

BALANCE



# 2023

## Sustainability Plan

UNITED STATES





## Legal notice

This Local Sustainability Plan sets out a set of objectives that, in whole or in part, go beyond what is required by law and are aimed at contributing to sustainable development. The participating companies of the Repsol Group have the firm intention of undertaking and fulfilling all of them. However, they reserve the right to modify, postpone or cancel their compliance without implying legal liability, although they undertake to publicly justify these possible cases.

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# Of Sustainability

In accordance with **our mission** of becoming a company with a commitment to a sustainable world, in 2022 we reviewed our **Sustainability Policy** and included a commitment to becoming a net zero-emissions company by 2050 and to continue being a leader in fair energy transition, which is an essential feature of respect for basic human rights.

Our policy is implemented through a series of regulations and procedures organized around our **Sustainability Model**. This model is based on international standards and includes the most significant environmental, social and governance issues that have been identified as a result of ongoing dialogue with our stakeholders and

is a feature of our decision-making.

This exercise is repeated each year and generates initiatives that seek to maximize the positive impacts and minimize the negative impacts on society and the environment throughout our value chain.

This gives rise to **Sustainability Plans**, yearly public action plans in which we clearly demonstrate our commitments and the progress we make is subsequently reported. The **Global Sustainability Plan** is our roadmap and the basis for the deployment of **Local Sustainability Plans** for each country or Industrial Complex, taking into account the specific circumstances and requirements for each place where we operate.



# Of Sustainability

The Sustainability Plans are articulated around the six axes of Repsol's Sustainability Model



## CLIMATE CHANGE

We aim to be a net zero emissions company by 2050



## ENVIRONMENT

We consume the resources needed to generate power more efficiently and with the least possible impact



## INNOVATION AND TECHNOLOGY

We promote innovation and incorporate technological advances to continue growing and improving our environment



## SAFE AND SECURE OPERATION

We guarantee the safety and security of our employees, contractors, partners and local community



## PEOPLE

We believe in people and promote their development and that of the communities where we operate



## ETHICS AND TRANSPARENCY

We act responsibly and honestly wherever we are present

# Goals

Repsol supports the **2030 Agenda** and the **17 Sustainable Development Goals** approved by the United Nations General Assembly in 2015. The goal of this global agenda is to put an end to poverty, protect the planet and improve the level of life for everyone. Repsol is working to include this at every level and in all businesses within the organization, as stated clearly in our Sustainability Policy.

In our role of providing accessibility to energy, contributing to social-economic development and mitigating the effects of climate change, we focus our efforts on **SDG 7, 8 and 13**. We also give priority to **SDG 6, 9 and 12** in our operations with a commitment to innovation, sustainable management and the efficient use of resources.

We are aware that these goals may only be reached if we promote collaboration with the different stakeholders by actively participating in public-private associations (**SDG 17**).

We publish a yearly report on our contribution to the United Nations 2030 Agenda in an SDG Report with numerous indicators, projects and proof of our contribution both globally and locally. The SDG Reports are available on [www.repsol.com](http://www.repsol.com)

As we are aware of the challenges that still remain with regard to the 2030 Agenda, in 2021 we participated in IPIECA to draw up **an SDG Roadmap for the oil and gas sector**. In 2022 we assessed Repsol's alignment with the roadmap for the sector in order to find out where we stand and what we need to concentrate on to progress with regard to the SDGs in the coming years.





# Goals

The **actions** that make up this **Plan**, defined taking into account the local context, contribute to supporting the **2030 Agenda** by addressing the following objectives:



# Noteworthy projects

## At Repsol we contribute to sustainable development...

In the United States, we have carried out projects to drive progress toward a more sustainable future by increasing our renewable energy capacity, decreasing emissions from our activity and deploying our technical expertise to advance low carbon geological solutions.



### We started delivering renewable energy to the electricity grid in Texas

We started the phased energization of our first solar photovoltaic project in Texas and started delivering clean energy to the ERCOT grid.

The Frye project will have a total installed capacity of 637 MW. We also started construction of our 629 MW Outpost solar project in Texas.



### We progressed our offshore carbon capture and storage ambitions

We started engaging with our partners and the General Land Office of Texas to progress a carbon capture and storage project in state waters. We also continued negotiations

with the United States Department of Energy to advance our CarbonSAFE Phase II project offshore Louisiana.



### We prioritized low-emission projects to further decarbonize our exploration activity

We set a target to keep our exploration carbon intensity index below 10 kg/boe in the US Gulf of Mexico by prioritizing lower-emission

farm-in opportunities and lease sales focused on strategic deepwater prospects for new exploration projects.

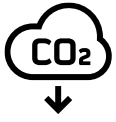


# Balance

At the end of the year, it is time to report on each of the initiatives that are part of the Sustainability Plan. The balance of the degree of achievement was as follows:



Below, you can consult the detailed information on each of the actions included in the plan, along with their indicators and other information about them.



# CLIMATE CHANGE

We share society's concern with regard to the effect human activity is having on the climate and we are **firmly committed** to the Paris Agreement and its ambition to limit the increase in the global temperature to **well below 2°C** by the end of the century compared to preindustrial levels.

Over the last decades, Repsol has built a leading **position in relation to the energy transition and the fight against climate change**.

Repsol was the **first company in the sector** to support the Kyoto Protocol and to announce its commitment to becoming a net zero emissions company by 2050.

The energy transition is an unprecedented challenge. We are facing a so-called “energy trilemma” because it is necessary

to decarbonize the energy mix, while also guaranteeing a reliable and affordable energy supply.

We consider that technology and digitalization will play a key role in achieving emissions neutrality by 2050, with the main decarbonization levers being an improvement in energy efficiency for current operations, renewable electrification, renewable fuels (hydrogen, advanced biofuels and synthetic fuels) and the capture, use and storage of carbon.

Solving the problem of climate change represents a major 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.





CLIMATE CHANGE

# ACTIONS



## Action

Contribute to minimizing **greenhouse gas** (GHG) emissions in the Eagle Ford Shale.



## Description

We will perform a gap analysis against the MiQ standard and prepare an action plan with activities and resources ready to implement in the near future. The MiQ standard is an independent framework for assessing methane emissions from the production of natural gas, along with the policies and practices of the producers making it.



## Indicators

1. Gap analysis against MiQ standard (first semester).
2. Action plan to prepare the Eagle Ford Business Unit for MiQ certification (second semester).



## Contribution to SGDs



## What we have achieved

We completed a third-party gap assessment against the MiQ standard and developed a corresponding action plan in three categories: methane intensity, emissions prevention, detection and abatement practices, and detection and mitigation through Monitoring Technology Deployment.





CLIMATE CHANGE

# ACTIONS



## Action

Contribute to global emissions reduction targets in Alaska.



## Description

We will drive continuous improvement in our emissions reduction targets and actions for Pikka Phase 1 as we advance the development of the project, and we will work to identify opportunities to directly reduce (abate) and/or to offset (carbon offsets) current Phase 1 and future potential Pikka Unit emissions.



## Indicators

1. Complete decarbonization framing, targeting net zero, for Pikka Phase 1 project.
2. Update GHG Emissions Plan for Pikka Phase 1 with the latest information on the project.

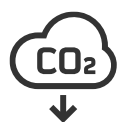


## Contribution to SGDs



## What we have achieved

We completed a preliminary feasibility study for scope of work to evaluate decarbonization technology for Pikka Phase 1, focused on abatement and offsets through innovation and continuous improvement, with selective implementation planned by end of 2024. We updated our greenhouse gas (GHG) emissions calculations as third-party data is received to reflect nameplate data versus estimates.



## CLIMATE CHANGE ACTIONS



### Action

Contribute to minimizing GHG emissions in the Gulf of Mexico.



### Description

We will collaborate with the operators to integrate GHG emissions reduction plans at our producing asset at Shenzi and during the construction phase of the Salamanca facility for our planned Leon-Castile development.



### Indicators

1. Obtain a GHG reduction plan for Shenzi from the operator.
2. Advance refurbishment of existing production facility for Leon-Castile, expected to reduce emissions during construction by 7.3 million gross tons in 2022-2024.



### Contribution to SGDs



### What we have achieved

We are pending the GHG reduction information requested from the operator, with more details expected in 2024. We completed 65% of the refurbishment of the Salamanca production facility, including 63% of the topsides and 67% of the substructure, on track to achieve our emissions reduction target by 2024.



CLIMATE CHANGE

# ACTIONS



## Action

Prioritize low carbon generation exploration projects.



## Description

We will define the CO<sub>2</sub> thresholds for new exploration projects (e.g. 0.5% CO<sub>2</sub> max for prospective gas accumulations) and prioritize low carbon emission projects (e.g. offshore Gulf of Mexico Miocene, Eocene) for investment proposals. We will focus exploration on the Gulf of Mexico and Alaska, where the actual accumulations have very low CO<sub>2</sub> concentrations.



## Indicators

Define % of CO<sub>2</sub> project thresholds for oil and gas prospective accumulations.



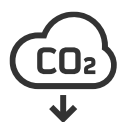
## Contribution to SDGs



## What we have achieved

We have defined our strategy to keep our exploration carbon intensity index below 10 kg CO<sub>2</sub> e/boe in the US Gulf of Mexico by accessing lower-emission farm-in opportunities and lease sales focused on "20K" deepwater prospects to compensate for more mature tie-back technology.





## CLIMATE CHANGE ACTIONS



### Action

Contribute to global renewable energy generation capacity targets for international projects.



### Description

We will continue advancing the construction and operation of our solar photovoltaic and battery storage projects in New Mexico and Texas.



### Indicators

1. Achieve commercial operation date (COD) at our Jicarilla 1 solar and battery storage projects in New Mexico.
2. Start pre-COD energization of our Frye solar project and start construction of our Outpost solar project in Texas.

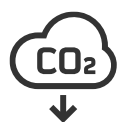


### Contribution to SGDs



### What we have achieved

We achieved commercial operation date (COD) at our Jicarilla battery storage project and submitted declaration of COD at our Jicarilla 1 solar project, bringing 100% of the Jicarilla Energy Complex into operation with a total installed capacity of 125 MW of solar generation and 20 MW of energy storage. We also achieved the pre-COD energization milestone at our 637 MW Frye solar project, delivering clean energy to the Texas ERCOT grid, and started construction of our 629 MW Outpost solar project in Texas.



CLIMATE CHANGE

# ACTIONS



## Action

Identify potential carbon capture and storage (CCS) opportunities in the Gulf of Mexico.



## Description

We will evaluate the conversion of a saline reservoir into a permanent carbon sequestration reservoir in the Gulf of Mexico. We will complete a feasibility study with the Southern States Energy Board, CarbonZero, Louisiana State University and Southern University at Shreveport for a permanent CO<sub>2</sub> storage project in offshore federal waters. This project has been selected by the United States Department of Energy (DOE) for federal funding under the CarbonSAFE Phase 2 program.



## Indicators

Initiate various phases of the study including project management, technical feasibility, risk analysis, project development plan and public outreach.



## Contribution to SGDs



## What we have achieved

We engaged with our partners and the US Department of Energy (DOE) to progress terms and conditions of our project in federal waters offshore Louisiana and started negotiation for final contracting. Due to award announcement delay, work on the project is now expected to start in 2024, pending contract signing.

We engaged with our partners and the General Land Office of Texas (GLO) to progress terms and conditions of our project in state waters offshore Texas and started negotiation for final contracting.



CLIMATE CHANGE

# ACTIONS



## Action

Identify potential carbon capture and storage (CCS) opportunities in Alberta.



## Description

We will evaluate converting an existing gas reservoir nearing economic end-of-life into a permanent carbon sequestration reservoir. Repsol will lead the feasibility study for a CO<sub>2</sub> storage project in Alberta in its Edson operating area.



## Indicators

Initiate various phases of the study including project management, technical feasibility, risk analysis, project development plan and public outreach.



## Contribution to SGDs



## What we have achieved

We have completed the well evaluation and review, however, the project was canceled due to a strategic decision by Repsol to exit Canada with the divestment of its upstream assets in 2023.





# ENVIRONMENT

As part of our mission to become a global energy company committed to the sustainable development of the planet, Repsol has approved a new Environmental Policy through which we make public our commitment to providing society with energy and products while guaranteeing appropriate environmental protection and making sustainable use of resources. To achieve

this, we are prioritizing the actions required to prevent negative impacts and enhance positive impacts, both of our operations and the products and services that we offer our customers, by encouraging measures that promote the protection of natural capital, applying the principles of **circular economy**, energy efficiency and the fight against climate change.

Our new Policy also involves a commitment to:

- Reducing **waste** generation to a minimum, managing it by prioritizing re-use and recycling over taking it to landfill.

- Protecting and conserving **biodiversity**, by minimizing the impacts and dependencies on the ecosystems, resources, and the services these provide.

- Implementing a sustainable management of **water resources**.

- Applying the latest technology to minimize **emissions to the atmosphere** by our operations and products.

Our goal is to maintain the social license to operate by proving that we are sustainable throughout our value chain, both in our projects and operations and in the products and services we provide to our clients. With this in mind, we apply environmental management measures based on the mitigation hierarchy, where preventing and minimizing impacts, as well as restoring the environment in the areas where we operate, are the essential tools for this environmental management.





ENVIRONMENT

# ACTIONS



## Action

Apply the READS tool in new studies for the valuation of impacts on biodiversity, ecosystem services and natural capital.



## Description

We will continue to apply the READS (Repsol Environmental Analytics Data System) tool in Pikka Phase 1 for the valuation of impacts on biodiversity, ecosystem services and natural capital. Integrate the results of the analyses in decision making to improve environmental management.



## Indicators

At least one environmental impact reduction opportunity evaluated using READS model developed for Pikka.



## Contribution to SDGs



## What we have achieved

We are pending additional project details for guidance on potential future opportunities to apply READS to evaluate impact reduction opportunities for Pikka Phase 1.



# SAFE AND SECURE OPERATION

Repsol is committed to undertaking all its **activities taking into consideration personal health and safety and the protection of the environment as essential values**, with a firm belief that all accidents can be preventable and are avoidable.

Even though the ongoing effort made in recent years has led to a significant improvement with regard to safety, the very nature of our activities means that we are always exposed to the risk of suffering severe accidents. This is why, when we talk about safety, we continually activate **reflection and learning mechanisms** that contribute to maintaining the desire to improve, to make sure our programs are effective and to avoid the sensation of conformity.

In the current global context, with an **accelerating process of digitalization**

throughout society, secure operation has also come to include digital operations. Factors such as the international geopolitical situation, the conflict in Ukraine and economic uncertainty are just some of the reasons for expecting the development of new threats and the appearance of new players. Overheating in the digitalization market has brought uncertainty in the form of new technologies and a growth rate that is hard to follow. In this context, cybersecurity is becoming more and more important.

For more than a decade we have been working **on improvement and adaptation** cycles for our processes and information technologies. As we are aware of this constant development and increasing complexity, far from slackening off, we are significantly increasing our efforts in each cycle.







SAFE AND SECURE OPERATION

# ACTIONS



## Action

Reinforce and promote high safety standards engaging our families.



## Description

We will launch a safety campaign to invest in our most valuable asset, our family members – Taking Safety Home. The main objective of this campaign will be to bring our HSE learnings home and share them with family. Within the framework of this campaign, our family members will be invited to participate in specialized training sessions and we will give them Repsol safety focused products to be used at home.



## Indicators

1. Ensure that communications are made in the framework of the Taking Safety Home campaign.
2. At least 4 safety training sessions performed.



## Contribution to SGDs



## What we have achieved

We launched the Taking Home Safety Campaign for Repsol employees and their families, hosting nine training sessions at three office locations on defensive driving, first aid for bleeding emergencies and fire safety. We closed the campaign by providing a fire extinguisher for all employees in the Eagle Ford Business Unit.



SAFE AND SECURE OPERATION

# ACTIONS



## Action

Improve the safety and environmental culture in the Marcellus Business Unit.



## Description

Develop and implement an improvement plan based on third-party safety and environment assessment and Marcellus Business Unit performance in 2022. Main focus areas are leadership / operational discipline, training and competency, contractor management and hazard management.



## Indicators

Implement and execute the plan based on our 2022 assessments/results.



## Contribution to SGDs



## What we have achieved

We successfully developed and implemented an improvement plan based on a third-party safety and environmental assessment, and we executed 12 actions based on leadership, training and competency, contractor management and hazard management. For 2024, we will document results and monitor effectiveness of the improvement actions.

# PEOPLE

Our employees, the communities, our commercial relationships and our clients are an essential feature of our **Sustainability Model**. We are aware that all the people involved with Repsol are our **main competitive advantage and the key to becoming a sustainable company**.

We are committed to equal opportunities, the management of diverse talent focusing on the employee, work-life balance, training and development and attracting and retaining talent.

Business activity is undertaken in a social environment that is increasingly demanding and informed, so companies like ours need to make an effort to establish a firm

**relationship** with the agents with whom we interact, especially with the communities in the areas around our operations. These should be based on respect, cultural awareness, integrity, accountability, transparency, good faith and non-discrimination.

Repsol is committed to respecting Human Rights, and we avoid our actions and decisions having a negative impact on the people in the surrounding area. If this should happen, we do all we can to repair any damage caused.





PEOPLE

# ACTIONS



## Action

Improve the wellbeing of our employees in the United States.



## Description

We will implement a campaign to promote awareness and monitoring of high blood pressure among our local employees and their families, in partnership with our medical provider. We will promote wellness and exercise initiatives through our internal communication channels to increase local participation in our wellness online portal, individually or in teams, in challenges to improve their general health. 2023 Challenges include Reach For It, Count Your Sheep, Think About Your Drink, Falling into Rhythm.

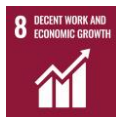


## Indicators

1. Create and implement plan in first quarter 2023. Launch of campaign in that same quarter.
2. Launch four challenges during 2023.



## Contribution to SDGs



## What we have achieved

We launched the Hello Heart campaign to help employees and families understand and manage heart disease risk factors with 87% enrollment among US employees and 76% of users with high blood pressure reduced their blood pressure. We launched the Navigate Wellness campaign with 4 challenges on exercise, healthy sleep, hydration and active lifestyle with 36,804 activity minutes reported and 16,303 ounces of water consumed. We expect to update the campaign in 2024 with new challenges to increase participation.





PEOPLE

# ACTIONS



## Action

Be recognized as a diverse and inclusive company by developing programs / partnerships / training focused on gender and disability.



## Description

We will identify and partner with an organization for people with disabilities in the Houston area, so they can publicize our open positions within their members and/or send us qualified individuals to review. The purpose is for us to allow that part of the workforce to better access our postings and, potentially to be hired for positions in our organization. We will attend one Women's Leadership Training.

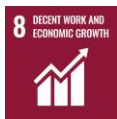


## Indicators

1. Ensure that at least one organization is contacted and vetted by July 2023.
2. Organize one training activity attended by US employees by end of 2023.



## Contribution to SDGs



## What we have achieved

We advanced two initiatives related to people with disabilities. We visited New Danville Center and presented about energy, volunteered and discussed opportunities for collaboration and potential part-time jobs. We partnered with 2 associations for people with disabilities (Hireaveteran.com; abilityjobs.com) so we can now repost our US employment offers on their websites. We reformulated our Women's Leadership panel to a podcast with implementation in 2024 and combine with Repsol's "Girls in STEM" program.

# ETHICS AND TRANSPARENCY

We act honestly in all the countries where we are present. Our ethical behavior does not only include strict compliance with the letter of the law, but also the spirit. In this area we have established a series of goals that ensure that the **company promotes and encourages a culture of honesty and**

**accountability** for all Repsol's employees, as well as for our suppliers, contractors and companies who collaborate with us.

We also define transparency and issuing accounts as differential features in **Repsol's Sustainability Model**. To be credible it is essential to be continuously transparent.





# ACTIONS



## Action

Continue to promote our culture of compliance.



## Description

We will continue to improve our compliance culture through various initiatives aimed at increasing awareness of our compliance risks, applicable policies and procedures, as well as available compliance resources, while applying industry best practices. We will facilitate compliance training, compliance onboarding sessions for new hire and international assignees and promote our Annual Conflict of Interest and Certification Campaign to all employees.

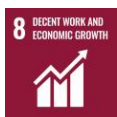


## Indicators

1. Deliver minimum of five live Compliance Training sessions with 70% attendance.
2. Offer compliance onboarding sessions to 100% of new hires and international assignees.
3. Achieve 80% response rate in annual Conflict of Interest and Certification Campaign.



## Contribution to SDGs



## What we have achieved

We delivered seven live compliance training sessions with 88% attendance among all invitees, and we delivered compliance onboarding sessions to 100% of new hires and international assignees, increasing employee awareness of our compliance guidelines. We also achieved a 100% response rate for our annual Conflict of Interest and Certification Campaign.

# Process

**This Sustainability Plan is a dynamic document.**

Each year we will give an account of the extent to which the actions that make up this Plan have been carried out by publishing a monitoring report.

Moreover, given that the expectations of our stakeholders and the issues that concern them are changeable and subject to the

evolution of events during the course of the year, this Plan will be updated annually with new actions or the reformulation of existing ones to adapt them to the new situation.

The successive updates of the plan will leave behind them a trail of completed actions that, collectively, are a contribution of our company to sustainable development.



