



REPSOL

**2022-2023**

Annual ESG  
Engagement  
Report

Investor  
Relations  
Team







Message from  
the Director  
of Investor Relations ..... 4



**1** Monitoring  
the development  
of ESG investors  
in Repsol's  
shareholder  
structure ..... 6




**2** Main activities  
carried out  
in the last 12 months ..... 9

2022 ESG Day and Roadshow with CEO  
and Executive Management..... 12  
Corporate Governance Roadshow..... 15  
Other events  
Timeline Roadshows 2022 – 2023 ..... 16



**3** Increasing our transparency  
on Energy Transition ..... 17

Increasing our disclosure on  
scope 3 emissions ..... 18  
Engagement with EOS at Federated Hermes.  
Implications of climate change,  
decarbonization and the energy transition  
in the financial statements ..... 20  
EU alignment reporting:  
increasing taxonomy disclosure ..... 21  
Repsol's participation in trade  
associations: climate review 2023 ..... 24



**4** Next Steps ..... 28



At Repsol we firmly believe that sustainability, security of supply and affordable energy make up a triangle whose center of gravity must be balanced. This is the so-called Energy Trilemma and we decisively aspire to fulfill it.

## Message from the Director of Investor Relations

Ramón Álvarez-Pedrosa

I am delighted to present Repsol's ninth Annual ESG Investor Engagement Report, summarising our communication activities held with investors during the second half of 2022 and the first half of 2023.

Across this period, we focused on maintaining our excellence in communication and transparency with investors, while seeking to maximize efficiency in our interactions. This period has characterized by the increase of in-person interactions and events that we had missed during the pandemic. We are pleased that, in addition to in-person meetings, virtual meetings remain part of our day-to-day activities to support our ongoing dialogue with investors, particularly those located outside of Europe. I am proud to say that during this period we met with more than 100 ESG investors based in 14 different countries.

Bringing back **Repsol's ESG Day**, our annual flagship in-person ESG investor event, was an

important milestone for us. The event took place in London in October 2022, following a 2-year hiatus as a result of the pandemic. During the event, Repsol's leaders and subject-matter specialists provided various deep-dives into the progress Repsol is making to decarbonize, the importance of a Just Transition and its impact on Industry & Technology, and various other key ESG commitments.

We look forward to our upcoming 2023 ESG Investor Day edition, which will be held again in London on October 3rd.

As it has been remarked to our investors along this period, in Repsol we see the decarbonization of our operations as an opportunity to develop more profitable businesses, continue growing and becoming the multi-energetic company that our stakeholders require in order to meet their needs in a sustainable way.

The energy transition is an unprecedented challenge and we play a relevant role in it. We firmly believe that sustainability, security of supply and affordable energy make up a triangle whose center of gravity must be balanced. This is the so-called Energy Trilemma and we decisively aspire to fulfill it.



Undoubtedly, the European Union is leading the ambition to combat climate change with its environmental policies and regulations, seeking to support the energy transition. However, this commitment on sustainability does not guarantee competitiveness, neither for economy, nor for well-being of its citizens and could potentially cause imbalances between supply and demand.

An orderly energy transition towards decarbonization requires the establishment of efficient and well-thought-out pathways, and should include all technologies available to reducing CO<sub>2</sub> emissions. In this context, security of supply must be a priority alongside the fight against climate change.

Lastly, providing affordable and accessible energy for all citizens is the key to a fairer future. It is one of the issues of greatest concern due to the impact that the energy price has on the cost of living. Affordable energy prices will not be achieved unless the market allows the development of emissions reduction technologies that can compete and complement other sources of energy.

A key indicator of the credibility of our ESG strategy and effective engagement with shareholders, the presence of ESG investors in our institutional shareholder base, continued to increase during this period, reaching **37.1%** as of December 2022, compared to **33.1%** in September 2022. We believe that these results show our commitment to transparency and openness in our engagement with investors. This would not be possible without the active role of our CEO, Mr. Josu Jon Imaz, the Senior Management team and the coordinated activities of Investor Relations and our Sustainability and Governance teams' specialists.

This report reiterates our commitment to dialogue with investors. We thank each of them for their continued support and availability to engage with us.

An abstract graphic featuring a world map composed of blue dots. Overlaid on the map are several vertical lines in yellow and orange, each with small circles at the top and bottom. The background is dark blue with various colored circles and lines. A large white number '1' is positioned on the left side of the graphic.

# 1

## **Monitoring the development of ESG investors in Repsol's shareholder structure**

Repsol enjoys a large presence of ESG focused shareholder structure among its institutional investors, according to our data, one of the largest within its sector. This reinforces Repsol's credible story towards decarbonization

## Institutional Ownership



**741<sup>1</sup>M**  
TOTAL SHARES

## Total Share Capital



**1,327<sup>2</sup>M**  
TOTAL SHARES

Repsol's institutional shareholder base percentage is more than double the worldwide sector average of 17.5%



**275M**

Shares managed under ESG Criteria

## Results evolutions

2010

**31M** Shares  
**8.4%**

2017

**71M** Shares  
**12.8%**

2020

**243M** Shares  
**32%**

2023

**275M** Shares  
**37.1%**  
VS Institutional ownership



increase since 2010  
**+342%**

1. Institutional shares from the December 2022 Shareholder ID.  
2. Total Repsol's share capital as of December 2022.



As of December 2022, ESG investors managed 37.1% of our institutional shareholder base (~275<sup>1</sup> M shares managed utilising advanced ESG criteria<sup>2</sup> out of 741 M shares managed by institutional investors). This percentage represents a 12% increase versus the 33.1% held in September 2022.

In terms of Institutional ownership, this 37.1% figure more than doubles the 17.5% average found across the oil and gas sector worldwide.

The percentage of ESG investors has increased 342% since 2010. This growth shows the already consolidated importance of ESG issues among investors, along with the rapid adoption of ESG integration by asset managers investing in Repsol and investors' support of its ESG strategy.

---

1. Institutional shares from the December 2022 Shareholder ID.

2. According to Leaders Arena's ESG Investor Scorecard methodology: integration conducted by both specialist and mainstream institutional investors that follow a disciplined process to integrate ESG factors in their investment decision making process. ESG thematic investing carried out through mutual funds and ETFs with clearly defined ESG goals such as 'ethical' or 'low carbon' are also included [leadersarena.global](https://www.leadersarena.global).



# 2

## **Main activities carried out in the last 12 months**

In this chapter we have summarized the activities carried out during this period and, therefore, the dialogue with ESG investors





Our company manages one of the most ambitious ESG investor outreach programs, which typically involves meeting more than 100 investors in person or virtually every year. In the last 12 months, investors met accounted for **75% of Repsol's ESG** ownership.

2022 - 2023 investor dialogue on ESG covered a range of topics, from climate change to governance and environmental issues. In addition, complex and restricted regulations on the Energy Transition in Europe have been part of the conversations with stakeholders, who challenge the continent's mandatory approach in comparison with EEUU's pragmatic and efficient approach.

Furthermore, investors have shown an increased interest on understanding how companies are pursuing the energy transition challenge. Transparent disclosure and effective communication through specialized events are key. A recurrent request from investors is the development of a common methodology to analyze and compare these companies' different decarbonization strategies.

To match this specific demand for sustainability disclosure, Repsol continued developing more sophisticated ESG communication tools to provide real insight and consequently, demonstrate proof of progress at all levels.

During the second half of 2022 and the first half of 2023, the team has coordinated 7 roadshows, attended 3 conferences, participated in 2 specialist events, and arranged 4 meetings at our premises.

We have been in contact with investors from different geographies such as: **United Kingdom, United States, Netherlands, France, Canada, Spain, Switzerland, Germany, Sweden, Norway, Singapore, Italy, Japan, and Hong Kong.**

Involving investors from different geographies:



**75%**

of ESG shares:  
206 M shares  
out of 275 M shares<sup>1</sup>

**56%**

of total  
institutional shares:  
416 M shares out  
of 741 M shares<sup>1</sup>

**31%**

of total S/O:  
411 M shares  
out of 1,327 M shares<sup>2</sup>

1. Institutional shares from the December 2022 Shareholder ID.  
2. Total Repsol's share capital as of December 2022.



## 2022 ESG Day and Roadshow with CEO and Executive Management

In 2022, Repsol resumed its annual in-person ESG event following the 2-year hiatus caused by the pandemic. The event was held in London on October 4th. A highly specialized audience composed of 48 representatives, including ESG investors (Federated Hermes, JP Morgan, M&G and Aviva among others), ESG sell side analysts, highly influential ESG initiatives (Climate Action 100+, Institutional Group in Climate Change, Church of England, Carbon Tracker) and financial analysts, had the opportunity to listen and engage in conversations with the company's Executives.

The session was led by Repsol's CEO, **Josu Jon Imaz** and was also attended by several members of the Executive committee (Antonio Lorenzo, CFO, Luis Cabra, EMD Energy Transition, Technology, Institutional Affairs, & Deputy CEO, Carmen Muñoz, EMD People and Organization) along with other Senior Managers.

During the event, Repsol shared an update on the progress made on its decarbonization strategy while announcing, among other issues, its commitment to increase transparency on ESG disclosures.

Josu Jon Imaz, CEO, opened the session explaining the importance of a **Just Transition and its impact on Industry & Technology**.

This was followed by three main thematic presentations led by subject matter experts:

- **The importance of technological neutrality:** and how Repsol is leveraging on technology to accelerate its transition, along with an explanation on the most disruptive developments across our different platforms.
- **Renewable fuels and circular economy in the Industrial transformation:** a deep dive into one of the most promising technologies, the gasification process of waste feedstocks. This technical development project is being implemented at Repsol's Eco planta, in Tarragona.
- **The promotion of diversity and inclusion across the organization,** as one of the key levers to safeguard equal opportunities and develop the competitive advantages that reside in our people, independently from gender, ethnicity, or sexual orientation.
- Finally, an update on **Repsol's approach to assess the climate credentials** of energy companies was made, illustrating the importance of transparency and the different scenarios that can support our net zero emissions goal.



## Repsol's 2023 ESG day will take place on October 3<sup>rd</sup>, in London

Following the ESG Day event, **our CEO Josu Jon Imaz, alongside Senior Management, led a roadshow in London and Paris** to discuss with our ESG oriented investors the company's progress towards energy transition.

A total of **12 institutional investors** were met with during this roadshow, representing **178 M shares, 24.1%** of Repsol Institutional shares (**178 M shares out of 746 M shares**)<sup>1</sup>.

Out of these 178 M shares, 90 M are managed by investors utilizing advanced ESG criteria<sup>2</sup>. This figure represents ~32.8% of Repsol's ESG institutional shares (90 M shares out of 275 M shares).



More information here about Repsol's 2023 ESG day



ESG Day presentations and recorded broadcast of the event are available here



1. Shares estimated as of December 2022.

2. ESG integration conducted by institutional investors that follow a disciplined process to integrate ESG factors in their investment decision-making process. ESG thematic investing carried out through mutual funds with clearly defined ESG goals such as 'ethical' or 'low carbon' are also included.



**ESG Roadshow  
with CEO and Executives**  
Investors highly praised the transparency provided during the ESG day and shared with us the following feedback:

**Repsol is** an **early mover**, and we are keen to see how Repsol will continue to navigate the pathway towards zero.

**We take note** that there is a strong commitment to increase the **gender diversity** on leadership positions to 35%.

**In our opinion,** Repsol's climate transition strategy is one of the **more advanced amongst the majors** and we agree with the pragmatic approach it is taking.

**I really** appreciate the CEO and team making time to discuss thoughts on the **energy transition** and enabling a conversation with a wider group of investors and stakeholders.

**Having** top management meeting with investors on ESG also supports the **company's commitments**.

**I found** the meeting very interesting, very **transparent**, and good to hear the opinion of the CEO on the energy transition and its challenges. Repsol is **well-placed** regarding **business transformation** and development of new low-carbon technologies.

**Regarding** **capital allocation**, we appreciate the decrease in upstream capital employed but continuing managing the responsibility of the assets.

**I found** an **openness** to engage on the issues and listen to feedback and to explore areas of divergence.

**We also** appreciate all **the push for alternative and renewable** fuels even if not completely convinced of the Repsol's advantage in the area.

**It is great** to have the opportunity to meet **face to face** with Repsol's management to understand their strategies in this uncertain world.

**We really** appreciate CEO's focus on **ESG topics**.



## Corporate Governance Roadshow

A roadshow was organized to meet top institutional holders of Repsol's shares. The purpose of the meetings was to discuss Repsol's corporate governance practices, and the agenda and the **proposed resolutions** of the **Annual Shareholders Meeting**, being the reelection of the CEO and the Chairman, as well as the appointment of a new Independent Director, the shareholders' remuneration and the approval of a new Directors Remuneration's Policy for 2023-2026, among the topics commented.

The roadshow was highly successful from an investor outreach perspective. A total of seven

investors, **85%** of them positioned among our top 20 shareholders, were met this time. These investors managed **~215 M shares**, **29%** of total institutional ownership (~215 M shares out of 741 M shares). Out of these ~215 M shares, **~119 M shares** were managed under ESG criteria, **43%** of total ESG shares (~119 M shares out of 275 M shares).

Conversations were very positive, with investors reiterating their confidence in both the Chairman and CEO, highlighting the well-functioning of their relationship between the two and their impeccable job in leading Repsol. In addition, the step to increase the presence of women to **40%** at Board level was welcomed, along with the level of Board Independence and Board's assessment and training.

Some of the feedback provided by Corporate Governance Roadshow investor attendees



**Detailed discussion,**  
I appreciate the opportunity to discuss these topics in person

**Say on Climate:**  
we welcome this initiative; I think it helps companies move forward

In the **case of Repsol,**  
it's great to see great disclosure and transparency in terms of remuneration and interim goals

# Other events. Timeline Roadshows 2022 – 2023

## 2022

- **In House Meeting**  
**Norges Meeting**  
7<sup>th</sup> July
- **In House Meeting**  
**Encompass Meeting**  
7<sup>th</sup> July
- **In House Meeting**  
**Hermes EOS Meeting**  
18<sup>th</sup> July
- **Roadshow**  
**Roadshow Netherlands**  
22<sup>nd</sup> September
- **ESG Day**  
**ESG Day**  
4<sup>th</sup> October
- **Roadshow**  
**ESG Day Roadshow with Management in London and Paris**  
4<sup>th</sup> - 5<sup>th</sup> -6<sup>th</sup> October
- **Conference**  
**Société Générale ESG Conference**  
15<sup>th</sup> November
- **V Roadshow**  
**Roadshow with Asian Investors**  
16<sup>th</sup> - 17<sup>th</sup> -18<sup>th</sup> November
- **In House Meeting**  
**Sumitomo Asset Management Meeting**  
29<sup>th</sup> November

## 2023

- **V Specilized Event**  
**Marsh Insurance Companies' Roadshow**  
28<sup>th</sup> February
- **V Roadshow**  
**Corporate Governance Roadshow**  
7<sup>th</sup> - 8<sup>th</sup> -9<sup>th</sup> March & 16<sup>th</sup> - 21<sup>st</sup> April
- **Field Trip**  
**Cartagena Field trip**  
23<sup>rd</sup> March
- **Conference**  
**Citi's 2023 Energy and Climate Technology Conference Boston**  
9<sup>th</sup> May
- **Roadshow**  
**Roadshow Boston ESG**  
10<sup>th</sup> May
- **Roadshow**  
**Roadshow Paris**  
31<sup>st</sup> May
- **V Conference**  
**Kepler Digital ESG Conference**  
1<sup>st</sup> June
- **Specilized Event**  
**Hermes Energy Transition and Sustainability Conference**  
29<sup>th</sup> June

**V** virtual events





3

## **Increasing our Transparency on Energy Transition**

Committed to provide a useful  
and clear perspective of  
our energy transition strategy



## Increasing our disclosure on scope 3 emissions

Repsol's approach towards decarbonization and the importance of Scope 3 emissions have been once more key engagement focal points during the last months.

Repsol's main goal is to become a net zero emissions company by 2050, in line with the targets set out in the Paris Agreement. To reach this goal, our company has laid a demanding roadmap outlining ambitious emissions reduction targets that were established on the 2021 **Low Carbon Day** and updated on more recently at the Repsol 2022 **ESG Day**.

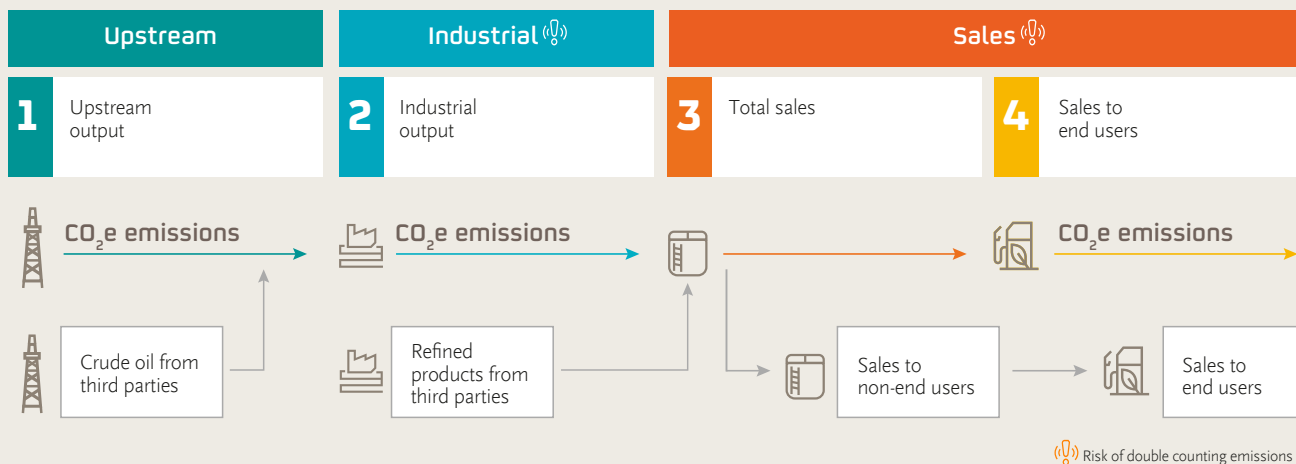
However, the absence of a standardized decarbonization methodology for the Oil & Gas sector encourages stakeholders to seek a deeper level on understanding of each company's decarbonization approach. In this sense, we have explained in our discussions that for us, global emissions are driven first, by the energy mix the world produces and second, by its level of decarbonization along the value chain of transformation and use of energy. For an energy company, it is its primary energy mix that comes first, therefore, although, there are up to

15 categories of Scope 3 emissions identified by the GHG protocol, we have chosen the use of the products obtained from our primary energy production included in our **Carbon Intensity Indicator** (CII) to define our Scope 3 emissions.

This approach not only makes more strategic sense than considering the emissions of the products sold, but also entails the following positive aspects:

- Hydrocarbon production is the most capital-intensive activity, and its investments have a longer life cycle: Current investment decisions translate into future production and a final product which will be used many years later. This is in contrast to commercialization activity, which is much less capital intensive and more easily adaptable to demand in the short term.
- Energy products are bought and sold in succession throughout the value chain, meaning that a sales-based system could double-count emissions from the same product.
- An emissions accounting system based on sales allows an Integrated Oil & Gas company to increase its hydrocarbon production without impacting the Scope 3 emissions target if it sells a greater volume of products than the hydrocarbons produced.

## Scope 3




Furthermore, Repsol also considers that metrics related to Scope 3 emissions of sold products can provide a useful and complementary perspective to understand companies' energy transition strategy as a result, during our last **ESG Day** held in London, the company committed to disclose two additional Scope 3 metrics: end-user sales and total sales.

For this reason, in **Repsol's 2022 Integrated Management Report**, in addition to the Scope 3 emissions of the products obtained from its own production of hydrocarbons, the company also included for the first time the following metrics:

- **Scope 3 emissions** of the products sold by Repsol to end-users (the ones who use the fuel and, therefore, generates the emissions).
- **Scope 3 emissions** of all products sold, excluding those that Repsol buys and resells to a non-final consumer without any other intermediate transformation.

Scope 3 emissions reported in Repsol's 2022 Integrated Management Report:

 Find out more about Repsol's disclosure on scope 3 emissions in 2022 Integrated Management Report (pages 67 and following)

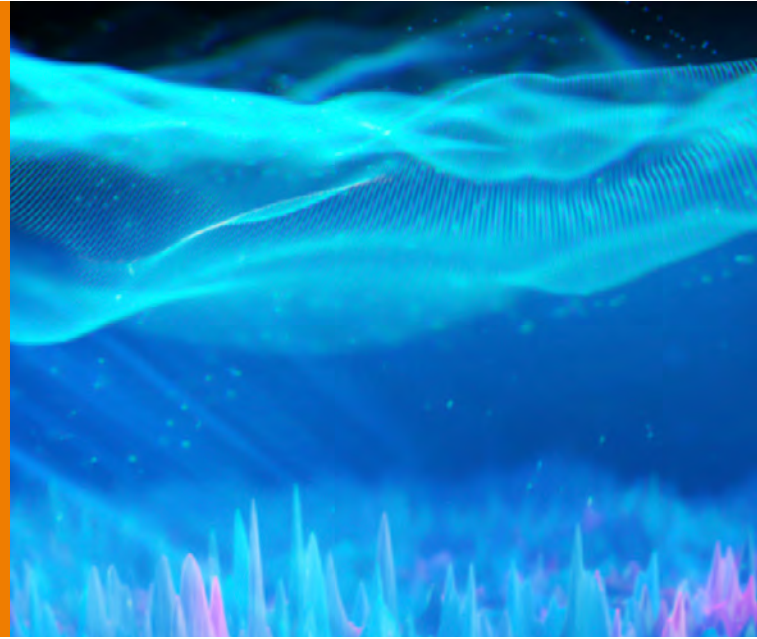


## Use of sold products [category 11]

	2022	2021	2020	2019
Use of refinery output products (Mt CO <sub>2</sub> e) <sup>(1)</sup>	161	151	151	180
Use of primary energy base products (Mt CO <sub>2</sub> e)	66	69	79	88
Use of marketed energy products (Mt CO <sub>2</sub> e)	182	172	175	205
Use of marketed energy products to end users (Mt CO <sub>2</sub> e)	70	65	67	77

(1) 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.

Due to the fruitful dialogue maintained with EOS at Federated Hermes in the past years, Repsol has provided clearer disclosures in its **2022 Financial Statements** and **Integrated Management Report** on how climate change and global decarbonization efforts are being captured in critical accounting assumptions and judgments



## Engagement with EOS at Federated Hermes. Implications of climate change, decarbonization and the energy transition in the financial statements



Repsol maintains a well-established dialogue with EOS at **Federated Hermes** since 2010. Both EOS at Federated Hermes and BNP Paribas Asset Management co-lead the engagement with Repsol as part of the Climate Action 100+ initiative.

In addition to wider engagement requesting further demonstration of Repsol's alignment with the goals of the Paris Agreement, on December 2022, EOS at Federated Hermes informed Repsol's Audit and Control Committee of its expectations on the consideration of climate change-related matters in its financial accounts and audit process.

The investor representative requested Repsol to provide clearer disclosures in its forthcoming financial statements on how climate change

and global decarbonization efforts are being captured in critical accounting assumptions and judgments, while seeking the disclosure of a sensitivity analysis to a 1.5°C pathway within the notes of the financial accounts.

As a result of this engagement and to address matters of interest, Repsol included in its Annual Report the following disclosures:

1. Regarding the request about how climate change and global decarbonization efforts are captured in critical accounting assumptions and judgments, alongside the disclosure of a sensitivity analysis to a 1.5° pathway in the notes to the accounts:

Repsol added **note 3.5.2** to the **2022 Annual Financial Statements** with details of estimates and accounting judgments related to the risks and implications of climate change, decarbonization and the energy transition.

In addition, **note 20.2** to the **2022 Annual Financial Statements** refers to a sensitivity analysis of the fair value of our current assets, in terms of net present value loss, using the hydrocarbon price paths of the International Energy Agency's Net Zero Emissions (NZE) 1.5°C scenario, published in the World Energy Outlook 2022 report.

2. Repsol's resilience to long-term financial risks (and opportunities) resulting from the energy transition, including a 1.5°C-aligned pathway:



Our **2022 Annual Integrated Management report** includes within its non-financial information section, or sustainability chapter, **note 6.1.2**, which provides details of our company’s scenario analysis based on the different assumptions for Oil & Gas demand, renewable generation growth and other macroeconomic conditions, described by the International Energy Agency (IEA) scenarios in its World Energy Outlook 2021 (NZE, SDS and APS). The analysis includes quantitative information about how the value of the company assets (Net Present Value) varies depending on which IEA pathway is followed.

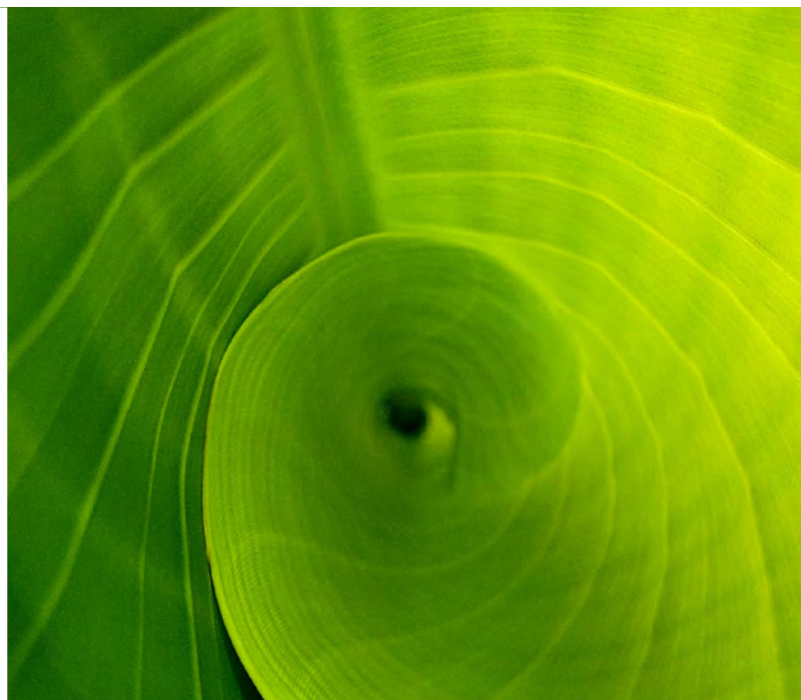
Repsol and EOS at Federated Hermes have also maintained engagement regarding Human Rights and Corporate Governance in recent years and will continue to engage on the development and delivery of the climate change strategy.

## EU alignment reporting: increasing taxonomy disclosure

The **Taxonomy framework** came into force in 2021, as an instrument to reach the goal of achieving climate neutrality in the European Union by 2050. The framework establishes a series of economic activities (“eligible” activities) that are included in 13 macro-sectors.

However, for an activity classified as “eligible” under the Taxonomy to be considered also as “aligned”, it must make a **substantial contribution** to at least one of the environmental objectives defined to date by the EU<sup>1</sup> (climate change mitigation and adaptation), it must not significantly harm the other environmental objectives (sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems), and it must also comply with a minimum number of social safeguards.

1. Pending the rest of the objectives development: (i) sustainable use and protection of water and marine resources, (ii) transition to a circular economy, (iii) pollution prevention and control, and (iv) protection and restoration of biodiversity and ecosystems.



Repsol has defined a work process involving multidisciplinary technical teams from various businesses units to carry out the exercise of classifying its activities as “eligible” and “aligned” in accordance with the criteria set out in the European Taxonomy. Once the classification for each activity was established, the accounting teams obtained the relevant KPI financial indicators (turnover, capex, and opex<sup>2</sup>) defined by the Delegated Regulation.<sup>3</sup>

The results of the analysis were the following:

- In **2022**, Taxonomy **eligible turnover** amounted to **€5,825 million** (8% of the total turnover of the period), of which **€267 million** (**0.4%** of total turnover) was considered environmentally sustainable (and therefore **aligned**) according to the Taxonomy. 2021 eligible turnover was 10%. The year-on-year variation is due to the increase on the non-eligible businesses (Upstream and Refining), offset by the turnover of the activities related to fossil gas (non-eligible activities in 2021).

2. Turnover: “sales” and “income from services rendered and other income” headings of the IFRS-EU profit and loss account. Capex: movements in operating investments for the period (organic or through business combinations) under the headings “tangible fixed assets” and “intangible fixed assets” on the IFRS-EU balance sheet. Opex: this is calculated with the expenses needed to guarantee the continuous and efficient operation of the assets included in the subheadings “maintenance and conservation” (which includes expenses incurred in building renovation measures), “leasing expenses,” and “research and development expenses” of the heading “other operating income/expenses” of the IFRS-EU profit and loss account.

3. Criteria established by Delegated Regulation (EU) 2021/2178 and Delegated Regulation (EU) 2022/1214.

- In 2022, Taxonomy **eligible capex** amounted to **€1,149 million** (**30%** of total capex of the period), of which €816 million (**21%** of total capex) was considered environmentally sustainable (**aligned**) according to the Taxonomy. Likewise, capex eligibility for 2021 was **28%**, in line with 2022.
- In 2022, Taxonomy **eligible opex** amounted to **€94 million** (**19%** of total opex), out of which **€8 million** (**2%** of total opex) were considered environmentally sustainable according to the Taxonomy. The eligibility percentage remains in line with that of last year, which was 18%.

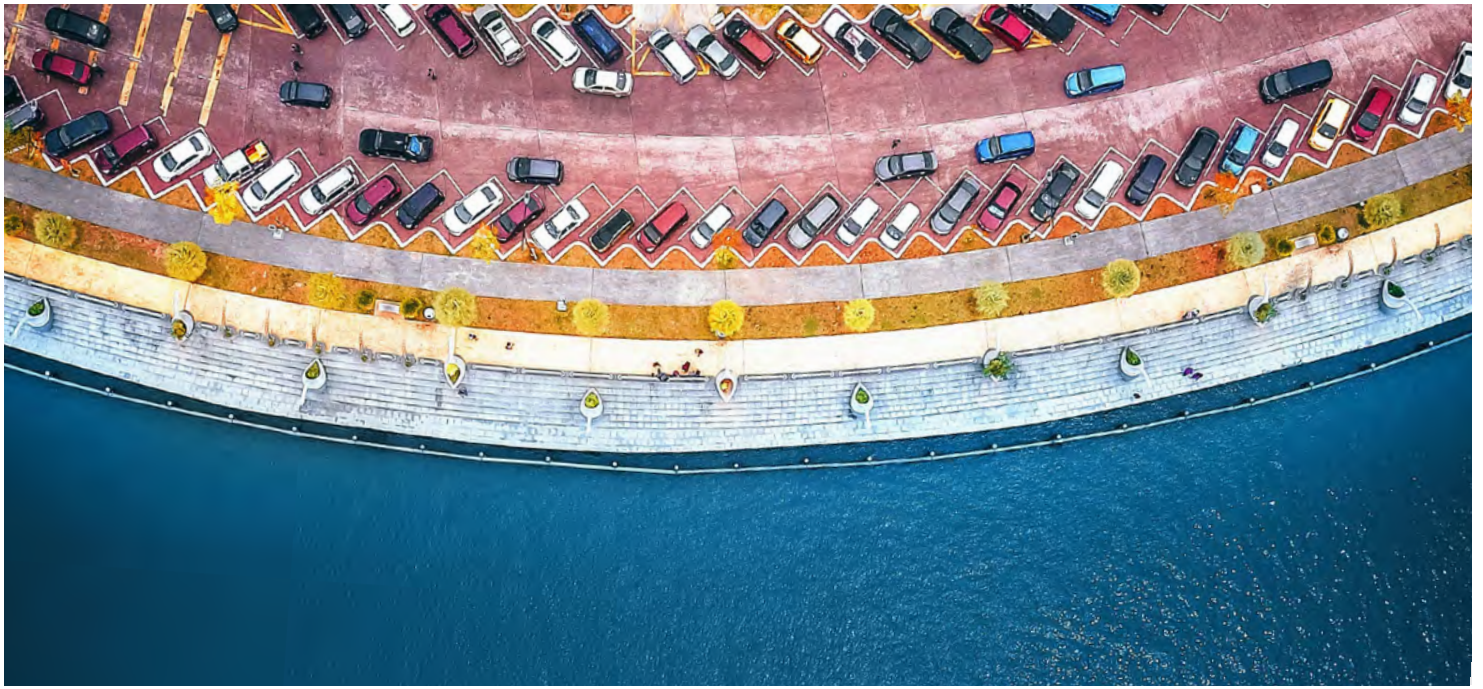
It is noteworthy that, through its joint ventures consolidated by the equity method in the Group’s financial statements (see note 13 to the **Consolidated Financial Statements**), Repsol additionally participates in other eligible and aligned activities that are not being considered in the previously reported KPIs.

In **February 2024**, in addition to the KPI’s already reported in the Integrated Management Report, Repsol will disclose the capex, opex and the Group’s revenues related to its ‘eligible’ economic activities in accordance with the criteria established for the rest of the environmental objectives.



Find out more about Repsol’s Taxonomy disclosure in 2022 Integrated Management Report (pages 206 and following)



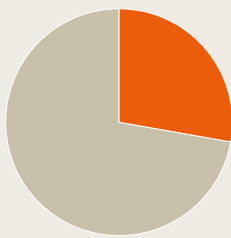


## Capex

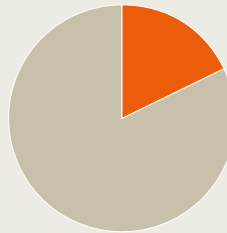
## Opex

## Turnover

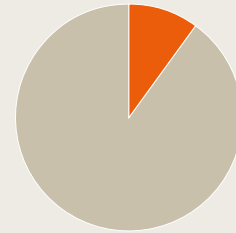
2021



Eligible  
**28%**  
of total capex  
of the period

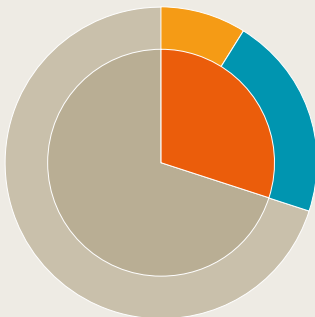


Eligible  
**18%**  
of total opex  
of the period



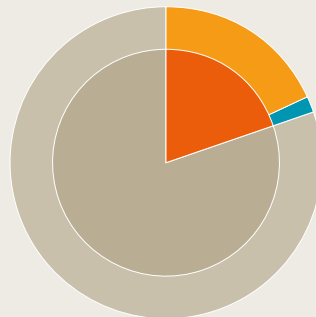
Eligible  
**10%**  
of total turnover  
of the period

2022



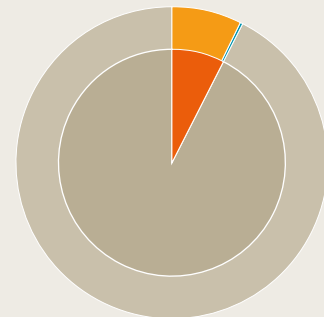
Eligible  
**30%**<sup>1</sup>  
of total capex  
of the period  
**€ 1,149 M**

Aligned  
**21%**  
of total capex  
**€ 816 M**



Eligible  
**19%**<sup>2</sup>  
of total opex  
of the period  
**€ 94 M**

Aligned  
**2%**  
of total opex  
**€ 8 M**



Eligible  
**8%**<sup>3</sup>  
of total turnover  
of the period  
**€ 5,825 M**

Aligned  
**0.4%**  
of total turnover  
**€ 267 M**

1. Out of total capex: € 3,858 million.

2. Out of total opex: € 472 million

3. Out of total turnover: €75,153 million

9% of capex, 17% of opex and 7.6% of turnover eligible and not aligned.

## High-level framework of positioning on climate change

- The Paris Agreement
- Net zero emissions by 2050
- Technological neutrality
- Carbon pricing
- Just transition



## Repsol's participation in trade associations: climate review 2023

### Repsol's climate policy positions

Repsol has recently revised its five high-level principles **that guide our climate policy positions**. They represent the high-level framework on climate change and energy transition for Repsol's advocacy with different stakeholders, from governments to international organizations, and they are used to assess the alignment of the industry associations with the company's positions.

Our positions will continue to evolve in consistency with scientific evidence, multilateral agreements, regulations, and our own business transformation efforts to achieve net zero emissions by 2050.

### Review Methodology

We have implemented an assessment approach that entails the following steps<sup>4</sup>:

1. **Identify** main initiatives and associations.
2. **Assess whether the associations positions are consistent** with both the fulfilment of the goals of the Paris Agreement and our climate policy positions.
3. **Act** to address all cases of potential misalignment.
4. **Monitor and review** lobbying activities and alignment with Repsol's climate positions once a year, disclosing publicly the results of the assessment.

### Identifying Initiatives and Associations

We have selected 37 relevant initiatives and associations in which we participate, based on:

- Influence in shaping public policies related to climate change and energy transition.
- Relationship with the energy sector.
- Scope of action in regions or countries where we have significant business activities.

<sup>4</sup>.According with InfluenceMap, PRI and CERES assessment methodologies.



## Assessment


The associations' stated policies and advocacy positions are reviewed against our assessment criteria, examining whether there are significant differences between the respective climate positions.

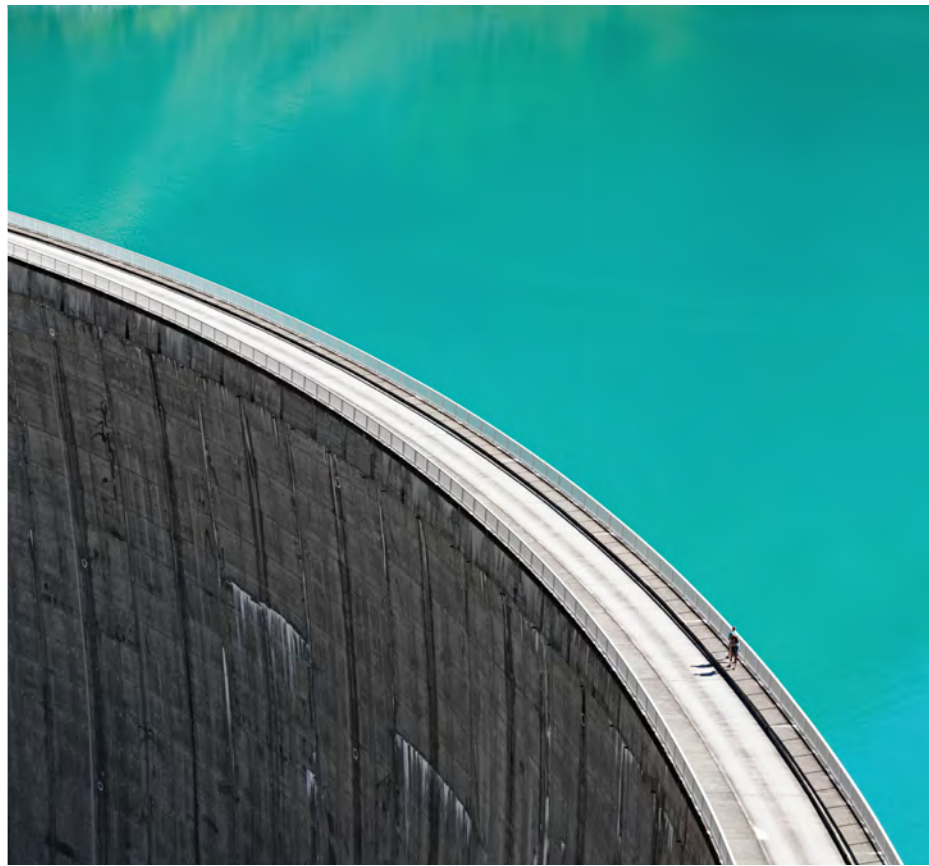
Each association is classified as:

- **Aligned:** it expressly commits to meeting the goals of the Paris Agreement and/or net zero emissions by 2050 and supports the lines of action that underpin Repsol's climate change strategy.

- **Partially aligned:** it has not publicly stated its support for the Paris Agreement and/or net zero emissions by 2050, nor to some of Repsol's main lines of action<sup>5</sup>.
- **Non-aligned:** it has a public position that is contrary to Repsol's climate strategy and/or the Paris Agreement.

5. In cases where an association did not express a position and we consider the matter as irrelevant to their scope, we did not qualify it as a misalignment. If an association remained silent on an issue we consider material to their domain, we qualify it as indicative of misalignment.

Repsol payments in 2022 (USD)	Industry Associations	Member of board or equivalent governing body*	Alignment
500,000 - < 1M	O&G Climate Initiative (OGCI)	Y	A
	American Petroleum Institute (API)	Y	PA
	Fuels Europe (FE)	Y	A
	Asociación Española de Operadores de Productos Petrolíferos (AOP)	Y	A
100,000 - < 500,000	European Chemical Industry Council (CEFIC)	N	A
	International Association Oil & Gas Producers (IOGP)	N	A
	Association of Plastics Manufacturers in Europe (Plastics Europe)	Y	A
	Federación Empresarial de la Industria Química Española (FEIQUE)	Y	A
	Asociación Española de Hidrógeno (AEH2)	Y	A
50,000 - < 100,000	IPIECA	Y	A
	WindEurope	Y	A
	Eurogas	Y	A
	Asociación de Generadoras de Chile	Y	A
	SEDIGAS	Y	A
	Hydrogen Europe (HE)	N	A
	Efuel Alliance	Y	A
0 - < 50,000	Other associations and initiatives included in the document:  <a href="#">Repsol's participation in trade associations: Climate review 2023</a>		
* As of December 31, 2022 We don't include memberships held by non-operated joint ventures.		A	Aligned,
		PA	Partially aligned
		NA	Non-aligned



## Taking a Position

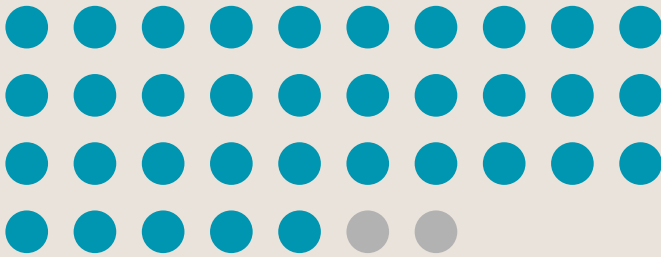
Depending on the level of alignment, the company will take the necessary measures to bring the diverging climate positions and strategies closer together, considering the views and perspectives of each party:

- For aligned associations we will maintain our engagement and collaborate constructively on policies related to climate change and the energy transition.
- For partially aligned associations, we will continue to engage with an open and constructive dialogue to promote energy transition policies that support

the goal of the Paris Agreement. As a rule, we see added value in our memberships, and we firmly believe we can have a greater impact remaining part of the associations.

- We will terminate our membership non-aligned associations. We will leave open the possibility of resuming relationships in the future in case our positions to climate change re-align later on.

**37** associations reviewed



**35** aligned

**2** partially aligned

**0** not aligned

### Results and Next Steps

Out of the 37 industry associations reviewed, our assessment has led to:

- 35 aligned associations, of which five have been reviewed for the first time (Asociación Española de Hidrógeno, International Air Transport Association, Efuel Alliance, American Clean Power, Asociación de Generadoras de Chile).
- 2 partially aligned associations (API and OCIMF).
- No non-aligned associations.

### Addressing Misalignment

We have found some misalignment with API and OCIMF and continue to work towards convergence in those areas where there are some differences in climate-related positions.

We will continue to advocate for inclusive climate policies that contribute to achieving the goals of the Paris Agreement and net zero emissions by 2050, in line with an orderly energy transition that ensures sustainable, affordable, and secure energy supply.

We will continue reviewing association developments on climate change and our own positions annually for early identification of potential misalignments and commit to publishing an updated report each year.



Repsol's participation  
in trade associations: Climate  
review 2023



# 4

## Next Steps

Looking forward to  
maintaining our dialogue with  
investors and stakeholders





Our goal for 2023 is to maintain the same level of excellence in dialogue and interactions with investors and stakeholders. At Repsol we have a clear roadmap to follow and we want to continue relying on the support of our ESG investors in the pursuit of our strategy.

Our interaction process will be a key factor when identifying the

expectations and concerns of the market regarding ESG issues, so as to ensure their considerations when analysing or updating Repsol's strategic decisions.

The company remains steadfast in its commitment to maintaining a line of contact between Senior Management and ESG investors.



**Ramon Álvarez- Pedrosa**  
*Director of Investor Relations*  
ralvarezp.ir@repsol.com



**Leticia Padura**  
*Investor Relations - ESG Manager*  
lpadurafn@repsol.com



**Sara Elizalde**  
*Investor Relations - ESG Analyst*  
sara.elizalde@repsol.com



Printed in recycled paper

