

# Repsol's climate policy positions

July 2022



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In an explicit commitment to transparency and recognizing investor interest in this matter, Repsol has established five principles that define our climate policy positions.

They represent the global framework of climate change and energy transition positions for Repsol's advocacy with different stakeholders, from governments to international organizations, and they are used to assess the alignment of the industry associations to which Repsol belongs with the company's positions.

Our positions will continue to evolve in consistency with scientific evidence, multilateral agreements, regulations, and other key drivers of global progress to achieve net zero emissions by 2050.

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## 1. The Paris Agreement

Repsol is firmly committed to the goal of limiting the increase in the global average temperature of the planet with respect to pre-industrial levels to well below 2 degrees Celsius and the ambition of not exceeding 1.5 degrees by the end of this century. We support the Paris Agreement and are convinced that a new energy model based on innovation and technology is needed.

## 2. Climate neutrality in 2050 and the energy transition

Repsol is committed to achieving climate neutrality (net zero emissions) by 2050 and to tackling the energy transition by undertaking intermediate targets towards this goal. To do this, it considers that the main levers of decarbonisation will be renewable electrification, low-carbon fuels, both liquids and gases, including advanced biofuels and renewable hydrogen, and carbon sinks. The urgency to reduce emissions also requires solutions that are already effective in the short term, such as energy efficiency and the replacement of coal by natural gas.

## 3. Carbon sinks

The complete decarbonisation of all energy-consuming sectors by mid-century will require the use of carbon sinks to remove CO<sub>2</sub> at emission points or from the atmosphere itself, carbon capture, use and storage (CCUS) technologies. If the development of energy technologies is not enough to become a net zero emissions company by 2050, Repsol will also use natural carbon sinks to achieve this goal.

## 4. Carbon price

Repsol supports global carbon pricing policies which promote investments in decarbonisation. Repsol has set an internal carbon price that is applicable to all its new investments wherever there is no already established regulated higher price.

## 5. Technology and technological neutrality

Repsol is convinced that science, technological development and innovation are the levers that will enable us to achieve the goal of net zero emissions worldwide. We are firm supporters of technological neutrality; therefore, climate policies and regulations that promote all those technologies that allow emissions to be reduced in the short, medium and long term, without imposing deterministic solutions given the inherent uncertainty in technological evolution over long time horizons.

