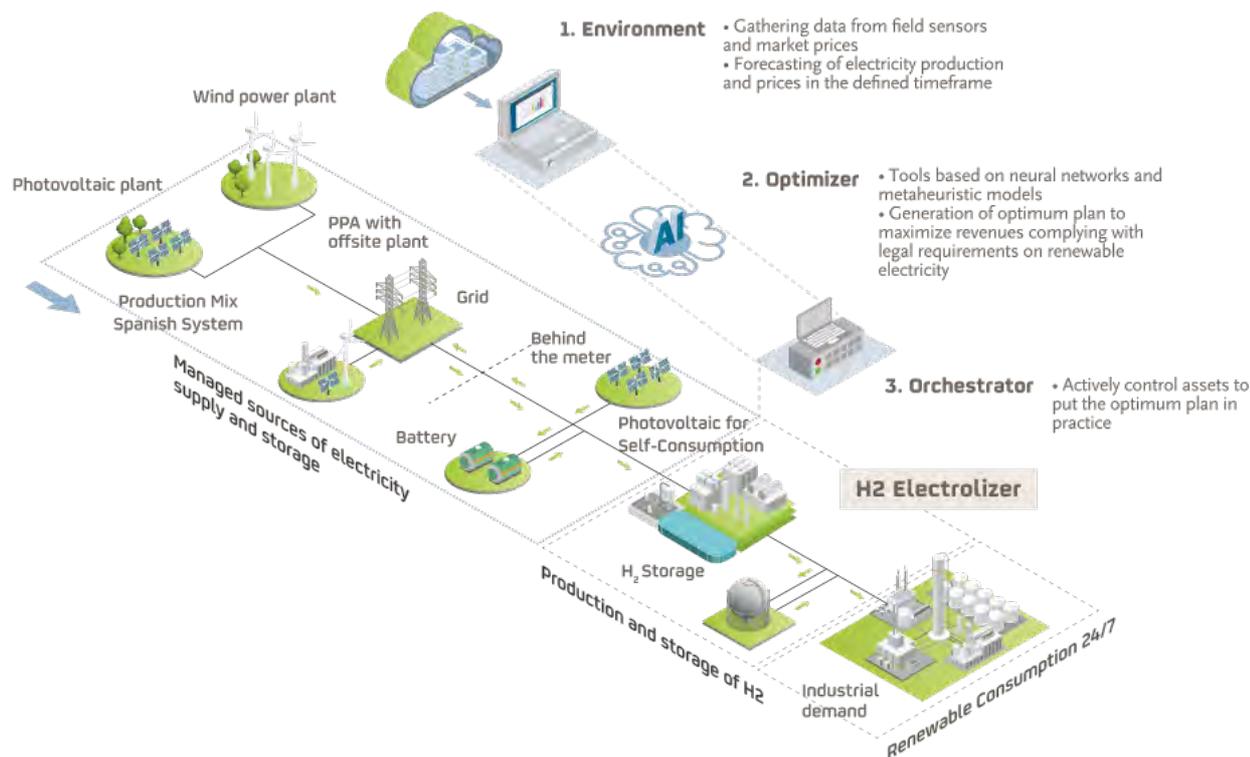
Repsol, through its Repsol Deep Tech investment facility, has entered into the capital of the technology startup Smarkia together with MNB Energy, one of the largest renewable energy companies of the USA, founded as part of Goldman Sachs Asset Management. Repsol –in addition to contributing capital– is transferring energy optimization technology based on artificial intelligence.

² For more information, visit oilandgasclimateinitiative.com/climate-investments.

H2Opera. Its aim is to maximize profit in the production of renewable hydrogen by undertaking the intelligent and autonomous management of elements such as an electrolyzer, a battery, and/or self-consumption photovoltaic

solar panels, all the while taking into account available renewable electrical energy. It is under development for application in power supply systems for Repsol's future electrolyzers.

H2Opera



Quantum computing

Repsol participates in the CUCO project, subsidized by the Center for the Development of Industrial Technology (CDTI) and supported by the Ministry of Science and Innovation under the Recovery, Transformation, and Resilience Plan. Its aim is to progress in quantum computing algorithms both scientifically and technologically through public/private collaboration between companies, research centers, and universities, thus accelerating the implementation of these technologies for use over the medium term. In addition, it identifies a series of relevant cases for use in the Spanish economy in which concept tests can be carried out. In this context, cases will be investigated in which this technology has been used in Earth observation, the fight against climate change, the traceability of information throughout the supply chain, etc.

Open innovation model

Repsol's open innovation model covers all phases of innovation and allows for the establishment of strategic alliances and collaborative efforts with third parties, doing so with the aim of joining forces and bringing together capabilities in order to offer solutions for the global energy transition challenge and for the company's own aim of being, in terms of emissions, a net-zero company by 2050.

The objectives of Repsol's networked open innovation model are:

- Early detection of technologies that solve the challenges of the energy industry.
- Validation and scaling of technologies developed by third parties.
- Accelerate innovation cycles and ensure that technological solutions reach the market as soon as possible.

2023 target

Creation of an industrial innovation hub together with other corporations, with a focus on decarbonization and the circular economy to accelerate the process of detecting and adopting technologies that help achieve sustainability goals.

Repsol Corporate Venturing^{3,4}

In 2022, Repsol diversified its investment capacity in startups, launching (along with Suma Capital) **SC Net Zero Tech Ventures**, a new venture capital fund for decarbonization technologies.

It is a venture capital investment fund focused on technologies for the energy transition. It will accompany companies that develop technologies aimed at decarbonization and the circular economy to promote said technologies' growth and international expansion and accelerate their application on an industrial scale. The fund will have an approximate size of €150 million.

Simultaneously, Repsol Corporate Venturing has kept its own corporate investment fund, which is starting a new phase under the name **Repsol Deep Tech Fund**. It will invest in technological startups in the most incipient phases of development and has 50 million euros.

6.3.2. Digitalization



The year 2022 was key to completing the Digital Program which has been consolidated at Repsol since its creation in 2017.

Among its objectives, the following are noteworthy:

- Obtaining economic benefits along the entire value chain through the implementation of digital tools.
- Promote sustainability, advance in decarbonization, and contribute positively to the achievement of Repsol's goal of having zero net emissions by 2050.
- Promoting the transformation of work methods and develop employees' digital capabilities.

Foundations of the digital program and results

The Digital Program was based on three main pillars:

- **Practical application and results oriented.** More than 500 digital cases were deployed in the last five years, and the goal of €800 million of impact captured in 2022 was surpassed (after discounting the positive effect derived from macro variables, such as the price of crude oil and gas or the refining margin).
- **Focused on people and new ways of working.** More than 1,200 employees have participated in digital cases. One of the priorities of the program is the development of digital talent, accompanying people in their training and in new, more streamlined ways of working.
- **Focused on data and artificial intelligence.** Over 60% of the digital cases deployed have a data analytics and artificial intelligence component.

The digital program numbers

+500	Digital initiatives
+1,200 people involved	4 continents +20 countries
9 Technological HUBS	Including Data Analytics Omnichannel RPA User Experience
+180 new hires in two years	

Digitization along the value chain

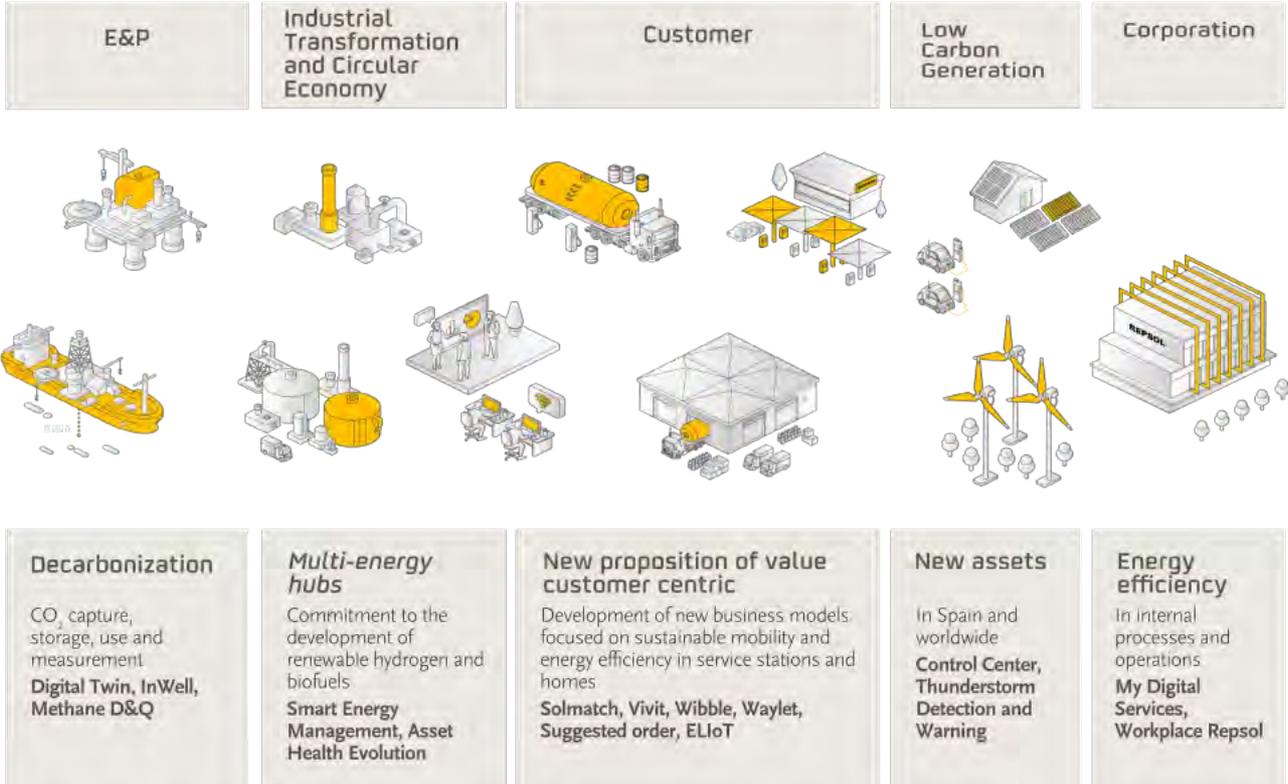
Digitization is integrated into all areas of the Company and all business units have numerous digital initiatives.

The following initiatives are those most related to the decarbonization strategy:

³ For more information, visit www.repsol.com (Energy and innovation - Open innovation).

⁴ See ventures.repsol.com

Digitization and decarbonization in our entire value chain



Commitment to digital capabilities

Repsol has continued to promote initiatives that foster the development of skills and training in digital technologies, such as our Data School, which contributes to creating a data-driven culture through employee training.

Also, and with the aim of improving the way we work and of meeting the needs of businesses and employees in the future, the Workforce for the Future initiative has been implemented, which allows such requirements to be planned.

Digital capabilities

**Data
School**

16 editions held
500 employees trained
26 editions
800 employees in 2023

Digital ecosystem

Repsol believes that collaboration is key to the digital program's success, as collaboration allows access to skills, experience in implementation, and technology platforms. In 2022, a digital ecosystem was consolidated with more than 60 partners. This digital ecosystem is making it possible to accelerate digital innovation.

To this end, consortia and alliances have been established with SMEs and startups with capabilities in very specialized areas – such as Kabel, Tinamica, and Touring.

Likewise, partnerships have been formed with large technology companies (Microsoft, AWS, Celonis, Salesforce) and business consortia such as INDESIA have been promoted.

Second digital wave

Building on its success from the initial years, Repsol is committed to giving new impetus to the digital transformation; therefore, throughout 2022, a new digital

wave with a time horizon of 2025 was planned, a digital wave to tackle the strategic challenges and incorporate a special focus on multi-disciplinary platforms and the generation of synergies between businesses. Likewise, new actions have been defined which allow us to reinforce digital training and the promotion of talent.

Strategic partnerships

Microsoft

Collaboration focused on accelerating digital innovation and the energy transition by developing co-innovation initiatives to promote decarbonization, sustainability and efficiency in operations, such as:

- **DIY.** Deployment of the DIY Center to give greater support to users and the scaling of digital cases.
- **Bonsai.** Platform to accelerate the development of automation driven by artificial intelligence, from Microsoft.
- **Viva Insights.** Tool to evolve the way of working, with the aim of achieving a greater degree of efficiency, ensuring a work-life balance and reinforcing team cohesion in the context of hybrid work.

Celonis

Collaboration based on the execution management system (EMS), which will enable Repsol to obtain greater visibility in terms of the variants of processes in real time, increasing their efficiency and boosting capacity to simplify operations.

Salesforce

Strategic agreement based on the development of the platform. It makes it possible to offer a global service that includes discounts, cross-offers and personalized advantages through a single channel accessible from any device.

AWS

Through a collaboration agreement, AWS will provide Repsol with new cloud services to accelerate its digital transformation and continue developing its multicloud commitment.

IndesIA

Repsol co-founded a consortium to promote the use of data and artificial intelligence in industrial companies. Its mission is to launch digital initiatives that position Spain as a benchmark in this field.

External recognition 2022

Gartner

Gartner published a case study that highlights Repsol as an example of digitalization leadership in companies that are beginning their digital transformation.

MIT

The Massachusetts Institute of Technology (MIT) analyzed Repsol's digital model and recognized its scaling at scale capacity (the possibility of multiple digital innovation initiatives yielding a big value from their innovation).

CIO 100 Awards Spain

Award to the 2022 Organization of the Year as a Large Company at the CIO 100 Awards of Spain, which recognize the most outstanding digital innovation projects of the year.

Enertic X Edition Awards

Enertic 2022 Awards Two winning Repsol initiatives at the Enertic X Edition Awards, which recognize innovation projects in information technology disciplines: (i) READS, for the valuation and accounting of impacts on natural capital, and (ii) The Green Engine marketplace, as a CO2 compensation platform for citizens and companies.

National Industry 4.0 Award

The Factory of the Future initiative, aimed at transforming industrial complexes, received the National Industry 4.0 Award in the Industry 4.0 category for Large Industrial Companies, as well as the Community of Madrid Digitization Award for the best initiative undertaken in the field of raw material, energy, and/or water production/distribution.

Cybersecurity

The progress made toward digitalization certainly brings great benefits. However, as the use of new technologies and their capabilities increases, so do the risks derived from their exposure in cyberspace, the reliance on the systems deployed and the information generated at the Company.

The risks are not only technical but also business-related and may take the form of operational disruptions, theft of intellectual property or sensitive information, fraud, etc. Exposure to these risks has increased with the international pandemic and the mass use of online working and remote connections. The war in Ukraine and its overflow to cyberspace has also meant an increase in the level of alertness maintained since the start of the war especially for the energy sector.

Even so, in 2022 Repsol did not encounter any relevant incidents for which it was necessary to trigger the crisis management model for cyber-attacks or business continuity due to the massive unavailability of information systems.

To mitigate these risks, the Strategic Plan and the Cybersecurity Operating Model promote the concept of information system resilience (in all aspects: management IT, industrial IT, digital environments, cloud environments, data, etc.) and the operations that support and strengthen the resources assigned to cybersecurity. This model is constantly being adapted and reinforced. Its main features are:

- The person responsible for the model within the organization possesses the necessary hierarchical level and independence to perform his or her tasks and make decisions.
- It is implemented in the form of a policy, regulations and procedures to ensure the protection of information and the sound management of cybersecurity concerns.
- It is based on the risks generated within the business, which are identified and periodically monitored, controlled and mitigated at the corresponding areas and with the senior management.
- Internal cybersecurity analysis and third-party audits are conducted on a regular basis. They are certified by international standards and continuously follow independent ratings and benchmarks that measure their performance. The Company also regularly takes part in the relevant national and international forums.
- It is reinforced by continuous training and awareness-raising for all workers through specific training and awareness campaigns.
- Business continuity and incident response plans are continually improved to include new threats and response processes with periodic training exercises (tabletop, red and purple team, breach and attack) and other simulations.
- It has a security operations center and a cyber-intelligence service that continuously detects, analyzes, reports and corrects alert information and potential threats, identifies cyber-attack patterns and manages security incidents.

Repsol applies state-of-the-art detection and protection technology that is constantly evolving. It is configured according to risk prioritization, the principle of zero trust, least privilege, and security and privacy by design, and it draws on the capabilities of artificial intelligence, machine learning and automation in cybersecurity.

In this context of constant evolution, more than 50 initiatives have been deployed over the last year through the ambitious 2021-2023 Cybersecurity Strategic Plan, some of the most significant of which are listed below:

- Obsolescence remediation.
- Deployment of state-of-the-art protection and detection technologies on all user devices.
- Isolation and immutability of backups.
- New micro-segmentation scenarios for communications between computers in the network.
- New cyber intelligence analysis scenarios.
- Improvement of risk management in relationship with providers of industrial control systems.
- Centralization and integration of monitoring for industrial control networks.
- Deployment of advanced monitoring and threat hunting services.
-

6.4 People

6.4.1 People-centered and just transition

Repsol is committed to a just energy transition towards a future with low emissions

For Repsol, the energy transition can only be understood if it includes the principles of efficiency, sustainability, and fairness and it must be achieved with solutions that minimize the social and economic impact on workers, local communities, and society in general always being based on respect for human rights and paying special attention to the most vulnerable groups of people.

As an integrated, multi-energy company, Repsol is diversifying its business portfolio by creating jobs in low carbon activities, investing in new energy sources, and improving processes through technologies that help reduce and neutralize emissions.

Repsol recognizes the need to collaborate with key players from the public and private sectors and society in general to achieve a just transition. In addition, the Company actively participates in different forums, such as IPIECA and The Council for Inclusive Capitalism, with the aim of sharing best practices and expert knowledge.

6.4.2 People management



Repsol's management and organization of people is a way to respond to the challenge of transforming the business to advance in terms of the energy transition and to achieve net-zero emissions before 2050. This challenge will be achieved by boosting people's development with the help of committed leaders who inspire and promote the employees' professional development so that they can be main players in this transformation, with talent management aimed at responding quickly to business needs and change management that involves digitalization, new ways of working, and the deployment of agile and flexible organizations. All of this, of course, must be done while taking care of people and ensuring their commitment, well-being, diversity, and inclusion.

Leading to transform

For Repsol, leadership is a key strategic pillar in the process of the energy transition and cultural evolution. Repsol is investing its efforts in analyzing what leaders need in order to deploy training and support programs so as to promote the type of leadership that the strategy requires.

Promote inspirational leadership

Leaders play a crucial role in talent management by engaging employees so that they achieve business objectives, generating a sense of purpose, and driving and facilitating continuous development.

During 2022, a leadership survey was carried out to identify and assess the strengths and areas for improvement of our leaders (2,700 people) based on the Company's leadership model, after which an individual development plan was defined. The results were very favorable, as reflected in the external benchmark,¹ placing Repsol's leaders in the first quartile when compared to the market (84% vs. 81% of the market).

In order to accompany new leaders and boost their growth at such an important time in their careers, Repsol launched a flash mentoring program in 2022, the first edition of which had 122 senior leaders mentoring newly promoted leaders.

Promoting entrepreneurial leadership

Repsol needs an entrepreneurial leader who is capable of identifying and promoting the needs for change in the areas he/she is responsible for, likewise being able to guide teams towards the challenges of the transformation at hand.

In 2022, the LEAD training program concluded. This is a program which, for the last three years and with the participation of around 1,800 leaders from all over the world and an NPS² of 77.17%, has focused on promoting transformative and inspiring leadership by developing the skills of prioritization, communication, digitization, and innovation. It has become as a disruptive proposal with excellent results that has received external recognition, such as the gold medal for the best leadership development program by Brandon Hall.³

During 2022, renewal of our management structure continued in order to accelerate Repsol's evolution (17 departures, 49 moves, 8 appointments, and 2 new additions to the Executive Committee).

Transforming to advance

The 2021-2025 Strategic Plan envisions a new company operating model in which the organization and the way of working must evolve in order to streamline decision-making, improve efficiency, and champion innovation. In this plan, a different, anticipatory approach to talent management is key in order to respond to business needs.

Deploying an agile and adaptable organization

The Company's transformation involves adopting a more integrated and efficient operating model, supported by a more agile, flatter organization with greater adaptability. To this end, in 2022 Repsol continued with its process of evolving and transforming in terms of the different units' operating models and organization.

For example, in Upstream, the Excellence Centers⁴ have been consolidated, concentrating support for the central areas to the business units and adapting the organization to the entrance of a new partner. In the Industrial Transformation and Circular Economy Division, a new operating and organizational model has been implemented that lays the foundations for new growth platforms in businesses and multi-energy and decarbonized assets. In the Customer Division, a new transformational phase has been embarked upon to advance in the challenge of offering multi-energy solutions adapted to the needs of each customer. In the Low-Carbon Generation and Carbon areas, the organization has been adapted to the current context and the entry of a partner. And in the Corporate Areas, the optimization and efficiency process has continued, consolidating the Global Services model while transformation processes have been undertaken in the Legal, Tax, Digital, and IT areas.

Within this context of evolution, the simplification and flattening of the organizational structure has continued, improving the ratio of employees per manager from 5.9 in 2021 to 6.4 in 2022.

Promoting change in ways of working

Repsol faces the challenges of making the way teams and people work evolve to be more efficient, promoting collaboration, innovation, and digitization, and adapting to a hybrid and flexible work environment.

During 2022, Repsol undertook an alliance with Microsoft to design and implement the Microsoft Viva Insights⁵ tool in the Company. This technological solution allows for obtaining key data and analytics on how people work and how they use digital tools.

¹ Benchmark prepared by Korn Ferry with more than 600 companies. It evaluates leaders with a 14-question quiz based on their team's perception. Based on the answers, results are obtained that allow companies to be evaluated and positioned.

² Net Promoter Score.

³ Brandon Hall Group is a leading professional development company providing data, research, insights, and certification to learning and talent executives and organizations.

⁴ Our Excellence Centers are organizational units responsible for certain technical or support activities for the different business units. Repsol has eight Excellence Centers: Health, Safety, and Environment, Planning, Purchasing, Underground, Production Engineering, Maintenance Engineering, and Information Management.

⁵ Microsoft Viva Insights is a solution that helps individuals and teams to improve productivity and wellbeing with data-driven, privacy-protected insights and recommended actions.

Additionally, a support program was launched to achieve efficient work in a hybrid and flexible working environment. Its objective, initially, is to integrate the new ways of working into the teams in order to improve efficiency through optimal management of individual time and collaboration, facilitating well-being and the reconciliation of people's personal and professional life and reinforcing team cohesion. Based on diagnosis of the current situation, an action plan is generated with specific objectives to improve the adoption of new ways of working.

Anticipatory talent management

Anticipatory talent management is essential to ensure that the Company has the talent it needs when it needs it. The development and reinforcement of existing talent together with the attraction of new profiles are the two key pillars to achieve a human team capable of facing present and future challenges.

Repsol is working to promote ongoing strategic planning and anticipation of the talent needs in the different businesses delving deeper into the use of data analytics for people management. Thus, the development of digital tools for the projection of talent needs and for the analysis of the main people management indicators has allowed the Company to model various scenarios, to analyze voluntary turnover data, to focus on talent renewal and the loyalty of critical team members, and to establish a roadmap of the types of profiles and resources necessary to fulfill the growth strategy.

New methodologies have been developed and applied to identify key positions that, due to their impact or uniqueness, will make an essential contribution to achieving Repsol's strategy. Along with this process, a successor identification process is being deployed in order to more accurately diagnose the available talent and draw up action plans to go along therewith.

Talent attraction

In order to face the challenge of being a multi-energy company, Repsol must be able to identify and attract specific and innovative talent profiles that allow the Company to respond to the needs of the changing context of its business activity -- without neglecting the talent it needs to guarantee the efficiency and safety of all operations.

To do this, during 2022 Repsol hired 1,313 people with permanent contracts, of which 14% corresponded to strategic profiles that expand knowledge in emerging disciplines such as hydrogen, industrial optimization, solid waste management, and the circular economy -- thus contributing to the transformation of the industrial sector. In line with the "Primera Ola Digital" ("First Digital Wave") Program,⁶ key profiles specializing in big data, artificial intelligence, and cybersecurity were added.

In addition, the Low-Carbon Generation Division launched a two-year program for young graduates, something which ensures a pool of professionals who will help achieve corporate objectives thanks to their development inside the Company.

In order to ensure proper generational change, the Company annually plans scholarship and internship opportunities in varied and adaptable formats. These programs ensure that students can put their knowledge into practice by developing technical skills and gaining experience in real situations. During 2022, a total of 707 scholarships for university students were handled, as well as having 189 dual vocational training students who were able to carry out their internships at Repsol. Thus, in addition to helping to bring talent into Repsol, the Company contributes to improving the employability of young students.

30% of the students who participated in the scholarships and internships that we organized during 2022 joined the Company as employees at the end of their programs

Talent development

Repsol is convinced of the importance of the talent of its people and the value of their knowledge and experience. For this reason, the Company is developing and deploying new approaches and activities for development, training, learning, and mobility.

The design of career and professional development plans is perfected year after year. In order to accelerate the development of its professionals to ensure critical talent needs over the medium and long terms, the Company started a program in 2022 that includes the identification of employee interests and the detection of successors in key positions so that they can be provided with the necessary training, as well as giving them opportunities for mobility and challenging projects that allow them, together with external support, to create their development plan.

Also during 2022, 300 professionals participated in the Learn&Lead training program⁷ and 100 participated in an external development assessment.

As part of Repsol's commitment to developing potential successors in management positions, 24 experienced leaders participated in development assessment programs and 17 participated in management development programs at business schools.

Additionally, with the aim of bringing about new development possibilities for professionals with key technical knowledge, the Engineering and Technology areas updated

⁶ "Primera Ola Digital" is a company program that promotes the design and development of strategic projects to promote digitization. They are deployed and assessed by applying agile methodologies.

⁷ The Learn&Lead program has as a learning objective to understand the importance of the role of leader in an environment of change and transformation and to strengthen commitment and motivation.

the competencies of the technical studies program. At the same time, the definition of specialist positions continued,⁸ totaling more than 60 in different areas.

At Repsol, training is a key to development. To this end, training plans are designed that respond to the needs linked to the company's strategic challenges, all with an increasing focus on sustainability and the development of new, low-carbon businesses.

Examples of this are training in the energy transition and green exploration for the Upstream business (covering topics related to hydrogen, geothermal energy, and the capture, storage, and use of CO₂), as well as training in industrial safety and renewable energy for the Industrial Transformation and Circular Economy Division (dealing with issues such as the hydrogen value chain and the storage of renewable energy and its relevance in the energy transition). In addition, all service station employees participated in a program on the sale of electricity and gas.

Additionally, awareness was reinforced of the importance of data-based management and decision-making. During 2022, 1,136 people received online training and 480 started face-to-face programs within the context of the Repsol Data School, a learning program that improves the knowledge and analytical skills of employees.

Key talent retention

Given the competition for key talent on the labor market in 2022, Repsol acted quickly by developing new, more flexible compensation formulas that help retain the talent that is needed and even attract new key talent for new businesses and operations, doing so without harming internal equity between employees. In this way, more individualized compensation formulas have been developed, such as retention bonuses, premiums for expertise or critical specific knowledge, success bonuses for results, etc.

In addition, in high-demand labor markets such as that of renewable energy, case-specific salary measures have been taken to ensure the attraction and loyalty of strategic talent.

Taking care of people to prosper

Repsol knows that its employees are the main players in the transformation that the Company is undergoing and is working with the firm commitment to manage them in a sustainable way that is focused on their wellbeing and fair and inclusive treatment.

Satisfied and committed people

Repsol is convinced that a motivated and committed team is the key to succeeding in the challenges it faces. The Company is in a continuous process of updating and improving its value proposition for employees, doing so from a perspective that guarantees the generation of resilient teams which are prepared to face challenges – guaranteeing sustainable employment, proper working and remuneration conditions, and a continuous dialog with workers.

Active listening to employees

For Repsol, employees' opinions are important, and for this reason the Company periodically launches a global culture survey, as well as different perception surveys on topics of general interest. This is done in order to measure employee perception.

The 2022 culture survey (79% participation) obtained an average favorable score in all the survey questions of 71%, exceeding the target defined in the Strategic Plan (70%). Among the most positively ranked aspects, it is worth highlighting our employees' sense of belonging and their recognition of Repsol as a good place to work (80% favorable score).

Fair, flexible, and variable compensation

Repsol has built a full compensation model based on fair remuneration and components that contribute to people's well-being as a crucial part of the Company's value proposition to employees. This approach aims to offer a competitive and attractive system.

In general, full compensation includes the base salary, short- and long-term variable remuneration, and a set of benefits (pension plans, healthcare, life and disability insurance, stock plan, among others).

In addition, Repsol's full compensation model promotes the Company's sustainability strategy by linking the variable remuneration of leaders and employees with strategic objectives and the sustainable transformation of the business. Examples of this are the inclusion of sustainability and decarbonization criteria in the annual variable salary and long-term incentive for the CEO (such as an increase in renewable generation, a reduction of intensity in terms of carbon, and growth in low-carbon businesses).

Regarding pay equality, Repsol carries out continuous and transparent monitoring to ensure internal equity and outward competitiveness at each location, and therefore efficiently meet the requirements of each country.

The compensation policy is continuously adapted to ensure that talent is attracted and retained. In 2022, in a context of higher-than-normal inflation and with a labor market featuring increasing mobility, the remuneration of employees was improved through an increase in the fixed salary, adapting it depending on the collective and on the realities of each country.

Work-life balance and flexibility

We at Repsol are aware that work-life balance and flexibility are fundamental elements on the current labor market; thus, these good practices are continuously promoted worldwide through ongoing programs, initiatives, and informational campaigns to raise awareness and promote a culture that strives towards work-life balance, digital disconnection, and flexible working hours.

⁸ Profiles with specific critical technical knowledge.

In 2022, there was a 19.9% increase in the number of employees who applied for telework, rising to 5,403 [4,506 in 2021]

Aside from teleworking, many countries have established flextime, whereby employees can adjust their workplace entry and departure times to ensure a healthier work-life balance. This system is in operation in Brazil, Canada, the USA, Spain, the Netherlands, Portugal, Indonesia, Luxembourg, and Norway. In addition, many countries have adapted their work schedules during the week so that their employees have Friday afternoons off.

Throughout 2022, in countries whose local law does not include provisions to this end (Bolivia, Peru, Trinidad and Tobago, and Venezuela), numerous work-life balance benefits were extended to the LGTBI+ collective, which makes it easier for people in this group to access leave for marriage, maternity, and/or paternity and allows them to be included on the health insurance of their partners.

Diversity and equal opportunities

Repsol considers diversity a fundamental part of its corporate culture and of the just transition and, for this reason, it works to promote the integration of different profiles, as well as to raise awareness regarding inclusion and respect.

In this regard, Repsol continues to work towards its target of 35% of women in leadership positions by 2025, after having achieved 32.2% in 2022 (31.4% in 2021). The figures are improving year after year, working to attract female talent and make it more visible. This is evidenced by the fact that in 2022, 47% of external hires were women -- something which has contributed to positioning Repsol as a diverse and inclusive company.

Repsol is a company committed to hiring people with disabilities, aiming to eliminate the barriers that hinder their inclusion. In Spain, it exceeds the legal requirements of the General Law on Disability,⁹ as 2.16% of the Company's employees have a degree of disability greater than 33%. The total number of employees with disabilities in the countries where Repsol is present amounts to 486. In 2022, a collaboration agreement was signed with Down Spain to promote the occupational inclusion of people with intellectual disabilities through hiring at service stations.

To achieve a more inclusive environment for the LGTBI+ collective, different internal awareness activities have been developed, including the development and offering of the "Energía con Orgullo" ("Power with Pride") training. The Proud at Repsol Group¹⁰ has grown and it now has more than 200 people in 10 countries.

Social dialogue

As part of the commitment to manage people in a responsible and sustainable manner, freedom of association and the effective recognition of the right to collective bargaining are part of Repsol's culture.

Collective bargaining in Spain, where 72.31% of the group's employees are based, is best exemplified by the Framework Agreement. Entered into with the most representative trade unions, it includes overarching labor issues that are later transferred to the collective bargaining agreements of the companies included within its scope. In September 2022, Repsol signed the X Framework Agreement, which includes (among other relevant issues) new teleworking formulas and salary increases for agreement employees, taking into account the current market and the inflationary context, internal equity, and value contribution. By signing this agreement, the Company reaffirmed its commitment to people while guaranteeing the sustainability of industrial employment, salary competitiveness, and an attractive offer for its employees.

On the international scene, Repsol has employees under collective bargaining agreements in Spain, Peru, Portugal, Brazil, Indonesia, France, Italy, and Norway, all represented by an internal body or by an industry-wide trade union. Of the total number of employees from these countries, nearly 85.91% of them were covered by a collective bargaining agreement in 2022, representing more than 79.44% of the Group's total workforce.

Since 1997, Repsol has had a European Works Council — a body for information, consultation, and communication on issues that may affect the Group in general and which focuses more specifically on key issues affecting the Company on a European scale.

The Company has formalized an Equality Plan with the Equality Plan Monitoring and Negotiation Commission, which the majority unions are a part of – and this plan falls under the scope of the Framework Agreement. The plan puts the focus on female talent, with measures in areas such as selection, training, professional promotion, remuneration, and professional classification. The last update of 2022 concludes that there is no discriminatory treatment at Repsol, nor are there inequalities based on sex. The plan was modified to respond to a new challenge: to advance the presence of women in the Company due to the fact that our sector continues to be mostly male, despite the progress made in recent years.

In addition, the plan includes a broad and improved set of reconciliation measures, a protocol for prevention and action against harassment, and a protocol for the protection of victims of violence in the family environment.

Since 2020, Repsol has held a Sustainability Roundtable with the Group's most representative unions in Spain, where issues such as sustainability plans, non-financial information

⁹ Royal Legislative Decree 1/2013, dated November 29, which approves the Consolidated Text of the General Law for People with Disabilities and for their Social Inclusion.

¹⁰ In 2020, the LGTBI+ Ally Group was created ("Grupo Aliad@s LGTBI+") in order to bring together the forces of those committed to creating a secure and inclusive ecosystem, supporting and implementing initiatives related with equality and non-discrimination against the LGTBI+ collective.

from management reports, circular economy initiatives, strategic S&E projects, etc. are discussed.

Employee health and wellbeing

Repsol is committed to investing efforts and resources in health and well-being and, since 2018, it has approached this mission with a holistic approach and attention being paid to mental health as a key aspect for employee well-being in a context of transformation in terms of how work is done.

Repsol continues working on the review of health protocols issued by the authorities so as to adapt them to the current times in each country and any new health emergencies that may arise.

The Company has a strategic framework for occupational health and well-being implemented in all countries and which aims to share common guidelines and make resources available to employees to help them improve and maintain their health and well-being. During 2022, initiatives focused on physical, emotional, and cardiovascular wellbeing were developed, as well as on other health-related prevention and promotion campaigns.

Thus, the Company is prepared to face the challenges of the present and the future; it values its legacy and continues to transform and develop its professionals by providing them with the tools they need to enhance their talent and by taking care of each one of them through competitive working conditions, fair and inclusive treatment, and with concern for health, flexibility, training, and wellbeing.

6.4.3 Respect for human rights and community relations¹¹



Repsol considers the role of companies as agents of change to be key in terms of respecting human rights and, thus, this idea constitutes a very relevant managerial aspect in all of the company's business activities. The two cornerstones of respect for human rights are as follows: governance and commitment at the highest level, as well as excellent social performance on a day-to-day basis.

The Company's aim is to always operate with the acceptance of internal and external stakeholders, maintaining solid relationships therewith based on respect and honest, proactive, and transparent dialog that seeks shared benefit and contributes to local, socioeconomic, and environmental development.

Human rights due diligence is the management model used to identify, prevent, mitigate, and remedy negative impacts and to maximize the positive consequences of the Company's business activities. Therefore, there is a commitment from top management (which also extends to the people who work in the field) that brings them to carry out their work based on the most demanding international standards, and this commitment is accompanied by a process of dialog with all stakeholders. This commitment is present throughout the value chain, providing support to contractors and partners to achieve better performance in terms of handling social aspects.

Repsol's commitment to human rights

Repsol is committed to complying with the most demanding international standards on respect for human rights throughout its value chain

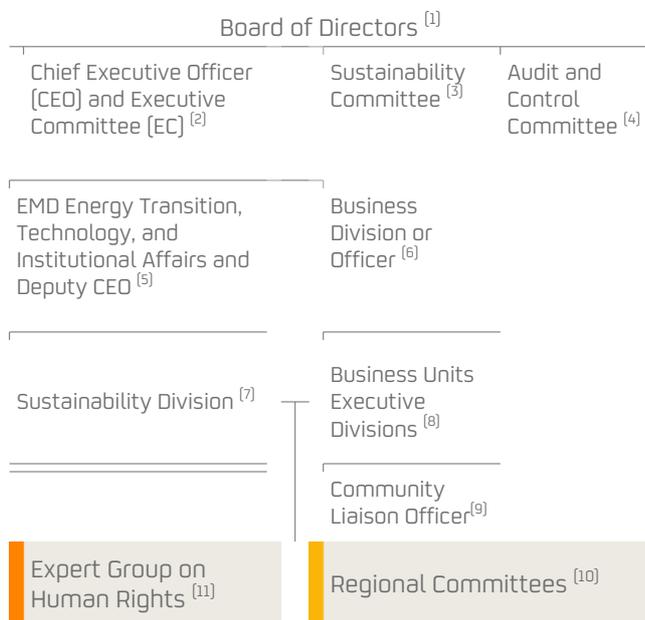
Since its approval in 2008, the Human Rights and Community Relations Policy has been adapted to comply with the highest international standards. It represents the formal commitment of top management to steer the Company's endeavors in this area.

This commitment spans the entire life cycle of the Company's business activities, from the design, construction, and commissioning phases of the projects to their execution and decommissioning. Repsol also promotes compliance with the highest international standards among employees, contractors, suppliers, and partners.

To this end, the Company actively takes part in industry-wide initiatives, in partnership with other companies from the sector. For example, through IPIECA, an association in which Repsol collaborates in different working groups. These include Social Responsibility and SDG.

¹¹ For more information on human rights management and community relations, see www.repsol.com (Sustainability - Human Rights and Sustainability - Communities and Shared Value).

Governance in human rights



1. Approves the Company's human rights strategy.
2. Approves human rights policies and oversees the implementation of the strategy. As part of the Crisis Committee they also manage critical claims.
3. Regularly monitors the strategy and compliance with human rights action plans and objectives.
4. Oversees the process of preparing financial and non-financial information and the integrity thereof (including human rights), as well as the risk management and control processes.
5. Works alongside the businesses and corporate functions to coordinate and develop the sustainability strategy and monitor action plans.
6. Steers and implements the human rights strategy across the different businesses.
7. Carries out strategic analysis and coordinates and provides technical support through the expert area of community relations and human rights.
8. Deploys the strategy in each business unit.
9. Link between the communities and the Company in its operations.
10. Share good practices and address material issues in the areas where Repsol operates.
11. Coordinates the global strategy with the businesses and cross-cutting areas.

Human rights governance is established at the highest level and is supplemented by specialized teams that carry out the day-to-day management of human rights and the relationship with the surrounding communities. Repsol has a Human Rights Expert Group since 2020 which coordinates the global strategy throughout the Company. One of the actions carried out in 2022 was the Human Rights Course being published on the Company website and open to all, with special attention focused on suppliers and contractors since the procurement and contracts function has already carried out this training in 2021.

In this regard, the Code of Ethics and Conduct for Suppliers has also been reviewed, including new social risks.¹² In addition, work is being done to adapt to the future European Directive on Due Diligence on Human Rights, focusing especially on new renewable energy projects.

As part of the due diligence process, Repsol annually defines human rights objectives at global and local levels. These objectives are added to the Global Sustainability Plan and the 19 local sustainability plans, which include information on the progress.

Priority issues on human rights

Repsol identifies and prioritizes human rights issues based on the severity and scope of the impacts of its activities and how easily they can be remediated. The Company therefore relies on several sources: analysis of risks and impacts, social audits, grievance mechanisms, consultations with stakeholders and the feedback received from the different countries with operations.

¹² See 6.8, Supply Chain.



Social management in renewable energy projects

Under the strategy to achieve net-zero emissions by 2050, Repsol is carrying out the deployment and adaptation of its social framework to the new projects that are part of the Low-Carbon Generation business. In this way, the Company is complying with the commitment to act with due diligence in human rights in all areas where it develops activities.

In the specific case of renewable energy projects, the entire human rights due diligence process is covered – this includes analysis of the social context, identification and evaluation of social impacts, the social action plan with mitigation measures, and social investment initiatives aligned with the impacts detected and the needs shown by the communities. All the while, maintaining a continuous and transparent relationship with the identified stakeholders.

At the moment, three social impact assessments are in their final phase of development: two for Jiloca and Cinca clusters [both are part of the Delta II Project] and one for the hydroelectric plants of Picos, Aguayo, and Navia clusters – all of which are currently in operation. In addition, Repsol uses social monitoring in all projects under construction – an innovative process by which it makes a grievance channel available to local stakeholders to address their concerns and needs, in line with the Company's grievance mechanisms.

- Identification and assessment of risks, as well as negative and positive impacts.
- Design and implementation of mitigation plans for risks and negative impacts.
- Identification of social opportunities to maximize positive impacts.

These actions are combined with participation strategies with local communities and other stakeholders in all operating projects. All this contributes to the sustainable development of the communities in the area of influence of our operations and helps Repsol to obtain and maintain its social license to operate.

An example of an initiative involving local stakeholders is the Caipipendi Block (Bolivia), where nearby communities are informed of the scope of all projects being carried out in the block. In addition to describing the scope of the project, the benefits for the community are reported during these meetings and the number of local staff members and services to be contracted is agreed. Subsequently, the committed agreements are monitored and followed up on, evidence of our commitment to transparency at all times.

Activities are developed in accordance with the environmental, social, and health impact assessment standard in force since 2011, which ensures that an environmental, social, and health risk and impact assessment process is carried out for all Repsol projects and activities in order to identify and assess risks and impacts and, where applicable, deploy the necessary prevention and mitigation measures, all the while involving stakeholders.

Before starting a new project, business units run a preliminary analysis of the social, environmental and health context, as well as of the legal requirements, identified potential impacts and the vulnerability of the local environment.

The social impact assessment takes into account, among other matters, the right to land and its natural resources, the right to a healthy environment, and the right to preserve the identity and culture of communities. In addition, the Company has had its own methodology for assessing human rights impacts since 2014.

All impact assessments conducted in 2022 (5 in total: 1 in Peru, 3 in Spain, and 1 in the USA) included social and human rights aspects.

Repsol includes human rights clauses in contracts with partners and suppliers, assesses their performance, and provides support through awareness-raising activities to ensure human rights due diligence along the entire value chain.

In operations in which Repsol does not participate in the management of social aspects, as is the case with non-operating assets, information is shared with partners on commitments, policies, and practices and the Company's know-how, expertise, and techniques necessary to implement its objectives are made available thereto.

Due diligence management model

Ambition

Promoting proactive dialog and early management of social impacts and opportunities

Repsol uses due diligence in human rights as the ideal model for managing internal processes with an anticipatory approach focused on the identification, evaluation, and mitigation of risks and impacts associated with the activity itself, as well as in the search for new opportunities. The due diligence model is applied throughout all stages of the life cycle of the assets, from the beginning to abandonment. Proactive and fluid dialog is at the heart of human rights due diligence and the process involves all stakeholders: contractors, partners, employees, communities, etc. and it is based on the main international standards.

The objective is to minimize the risks and any negative impacts and maximize the positive impacts. The following actions are therefore carried out in all projects and operations:

- Exhaustive analysis of the context and the specific social, economic, and cultural characteristics of each area.

Grievance and remediation mechanisms

Repsol promotes claim mechanisms as the preferred way of resolving disputes.

Repsol has grievance mechanisms for communities, employees, partners, suppliers, customers, and any third party. The Company is committed to verifying any report or complaint received and to cooperating to remediate the impact caused by its activities or those of its partners or contractors. This allows us to be proactive, respond to minor incidents before they escalate, and provide an early way of reparation for to affected parties.

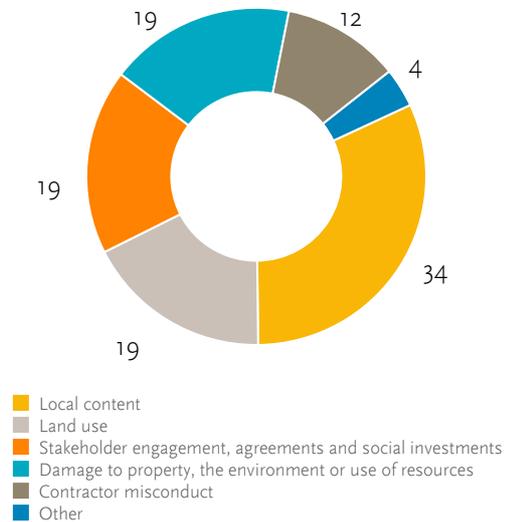
These mechanisms include the Repsol Ethics and Compliance Channel, the Employee Service Desk, and the Customer Care Service. However, many of the concerns, worries, and complaints from stakeholders are related to impacts on the communities near operations, which is why it is essential to have operational-level grievance mechanisms as well.

These mechanisms are designed in accordance with the United Nations Guiding Principles on Business and Human Rights, in collaboration with partners and other stakeholders. They are adapted to the specific characteristics of the environment and are accessible to all so that they are considered legitimate by all concerned. This helps to create an environment of trust and respect that makes it easier for anyone to report complaints or grievances without fear of retaliation. Moreover, these mechanisms are no impediment to in-court or out-of-court proceedings, nor do they affect the legitimate and peaceful activities of human rights defenders.

Relevant complaints are handled at the local level and forwarded to the communities and human rights expert team of the Sustainability Division so that, if necessary, they may be submitted to the Executive Committee for review and possible management.

During 2022, a total of 107 grievances were received (96 in 2021), excluding those related to the incident that occurred in Terminal 2 of the La Pampilla refinery, which are treated separately due to that incident's magnitude (it came up as a result of an impact generated and not normal operations). The increase compared to 2021 is due to the inclusion of claims from the renewables business (47) for the first time. All claims have been addressed and 81% resolved.

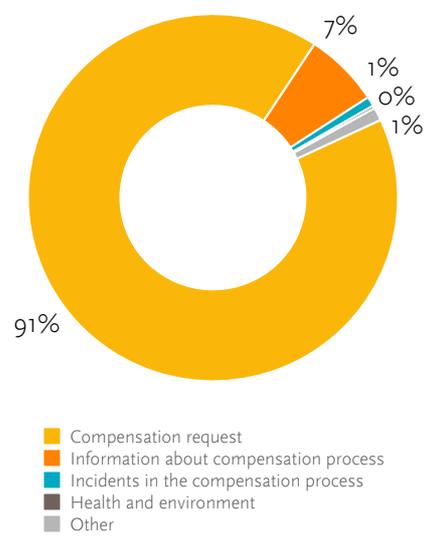
Types of social grievances in 2022



As a result of the accident that occurred in Terminal 2 of the La Pampilla refinery (Peru) on January 15, 2022, a grievance mechanism adapted to the circumstances was designed and implemented, accessible to anyone through different communications channels, including the web page where the progress in the environmental and social remediation is being published. The image 'Social action plan for the incident at La Pampilla refinery terminal 2' shows additional information on the social action plan put in place to respond to the implemented social action plan in response to the incident. Claims could be filed through the website, by email, phone, WhatsApp, social media or in person.

Grievances received during 2022 related to this accident amounted to 3,932. All of them were addressed and resolved throughout the year. Additionally, community liaison officers took care of more than 7,400 queries from the population and more than 8,000 case files related to the compensation process, presented by the Parties' Reporting Desk, are being managed. The types of grievances received are detailed below:

Types of social grievances at La Pampilla in 2022



Indigenous communities

Repsol recognizes and respects the unique nature of these communities and their rights to the land and natural resources. Actions in environments with indigenous communities are governed by Convention 169 of the International Labor Organization (ILO), regardless of whether or not it has been transposed into the national legislation of each country.

In accordance with this commitment and the requirements included in Repsol’s regulatory framework, feasible alternative designs that minimize land acquisition and restrictions on land and subsoil use are considered prior to starting each activity to avoid resettlement and adverse impacts on local communities and those using the land.

Another key aspect of managing indigenous communities is respect for their right to free, prior, and informed consultation. Repsol verifies the level of acceptance of the indigenous peoples in all its activities and actively seeks the consent of those potentially affected. Otherwise, both the potential impacts and the advisability of continuing with the project are assessed, a decision that is taken by the Executive Committee.

Economic impact on communities and shared value

The Company, in line with its commitment to the Sustainable Development Goals, contributes to social development by maximizing the positive impacts generated by its activities and enhancing shared value in its projects. The social investment strategy focuses on an exhaustive analysis of the needs of the context, and on the priority SDGs for Repsol (6, 7, 8, 9, 12, 13, and 17).

The social investment management standard, aimed at guaranteeing transparency and optimizing positive impacts, governs these processes: Repsol assesses opportunities that bring about positive impacts in each context and enhance the shared value when undertaking projects, while at the same time avoiding future dependencies. Sustainable socio-economic development stemming from planning based on dialog and consensus with local communities is a key priority and determines the scope of the investment.

In 2022, social investment amounted to 49 million euros (33 million euros in 2021).¹³

Security and human rights

Repsol has been adhered to the United Nations Voluntary Principles on Security and Human Rights since 2013 to guarantee the security of operations in sensitive or conflict zones through working procedures that ensure respect for human rights.

Repsol asks private security companies to guarantee that 100% of the employees providing services at its facilities are trained in human rights. The Company oversees this training or undertakes courses for corporate security personnel. In addition, in some countries, public security and law enforcement agencies receive specific training in human rights.

Human rights	2022	2021
Number of employees trained in human rights	921	714
Number of training hours in human rights	952	714
Contracts with security firms that include human rights clauses (%)	100	100
Security providers evaluated according to human rights criteria (%)	99	100

¹³ For more information and examples of social investment projects, see Appendix V. Further information on Sustainability (includes Non-Financial Statement).

Social Action Plan for the Incident at Terminal 2 of La Pampilla Refinery, Peru

On January 15, 2022, an uncontrolled movement of the Mare Doricum ship during unloading caused a crude oil spill on the coasts of 5 municipalities north of La Pampilla Refinery.

In an immediate response to the accident, Repsol designed and implemented a Social Management Plan consisting of 3 phases:



First response to the emergency

The main objective of this phase was to define the impacted municipalities and preliminarily identify affected groups and provide emergency aid for basic needs. More than 10,400 vouchers were provided to more than 4,700 people.



Remediation Phase

The major milestone of this phase was the signing of an agreement with the Peruvian government to establish a Single Registry of Affected Persons, which resulted in more than 10,300 affected people being identified by Peruvian authorities.

As part of this agreement, Repsol provided advances of the final compensation to these affected people. In 2022, the Company signed compensation agreements with more than 6,600 people and will continue to focus on compensating the remaining people listed in the Single Registry of Affected Persons, prepared by the Presidency of the Council of Ministers (PCM) and the National Institute of Civil Defense (INDECI).

During this phase, Repsol hired an expert consultant in business and human rights to prepare a Human Rights impact study, in compliance with the Company's commitment to due diligence in Human Rights.

This analysis was carried out in compliance with the highest international standards set forth in the United Nations Guiding Principles on Business and Human Rights and by applying Repsol's Human Rights Impact Assessment Guide.

Currently, this phase is still ongoing, being carried out in continuous dialogue with the different stakeholders (communities, authorities, associations, etc.) to optimize the process and verify its effectiveness. The company will maintain ongoing transparent dialogue with the affected communities and the authorities.



Repsol continues to work to compensate more than 10,000 families in Ventanilla, Aucallama, Chancay, Ancón and Santa Rosa and also implement social and sustainable development projects in the affected areas.



Development Phase

Repsol is designing, developing and implementing a **strategy of social investment and sustainable development projects**. This strategy is based on project proposals in line with the needs of the affected people and with the collaboration of the affected communities, social institutions, national and international organizations, as well as the relevant authorities. The projects will be aligned with Repsol's commitment to the United Nations 2030 Agenda.

6.5. Safe operations¹



Repsol is committed to carrying out its activities considering the health and safety of its people and environmental protection as essential values, based on the firm conviction that all accidents are preventable and avoidable. This continuous effort in recent years has led to a significant improvement in safety, although we are certain that we can continue to improve, as serious accidents are still occurring. Therefore, the Company considers it essential to focus on the interactions between people, the safety culture, facilities, processes, and work systems.

This drive to improve safety is reinforced with the **2022 update of the Health and Safety Policy**, which includes commitments in terms of the human factor, fair recognition, and error management as a source of organizational learning. Said policy includes the commitments that allow our activities to be carried out while preserving the integrity of our people and avoiding any damage to the environment, all the while ensuring a healthy and safe work environment from both a physical and mental point of view:

- Leadership from the Executive Committee, with the line of command responsible for application.
- Proactive risk management, with the aim of minimizing the probability of damage to people and the environment, especially major accidents, and incorporating that into decision-making processes.
- Consideration of human factors as a key for continuous improvement.
- Organizational learning, both in terms of investigating incidents and based on the systematic analysis of habitual work practices, treating human error and failures to comply as elements for analysis and learning.
- Requirement of individual responsibility and compliance with rules and procedures.
- Involvement of employees, contractors, and other stakeholders in continuous improvement and in the definition of health and safety management programs and systems that make it possible to systematically evaluate performance and undertake the appropriate corrective measures.

In addition, in 2022 the **Safety and Environment Excellence Program** has been launched, the aim of which is to take a qualitative leap while promoting the culture of safety and the environment protection. The program was born with a clear operational focus, led by new corporate management in coordination with those responsible for all the Company's businesses. Currently, has already advanced in the first diagnostic phase, with the entire organization involved in said phase, including partners and collaborators. This will make it possible to identify strengths and weaknesses in order to later move on to the implementation and monitoring phases.

As a basis for the diagnosis, the safety management system updated and formalized during 2022 is being used. In accordance with international and industry standards and best practices, the system establishes the safety requirements applicable to operations throughout the entire life cycle and it facilitates uniform risk management in all areas throughout Repsol. It is made up of the following key attributes:

- Two fundamentals, which constitute the bases of the management system: leadership and culture, and continuous improvement.
- Nine elements, each of which is made up of an objective and a series of requirements:

Safety management system



¹The figures and indicators in this section have been calculated in accordance with corporate standards that set out the criteria and common methodology to be applied in safety and environmental matters (S&E). As a general rule, environment and safety information includes 100% of the data from companies in which Repsol holds a controlling interest or control over operations. In particular, in the field of security, this includes data from contractors that provide services under a direct contract.

The safety culture is one of the fundamentals of the management system, without which its effective and full implementation is not possible. Thus, in order to achieve and maintain excellent safety performance, it is necessary to ensure that the attributes of Repsol's safety culture model are reflected in the elements of the management system.

The second fundamental, continuous improvement, is key to preventing accidents, especially the most serious ones. To spark continuous questioning, promote learning, and avoid possible complacency inside the organization, it is essential to have specific improvement processes. Thus, Repsol continues to work on deploying specific safety culture diagnostics across its assets and businesses. In 2022, the LPG business and the Spanish Upstream unit's diagnostics were completed, contemplating the dismantling of the Casablanca and Poseidón assets, something which brings the sum to more than 25 since the start in 2015.

Fair recognition is one of the attributes of Repsol's safety culture model and a key element in achieving a climate of trust in which safety information flows, latent system risks are identified and corrected, and organizational learning is promoted.

During 2022, the bases were established and the conceptual framework was defined which has allowed for the development of a pilot project in the LPG business, incorporating the lessons learned into a second pilot in the Upstream business. Both will make it possible to continue laying the foundations for deployment in the rest of the businesses in the coming years -- something which is in line with the provisions of the Health and Safety Policy.

Attributes of Repsol's safety culture model



As an example of concrete actions from these pilots, work is being done to eliminate the differences between "imagined work" and "performed work" for key processes, both in terms of safety and operations. This is making it possible to identify actions for improvement at all levels of the organization at both a technical and a human level.

In safety leadership training, the Safety Leap program has been tailored and delivered to the technical groups that are part of the Industrial business and the Upstream business units based in North America (Eagle Ford, Marcellus, and Canada).

Repsol is convinced that collaboration between different companies and industry associations is key to improving safety and accelerating the learning process. Repsol continuously participates and collaborates in organizations such as:

- International Oil & Gas Producers (IOGP), promoting a shared vision and some principles to improve human performance.
- Energy Institute, sponsoring the JIP Toolbox as a tool to share lessons learned from accidents.
- International Process Safety Group (IPSG), acting as hosts at the A Coruña refinery for the 2022 international conference in which topics such as hazard identification in transient operations, contractor management, and human performance were discussed.
- Center for Chemical Process Safety (CCPS), hosting the European regional meeting on digitization in process safety.

All these collaborations have also been reflected internally with the preparation of the internal guide entitled "Improving Human Performance in Safety: Understanding before Acting," which analyzes the interactions of the organization, the work environment, and the people and provides tools applicable to asset managers.

6.5.1 Personal safety

The Company is working to reduce personal accidents, especially those with the most serious potential consequences, doing so in conjunction with the groups that are most involved: employees, contractors, and suppliers.

In 2022, the incident management standard was revised and concepts such as "remote work" and "on mission work" were included. Likewise, the requirements for the management of high potential indicators (HPI) were clarified and simplified and the reporting area was reviewed and aligned in accordance with good industry practices.

Transport continues to be one of the main causes of harm to people, both personally and professionally. For this reason, the Safe Mobility course has been re-done, also being updated online with all the new means of transport.

Repsol is constantly developing tools that allow for the digitization of security:

- Internet of Things (IoT), with the increase of sensors for better knowledge on the location and state of equipment, the environment, and the workers.
- Digital Twins & Analytics, to monitor operations in real time and for the early identification of risks.
- Artificial intelligence, for process optimization, risk mitigation, decision making, and situation assessment.

- Broadband Mobile, for communications with latency, which allows for a real-time response and the transmission of large volumes of data.
- Robotization and remote control, to improve safety by reducing human participation in dangerous environments.
- Automation, agility, and simplification in actions stemming from risk situations and events that impact health and safety.
- IT tools for key processes such as change management and work permits, or the Guided Operations tool.

In 2022, it is worth noting the launch of a proof of concept from the Knowledge Graph Accident Taxonomy, IA (KATIA) project, whose objective is to improve safety through the analysis of spill data.

At Repsol, occupational accident indicators are reported in accordance with the incident management standard, based on international standards (IOGP and OSHA), which establishes the common criteria and methodology to properly record and manage incidents, improvement actions and lessons learned. Accordingly, incidents are classified depending on the severity of their actual and potential consequences.

All employees are required to report any incident they experience or witness. The incident is recorded in the IT tool and an investigation process is then opened to identify the root causes and to propose improvement actions and lessons learned. The standard affects 100% of the companies in which Repsol has a majority interest or control over operation. Incidents affecting contractors that provide their services under a direct contract are also recorded.

Unfortunately, in 2022 we had to regret the death of three subcontracted workers in occupational accidents. In March at the A Coruña refinery: during the opening of a line cover. When two workers were carrying out this task, they were affected by the inhalation of gases. One of them died days later in the hospital. The investigation committee was made up of specialist technicians from the different areas of the refinery, as well as workers' representatives. In October, also at the A Coruña refinery, a worker from an auxiliary company died while carrying out specialist tasks in a construction project. The accident was caused by the impact of an element of the tool used during concrete injection.

In addition, in October, a tanker truck (tractor and trailer unit) overturned, and a second vehicle was also involved. The driver of the overturned tanker died in the accident. Although the event is still under investigation by the competent authority, it has been confirmed that the vehicle complied with applicable safety measures and legal inspections, and that the environmental and road conditions posed no difficulties.

The 2022 TRIR increased from 0.89 to 1.59. This is mainly due to incidents that occurred during the remediation work from the spill that occurred in Terminal 2 of the La Pampilla Refinery and to incidents linked to an increase in drilling activity when compared with 2021. Repsol continues to work to promote leadership in safety, as well as actions to strengthen preventive safety observations, digitization, etc., which will also be promoted through the Safety and Environment Excellence Program.

Main personnel safety indicators ⁽¹⁾	2022	2021
Lost Time Injury Rate (LTIR) ⁽²⁾	1.13	0.64
Employee lost time injury rate	0.81	0.56
Contractor lost time injury rate	1.49	0.73
Total Recordable Injury Rate (TRIR) ⁽³⁾	1.59	0.89
Employee total recordable injury rate	1.01	0.74
Contractor total recordable injury rate	2.24	1.06
Number of employee fatalities	—	—
Number of contractor fatalities	3	—
Number of safety training hours	254,145	164,568

- (1) There is a corporate regulation that explains the criteria and methodology for recording incidents.
(2) Number of personal consequences (fatalities and with days lost) during the year, for every million hours worked. Includes company employees and contractor staff.
(3) Total number of cases with personal consequences (fatalities, with days lost, medical treatment and restricted work) accumulated during the period, for every million hours worked. Includes company employees and contractor staff.

Severity	2022			2021		
	Men	Women	Total	Men	Women	Total
Very serious	3	—	3	—	—	—
Serious	4	—	4	2	—	2
Moderate	64	24	88	40	6	46
Minor	34	3	37	21	3	24
Trivial	2	—	2	5	—	5
Total	107	27	134	68	9	77

6.5.2. Process safety

Repsol considers process safety to begin in the design phase of the installation and to continue throughout the entire life cycle of the asset and until the dismantling and abandonment of the installations. To this end, the Company works on the design, implementation, management, and maintenance of safety barriers and critical processes that guarantee the integrity of the facilities through operational discipline and compliance with our global standards and operating procedures, based on international standards such as API, NFPA, ISO, EN, IEC, IOGP, and CCPS.

Repsol runs inspection and preventive maintenance programs to check the correct functioning of safety-critical systems and equipment. These programs are part of the Company's tools that help improve and prevent leaks of dangerous products.

In 2022, the number of safety incidents from Tier 1 and Tier 2 processes increased with respect to 2021 by 5 accidents, although these indicators are in asymptotic values, and are better than the target values established in the continuous improvement path. These incidents mainly took place in Upstream, due to a significant increase in activity and to the integrity of the facilities. Actions are being carried out to improve integrity, inspection plans, and monitoring programs.

Process safety indicators ⁽¹⁾	2022	2021
Tier 1 process safety events	3	3
Tier 2 process safety events	11	6

(1) A process safety accident is one in which the first line of control has been breached. The following criteria must be met simultaneously: i) There is a process or chemical involved. ii) It occurs in a specific location; that is, it occurs in a production, distribution, storage, auxiliary services (utilities) facility or pilot plants related to the process or chemical product involved. iii) It results in an unplanned or uncontrolled release of material --including non-toxic and non-flammable materials (for example, steam, hot water, nitrogen, compressed CO₂, or compressed air)-- with certain levels of consequences. The process safety accident will be classified as Tier 1 or Tier 2, according to the defined thresholds.

6.5.3 Spill management

Spills	2022	2021
Number of oil spills (>1 bbl) reaching the environment	24	11
Volume of oil spills (>1 bbl) reaching the environment (tons) ⁽¹⁾	1,510	6

(1) Data corresponding to oil spills of more than one barrel to have reached the environment.

In 2022, two relevant spills occurred in Peru. The first occurred on January 15 at Terminal 2 of the La Pampilla Refinery while crude oil was being unloaded from the ship Mare Doricum. The amount spilled was 1,460 tons (see infographic on the next page entitled "Environmental actions against the spill in Terminal 2 of the La Pampilla Refinery," and Section 5.2.1, "Refining"). The second spill occurred as a result of a tanker overturning while trying to avoid two mounds of minerals on a sloping curve and under rainy weather conditions. The driver was unharmed, but one of the hatches opened, spilling 32 tons of the product it was carrying. The remediation work was carried out through a specialized external company.

The Company has internal and external emergency response mechanisms and has specialized and trained teams that use the most advanced detection tools and follow specific management and training protocols to ensure the allocation of the highest priority required in each case. Once the situation has been controlled, new preventive actions are established to prevent the same thing from happening again. These mechanisms are critical components for Repsol, and are fundamental in reducing the impact on individuals and the environment.

In the event of maritime spills, in addition to our own response means, Repsol has contracts in place that guarantee rapid action by external specialists and equipment (Oil Spills Response Limited - OSRL, including access to the Global Dispersants Stockpile, Wild Well Control, Helix, etc.).

Environmental actions in response to the spill at terminal 2 of the La Pampilla refinery

On January 15, 2022, an oil spill occurred at sea, at the facilities of the terminal Multiboyas No. 2, La Pampilla refinery (Peru), while crude oil was being unloaded from the 'Mare Doricum' ship. The spill had an impact on the natural environment and the surrounding populations.

The cleanup, containment and recovery of oil from the 28 affected beaches was carried out in coordination with the competent authorities, and the Technical Advisory Committee chaired by the General Directorate of Captaincies and Coastguards (DICAPI) participated during the response, in which environmental, regional and local authorities also intervened.

Repsol established an Emergency Control Center at the La Pampilla Refinery and worked together with a team of companies and professionals specialized in containing national and international oil spills.

Leading experts include Edward Owens, a renowned specialist in the detection and assessment of oil spills in coastal areas, Oil Spill Response, a global company with more than 30 years of experience in managing oil spills, and Marino Morikawa, a Peruvian scientist specializing in nanotechnology and ecological cleaning, among many others.



The work was carried out using the SCAT methodology, an international coastal assessment technique that seeks to determine the best cleaning practices for each area, taking into account the characteristics of the terrain and protecting the identified environment. The latest reports on the state of the sea and the beaches, issued by the OANNES NGO, Environmental Resources Management (ERM) and the School of Fisheries at the Agrarian University, conclude that they are oil-free, which makes it possible to resume fishing and reopen beaches.

⁽¹⁾ Environmental Evaluation and Enforcement Agency of Peru. It is attached to the Ministry of the Environment of Peru.

6.5.4 Emergency preparedness and crisis management

Repsol does its utmost to prevent accidents, which is done with careful preparation for any possible contingency. Therefore, in addition to prevention, it works on mechanisms that enable early detection of any situation and the rapid and effective management of safety, environmental or other emergencies.

The Company continues to make progress and improve its comprehensive crisis and emergency management model. In addition to traditional oil and gas sector and in-house expertise, it includes industry best practices and is applied to crisis and emergency management at the business or corporate levels. It involves senior management in the most serious cases and ensures the allocation of specific resources, such as management support teams specifically trained and coached each year, with 24/7 coverage.

The crisis and emergency management standard ensures a minimum and uniform management standard, as well as frequent training, drills, and exercises at all levels -- including at least one annual exercise at the highest level of the Company.

In 2022, the annual drill to learn how to act in the event of crises and emergencies was developed around a hypothetical scenario of a cyberattack on the Company's main systems, preventing normal operations. Senior management participated in this drill and it was led by the CEO. In addition to training the teams on how the crisis plan should be carried out and executed, the aim was to verify that the technical resources and the complex coordination mechanisms between the various management groups would function when activated at the same time (Crisis Management Team, Business Support Team and CMT Support Group).

6.6. Responsible tax policy

€17,002 M
Taxes paid by
Repsol



Responsible tax policy

Repsol is aware of its responsibility for the well-being and social and economic development of the countries where it operates, and about the relevance that the taxes it pays have for these purposes. For this reason, it has defined a tax policy that is related to the responsible payment of taxes, through the application of good fiscal practices, the transparency of its actions and the promotion of cooperative relations with governments.

Through this tax policy, which is in line with the mission and values of the Company and the Sustainable Development Goals, Repsol aims to be publicly recognized as a company that practices integrity and transparency in its tax affairs. Our tax policy is available at www.repsol.com.

Tax contribution and impact

2022 tax contribution reached a historical record level: €17,002 million paid in taxes and similar public levies.

By countries, Spain's tax contribution is especially noteworthy, exceeding €11,900 million, which accounts for 70% of the Group's tax payments.

This significant tax contribution, generated by our activities and paid by the Group companies, is borne both by the company (tax burden) and by its customers, employees and investors (tax collected).

Its tax burden paid in 2022 amounts to €4,544 million (€1,672 million in Spain). For its part, corporate income tax amounts to €2,595 million (€783 million in Spain).

Lastly, the Group's tax contribution related to preserving the environment also reached historical highs in 2022, coming to €6,397 million (€5,429 million in Spain).

Details of tax payments by country, can be found in *Appendix V to this report* and at www.repsol.com.

Taxes paid in 2022 ⁽¹⁾	Tax paid ⁽²⁾		Tax burden			Tax collected				Profit	
	2022	2021	Total	Tax on profits	Other taxes on profits	Total	VAT	HI ⁽³⁾	Other	2022	2021
Million euros											
Europe ⁽⁴⁾	13,397	9,155	2,078	1,099	979	11,319	4,929	5,870	520	2,468	1,297
Latam and Caribbean	2,295	1,239	1,241	562	679	1,054	701	267	86	1,030	766
Asia and Oceania	239	299	229	228	1	10	4	—	6	-48	91
North America	337	207	267	34	233	70	16	—	54	430	-7
Africa	734	554	729	672	57	5	—	—	5	371	351
TOTAL 2022	17,002		4,544	2,595	1,949	12,458	5,650	6,137	671	4,251	
TOTAL 2021		11,454	2,290	1,042	1,248	9,165	3,282	5,363	520		2,498

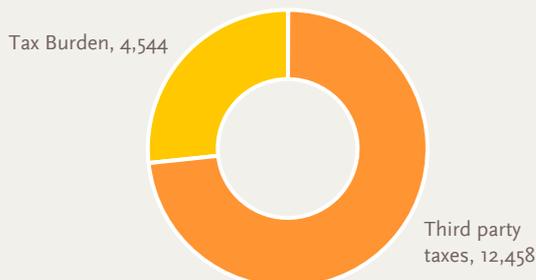
⁽¹⁾ Information prepared in accordance with the Group's reporting model, as described in Note 4 – Segment information of the 2022 Consolidated Financial Statements.

⁽²⁾ The amount includes returns from previous years.

⁽³⁾ Hydrocarbon tax. Includes receipts from logistics operators where the Company is ultimately responsible for payment.

⁽⁴⁾ Includes, among others, production taxes, local taxes, social security paid by the employer, public untaxed payment on fuels, etc.

Our tax contribution: tax burden and tax collected from third parties (€ million)



56% tax burden on our profits⁽¹⁾

44% effective rate of corporate income tax

(1) Percentage corresponding to the Company's tax burden accrued on the net result. The Company's tax burden paid and accrued is typically different due to the offsetting of tax credits from previous years that reduce the tax burden paid.

Tax contribution made to environmental protection⁽¹⁾

€6,397M in 2022	€5,556M in 2021
---------------------------	---------------------------

(1) Classification according to EuroStat. More information in our "Tax contribution report 2022", available at www.repsol.com.

commitment to transparency

Repsol explains its tax contribution and discloses relevant information so that it can be appraised by interested parties. The main reports available on the company's website (www.repsol.com) are the following:

1. Tax Contribution Report. It discloses all taxes and other public levies paid, broken down by item and country.
2. Country-by-country report for corporate income tax. Report as presented to the tax authorities and which Repsol publishes on a voluntary basis, containing further disclosures relating to the corporate income tax paid in each country in which we operate.
3. Report on Repsol's presence in tax havens. It describes and explain the activities carried out and the taxes paid in these jurisdictions.

This commitment to transparency has earned us numerous recognitions.¹

Good tax practices

The Group's tax decisions are made responsibly in accordance with a reasonable interpretation of tax regulations, following not only the letter but also the spirit of the law. In the event of any disagreement or dispute with the tax authorities, Repsol prioritizes amicable solutions, though if the disagreement persists, the company defends its legitimate rights and interests through the legally available channels and appeal mechanisms.

Repsol is committed to complying with best practices of responsible taxation and tax governance through voluntary adherence to internationally accepted principles, guidelines and recommendations (Code of Good tax Practices, GRI 207, OECD, B-Team). For more information, see Appendix V and www.repsol.com include detailed information on Repsol's compliance with these transparency standards and, more precisely, with GRI 207.

Accredited good tax practices

Repsol is compliant with GRI 207 [see Appendix V].

Cooperative relations with tax authorities

Repsol is committed to maintaining cooperative relations with the tax administrations of the various countries in which it operates, based on the principles of good faith, transparency and mutual trust, and with the shared goal of ensuring the effective application of the tax system.

Following this approach, Repsol expects to reduce the inherent risks and uncertainties applying tax rules, facilitate the tax authorities to understand its operations and avoid unnecessary conflicts.

Notably, Repsol has submitted, as has been doing since 2015, its Voluntary Tax Transparency Report before the Spanish Tax Office (AEAT). It also continues to lend its support to international cooperation initiatives for the prevention of tax risks and, after having taken part in the first program of the OECD International Compliance Assurance Programme (ICAP), it is now participating in the European Trust and Cooperation Approach (ETACA) of the European Union and in the CONFIA program in Brazil.

Presence in non-cooperative jurisdictions for tax purposes

2023 target

Reducing presence in non-cooperative jurisdictions.

Repsol is committed to having no presence in tax havens, unless it is for legitimate business reasons, in which case it undertakes to be transparent in its activities.

Repsol's presence in these non-cooperating jurisdictions is immaterial and any presence it does have is not intended to conceal its business activities or make them less transparent. The revenue obtained there does not account for even 0.01% of our turnover and there is only one active Group company that has presence, through a permanent establishment, in one of these territories (Trinidad and Tobago), carrying out hydrocarbon upstream activities.

Repsol releases detailed information on its presence and activities not only in non-cooperative tax jurisdictions but also in other territories considered controversial for tax purposes by civil organizations, even though they may not be included on official lists².

¹ Norges Bank, the Corporate Responsibility Observatory, Transparency International Spain, OXFAM, Haz Fundación (which has awarded us its top score for transparency – three stars) and, more recently, the Dutch association VBDO (which awarded Repsol the EU Tax Transparency Award 2022).

² For further information, see in Appendix V to this report, or visit www.repsol.com.

6.7. Supply chain and customers



6.7.1. Supply chain¹

Sustainable supply chain management

Repsol responds to the expectations of stakeholders and compliance with ethical, labor, environmental, safety and social standards through the sustainability of its supply chain. Likewise, it promotes employment and the rights of employees among local communities and drives local economic and social development where it operates. In this regard, it is aligned with the United Nations 2030 Agenda for Sustainable Development and contributes to the 17 SDGs, seeking to integrate commitment, dissemination and action in favor of this global agenda into its culture.

In this regard, the space available on the Repsol website, called 'Sustainable Management along the Supply Chain', features relevant content related to sustainability and the commitment to the United Nations 2030 Agenda. This space seeks to disseminate the culture and actions carried out to support this global agenda and in this regard the Repsol Sustainable Development Goals Contribution Plan has been made available to all suppliers. Another tool developed to raise awareness on this matter is a dissemination course for employees and suppliers, called ODStories. This course works like a fictitious social network and navigates through the different SDGs, showing examples of how Repsol contributes to them.

This sustainable supply chain management requires greater transparency in the information disclosed to both local communities and consumers, while at the same time promoting good practices among suppliers and contractors. The relationship with suppliers and their respect for human rights are fundamental pillars to achieve a just transition to which Repsol is committed. Moreover, the goal of managing risks and being diligent with the impacts derived from commercial relations with its partners, suppliers and contractors² was also set.

Suppliers play an important role in Repsol's value chain. That is why they must comply with current regulations and adopt the Group's good practices. For their part, contractors must adopt behaviors in line with the Suppliers Code of Ethics and Conduct, aimed at mutual benefit, by including obligations such as the rejection of child labor, the rejection of forced labor, freedom of association and the right to collective bargaining, in addition to ethical behavior and measures against bribery, corruption and conflict of interest.

Likewise, they must act in accordance with the code, as well as with the Anti-corruption Policy.

Repsol ensures the absolute integrity of its commitments to suppliers, which are based on mutual respect and trust. With this aim, control levels and a procedure to ensure that they behave in accordance with the Company's commitments in this regard were implemented. This allows for continuity of operations and mitigates the risks of the process.

Training for supplier and contractor employees

As proof of Repsol's commitment to sustainability and the United Nations 2030 Agenda, it launched a plan throughout the value chain to promote the SDGs. This plan covers the entire life cycle of operations and disseminates compliance with the most demanding international standards among employees, contractors, suppliers and partners. This plan includes developing training and awareness in sustainability [compliance, human rights, safety and the environment] for employees, contract holders and the most relevant suppliers in terms of impact on these matters.

As a good practice and to disseminate Repsol's regulations and minimize exposure to risks in activities carried out by contractors in the field, during 2022 various training activities were carried out focused on training contractor employees in human rights and ways of relating to the community. Repsol also encouraged the contractors themselves to choose to organize talks on the various topics in the Code of Ethics and Conduct.

A total of 492 Repsol contractor employees attended this type of training. It should be noted that the human rights and community relations norms and policies are part of the introduction processes in the field, for both contractor staff and subcontractor staff. The follow-up of activities of this type is verified through a record of the sessions and an attendance control (online and in-person).

Risk management

Repsol is aware that the supply chain poses specific risks and can help create jobs and promote local economies where it operates. Thus, it works to ensure that suppliers and contractors behave in accordance with the commitments they have undertaken. In this regard, the company is adapting selection, qualification and monitoring processes to identify and mitigate risks at different stages of the business relationship. Suppliers who want to work with Repsol must undergo a due diligence process relating to risk management, integrity, and international sanctions and embargoes, among others.

The Company inserts specific clauses in its contracts insisting that the counterparty complies with internationally recognized standards and observes the safety, environmental, ethical behavior and respect for human rights provisions of its internal rules and regulations.

¹ Information related to the Repsol Group's purchases, managed by the purchasing function in accordance with the Company's internal regulatory framework, is included
² By law, the illegal assignment of workers is not allowed. For this reason, Repsol's internal purchasing and procurement regulations establish that services are contracted with suppliers and not with people. This condition prevents specific data on employees who are not workers from being provided.

Likewise, awareness-raising activities are carried out among the counterparties and there is a standard of due diligence with third parties, applicable to business relations to manage the risks related to corruption, money laundering and terrorist financing, and international sanctions and embargoes.

Repsol has set itself the goal of developing and implementing agile and effective mechanisms whereby it can verify compliance with the agreed conditions and implement corrective measures if deemed necessary, so that the performance of the participants in the supply chain is the one that corresponds.

The procedure established to ensure efficient risk management in the supply chain is illustrated below.

Supply chain risk management

Performance assessment

- Assessing performance in the management of human rights, environment and safety over the term of the contract and upon its termination.
- Applying corrective measures if the required standards are not met or if the commitments assumed are not honored.
- A low or poor performance assessment has an impact on subsequent negotiation processes and contractual relationships.

Procurement and recruitment

- Accepting Repsol's General Terms of Contract, which include the obligation to respect the legislation and international standards in force relating to human rights, anti-corruption, data protection, safety and environment, labor relations and other key areas of sustainability.
- Greater demand in critical safety and environmental activities (appraising bids and performance assessment).



Due Diligence and scoring

- Registration of suppliers and contractors
- Expressly accepting Repsol's Code of Ethics and Conduct for Suppliers.
- Reputational analysis of all suppliers.
- Assessment of compliance risks (anti-corruption, international sanctions and embargoes, etc.).
- Analysis of financial and business aspects (financial statements, tax obligations, insurance, etc.).
- Validation of Safety and Environmental criteria in critical procurement.

Environmental and social assessment of suppliers

Repsol works together with its value chain to implement initiatives related to the environment, SDGs and circular economy. In this sense, it defines the principles of action on the environment in the phase of carrying out new contracts and agreements with partners and third parties. As for the acquisition of goods and services with a high safety and environmental risk, the inclusion of environmental criteria in supplier performance qualification and assessment, contractual clauses and bid evaluation is monitored.

Thus, in the due diligence phase, suppliers are registered in the purchasing management systems, undergoing prior filtering using the Refinitiv World Check One tool. This tool is used to assess aspects of integrity, anti-corruption, bribery and international sanctions and embargoes to mitigate risks. This information is regularly reviewed and updated for all suppliers that maintain a relationship with Repsol.

Likewise, the Company has internal and external audit procedures that examine and monitor to ensure that the established requirements are met. Moreover, and depending on the purpose of the award, it is necessary to fill out several compliance questionnaires on the security of operations and compliance with additional legal requirements (data protection, illegal assignment of workers, cybersecurity, etc.).

Thus, in 2022, integrity, corruption and bribery aspects were assessed at 9,338 suppliers worldwide (4,015 in 2021). These assessments revealed material information on 20 companies (21 on 2021) relating to international sanctions, judicial investigations for fraud and/or bribery, fines for anti-competitive activities or environmental damage, and relationships with politically exposed persons. In accordance with Repsol's internal regulations, the responsible areas undertook due diligence actions by applying the specific analyses included in the internal regulations, in order to mitigate any compliance risks that might arise. To this end, several instructive actions have been carried out for employees in the purchasing area and for some suppliers in certain regions.

Furthermore, in 2022, in the tender processes, suppliers are assessed on the basis of a safety and environmental technical benchmark, with relevant issues and aspects for the new contract and relationship. The aim is to maintain the social license to operate, demonstrating that Repsol is sustainable throughout its entire value chain.

Thus, in 2022, 5 assessment audits were conducted on suppliers, in which financial and business aspects, among others, related to their fiscal, tax and insurance obligations were analyzed. As a result, it was determined that none of the audited companies present any relevant non-conformities, meaning they are therefore considered serious and reliable to establish a satisfactory business relationship.

In addition, a total of 3,702 performance assessments were completed in 2022 at 878 suppliers and contractors, taking into consideration environmental, labor, social and integrity aspects.

From this procedure, there is a supplier disqualification process, through which any current and future business relationship with a certain supplier is blocked for a period of time or even indefinitely. It takes into account all kinds of aspects in the relationship with the supplier (ethical, social, safety, environment, etc.) and is approved by the Purchasing Functional Committee. In 2022, 2 suppliers were disqualified by these means.

Indirect economic impact

Repsol indirectly contributes to the generation of wealth in the local economy by supporting local companies, encouraging them to join its network of suppliers and contractors. Moreover, local purchasing has the advantage of geographical proximity between the point of origin and the point of demand, which provides a faster response to emerging needs and greater flexibility in operations.

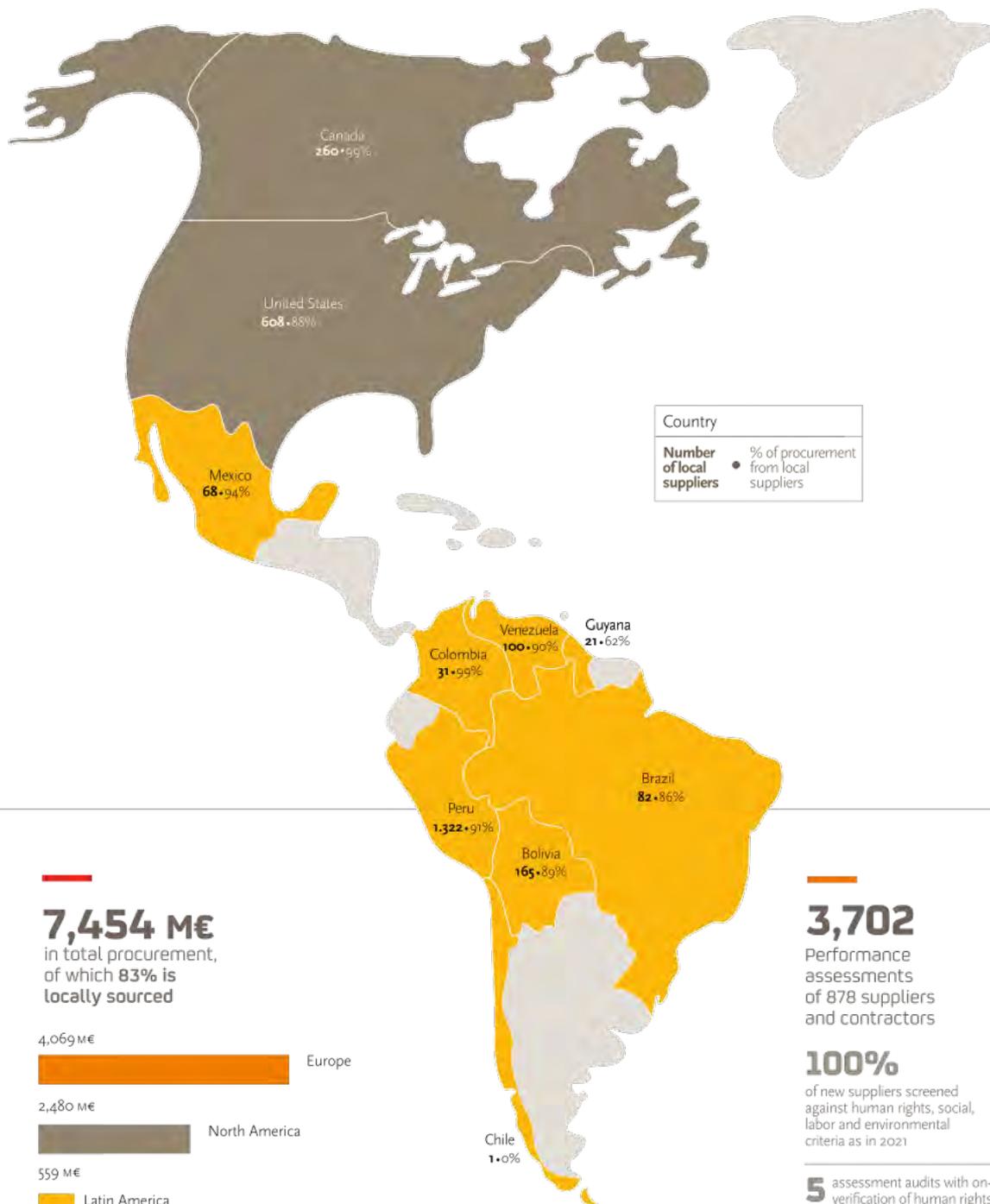
In the same way, Repsol generates indirect employment opportunities in the projects it carries out in different countries. The percentage of purchases and procurement that were made locally in 2022 represents 83% of the total purchases in the year. These purchases focused on medical services, logistics (civil engineering, catering, accommodation, vehicle rental and driver rental), warehouse and office lease, and IT support, waste management and courier services.

Furthermore, the Company aims to develop cross-company circular economy initiatives in partnership with external firms and working with all Group businesses to add secondary raw materials to its value chain, maximize process efficiency, reduce waste, create new products and services and driven eco-design.

Average payment period to suppliers

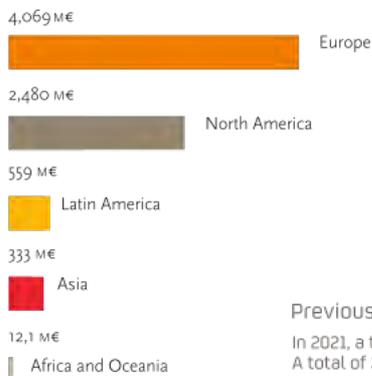
The average period for payment³ to suppliers of Spanish companies in 2022 was 38 days, below the maximum statutory period of 60 days set out in Law 15/2010, of 5 July (amended by the final provision two of Law 31/2014), on measures to combat late payment in commercial transactions.

³ For further information, see Note 17 – Trade debtors and other receivables, of the consolidated Financial Statements.



7,454 M€

in total procurement, of which **83%** is locally sourced



Previous year's data

In 2021, a total of **5** assessment audits were carried out. A total of **3,010** performance assessments were conducted among **1,125** suppliers and contractors and **1,055** suppliers were scored. In 2021, total procurement came to **€5,251** billion from **4,235** suppliers, **78%** of which were local, and 74% of total expenditure went to local suppliers.

3,702

Performance assessments of 878 suppliers and contractors

100%

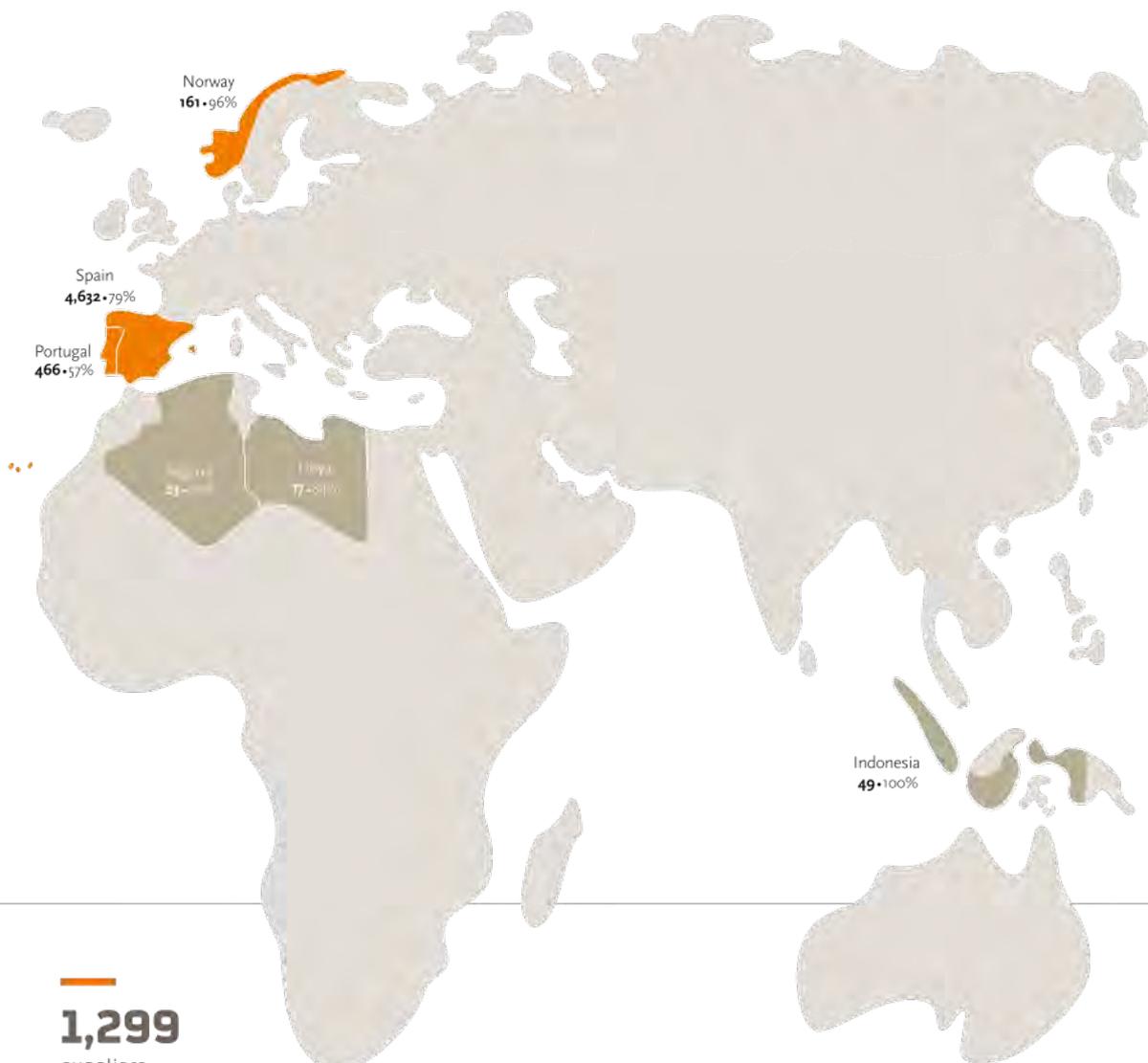
of new suppliers screened against human rights, social, labor and environmental criteria as in 2021

5 assessment audits with on-site verification of human rights and other aspects

100%

of contracts include clauses on human rights, anti-corruption and the environment, the same as in 2021

2 breaches of contract due to safety concerns

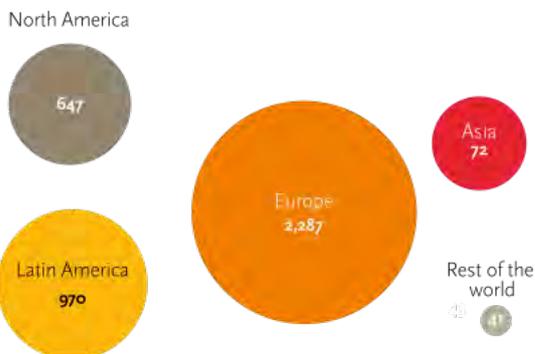


1,299
suppliers
scored⁽¹⁾

4,017
suppliers worldwide,
of which **86%**
are local⁽²⁾

Assessment of impacts
on health and safety
for **100% of significant
products and services**

Number of suppliers



(1) In 2022, as was the case in 2021, the supplier assessment and audit processes found that no supplier had breached the rights of freedom of association or collective bargaining of its employees; been complicit in child labor; or forced its employees to engage in forced labor in any shape or form.

(2) Suppliers are those to which Repsol has made new awards in 2022. Repsol considers local suppliers to be companies established or nationalized under the laws of the country in which Repsol carries out operations as part of which the supply will be made or service provided.

6.7.2. Responsible management of customers

Safety across the product life cycle

Managing the safety of the products sold is a priority for the Company and is present through all stages of their life cycle. In addition to the applicable legislation in force, Repsol has internal regulations that establish the requirements to ensure appropriate management of risks from the very beginning of the research to design a product until it is sold on the market.

During the design phase, any hazards are identified and potential risks arising from use are assessed in order to take the appropriate measures to manage these risks. As an example, in the project for new circular polyols manufactured from polyurethane waste, knowledge has been generated about the possible adverse effects on people and the environment by carrying out several laboratory studies. This knowledge was applied to assess the potential risks associated with manufacturing at the centers and subsequent use by customers. This information is being communicated to workers and customers through the safety data sheet, which includes the conclusions from the results of the studies and the measures for safely handling the product.

Ensuring product safety involves ongoing monitoring to detect new or changing risks. Therefore, products already made available to customers are also re-assessed in order to ensure efficient updates.

Repsol encourages participation in voluntary programs of the sector itself and European bodies that examine in greater detail specific knowledge about certain products. For example, together with European companies that manufacture diesel processed with hydrocarbons from renewable sources (vegetable oil or animal fats), the Company is participating in several studies aimed at obtaining further knowledge about their possible adverse effects.

The Company is also part of a project focused on improving scientific knowledge of NLP (no longer polymers) polyols. This project, led by the top manufacturers of this type of product, seeks to improve toxicological knowledge of the same based on a limited number of studies, and subsequent extrapolation of results between different polyols within the same group or category.

Technological innovation also makes it possible to increase safety, optimize the use of raw materials, eliminate emissions and contribute to reducing the waste generated.

Communication of hazards

In compliance with internal regulations, Repsol provides information on the hazards of each product it sells through safety data sheets and hazard labels so that customers can take the appropriate measures to handle them safely.

It works with a global tool that allows access to all product safety documents from a single repository available to all employees. This tool also allows an advanced analysis to be carried out, by company or by product range, of the different parameters of the products handled for the entire company. These documents are available to Repsol customers and employees in accordance with the laws of the country where the product is to be handled. Business and product data come together in the tool, which allows Repsol to automatically send safety documents to customers.

Customer privacy⁴

Privacy and personal data protection is one of the most relevant issues for companies today, due to the volume of information handled, which includes personal and financial data of customers, suppliers and employees.

Repsol ensures the fundamental right to the protection of personal data of all individuals that have a relationship with the Group companies. The Company therefore carries out all its activities in accordance with the laws of the countries in which it operates, in keeping with its spirit and purpose, and ensuring respect for the right to honor and privacy in the processing of the different types of personal data.

The Data Protection Division, which is part of the Compliance Processes Department, is tasked with advising on and managing the personal data protection compliance model. This division is composed of a team of professionals specializing in privacy that offer advisory services to the entire Company through a corporate mailbox. In 2020, the OneTrust software suite was acquired as an ideal platform for ensuring compliance with data privacy regulations across all sectors and jurisdictions, including the EU GDPR and Privacy Shield. Throughout 2021, a loading of the records of processing activities and risk analysis was carried out. In 2022, a method for monitoring recommendations from the Data Protection area was implemented through the corporate tool SACI, an Onetrust optimization process was carried out and the security breach module of this tool was started to be used.

⁴ En 2021 reported data includes information relating to breaches of customer privacy and loss of customer data at Group companies in Spain and Portugal.

The configuration of the module and the fact of having a tool that serves as a register to record any analysis of incidents that affect data independently of their criticality has led to a substantial increase in the number of incidents reported, since it has made it possible to strengthen the model and not only count incidents not only of medium or high risk but also of low or negligible risk.

Substantiated complaints concerning breaches of customer privacy and losses of customer data	2022	2021
Total number of substantiated complaints relating to breaches of customer privacy	11	–
Complaints received from third parties and substantiated by the organization	9	–
Claims raised by regulatory authorities	2	–
Total number of identified cases of leakage, theft or loss of customer data	13	3

Managing customer grievances

Repsol has procedures that allow claims and complaints from customers in all business areas to be heard and managed. These contacts may correspond to business customers (business to business) or household customers (business to consumer).

No matter the type of customer, claims or complaints relating to sustainability issues are handled with the aim of minimizing or mitigating potential environmental or social impacts. The process for handling claims is as follows:

- Claims received by the relevant agents provided (Customer Service, Technical Assistance and Development technicians, business department, etc.), through the enabled channels (telephone, email, social media, in-person, etc.) .

- Claim registered in the computer systems, with detailed categorization of each case, by process, petitioner, origin, classification levels, etc.
- Assignment the area responsible for handling and following up on the claim to the resolving group.
- Management: information gathering, analysis of the root cause, proposal and start-up of control, corrective and improvement actions.

In 2022, the number of claims received in Spain rose to 41,641 (of which 93.7% have been resolved). In Portugal, 7,025 claims were received, of which 98% have been resolved.

Registered claims Customer Care Service	Total no. of claims	% vs. total registrations
Spain	41,641	1.5%
Portugal	7,025	4.5%

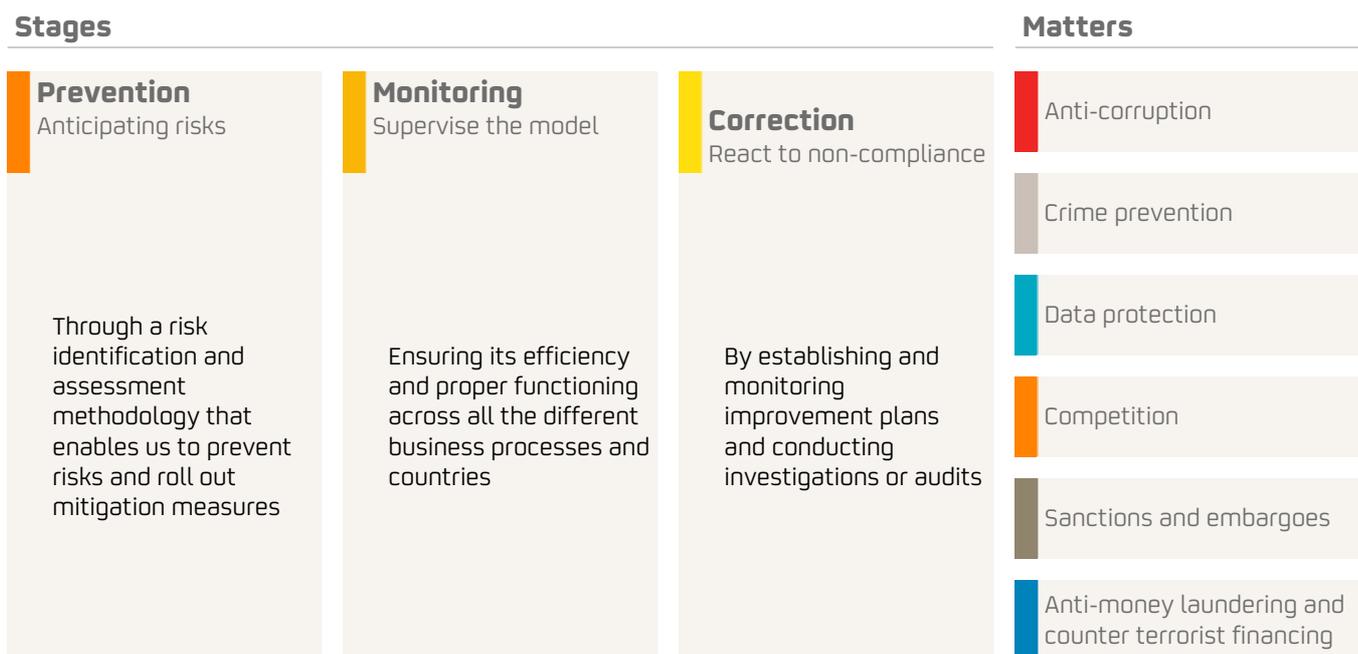
In 2022, Repsol digitized the CRC. It operates in a Genesys and Salesforce Cloud environment as a cross-company CRM (Customer Relationship Management) system for the Lubricants, Asphalts, Specialties, Service Stations and Direct Sales, Waylet and LPG businesses (in progress), replacing several tools. With this it has achieved:

- A unified, homogeneous experience in each of the channels.
- Promoting digital channels for optimal resolution
- A single work tool.
- Personalized customer service and traceability of interactions.
- Automation of processes of lesser value to customers.

6.8 Ethics and compliance¹



Comprehensive compliance management model



Having a **self-surveillance model** prevents or mitigates potential liability in the event of a legal breach

Repsol has in place a range of procedures, an overarching action framework and a specialized team dedicated solely to ensuring that its internal and external obligations are properly fulfilled. The compliance function reinforces compliance culture across the Group and improves our ability to identify and monitor ethics and compliance risks. We focus especially on anti-corruption measures, anti-money laundering and counter terrorist financing, crime prevention, international sanctions and embargoes, antitrust rules and personal data protection.

Code of Ethics and Conduct²

Repsol's Code of Ethics and Conduct is approved by the Board of Directors and applies to all directors, executives, and employees, whatever the nature of their contractual relationship with Repsol. Our business partners, including non-operated joint ventures, contractors, suppliers and other third parties, are an extension of Repsol, and for this reason they should act consistently with our code, as well as any applicable contractual provisions, when working on our behalf or in collaboration with us. These business partners are also encouraged to develop and implement ethics programs that are consistent with our standards. This Code creates a frame of reference for understanding and putting into practice the Company's expectations as to each person's behavior, in light of the Group's principles of action.

¹ The figures and indicators in this section include 100% of the data from companies in which the Company holds a controlling interest or control over operations, with the exception of communications received through the Ethics and Compliance Channel, the scope of which would be that established in Repsol's own Code of Ethics and Conduct.¹

² Available at www.repsol.com

In 2022, Repsol once again has undertaken a global initiative for training on and dissemination of its Code of Ethics and Conduct. This includes all employees (even part-time employees –something new this year) and aims to continue promoting a positive culture of compliance, as well as to measure the knowledge that employees have on certain issues to this end. Specifically, the dissemination campaign entitled “Los intachables” (“The Flawless”) has been developed with a total of seven dissemination initiatives by senior management that included sketches, interviews, podcasts, and ethics regulations. Likewise, mandatory training has been deployed for all employees (entitled “Tu conducta en juego” – “Your conduct at stake”) in an interactive, innovative, and disruptive format. Additionally, it is worth noting the expansion of our voluntary network of compliance ambassadors to more than 100 people and our holding of three compliance days: one worldwide (with recognition of the best practices in this area) and two local ones (in Mexico and Houston, USA).

The “Los Intachables” (“The Flawless”) campaign

In 2022, the dissemination campaign entitled “Los Intachables” (“The Flawless”) was deployed and it reached the entire Company while maintaining the relaxed tone of previous years. There were seven content deliveries in different formats and for different types of media (email, digital signage, digital dissemination via MyRepsolnet), all of which were consumable in an easy, attractive, and accessible way.

This content allowed the relevant messages on the Code of Ethics and Conduct and the basic regulations on Compliance to be properly positioned and emphasized. In terms of the main pieces of data, the following numbers stand out: 71% opening rate for the 126,588 emails of the campaign sent during the period (March to September of 2022); more than 12,000 page views on MyRepsolnet, almost 40,000 reproductions of campaign content via streaming (Spanish and English), and 10 pieces of digital signage published globally.

The aim, among others, of the Ethics and Compliance Committee is to manage the monitoring and compliance system for the Code of Ethics and Conduct. In accordance with the committee’s own internal regulations, it is a collective, high-level, multidisciplinary body, with autonomous powers of initiative and control, and other powers necessary to carry out its functions. It comprises representatives from Legal Affairs, People and Organization (Corporate), Audit, Control and Risk, Legal Services (Corporate) and Chief Compliance Officer (CCO) and Labor Relations, Labor Legal Affairs and Occupational Health.

The Ethics and Compliance Channel³ is accessible 24 hours a day, seven days a week. It is managed by an external service provider, which allows employees and any third party to communicate directly with the committee with absolute confidentiality and anonymity, and in any language. Said individuals can raise queries or report possible breaches of the Code of Ethics and Conduct and the Crime Prevention Model.

In 2022, 91 pieces of correspondence were received through the Ethics and Compliance Channel, of which 55 resulted in an investigation. At the end of the year, 6 cases of discrimination and harassment were confirmed, although most of them correspond to situations involving a lack of respect and unwanted or annoying behavior, of minor importance. No cases of corruption, or violation of human rights were proven.

The Company has the internal investigation procedure of the Ethics and Compliance Committee, as well as an orientation guide for investigators and channel managers regarding personal data protection and other regulations. The regulation emphasize that no type of retaliation is allowed against a person who in good faith discloses or alerts a breach or raises questions about the code, internal regulations, and/or the law. Nor are retaliations allowed against anyone who collaborates in an investigation. Specifically, everything mentioned above is guaranteed and regulated first and foremost by the principles of impartiality, confidentiality, professionalism, and independence.

Ethics and compliance	2022	2021
Number of participants in the Code of Ethics and Conduct training ⁽¹⁾	22,814	21,758
Number of communications received through the Ethics and Compliance Channel	91	47

⁽¹⁾ Includes anti-corruption training..

Fight against corruption and bribery

Repsol reiterates its commitment to strict compliance with regulations for the prevention and fight against corruption⁴ and fraud in all their forms, developing the principles contained in the Code of Ethics and Conduct and extending compliance therewith not only to all employees of the companies in which we exercise direct or indirect managerial control, but also to our business partners.

During the general recurring process of reviewing and updating internal regulations, in 2022 the Company reviewed its Anti-Corruption Policy, changing its name to the Integrity Policy as its contents were expanded to include aspects related not only to corruption but also to fraud (following the lines of European regulations). Said regulations include Repsol’s express position regarding illegal conducts like

³ Available at ethicscompliancechannel.repsol.com.

⁴ Corruption: offering, promising, granting, receiving, requesting, or accepting an unjustified benefit for oneself or for a third party in exchange for unduly favoring another party in the acquisition or sale of goods, in the contracting of goods and services, or in business relations. This includes both the public sphere and the private/business sphere and also when the purpose or result of such conduct implies the breach of the contractual, fiduciary, and/or legal duties by the corrupt individual person.

corruption, fraud, and conflicts of interest in an additional, more detailed way than what is listed in the Code of Ethics and Conduct, covering not only illegal conduct but also aspects that are unethical or dishonest.

The Ethics and Compliance Committee is also Repsol's crime prevention unit for the purposes of Article 31 bis (2) (2) of the Spanish Criminal Code. Repsol has internal framework (Crime Prevention Model and Internal Investigations by the Ethics and Compliance Committee) that dictates the preventative measures and response mechanisms for breaches of the Code of Ethics and Conduct or suspected or confirmed criminal offenses within the scope of the Repsol Crime Prevention Model⁵.

In this context, the Ethics and Compliance Committee approves and monitors the annual plan for the updating and continuous improvement of the Crime Prevention Model. In terms of said Model, the following objectives and work carried out should be highlighted:

- Adaptation of the model (internal regulations and criminal risk matrices) to Organic Law 10/2022, of September 6, on the Comprehensive Guarantee of Sexual Freedom, which modifies different aspects of the Criminal Code, among which we must highlight the expansion of the list of crimes that a legal entity may be responsible for (mental wellbeing, sexual harassment, and discovery and disclosure of secrets).
- Digitization of key compliance processes (risks, gifts and hospitality, and conflicts of interest).
- Review of the risk control framework (such as fraud in terms of subsidies and discovery and disclosure of secrets).
- Definition of minimum control standards for companies with a limited size or business activity.

The Company has internal standards and guidelines on due diligence with third parties, conflicts of interest, gifts and hospitality, social investment, and relations with public officials. These rules are specifically focused on mitigating potential risks in terms of corruption and fraud. Repsol also has a Criminal Prevention Manual to improve the company's understanding of criminal risks and the actions and behaviors expected of employees. In addition, we have a comprehensive training plan that includes, among other things, simultaneous actions on the role of leaders, managers, executives, and the Repsol representative. Finally, an online course is available for those responsible for

running and managing Crime Prevention Model controls and the whistleblowing channels for raising queries and reporting breaches in relation to the Model.

Likewise, the Company has a guide to the anti-corruption compliance domain management system which describes the general standards and requirements, as well as controls and associated risks (bribery of officials, bribery in the private sector [offering and accepting bribes], and influence peddling). In 2022, 11 specific assessments were carried out in relation to corruption risks⁶.

Protection of fair competition

Repsol is firmly committed to complying with anti-trust regulations in all its spheres of action and in all countries in which it operates. This commitment is a core element of Repsol's Code of Ethics and Conduct.

The Company believes in fair and effective competition on the market and we do not engage in inappropriate practices that might impair free competition. Nor does it seek to obtain competitive advantage through the use of unethical or illegal business practices.

In addition, specific risk assessments continue to be carried out in terms of competition, and the measures implemented to prevent or mitigate risks are improved or reinforced as needed. Likewise, the Company has developed specific training and awareness initiatives, among which we can highlight the development of guidance and training materials, the development of micro-learning sessions on fair competition, and complementary training actions for the most sensitive groups. In 2022, an 80% attendance rate for synchronous training was reached and a total of 648 employees received training on compliance with competition regulations.

Repsol has an Anti-Trust Compliance Manual, a guide on how to act in the event of home inspections, guidelines on risks associated with participation in business associations, and a procedure for state aid, among other materials. The main aim is to continue to drive the implementation of these regulations, help all employees understand the fundamental principles governing anti-trust regulations, and provide them with clear guidelines to identify potential risk situations for the Company.

Additionally, the Ethics and Compliance Channel is available, among other resources, through which any employee or third party can direct any type of query or alert regarding compliance with anti-trust law.

⁵ Among the crimes included in the model is money laundering (crime no. 15). Likewise, the Company has a guide that describes the general standards and requirements in terms of money laundering and there are models for compliance/anti-money laundering and counter terrorist financing for those bound by local/specific regulations.

⁶ In 2022, there were zero confirmed cases in which contracts with business partners were terminated or not renewed due to corruption-related offenses. Moreover, there were no public legal cases related to corruption filed against the organization or its employees during the reporting period, and there have been no confirmed cases in which an employee has been dismissed for corruption or in which disciplinary action has been taken in this regard.