Responsible Environmental and Social Management in Alaska

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Introduction

As an energy company committed to a sustainable world, our aim is to provide energy and products to meet society needs in an efficient manner, ensuring the appropriate protection of the environment and sustainable use of resources without compromising the well-being of future generations.

On that sense, we have a specific Environmental Policy[1] (approved by the Repsol's Executive Committee on November 22, 2022, and updated on December 10, 2024), which promotes the protection of natural capital, the application of circular economy and energy efficiency measures (among others), while mitigating the impact of climate change.

Similarly, we have a specific Human Rights and Community Relations Policy[2] (updated and approved by Repsol's Executive Committee on May 9, 2023), which recognizes and respects the identity and unique nature of communities, including their cultural diversity, their aspirations and needs, and the right to maintain their customs and social practices.

We have put in place several human rights and environmental safeguards related to cultural heritage, biodiversity, water, pollution, CO_2e emissions and resources management to ensure the environmental and social soundness of our operations. We apply the mitigation hierarchy (avoid, minimize, restore, and compensate) throughout the life cycle of our operations to manage our impacts. We pay particular attention to impacts occurring in or near protected and biodiversity sensitive areas and indigenous communities.

Repsol is fully aware of the positive role that companies can play in finding solutions to the challenges regarding the loss of biodiversity and ecosystem services. In this sense, the Company has committed to not undertake any industrial activity within the boundaries of sites included in the UNESCO World Heritage List[3] (including natural, cultural and mixed sites). In addition, Repsol has set two voluntary targets related to biodiversity and ecosystems. On one hand, Repsol is committed to develop Biodiversity Action Plans for operated production assets situated in the most biodiversity sensitive protected areas, corresponding to IUCN I to IV and Ramsar protected areas, the OSPAR network of marine protected areas, and Key Biodiversity Areas (KBAs), as well as in those assets operated whose direct area of influence is within the boundaries of a site included in the UNESCO World Heritage List classified as natural or mixed. On the other, we have set the goal of improving the conservation status of at least five threatened species by 2030 through the financing, implementation, and monitoring of specific projects.

In addition to this, Repsol has a set of internal management regulations to perform Environmental, Social and Health Impact Assessments (ESHIA) for all new operations or facilities, even when this is not a local legal requirement. These studies ensure that all potential impacts on biodiversity and cultural heritage are identified as early as possible in the project life cycle and are considered in the project design to prevent and mitigate any negative effects.

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[1] https://www.repsol.com/en/sustainability/sustainability-strategy/policies/environment-policy/index.cshtml. [2] https://www.repsol.com/en/sustainability/sustainability-strategy/policies/human-rights-and-community-relations-policy/index.cshtml .
[3] https://www.repsol.com/en/sustainability/sustainability-pillars/environment/biodiversity-protection/index.cshtml.

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From the social perspective, Repsol commits to respect human rights internationally recognized in the treaties and international standards on business and human rights, including the Indigenous and Tribal Peoples Convention Nº 169 of the International Labour Organization (ILO) in all our activities and commercial relationships.

This is achieved by building strong relationships with communities and stakeholders in the areas influenced by our projects and assets, grounded in principles such as mutual respect, trust, recognition, cultural sensitivity, integrity, responsibility, transparency, good faith, and non-discrimination, through proactive engagement and the responsible and transparent management of social impacts and opportunities.

For more details, please check out the information published in our 2025 reports:

- Integrated Management Report[4]
- Global Sustainability Plan[5]
- SDG report[6]
- Human Rights and Repsol[7]

The sections below address how Repsol ensures responsible environmental and social management in Alaska through its participation in the Pikka Project, a significant onshore oil development located on Alaska's North Slope oil region.

[4] https://www.repsol.com/content/dam/repsol-corporate/en_gb/accionistas-e-inversores/informes-anuales/2025/consolidated-management-report-2025.pdf. [5] https://www.repsol.com/content/dam/repsol-corporate/en_gb/sostenibilidad/reports/2026/global-sustainability-plan-2026.pdf. [6] https://www.repsol.com/content/dam/repsol-corporate/en_gb/sostenibilidad/reports/2025/2025-sdg-report.pdf. [7] https://www.repsol.com/content/dam/repsol-corporate/en_gb/sostenibilidad/human-rights-repsol.pdf

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Assets Overview and Location

Repsol's portfolio on Alaska's North Slope comprises multiple onshore assets at different stages of maturity, encompassing exploration, development, and production activities, with initial production started in June 2026. The core of the portfolio includes interests in the Pikka, Quokka and Horseshoe Units. In addition, Repsol holds working interests in other non-unitized leases, as well as recently awarded leases within the National Petroleum Reserve-Alaska (NPR-A). The NPR-A is the nation's northern National Petroleum Reserve where the federal government, through the U.S. Department of the Interior, Bureau of Land Management, allows for the exploration and development of Oil & Gas. Overall, our assets are located within a well-established oil region, with multiple operations and existing infrastructure (oil pipelines, service companies, etc.).

The company originally entered the region as an operator, leading exploration activities that resulted in significant discoveries within the Nanushuk formation, which later enabled the development of the Pikka Project, the most mature asset in Repsol's portfolio, located on Alaska's North Slope approximately 630 miles north of Anchorage. The project is a greenfield within a mature oil and gas basin and benefits from existing regional infrastructure, including roads, airstrips, and the Trans Alaska Pipeline System, helping to limit incremental land disturbance.

Santos operates the project with a 51% interest, while Repsol participates as a non operating partner, maintaining active involvement in asset governance, assurance, and oversight related to environmental, social, technical, and health and safety performance, influencing environmental protection, stakeholder engagement and surface-footprint-minimization principles established during the exploration phase.

In parallel with the advancement of the Pikka development, Repsol has recently strengthened its presence in Alaska through the acquisition of 42 new exploration leases in the NPR-A. In these newly awarded leases, Repsol will act as operator with a 30% working interest, alongside Shell as partner holding a 70% interest.

The new exploration leases are located in proximity to the existing Pikka Project area, allowing Repsol to leverage established regional knowledge, infrastructure context and stakeholder relationships.

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Environmental Governance and Protection of Sensitive Environments and Biodiversity

The Pikka Project complies with U.S. Federal, State of Alaska and North Slope Borough requirements.

A comprehensive Environmental Impact Statement (EIS) was completed following multi-year baseline studies covering physical, biological and human environments. These assessments evaluated hydrology, water quality, air emissions, wildlife, fisheries, vegetation, subsistence use, cultural resources and resource stewardship practices.

In addition to the EIS, the project was complemented by a natural capital assessment using READS, a digital tool designed by Repsol to measure, quantify and value environmental impacts associated with business activities[8]. This approach enabled a comprehensive evaluation of impacts on biodiversity, ecosystem services, climate, water resources and social well-being, translating them into quantitative and, where appropriate, monetary metrics to support decision-making. The READS assessment facilitated the integration of natural capital considerations into project development and supported the application of the mitigation hierarchy, thereby reinforcing the identification of key risks and opportunities and enhancing the effectiveness of environmental protection measures over time.

Biodiversity screening and baseline studies confirmed that certain lease areas associated with the Pikka Project are located in proximity to, or partially overlap with, areas recognized for their biodiversity importance. To ensure minimal environmental impact, the project was designed in line with highest environmental and regulatory standards under US Army Corps of Engineers and EPA.

The presence of sensitive habitats and species in the wider area informed project planning and design, resulting in the application of the mitigation hierarchy in alignment with the EIS and with applicable permits. The avoidance of CO_2 emissions, protection of high-value biodiversity features through careful sitting, minimization of surface disturbance with compact facility design, timing of activities to reduce ecological sensitivity, and the implementation of long-term environmental monitoring programs were embedded in project design and execution, as well as with compensation measures required by USACE Permits and in lease agreements.

A central Pikka project objective has been to minimize surface disturbance in the Arctic environment. This has been achieved by maximizing the use of existing infrastructure and development corridors through a Road Use Agreement with ConocoPhillips, consolidating facilities, limiting the number of drill sites, and designing expandable installations to tie-back to existing infrastructure instead of building standalone processing facilities. Elevated pipelines, compact pad layouts and seasonal access using ice roads further reduce impacts on tundra, hydrology and wildlife movement.

[8] https://www.readsvalue.com/en/

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Mitigation measures include restoration of natural hydrological connectivity, preservation of fish passage in waterways and maintenance commitments extending well beyond construction to end of facility life. Additionally, the following two compensatory measures were implemented as required by USACE Section 404 permit:

- Nuiqsut Bridge Replacement, which enabled the restoration of the river's natural flow;
- Nuiqsut Wastewater Treatment Upgrades, which increased the capacity of the existing treatment plant and involved the decommissioning of a black lagoon where raw sewage had been stored and which occasionally overflowed, affecting surrounding land and water bodies.

The environmental monitoring programs, that have been in place since 2018, include caribou migration, migratory birds, polar bear dens and interactions, fish and fisheries, hydrology, water use, disposal and quality, vegetation, air quality and emissions and dust deposition. Results to date support adaptive management and confirm that project activities are compatible with the protection of surrounding ecosystems.

The project's approach to environmental protection and responsible development has received external recognition. In 2026, the Pikka Phase 1 Project was awarded "Project of the Year" by the Alaska Oil & Gas Association (AOGA) at the Alaska Oil & Gas Conference, reflecting its strong performance in project execution, environmental management and stakeholder engagement.[9]

[9] https://www.akbizmag.com/industry/oil-gas/aoga-announces-2026-industry-award-winners/

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Engagement with Indigenous Peoples and Local Communities

From the early stages of the Pikka Project, an appropriate social management approach and community engagement strategy were developed in line with international human rights due diligence standards, in a particularly sensitive context marked by the presence of the Indigenous Inupiat community in Nuiqsut. The alignment with the international standards and regulations on Human Rights is consistent with the principles of the Free, Prior, and Informed Consent (FPIC).

The Native Village of Nuiqsut (NVN) is the federally recognized tribal government of Nuiqsut, maintaining a government-to-government relationship with the U.S. federal government and eligibility for Bureau of Indian Affairs funding and services. Most Nuiqsut residents are NVN members. Most of the population of Nuiqsut is Inupiat indigenous people who rely on and revere subsistence and traditional lifestyle. This way of life provides sustenance as well as a direct and significant way for Inupiat elders to pass on traditional and cultural practices to future generations, including the importance of connectivity and coexistence with the environment and continued reliance on the land. The Kuukpik Village Corporation (Kuukpik), Nuiqsut's village corporation, owns much of the local surface land. Its subsidiaries also participate in security, drilling, seismic, and civil works. About half of Nuiqsut residents are Kuukpik shareholders, and most are also shareholders of Arctic Slope Regional Corporation (ASRC), the regional Alaska Native corporation.

The foreseen social management strategy went beyond regulatory compliance and included key commitments and activities such as social awareness training, a social impact assessment, mitigation measures, the design and implementation of a Grievance Mechanism, a Stakeholder Engagement Plan, and a Community Affairs Plan, primarily structured through the Land Use Agreement with Kuukpik Corporation.

Furthermore, the main stakeholders were correctly identified, and the hiring of representatives from the local community was envisaged to ensure a permanent presence on field for dialogue with communities. An active engagement approach was considered, including the incorporation of community input into the project design. Participation of the Native Village of Nuiqsut has resulted in the implementation of design changes and mitigation measures addressing subsistence access, wildlife, water resources, noise, lighting and traffic management.

There is no evidence of significant conflicts with communities, and the available information points to a robust social management approach, consistent with the commitments undertaken and aimed at maintaining constructive and trust-based relationships with local communities.

Some external reports and testimonies from institutional and community stakeholders reinforce the perception of a proactive and effective social management approach, comparable to —or even exceeding— typical industry practices in the region.

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Climate Change and Greenhouse Gas Emissions Management

Pikka project was designed with a strong focus on minimizing emissions and maximizing operational efficiency. Emission reduction considerations were integrated into key design and operational decisions across the facility, resulting in a project with a low emissions intensity profile. Several measures have been implemented to reduce direct emissions. Produced gas is fully reinjected into the reservoir. In addition, fuel gas supply arrangements have been selected to further reduce the project's operational footprint. The facility also incorporates technologies and operational practices aimed at minimizing equipment emissions and limiting potential fugitive releases. Flaring activities are highly restricted and subject to stringent regulatory oversight, occurring only under very limited operational circumstances. Emissions from major equipment have also been minimized through the application of advanced emission-control technologies and performance standards.

As a result of these design choices and operational controls, the project has already captured the vast majority of technically feasible emission reduction opportunities.

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New Exploration Leases and Repsol's Future Operator Role

Repsol intends to operate the new exploration leases applying the same responsible operating model developed during its earlier Alaska activities, with a strong focus on biodiversity protection, early engagement with local communities and indigenous groups, and minimization of environmental footprint. In line with our way of working and internal standards, we must ensure an impeccable environmental and social performance in relation to the context and communities within the area of influence of the new blocks in which we participate in Alaska.

Experience and lessons learned from Pikka — including Arctic-specific environmental controls, adaptive management practices and continuous improvement processes — will be systematically applied to future exploration activities, reinforcing Repsol's long-term commitment to responsible resource development in Alaska.

Repsol's newly acquired leases are not affected by the conservation restrictions associated with protected areas in the Teshekpuk Lake region, as they are located outside those protected areas. New lease areas are nevertheless located within or partially overlap with other areas recognized for their biodiversity and ecological significance. To ensure minimal environmental impact, the exploration activity will be designed in line with the highest environmental and regulatory standards. Restrictions to certain development and infrastructure activities in protected areas will be observed and implemented with the utmost rigor. Exploration activity will minimize environmental impacts primarily by restricting operations to the winter when the ground is frozen. The exploration projects will use ice roads and ice pads instead of permanent gravel roads. These melt completely during the summer, leaving no permanent scar on the landscape. This way, the fragile permafrost and slow-growing tundra will be protected from lasting damage.

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