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REPSOL Group

Annual Financial 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

REPSOL

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Repsol, S.A. and investees comprising the Repsol Group

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This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Independent auditor's report on the consolidated financial statements

To the shareholders of Repsol, S.A.:

Report on the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Repsol, S.A. (the Parent company) and investees comprising the Repsol Group (the Group), which comprise the balance sheet as at 31 December 2021, and the income statement, statement of recognized profit or loss, statement of changes in equity, statement of cash flows and related notes, all consolidated, for the year then ended.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the equity and financial position of the Group as at 31 December 2021, as well as its financial performance and cash flows, all consolidated, for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and other provisions of the financial reporting framework applicable in Spain.

Basis for opinion

We conducted our audit in accordance with legislation governing the audit practice in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those relating to independence, that are relevant to our audit of the consolidated financial statements in Spain, in accordance with legislation governing the audit practice. In this regard, we have not rendered services other than those relating to the audit of the accounts, and situations or circumstances have not arisen that, in accordance with the provisions of the aforementioned legislation, have affected our necessary independence such that it has been compromised.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key audit matters	How the matter was addressed in the audit
Evaluation of the recoverability of the carrying value of the Group's intangible assets, property, plant and equipment and joint ventures, considering the impacts of the energy transition and climate change.	
At 31 December 2021, the accompanying consolidated financial statements present intangible assets (including goodwill) and property, plant and equipment amounting to €3,497 million (note 11) and €21,726 million (note 12), respectively. These assets are allocated to cash-generating units (CGUs) as indicated in notes 3.6 and 21 to the accompanying consolidated financial statements. In addition, as disclosed in note 13, the Group has joint ventures with a carrying value at year-end 2021 amounting to €3,349 million. The Group performs an annual impairment analysis of these assets by CGU, in accordance with the methodology and key assumptions set out in notes 3.6 and 21, and determines the recoverable amount of their carrying value based on the present value of the future cash flows generated by these assets, based on the Strategic Plan 2021-2025, approved by management, prepared in line with the energy transition and economy decarbonisation objectives. In this context, and in view of the rising prices in the commodities markets, the Group has estimated the price paths of oil, natural gas, CO_2 allowances and certificates, and electricity, considering scenarios consistent with its strategy to become a zero net emissions company by 2050, the outlook for economic recovery after the COVID-19 pandemic and the energy transition policies in China, the United States and the European Union (notes 3.6, 21 and 30). In addition, when preparing the disclosures relating to climate change and energy transition and their impact on the impairment analyses, management has taken into account, as described in notes 1 and 30, the recommendations of the Task Force on Climate related Financial Disclosure (TCFD) and the IASB publication "Effects of climate related matters on financial statements".	Firstly, we have obtained an understanding of the Repsol Group's commitments to energy transition and climate change, with the help of our specialists, through interviews with management and an analysis of Repsol Group public information on these commitments (Strategic Plan 2021-2025, documentation published on Low Carbon Day, Consolidated Management Report, Statement of Non-Financial Information, Prospectus for debt issues in 2021), as well as through the analysis and evaluation of these commitments in the strategic plans for the lines of business, particularly Exploration and Production and Refining in Spain. We have also gained an understanding of the sector environment (price trends, presentations of results by other companies in the sector, analysts' reports, investors' expectations on climate change, etc.) to assess the alignment of the strategic priorities defined by the Group with the reality of the global hydrocarbon market. We have also gained an understanding of both the methodology applied and the relevant controls the Group has in place for the asset recoverability analysis. In addition, we have considered the appropriateness of asset allocations to the CGUs and the process for identifying those requiring an impairment assessment in accordance with the requirements of the applicable regulations. With the assistance of our valuation experts, we have assessed the assumptions and key estimates used in the calculations, which include both short- and long-term estimates of the evolution of hydrocarbon prices, electricity and CO_2 allowances and certificates, estimated hydrocarbon reserves and resources, production profiles of hydrocarbon reserves and resources, refining margins, operating costs, investment requirements, projection period and discount rates.

Key audit matters	How the matter was addressed in the audit
Management has also performed a sensitivity analysis (note 21.2) of key assumptions which, based on historical experience, may reasonably be expected to change. As a result of the above analyses, Group management has recorded valuation adjustments, net of reversals, for the amounts indicated in note 21.1.c). This is a key matter because it involves the application of critical judgements and significant estimates by management, particularly in the Exploration and Production and Refining businesses in Spain (note 3.6) to the key assumptions used, which are affected by the assessment of climate change and energy transition impacts. These judgements and estimates are subject to uncertainty, and future changes in key assumptions could have a material impact on the Group's consolidated financial statements.	Specifically, in relation to the future prices of hydrocarbons, electricity and CO2 allowances and certificates, we have compared management's estimates with information released by investment banks, consulting firms and relevant industry organisations and agencies, and we have verified that they include scenarios for the energy transition and decarbonisation of the economy; in addition, we have assessed the consistency of these estimates against the objectives set by the Group in this area in its strategic plans. In relation to the estimate of hydrocarbon reserves and resources, we have gained an understanding of the process implemented by the Group for this purpose which includes the use of management experts, and have assessed the work results, competence, capability and objectivity of these experts. We have also checked the consistency of the volumes estimated by the management experts against the data used in determining the recoverable amount of the assets. Additionally, with respect to the Refining activities in Spain, we have analysed the estimate of the refining margin and demand for fossil fuels, and the consistency of the strategic plan for this line of business in the light of the dynamics of the energy transition. We have also checked the mathematical accuracy of the calculations and models prepared by management and have verified the recoverable amount calculated by the Group against the net carrying amount of the CGUs to assess whether or not any impairment or impairment reversal needs to be recognised. In addition, we have assessed the sensitivity calculations made by management. Finally, we have considered the sufficiency of the disclosures in the consolidated financial statements concerning the assessment of the recoverable amount of these assets and have assessed the consistency of the disclosures against the information included in the consolidated management report and the consolidated statement of non-financial information.

Key audit matters	How the matter was addressed in the audit
	Based on our procedures, we believe that management's approach and conclusions, as well as the information disclosed in the accompanying consolidated financial statements, are reasonable and consistent with the evidence obtained.
Assessment of the recoverability of the carrying amount of deferred tax assets	
As reflected in the accompanying consolidated balance sheet, at 31 December 2021 the balance in deferred tax assets amounted to €2.878 million, of which, as indicated in note 23.3 to the accompanying consolidated financial statements, tax losses, tax credits and similar benefits not yet used totalled €2,756 million. When assessing whether the amount recognised in the consolidated financial statements for these assets is recoverable, Group management considers, as indicated in note 23.3, the expected generation of future taxable profits based on the methodology defined to analyse the recovery of its assets, the assessment of the estimated results of each tax group or entity in accordance with the Group's strategic orientation, the applicable tax regulations and the term and time limit within which these assets may be recovered. As a result of the above analyses, Group management has reduced the amount of deferred tax assets recognised in the balance sheet by the amount indicated in notes 21.1 and 23.3. This is a key matter because of the nature and significance of the assets recognised and because it involves the application of significant estimates (notes 3.5 and 3.6) of future taxable profits, which affects the assessment of their recoverability.	Our analysis commenced with an understanding of both the methodology applied and the relevant controls the Group has in place for the recoverability analysis of these assets. We have also checked the consistency of the assumptions used by management in the financial projections used to determine future taxable profits against the assumptions used in the impairment testing of the Group's intangible and tangible assets. In addition, together with our tax experts, we have evaluated the corporate income tax estimate, mainly with regard to the suitability of the tax treatment of the transactions performed and the calculations of the deferred tax assets in the light of the applicable tax regulations. Finally, we assessed the sufficiency of the disclosures in the consolidated financial statements concerning the measurement and recognition of these assets. On the basis of our work, we believe that the assumptions and estimates made by Group management concerning the recoverability of the assets analysed are reasonable and consistent with the evidence obtained.
Evaluation of the recoverability of the Group's assets in Venezuela	
As disclosed in note 21.3 to the accompanying consolidated financial statements, the Group's financial exposure in Venezuela at 31 December 2021 amounted to €298 million. This amount mainly includes the USD financing granted by the Group to the joint ventures Cardon IV, S.A. and Petroquiriquire, S.A., amounting to €166 million (note 13) and €304 million (note 8), respectively, and trade receivables from Petróleos de Venezuela, S.A. (PDVSA) amounting to €344 million, which are recorded as Other non-current assets (note 14), less provisions for liabilities and charges amounting to €500 million (note 13).	Our analysis commenced with an understanding of the processes the Group has in place for performing the asset value analysis, including the relevant controls. With the collaboration of our team in Venezuela, we have gained an understanding of the political, social and economic situation in the country.

Key audit matters	How the matter was addressed in the audit
As detailed in note 21.3, the country's overall situation is affected by an economy in recession, a regulated exchange system, high levels of inflation and continuous devaluations of the local currency, an oil industry with high public sector intervention and participation whose output has been significantly reduced in recent years, political instability, a state of economic emergency and international sanctions, among other factors. Furthermore, except in the case of Quiriquire Gas, S.A., whose carrying value is zero, the functional currency of the investments in Venezuela is the US dollar, as indicated in note 21.3 to the accompanying consolidated financial statements. In the context described above, the Group has analysed the recoverability of its investments in Venezuela and the credit risk relating to the PDVSA receivables, recording an impairment of €352 million in the consolidated income statement, as detailed in note 21.3. To determine the expected loss associated with loans to the joint ventures and the PDVSA receivables, the Group has engaged an independent expert to validate management's judgements. This matter requires a high level of judgement and estimation (note 21.3) by management when assessing the recoverability of its assets in Venezuela and has therefore been considered as a key audit matter.	In relation to the financial information of the joint venture Cardón IV, S.A. included in the consolidated financial statements, we have assessed the competence and objectivity of this component's auditor and have obtained and evaluated the auditor's reports, including its overall findings, conclusions and opinion. We have also evaluated the financial information of the joint venture Petroquiriquire, S.A., which has been included in the Group's consolidated financial statements. In relation to the analysis of impairment losses on non-current assets in the above companies, we have performed audit procedures such as those described in the key audit matter *"Evaluation of the recoverability of the carrying value of the Group's intangible assets, property, plant and equipment and joint ventures, considering the impacts of the energy transition and climate change"* referred to above. We have also analysed the reasonableness of the provision for liabilities and charges. In addition, to analyse the credit risk of the loans granted to the joint ventures and the receivables from PDVSA, we have performed the following audit procedures, among others: • Obtaining and evaluating the loan agreements with Cardón IV, S.A. and Petroquiriquire, S.A., as well as other relevant contractual information. • Analysing the reasonableness of the expected loss model prepared by management. • We have analysed the information contained in the report of the independent expert engaged by the Group to assess management's judgements on the Venezuela credit risk and have assessed this expert's competence and objectivity, to satisfy ourselves that the expert was suitably qualified to carry out this assignment. Finally, we have assessed the sufficiency of the information disclosed in the consolidated financial statements regarding the situation in Venezuela, the Group's presence in that country and the assumptions underlying the measurement of these assets.

Key audit matters	How the matter was addressed in the audit
	On the basis of our work, we believe that the assumptions and estimates made by Group management concerning the recoverability of the assets analysed are reasonable and consistent with the evidence obtained.
Analysis of the effects of the partial arbitration award relating to the purchase of Talisman Energy UK Limited (TSEUK), currently Repsol Sinopec Resources UK Limited (RSRUK) As mentioned in note 15 of the accompanying notes to the consolidated accounts, Addax Petroleum UK Limited (Addax) and Sinopec International Petroleum Exploration and Production Corporation (Sinopec) filed a “Notice of arbitration” against Talisman Energy Inc. (currently Repsol Oil & Gas Canada Inc. – ROGCI) and Talisman Colombia Holdco Limited (TCHL) concerning the purchase of 49% of the shares in RSEUK during 2012 by Addax and Sinopec. This transaction took place prior to the acquisition of the Talisman group by the Repsol Group in 2015. The Court of Arbitration decided to split the proceedings into two phases: The first phase, concerning liability for the five issues in dispute (Reserves, Production, Abandonment, Projects and Maintenance), and the second phase in which the amount of any liability would be determined, given the case. On 29 January 2020, the Singapore court of arbitration issued a partial award, addressing only the Reserves issue. In this partial award, the Court of Arbitration decided that ROGCI and TCHL are liable towards Sinopec and Addax in respect of certain information and representations provided during the above-mentioned procurement process. On 28 April 2020, the Repsol Group challenged the partial award before the Singapore courts, estimating that the appeal for annulment would be resolved during the third quarter of 2022. As a result of this partial award, the Group recorded a provision in prior years. On 20 April 2021 the Court of Arbitration issued a new partial award, completing the liability phase, in which it found TCHL and ROGCI liable with respect to the Production issue and dismissed Addax and Sinopec's claims on the remaining issues. Following this award, which was also challenged by the Repsol Group, the arbitration process will continue via the quantification phase, in which a decision is not expected before the fourth quarter of 2023.	Our audit procedures in relation to this matter have included, among others, the following: • Meetings with Group management to understand their analysis and assessment of the risks underlying the arbitration awards. • Obtaining the assessment by the Group's external lawyers on the rating of the risks identified for the Repsol Group in the awards, and their implications. • In cooperation with our legal experts, we have analysed the documentation related to the award and assessed whether the risks identified therein by in-house and external lawyers are in line with its content. • Understanding and assessment of the methodology applied by the Group to quantify the risks arising from its analysis of the arbitration awards, as well as verification of whether the risks quantified by the Group are in line with those arising from the awards received. • Comparing the estimates made against the documentation included in the arbitration, and checking the mathematical accuracy of the calculations made by management. • Checking that the amounts recorded in the consolidated financial statements match the results of the calculations indicated above. • Assessing the sufficiency of the information disclosed in relation to this matter in the consolidated financial statements.

Key audit matters	How the matter was addressed in the audit
The partial award of 20 April 2021 provides a better basis for estimating the liability that could arise from this arbitration. Therefore, supported by its lawyers and external advisors, the Group has re-estimated the provision required to cover the risks of the arbitration process, reducing the provision recorded at year-end 2020, as indicated in note 15 of the accompanying consolidated financial statements. This is a key matter because it involves the application of critical judgements and significant estimates (notes 3.5 and 15.2) by management in the calculations made, which are subject to uncertainty, and due to the fact that any changes in the course of the above-mentioned arbitration could have a material impact on the Group's consolidated financial statements.	Based on our procedures, we believe that management's approach and conclusions, as well as the information disclosed in the accompanying consolidated financial statements, are consistent with the available evidence.

Other information: Consolidated management report

Other information comprises only the consolidated management report for the 2021 financial year, the formulation of which is the responsibility of the Parent company's directors and does not form an integral part of the consolidated financial statements.

Our audit opinion on the consolidated financial statements does not cover the consolidated management report. Our responsibility regarding the consolidated management report, in accordance with legislation governing the audit practice, is to:

a) Verify only that the consolidated statement of non-financial information, certain information included in the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration, as referred to in the Auditing Act, has been provided in the manner required by applicable legislation and, if not, we are obliged to disclose that fact.

b) Evaluate and report on the consistency between the rest of the information included in the consolidated management report and the consolidated financial statements as a result of our knowledge of the Group obtained during the audit of the aforementioned financial statements, as well as to evaluate and report on whether the content and presentation of this part of the consolidated management report is in accordance with applicable regulations. If, based on the work we have performed, we conclude that material misstatements exist, we are required to report that fact.

On the basis of the work performed, as described above, we have verified that the information mentioned in section a) above has been provided in the manner required by applicable legislation and that the rest of the information contained in the consolidated management report is consistent with that contained in the consolidated financial statements for the 2021 financial year, and its content and presentation are in accordance with applicable regulations.

Responsibility of the directors and the audit and control committee for the consolidated financial statements

The Parent company's directors are responsible for the preparation of the accompanying consolidated financial statements, such that they fairly present the consolidated equity, financial position and financial performance of the Group, in accordance with IFRS-EU and other provisions of the financial reporting framework applicable to the Group in Spain, and for such internal control as the aforementioned directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Parent company's directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the aforementioned directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Parent company's audit and control committee is responsible for overseeing the process of preparation and presentation of the consolidated financial statements.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with legislation governing the audit practice in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with legislation governing the audit practice in Spain, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent company's directors.

- Conclude on the appropriateness of the Parent company's directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Parent company's audit and control committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Parent company's audit and control committee with a statement that we have complied with relevant ethical requirements, including those relating to independence, and we communicate with the aforementioned those matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Parent company's audit and control committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

European single electronic format

We have examined the digital files of the European single electronic format (ESEF) of Repsol, S.A. and investees comprising the Repsol Group for the financial year 2021 that comprise an XHTML file which includes the consolidated financial statements for the financial year and XBRL files with tagging performed by the entity, which will form part of the annual financial report.

The directors of Repsol, S.A. are responsible for presenting the annual financial report for financial year in accordance with the formatting and markup requirements established in the Delegated Regulation (EU) 2019/815 of 17 December 2018 of the European Commission (hereinafter the ESEF Regulation).

Our responsibility is to examine the digital files prepared by the Parent company's directors, in accordance with legislation governing the audit practice in Spain. This legislation requires that we plan and execute our audit procedures in order to verify whether the content of the consolidated financial statements included in the aforementioned digital files completely agrees with that of the consolidated financial statements that we have audited, and whether the format and markup of these accounts and of the aforementioned files has been affected, in all material respects, in accordance with the requirements established in the ESEF Regulation.

In our opinion, the digital files examined completely agree with the audited consolidated financial statements, and these are presented and have been marked up, in all material respects, in accordance with the requirements established in the ESEF Regulation.

Report to the audit and control committee of the Parent company

The opinion expressed in this report is consistent with the content of our additional report to the audit and control committee of the Parent company dated 17 February 2022.

Appointment period

The General Ordinary Shareholders' Meeting held on 26 March 2021 appointed us as auditors of the Group for a period of one year, for the year ended 31 December 2021.

Previously, we were appointed by resolution of the General Ordinary Shareholders' Meeting for a period of three years and we have audited the accounts continuously since the year ended 31 December 2018.

Services provided

Services provided to the Group for services other than the audit of the accounts are disclosed in note 31.2 to the consolidated financial statements.

PricewaterhouseCoopers Auditores, S.L. (S0242)

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Iñaki Goiriena Basualdu (16198)

17 February 2022

2021

REPSOL Group

Consolidated financial statements

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

REPSOL

Repsol, S.A. and Investees comprising the Repsol Group
Balance sheet at December 31, 2021 and 2020

ASSETS	Note	€ Million 12/31/2021	12/31/2020
Intangible assets	11	3,497	3,353
Property, plant and equipment	12	21,726	20,927
Investments accounted for using the equity method	13	3,554	5,897
Non-current financial assets	8	1,249	916
Deferred tax assets	23	2,878	3,745
Other non-current assets	14	908	880
NON-CURRENT ASSETS		**33,812**	**35,718**
Non-current assets held for sale	16	605	5
Inventories	17	5,227	3,379
Trade and other receivables	18	8,238	4,056
Other current assets		326	239
Other current financial assets	8	2,451	1,584
Cash and cash equivalents	8	5,595	4,321
CURRENT ASSETS		**22,442**	**13,584**
TOTAL ASSETS		**56,254**	**49,302**

EQUITY AND LIABILITIES	Note	€ Million 12/31/2021	12/31/2020
Shareholders' equity		22,320	21,185
Other cumulative comprehensive income		94	(890)
Non-controlling interests		380	244
EQUITY	6	**22,794**	**20,539**
Non-current provisions	15	3,264	3,572
Non-current financial liabilities	7	10,185	12,123
Deferred tax liabilities and other tax items	23	2,022	2,142
Other non-current liabilities		671	407
NON-CURRENT LIABILITIES		**16,142**	**18,244**
Changes in ownership interest in companies without loss of control	16	460	—
Current provisions	15	1,024	740
Current financial liabilities	7	4,611	3,880
Trade and other payables	19	11,223	5,899
CURRENT LIABILITIES		**17,318**	**10,519**
TOTAL EQUITY AND LIABILITIES		**56,254**	**49,302**

Repsol, S.A. and Investees comprising the Repsol Group
Income statement for the years ending December 31, 2021 and 2020

	Note	2021	2020
		€ Million	
Sales		49,480	32,956
Income from services rendered and other income		265	326
Changes in inventories of finished goods and work in progress		759	(624)
Other operating income		1,666	985
Procurements		(37,448)	(24,835)
Amortization and depreciation of non-current assets		(2,004)	(2,207)
(Provision for)/Reversal of impairment provisions		(663)	(2,159)
Personnel expenses		(1,802)	(1,845)
Transport and freights		(1,103)	(1,272)
Supplies		(769)	(556)
Gains/(Losses) on disposal of assets		10	102
Other operating expenses		(4,634)	(3,425)
OPERATING INCOME / (LOSS)	**20**	**3,757**	**(2,554)**
Net interest		(152)	(244)
Change in fair value of financial instruments		644	(148)
Exchange gains/(losses)		(131)	406
Net impairment of financial instruments		27	57
Other financial income and expenses		(117)	(212)
FINANCIAL RESULT	22	271	(141)
NET INCOME FROM INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD [(1)]	13	301	(609)
NET INCOME / (LOSS) BEFORE TAX		**4,329**	**(3,304)**
Income tax	23	(1,801)	(16)
CONSOLIDATED NET INCOME / (LOSS) FOR THE PERIOD		**2,528**	**(3,320)**
NET INCOME / (LOSS) ATTRIBUTABLE TO NON-CONTROLLING INTERESTS		(29)	31
NET INCOME / (LOSS) ATTRIBUTABLE TO THE PARENT		**2,499**	**(3,289)**

	Note		
EARNINGS PER SHARE ATTRIBUTABLE TO THE PARENT	24	**Euros / share**	
Basic		1.64	(2.13)
Diluted		1.64	(2.13)

[(1)] Net of taxes.

Repsol, S.A. and investees comprising the Repsol Group

Statement of recognized profit or loss corresponding to the years ending December 31, 2021 and 2020

	€ Million 2021	€ Million 2020
CONSOLIDATED NET INCOME / (LOSS) FOR THE PERIOD	**2,528**	**(3,320)**
Due to actuarial gains and losses	7	(9)
Investments accounted for using the equity method	21	(11)
Equity instruments with changes through other comprehensive income	(1)	(27)
Tax effect	(8)	—
OTHER COMPREHENSIVE INCOME / (LOSS). ITEMS NOT RECLASSIFIABLE TO NET INCOME / (LOSS)	19	(47)
Cash flow hedging:	**133**	**58**
Valuation gains / (losses)	173	78
Amounts transferred to the income statement	(40)	(20)
Translation differences:	**820**	**(1,482)**
Valuation gains / (losses)	1,081	(1,445)
Amounts transferred to the income statement	(261)	(37)
Tax effect	34	(35)
OTHER COMPREHENSIVE INCOME / (LOSS). ITEMS RECLASSIFIABLE TO NET INCOME	987	(1,459)
TOTAL OTHER COMPREHENSIVE INCOME / (LOSS)	**1,006**	**(1,506)**
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	**3,534**	**(4,826)**
a) Attributable to the parent	3,505	(4,792)
b) Attributable to non-controlling interests	29	(34)

Repsol S.A. and Investees comprising the Repsol Group

Statement of changes in equity corresponding to the years ending December 31, 2021 and 2020

	Equity attributable to the parent and other equity instrument holders							
	Shareholders' equity							
€ Million	Share capital	Share premium and reserves	Treasury shares and own equity investments	Net income for the period attributable to the parent	Other equity instruments	Other cumulative comprehensive income	Non-controlling interests	**Equity**
Closing balance at 12/31/2019	**1,566**	**26,731**	**(1,170)**	**(3,816)**	**1,024**	**593**	**281**	**25,209**
Total recognized income/(expenses)	**—**	**(20)**	**—**	**(3,289)**	**—**	**(1,483)**	**(34)**	**(4,826)**
Transactions with partners or owners:								—
Share capital increase/(reduction)	101	(101)	—	—	—	—	—	—
Dividends and shareholder remuneration	—	(338)	—	—	—	—	(1)	(339)
Transactions with treasury shares and own equity investments (net)	(99)	(1,267)	1,008	—	—	—	—	(358)
Other equity variations:	—	—	—	—	—	—	—	—
Transfers between equity-line items	—	(3,816)	—	3,816	—	—	—	—
Subordinated perpetual obligations	—	(54)	—	—	907	—	—	853
Other variations	—	(3)	—	—	5	—	(2)	—
Closing balance at 12/31/2020	**1,568**	**21,132**	**(162)**	**(3,289)**	**1,936**	**(890)**	**244**	**20,539**
Total recognized income/(expenses)	**—**	**20**	**—**	**2,499**	**—**	**986**	**29**	**3,534**
Transactions with partners or owners:								
Share capital increase/(reduction)	(41)	(386)	427	—	—	—	—	—
Dividends and shareholder remuneration	—	(916)	—	—	—	—	—	(916)
Transactions with treasury shares and own equity investments (net)	—	46	(906)	—	—	—	—	(860)
Increases/(reductions) due to changes in scope	—	115	—	—	—	—	104	219
Other equity variations:								
Transfers between equity-line items	—	(3,289)	—	3,289	—	—	—	—
Subordinated perpetual obligations	—	(63)	—	—	340	—	—	277
Other variations	—	(4)	—	—	4	(2)	3	1
Closing balance at 12/31/2021	**1,527**	**16,655**	**(641)**	**2,499**	**2,280**	**94**	**380**	**22,794**

Repsol S.A. and Investees comprising the Repsol Group
Statement of cash flows corresponding to the years ending December 31, 2021 and 2020

	Note	€ Million 2021	2020
Income before tax		**4,329**	**(3,304)**
Adjustments to income:		**2,390**	**5,074**
Amortization of non-current assets	11 and 12	2,004	2,207
Other (net)		386	2,867
Changes in working capital		(1,107)	1,000
Other cash flows from operating activities:		**(935)**	**(32)**
Dividends received		281	183
Income tax refunded/(paid)		(920)	100
Other proceeds from/(payments for) operating activities		(296)	(315)
CASH FLOWS FROM OPERATING ACTIVITIES	25	**4,677**	**2,738**
Payments for investments:	12 and 13	**(4,234)**	**(3,368)**
Group companies and associates		(539)	(132)
Property, plant and equipment, intangible assets and investment property		(1,902)	(1,886)
Other financial assets		(1,793)	(1,350)
Proceeds from divestments:		**1,277**	**3,538**
Group companies and associates		270	1,010
Property, plant and equipment, intangible assets and investment property		105	104
Other financial assets		902	2,424
Other cash flows from investing activities		**24**	**52**
CASH FLOWS FROM INVESTING ACTIVITIES	25	**(2,933)**	**222**
Proceeds from and (payments for) equity instruments:	6	**(382)**	**508**
Issue		746	1,491
Return and redemption		(406)	(605)
Acquisition		(1,123)	(766)
Disposal		401	388
Changes in ownership interest in companies without loss of control	6	**200**	—
Acquisition		**(23)**	—
Disposal		**223**	—
Proceeds from and (payments for) financial liability instruments:	7	**825**	**(1,206)**
Issuance		11,417	10,163
Repayment and redemption		(10,592)	(11,369)
Payments on shareholder remuneration and other equity instruments	6	**(625)**	**(346)**
Other cash flows from financing activities:		**(547)**	**(571)**
Net interest payments and payments under leases		(356)	(417)
Other proceeds from/(payments for) financing activities		(191)	(154)
CASH FLOWS FROM FINANCING ACTIVITIES	25	**(529)**	**(1,615)**
EXCHANGE RATE FLUCTUATIONS EFFECT		**59**	**(3)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	25	**1,274**	**1,342**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		**4,321**	**2,979**
CASH AND CASH EQUIVALENTS AT END OF PERIOD:	8	**5,595**	**4,321**
Cash and banks		2,508	2,234
Other financial assets		3,087	2,087

Repsol S.A. and Investees comprising the Repsol Group

NOTES TO THE 2021 FINANCIAL STATEMENTS

NOTES

[1] The Appendices form an integral part of the consolidated Financial Statements.

GENERAL INFORMATION

(1) About these Financial Statements

These consolidated Financial Statements of Repsol, S.A. and its investees, comprising the Repsol Group, present fairly the Group's equity and financial position at December 31, 2021, as well as the Group's earnings performance, the changes in the consolidated equity and the consolidated cash flows for the year then ended.

They are presented in accordance with the International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB), adopted by the European Union (EU) as of December 31, 2021, and other provisions of the applicable regulatory framework. Their preparation makes it necessary to use accounting estimates and judgments when applying the accounting standards. The areas in which most significant judgements and estimates have to be made are detailed in Note 3.

These Financial Statements include information relating to climate change, prepared following the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD), which Repsol has voluntarily joined (see Note 30), in line with its strategy to achieve net zero emissions by 2050 and the objectives of the Paris Climate Summit and Sustainable Development Goals of the United Nations. In addition, that established in the IASB publication "*Effects of Climate-Related Issues on Financial Statements*" on the impact of climate change on the application of IFRSs in financial reporting was taken into account in preparing these Financial Statements (see Notes 3, 10, 21 and 30).

These consolidated Financial Statements have been prepared on a historical cost basis and, where applicable, the bases for measurement at fair value of financial assets at fair value through profit or loss and through other comprehensive income, derivative financial instruments and business combinations have been used.

The preparation of the consolidated Financial Statements is the responsibility of the directors of Repsol, S.A., the parent company of the Group. They were authorized for issue by the Board of Directors of Repsol, S.A. at its meeting held on February 16, 2021 and they will be submitted for approval at the Annual General Meeting; it is expected that they will be approved without any modifications. The 2020 consolidated Financial Statements were approved at Repsol's Annual General Meeting held on March 26, 2021.

The Group's consolidated Management Report, which includes financial and non-financial information and, in particular, the consolidated Statement of Non-Financial Information and other information on sustainability, including Environmental, Social and Governance (ESG) matters, is published together with the consolidated Financial Statements. This 2021 consolidated Management Report can be found on the Repsol website[1].

(2) About Repsol

2.1) Repsol Group

Repsol is a group of companies with a presence worldwide (hereinafter "*Repsol*", "*Company*", "*Repsol Group*" or "*Group*") that, with a vision of being a multi-energy efficient, sustainable and competitive company, performs activities in the hydrocarbon sector throughout its entire value chain (exploration, development and production of crude oil and natural gas, refining, production, transportation and sale of a wide range of oil and petrochemical products, oil derivatives and natural gas), as well as activities for the generation and sale of electricity[2]. The Group comprises more than 300 companies, subsidiaries, joint arrangements and associates incorporated in 36 countries (mainly in Spain, the United States, Canada and the Netherlands) that occasionally carry out activities abroad through branches, permanent establishments, etc. The Group's main companies and the summarized corporate organization chart are presented in section 2.3 of the 2021 consolidated Management Report.

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[1] In addition, Repsol has published *"Information on oil and gas exploration and production activities"* and the *"Report on payments to governments on oil and gas exploration and production activities"*. All these reports are available on the Repsol website.
[2] For further information, see section 2.1 Value chain and business segments of the 2021 consolidated Management Report.

The Group operates in several business segments, the main metrics of which are summarized below:

	Income from ordinary activities [5]		Operating income		Adjusted net income		Free cash flow		Capital employed	
€ Million	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Exploration and Production [1]	4,924	3,047	3,026.5	351	1,687	195	2,465	1,231	12,348	12,608
Industrial [2]	25,502	15,556	792	369	606	297	196	209	11,163	9,755
Commercial and Renewables [3]	21,703	16,359	761	650	542	485	475	1	4,451	4,061
Corporate [4]	1	1	(208)	(235)	(381)	(377)	(297)	538	594	893
TOTAL	**52,130**	**34,963**	**4,372**	**1,135**	**2,454**	**600**	**2,839**	**1,979**	**28,556**	**27,317**

Note: Figures calculated in accordance with the Group's reporting model described in Note 4 and Appendix III.
(1) Activities involving the exploration, development and production of crude oil and natural gas reserves.
(2) Activities involving refining, petrochemicals, trading and transportation of crude oil and other products and the sale, transportation and regasification of natural gas and liquefied natural gas (LNG).
(3) Sale of electricity and gas, mobility and the sale of oil products and liquefied petroleum gases (LPG), as well as low-carbon power generation and electricity generation from renewable sources.
(4) Corresponds to the operating expenses of the corporation and, specifically, those of the Group's management that have not been invoiced as services to the businesses, the financial result and inter-segment consolidation adjustments
(5) Corresponds to the sum of the "*Sales*" and "*Services rendered and other income*" (see Appendix III).

With regard to the changes in the composition of the Group in 2021, new assets related to the energy transition were acquired and divestments were carried out in the Exploration and Production segment as described in Note 2.3.

For further information on the Group's composition and the changes in its corporate structure, see Appendices I, IA, IB and IC.

2.2) Parent company

The parent company of the Group is Repsol, S.A.[3] It is registered at the Madrid Companies Register on sheet no. M-65289; its tax ID number (C.I.F.) is A-78/374725 and its National Classification of Economic Activities (C.N.A.E.) no. is 70.10.

Repsol, S.A. is a private-law entity, incorporated in accordance with Spanish law, which is subject to the Spanish Companies Act (*Ley de Sociedades de Capital*), and all other legislation related to listed companies.

Its registered office is located at calle Méndez Álvaro, 44, Madrid, where the Shareholder Information Office is also located, the telephone number of which is 900 100 100.

The shares of Repsol, S.A. are represented by book entries and listed on the continuous market of the Spanish stock exchanges (Madrid, Barcelona, Bilbao and Valencia). The Company also has an ADS (American Depositary Shares) Program, which is quoted on the OTCQX market (a platform in the US over-the-counter markets that differentiates those issuers with better market information policies and solid business activities).

2.3) Main new developments in the year[4]

– The availability of several vaccines and the launch of vaccination programs in most countries have led to a favorable change in the evolution of COVID-19. This, and the positive effect of public policies for reactivation, have made it possible to promote a **gradual recovery of economic activity and mobility** — albeit still unevenly across the different countries and with the global risk of the appearance of new strains —, which have boosted demand and the prices of raw materials and reference products. This improved environment has favorably affected, although unevenly, the activities and results of the company's businesses. Further explanation and details of this are given in sections 4.1 and 5.4 of the 2021 consolidated Management Report.

– Repsol has announced new, more ambitious goals to address the **transformation towards carbon neutrality by 2050**. In this regard, renewable generation and emissions reduction targets have been increased to accelerate its transformation by 2050. This most notably includes the new decarbonization roadmap that establishes a more demanding reduction in the carbon intensity indicator (15% by 2025, 28% by 2030 and 55% by 2040, compared to a previous target of 12%, 25% and 50%, respectively), the increase in the internal carbon price applied to all new investments, the new reduction targets for absolute emissions by 2030 and the more ambitious targets for reducing methane emissions intensity. It was also announced that 35% of the investments made by Repsol between 2021 and 2025 will be allocated to low-carbon initiatives, which means that around €6,500 million will be invested to increase renewable electricity generation (20 GW

[3] The Financial Statements and Management Report of Repsol, S.A. can be viewed on Repsol's website.
[4] For a complete description of the main events during the period, see section 1. *Highlights of 2021* in the 2021 consolidated Management Report.

installed by 2030), renewable hydrogen production (1.9 GWeq by 2030) and promote other low-carbon initiatives. For further information, see section 2.5 of the 2021 consolidated Management Report.

– In terms of progress regarding the **transformation** of our businesses as envisaged in the 2021-2025 Strategic Plan, this first year we increased the low-carbon generation capacity and internationalization of the Renewables business with the acquisition in the US of 40% of Hecate Energy Group LLC, a company that carries out photovoltaic projects and batteries for energy storage (see Note 13) and 100% of the photovoltaic power station to be developed in New Mexico (Jicarilla 2); the progress made in Spain includes the entry into operation of the Kappa photovoltaic power station and the Valdesolar photovoltaic project, the commencement of work on the Delta II wind power project and the acquisition of Gana Energía, which has 36 thousand customers and sells 100% renewable energy. In Chile, the construction of its first joint wind farm, Cabo Leones III, was completed. In addition, it should be noted that in 2021 several long-term power purchase agreements (PPAs) were signed with large business groups such as Microsoft or Amazon (see Note 9). For further information, see section 5.3 of the 2021 consolidated Management Report.

  In the Industrial segment, Repsol continued to make progress in transforming its industrial facilities into energy hubs capable of generating low, zero or even negative carbon footprint products. Construction of an advanced biofuels plant began at the Cartagena refinery, the first of its kind in Spain; work began on processing recycled oil to manufacture hydrogenated vegetable oil at the A Coruña refinery; and the Company has investment plans for its other industrial complexes, such as those announced for Tarragona, mainly for circular economy projects, in Puertollano, where it will invest in decarbonization and circular economy, or in the Sines Industrial Complex (Portugal) for the construction of two plants using 100% recyclable polymeric materials. Furthermore, the hydrogen strategy to lead the renewable hydrogen economy in the Iberian Peninsula and to be a significant player in Europe has been presented, with the first steps being the approval of an investment in a 2.5 MW electrolyzer, which will be commissioned in 2022, and the progress made in the design of large projects for the production of renewable hydrogen located in Tarragona, Cartagena and Petronor, which will be commissioned in 2024 and 2025. In addition, we have continued to make progress in the design of the DEMO plant for the production of synthetic fuels at the Port of Bilbao, which is scheduled to enter into operation in 2024. For further information, see sections 5.2 and 7.2. of the 2021 Management Report.

  In response to the Spanish Government's call for expression of interest in the Next Generation EU funds (a recovery plan to help repair the economic and social damage caused by the pandemic), Repsol presented a portfolio of 31 projects that combine technology, decarbonization and the circular economy, creation of quality employment and territorial balance, for an initial associated investment of €6,359 million.

– Progress was made during the year in various **divestment processes**, which, in line with the Company's 2021-2025 Strategic Plan, will allow us to focus our activities in the geographical areas that offer the greatest competitive advantages, accelerate the decarbonization of our operations and support, in the case of renewables, the asset rotation strategy. In the Exploration and Production segment, the Company completed the sale of its holdings in AR Oil & Gaz, B.V. in Russia (a joint venture formed with Alliance Oil), the assets of Tin Fouyet Tabenkor (TFT) in Algeria, Brage in Norway, and block 15/02 in Vietnam (the divestments in Malaysia, Ecuador and Russia — Karabashsky exploration activities — as described in Note 32, were completed in 2022). In the Commercial and Renewables segment, the sale of the fuel business in Italy was completed and an agreement was signed with the Pontegadea Group to acquire a 49% holding in the Delta I wind farm located in the province of Zaragoza for €245 million.

  With regard to **investments**, in the Exploration and Production segment, gas assets in production were acquired from the US gas company Rockdale Marcellus for €196 million, and in the Industrial segment, Repsol acquired a 25% holding in Saint John LNG Limited Partnership (formerly Canaport LNG, LTD) for $170 million (€148 million), thus achieving 100% control over the company[5] (see Notes 9 and 15).

– During the year, the Group strengthened its financial and liquidity position by issuing two senior bonds for a total of €1,250 million tied to sustainability objectives (Sustainability-Linked Bonds) as part of the new integrated sustainable financing strategy (see Note 7.2), issuing senior bonds amounting to €300 million (see Note 7.2) and issuing perpetual subordinated bonds for an amount of €750 million in March (see Note 6.4). In addition, bonds for a nominal amount of €1,000 million were cancelled at maturity (see Note 7.2) and the remaining balance of the issue of subordinated perpetual bonds issued in 2015 was redeemed (see Note 6.4). Furthermore, during the year Standard & Poor's, Moody's and Fitch confirmed Repsol's **investment grade rating**. For further information, see section 4.3 of the 2021 consolidated Management Report.

[5] As a result of this acquisition, all of this company's assets and liabilities were recognized, on a preliminary basis, at market value and the net assets corresponding to the previous 75% were derecognized, in accordance with accounting regulations. At the Group level, assets decreased by €3 million and liabilities decreased by €151 million (financial debt, including lease liabilities, increased by €156 million and provisions for contingencies and charges — onerous consideration — decreased by €314 million). In addition, a total of €-12 million was taken to income for translation differences and mark-to-market reserves accumulated in equity related to the cash flow hedge for the interest on the financing of the LNG plant.

– **Shareholder remuneration** in 2021 amounted to €0.588 per share, in the form of a scrip dividend closed in January 2021 (equal to €0.288 gross per share), and a cash dividend of €0.30 gross per share paid in July. In addition, a capital reduction was carried out through the redemption of 40,494,510 treasury shares aimed at offsetting the dilutive effect of the scrip dividend. For further information, see Note 6.3.

(3) Criteria for the preparation of these Financial Statements

3.1) General principles

The consolidated Financial Statements were prepared based on the accounting records of Repsol, S.A. and its investees. They are presented in accordance with the International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB), adopted by the European Union (EU) as of December 31, 2021, and other provisions of the applicable regulatory framework.

Repsol prepares its consolidated financial statements including the investments in all its subsidiaries, joint arrangements and associates, whose accounting standards have been unified with those of the parent in order to present consolidated financial statements by applying uniform accounting policies.

The consolidated Financial Statements are presented in millions of euros, which is also the functional currency of the parent company.

3.2) Comparative information

The new developments in the accounting standards applied by the Group as of January 1, 2021[6] did not have a significant impact given their nature and scope.

3.3) New standards issued for mandatory application in future years

The standards and amendments to standards issued by the IASB that will be mandatory in future reporting periods are listed below:

Standards and amendments to standards	
Adopted by the European Union	**Date of first application**
Amendments to IFRS 3 - *Amendments to References to the Conceptual Framework for Financial Reporting*	January 1, 2022
Amendments to IAS 16 - *Proceeds Before Intended Use*	January 1, 2022
Amendments to IAS 37 - *Onerous Contracts: Cost of Fulfilling a Contract*	January 1, 2022
Annual improvements to IFRSs: 2018-2020	January 1, 2022
IFRS 17 "*Insurance Contracts*" (1)	January 1, 2023
Pending adoption by the European Union	
Amendments to IAS 12 - *Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction*	January 1, 2023
Amendments to IAS 1 - *Classification of Liabilities as Current or Non-Current*	January 1, 2023
Amendments to IAS 1 - *Disclosure of Accounting Policies*	January 1, 2023
Amendments to IAS 8 - *Definition of Accounting Estimates*	January 1, 2023
Amendments to IFRS 17 - *Application of IFRS 17 and IFRS 19 – Comparative Information*	January 1, 2023
Amendments to IFRS 10 and IAS 28 - *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Undefined

(1) Includes the Amendments to IFRS 17 published by the IASB on June 25, 2020

The Group is currently assessing the potential impacts the application of these standards may have on the consolidated financial statements, without any material impacts having been identified to date.

[6] The following standards have been applied as of January 1, 2021 with no significant impact on the Group's financial statements: i) Amendments to IFRS 4 - *Deferral of IFRS 9*; and ii) Amendments to IAS 39, IFRS 4, IFRS 7, IFRS 9 and IFRS 16 - *Interest Rate Benchmark Reform - (Phase 2; see Appendix II)*. In addition, the Amendments to IFRS 16 - *COVID-19 Related Rent Concessions beyond June 30, 2021* have been applied as of April 1, 2021, and also did not have any impact on the financial statements.

3.4) Basis of consolidation and accounting policies

Repsol classifies investments as subsidiaries, joint arrangements and associates based on the control exercised over them:

i. subsidiaries: those over which Repsol exercises direct or indirect control and are fully consolidated;

ii. joint arrangements: those in which strategic operational and financial decisions require the unanimous consent of the parties sharing control (joint control) and are classified as: a) joint operations arranged through a Joint Operating Agreement (JOA) or similar vehicle that does not limit the risks and rewards of the venturer and that are included in the financial statements of the partners based on the ownership interest in the assets, liabilities, income and expenses arising from the agreement; or b) Joint Ventures (JVs) that represent an interest in the net assets of the agreement and that are accounted for using the equity method; and

iii. associates: interests over which it has significant influence, which do not require consent from Repsol in making strategic operational and financial decisions but over which it has the power to participate, and that are accounted for using the equity method.

The items included in these consolidated Financial Statements relating to the Group companies are measured using their functional currency, which is the currency of the main economic environment in which they operate; when this differs from the presentation currency of the financial statements, the conversion is carried out as stated below: i) the assets and liabilities in each of the balance sheets presented are translated applying the closing exchange rate on the balance sheet date, ii) income and expense items are translated applying the average cumulative exchange rate for the financial year in which the transactions were performed (however, the transaction-date exchange rate is used to translate significant transactions), and iii) any exchange differences arising as a result of the foregoing are recognized under "*Equity - Translation differences*".

Transactions in currencies other than the functional currency of a Group company are deemed to be 'foreign currency transactions' and are translated to the functional currency by applying the exchange rates prevailing at the date of the transaction. At each year end, the foreign currency monetary items on the balance sheet are measured applying the exchange rate prevailing at that date and the exchange rate differences arising from such measurement are recognized under "*Financial result - Exchange gains/(losses)*".

Lastly, it should be noted that the significant accounting policies and options are highlighted, in text boxes, throughout the notes to these Financial Statements, except for those specific to hydrocarbon exploration and production activities, which are described in Note 3.7.

3.5) Accounting estimates and judgements

The preparation of financial statements in accordance with applicable accounting principles makes it necessary to make judgements and estimates that affect the recognition and valuation of assets and liabilities, income and expenses for the period, and the breakdown of the contingent assets and liabilities. The actual results could differ significantly depending on the estimates made.

The accounting policies and areas that require the highest degree of judgement and estimates in the preparation of these financial statements are: (i) crude oil and natural gas reserves (see Note 3.7); (ii) recoverable amount of assets (see Note 3.6 and Note 21); (iii) provisions for litigation, decommissioning and other contingencies, such as those caused by environmental damage (see Notes 15 and 30.2); (iv) income tax, tax credits and contingencies, and deferred tax assets (see Note 23); (v) market value of derivative financial instruments (see Appendix II and Note 9); (vi) expected loss on financial instruments (see Notes 10 and 21.3); and (vii) assessment of investments in Venezuela (see Notes 13 and 21.3).

Repsol has taken into account the impacts of climate change and the decarbonization of the economy when determining accounting estimates and judgements, especially in assessing the recoverable amount of the assets.

3.6) Calculating the recoverable amount of the assets

Calculating the recoverable amount

The methodology used by the Group to estimate the recoverable amount of assets is, in general, the value in use calculated by discounting to present value the future cash flows after tax expected to derive from the operation of these assets.

The cash flow projections are based on the best available estimates of the income, expenses and investments of the different cash-generating units (CGUs)[7], whereby they use sector forecasts, prior results and the outlook for the performance of the business and development of the market:

- Macroeconomic variables are those used in the preparation of the budgets. The macroeconomic framework for the countries in which the Group operates takes into consideration variables such as inflation, GDP, exchange rate, etc. and is prepared on the basis of the content of internal reports that use in-house estimates, based on updated external information of relevance (forecasts prepared by consultants and specialized entities).
- The oil, natural gas, electricity and CO_2 price paths used for the impairment test are our own estimates, which are compared with the scenarios given by international agencies and other market players. The paths are developed on the basis of available macroeconomic, financial and market information and the forecasts provided by analysts and they consider scenarios for the energy transition and decarbonization of the economy that are consistent with the objectives of the Paris Climate Summit.

  In particular, crude oil and gas prices are calculated by analyzing key market variables and their foreseeable trend, including our own forecasts of the balance of supply and demand of energy and prices. The longer-term vision is also explained by monitoring other variables such as the decline of crude oil and gas fields, the current CAPEX, the financial sustainability of companies in the sector to certain price environments, and the dynamics in OPEC countries in terms of fiscal sustainability. Econometric models of prices are made with all these elements, which are compared with both public and private external forecasts.

  i. To estimate near-term price trends, forecast reports produced by a selection of investment banks, macro consultants (Platts Analytics, IHS, Wood Mckenzie, Energy Aspects and Oxford Economics) and the International Energy Agency (IEA) are taken into account.
  ii. The source that provides a sufficiently detailed analysis of long-term forecasts is the IEA, a benchmark agency that also carries out detailed studies of supply, demand and price forecasts under different scenarios.

  In 2021, in view of the rapid recovery of the commodity markets and the more optimistic outlook for recovery from the consequences of the pandemic, the Group revised its short-term expectations for future crude oil and gas prices to bring them into line with the new backdrop and maintained the medium and long-term assumptions used in 2020.
- The most relevant CO_2 price path for the Group in the impairment test corresponds to the prices of emission allowances under the current EU ETS mechanism. In 2021, the price path was revised upwards with a significant increase compared to those used in 2020, mainly as a result of the more ambitious decarbonization targets announced by Repsol and those set by the European Union (up to 55% -Fit for 55-, see Appendix IV). Specific assumptions have been used for other countries with CO_2 emission allowances or taxes.
- Forecasts for electricity prices in Spain are calculated using the Company's own model that weights the influence of the different factors on the wholesale market. Although the model is used mainly for natural gas prices and CO_2 emission allowances, it also reflects the impact of new future developments on renewable generation capacity, as well as economic forecasts that may influence changes in demand. The conclusions obtained are compared with external forecasts that the Company obtains from specialized agencies. In 2021, the price path was revised upwards with a significant increase compared to those used in 2020, mainly as a result of the increase in the price of gas and CO_2 allowances.

Note 21 specifies the future price assumptions used to perform the impairment test.

[7] Cash-generating unit: the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Discount rates

Future cash flows are discounted to their present value at a specific rate for each CGU, determined based on the currency of its cash flows and the risks associated with them. The discount rate used by Repsol is the weighted average cost of capital employed after tax for each country and business. This rate seeks to reflect current market assessments with regard to the time value of money and the specific risks of the business. Therefore, the discount rate used takes into account the risk-free rate, the country risk, the currency in which the cash flows are generated, and the market, credit and business risk. For the sake of consistency, estimated future cash flows do not reflect the risks that have already been considered in the discount rate or vice versa. The discount rate used considers the average leverage of the sector over the last five years, as a reasonable approximation of the optimal capital structure, using comparable oil companies as a reference and their main components are as follows:

– The risk-free interest rate for cash flows in US dollars is the US 10-year treasury bond and for cash flows in euros it is the German 10-year sovereign bond, adjusted when rates are negative;
– With regard to country risk, the following are used: (i) market quotations, such as the spread of sovereign bonds in euros or US dollars over debt issued by Germany (euros) or the US (USD), respectively, (ii) country risk estimates contained in the EMBI (Emerging Markets Bond Index) published by JP Morgan, and (iii) country risk estimates published by three external providers - Country Risk Rating (IHS Global Insight), International Country Risk Guide (PRS Group) and Business Monitor (Fitch Group) - all adjusted for specific risks of the business and/or asset;
– A different credit risk premium is used depending on the currency (EUR and USD); and
– Business risk premiums are specifically calculated on the basis of 5-year historical series from comparable companies, for each of the businesses.

Note 21.1 shows the discount rates used in the 2021 impairment test.

Estimated cash flows

In order to estimate the cash flows, the expected performance of key variables is calculated in accordance with the expectations considered in the annual budget and in the strategic plans of each business, which are prepared in line with the scenario of the energy transition and decarbonization of the economy as described below. Cash inflows and outflows corresponding to future restructurings or transformational investments for improving the asset's performance are not taken into consideration.

Hydrocarbon exploration and production assets

Valuations of the production assets of Exploration and Production (Upstream) use cash flow projections for a period that covers the economically productive useful lives of the oil and gas fields, limited by the contractual expiration of the operating permits, agreements or contracts and consistent with the climate and environmental regulations of each country. The general principles applied to determine the variables that most affect the cash flows of this business are described below:

– Hydrocarbon sale prices. The main international benchmark prices used by the Group are: Brent, WTI (West Texas Intermediate) and HH (Henry Hub). In countries where international list prices do not reflect local market circumstances, the prices modeled factor in local market prices.
– Reserves, resources and production profiles. Production profiles are estimated on the basis of the productive life of existing wells and the development plans in place for each productive field (see "*Estimate of crude oil and gas reserves and resources*" in the section below).
– Operating expenses and investments. These are calculated for the first year on the basis of the Group's annual budget and thereafter in accordance with the asset development plans.

Assets of the Industrial segment

Cash flows are estimated on the basis of the outlook for their key variables (demand for oil products, unit contribution margins, investments and fixed costs). The main particular features of the most significant businesses are described as follows:

– With regard to Refining in Spain, projections were made up to 2040. Demand for oil products is estimated to fall significantly both globally (by about 30% from 2017 to 2040) and in Europe (by about 60% over the same period). In this scenario, less investments will be made in the refining sector, which will partly offset the effect of the drop in demand.

  In July the European Commission adopted a package of proposals to adapt the European Union's climate, energy, land use, transport and taxation policies (commonly referred to as "Fit for 55") with the aim of reducing net greenhouse gas emissions. The production of renewable diesel and biojet fuel will need to be increased as of 2025 to meet fuel obligations. The projections for the Refining business in Spain consider the cash flows from the production of biofuels in the units and processes currently existing at the refineries, which include new feedstock of biological origin.

– Five-year projections are made in the Chemicals business, extrapolating for subsequent years the flow corresponding to the fifth year without applying a growth rate. Chemical products play an important role in facilitating the energy transition and decarbonization, as they are present throughout the value chain of almost all industries. The use of chemical products and solutions can help address several of the challenges associated with the energy transition, and many low-carbon technologies depend on innovations in chemistry to be more efficient, affordable and scalable (e.g., materials for solar panels, vehicle weight reduction, insulation, food preservation, energy savings and efficiency).

– The cash flows for the Wholesale and Trading Gas businesses in North America are projected according to the term of the regasification and gas transportation contracts and were estimated in accordance with the following assumptions:

  i. Gas and LNG prices. The international benchmark prices used are: HH, Algonquin and TTF (Title Transfer Facility), adjusted in accordance with references in the corresponding market if the prices do not reflect market circumstances.

  ii. Gas and LNG sales volumes and margins. The volumes used for cash flow forecasting purposes are estimated on the basis of the contracts in force at year-end and expected activity, all in accordance with the annual budget and strategic plan. Margins factor in historical data, the price forecasts detailed in the previous point and the outlook for margins going forward.

Assets of the Commercial and Renewables segment

– With regard to Mobility businesses, ten-year projections are made and then a rate of decline is applied. The reduction in the demand for fossil fuels expected for Spain within the framework of European decarbonization policies takes into account (especially until 2030) the characteristics of the vehicle fleet, differences in per capita income and the importance of heavy traffic (representing more than 30% of demand), which is difficult to replace in the short term. Starting in 2031, the energy transition is expected to accelerate to match the levels expected in Europe in the IEA's sustainable development scenarios.

– For the gas and electricity retail sale businesses in Spain, 10-year projections are made, with the cash flow corresponding to the tenth year being extrapolated for subsequent years without applying a growth rate.

– Projections have been made for electricity generation assets in accordance with the expected useful life of the plants, ranging from 14 to 40 years depending on the technology (from lowest to highest: combined cycle, wind and photovoltaic, or hydroelectric plants), applying the prices for the sale of electricity included in the PPAs for energy committed to third parties and market prices for the rest.

Associates and joint ventures

The recoverability of the Group's investments in associates or joint ventures is assessed by comparing their recoverable amount with their carrying amount (see Note 13). The recoverable amount of an investment in an associate or joint venture is assessed individually, unless the associate or joint venture does not generate cash inflows that are largely independent of those from the Group's other assets or cash-generating unit.

In view of the foregoing, changes in the key assumptions used in calculating the recoverable amount of the assets may have a significant effect on the Group's results.

3.7) Accounting policies, judgements and estimates relating to hydrocarbon exploration and production activities

Expenses and investments

Repsol recognizes hydrocarbon exploration and production operations using accounting policies mostly based on the "*successful efforts*" method. Under this method, the various costs incurred are treated as follows for accounting purposes:

- The costs of acquiring (including bonds, legal costs, etc.) new interests in areas with reserves, including those acquired in business combinations, are capitalized under "*Investments in areas with reserves*" in property, plant and equipment.

- The costs of acquiring exploration permits and the geological and geophysical (G&G) costs incurred during the exploration phase are capitalized under "*Exploration permits*" in intangible assets. They are not amortized during the exploration and evaluation phase and they are tested for impairment at least once a year and, in any case, when there is an indication that they may have become impaired, in accordance with the indicators of IFRS 6 "*Exploration for and evaluation of mineral resources*". Once the exploration and evaluation phase is over, if no economically viable reserves are found, the amounts capitalized are recognized as an expense in the income statement.

- Exploratory drilling costs are capitalized under "*Investments in exploration*" in property, plant and equipment until it is determined whether reserves justifying their commercial development have been found. If no economically viable reserves are found, the capitalized drilling costs are recognized in the income statement. In the event that reserves are found, but remain under evaluation for their classification as proved, their recognition depends on the following:

    a. If additional investments are required prior to the start of production, they continue to be capitalized as long as the following conditions are met: (i) the amount of reserves found justifies the completion of a productive well if the required investment is made, and; (ii) satisfactory progress has been made in the evaluation of reserves and the operational viability of the project. If any of these conditions fails to be met, they are treated as impaired, and are expensed in the income statement.

    b. In all other cases, if there is no commitment to carry out significant activities to evaluate the reserves or develop the project within a reasonable period after well drilling has been completed, they are recognized as an expense in the income statement.

- The costs incurred in exploratory drilling work that have yielded a commercially exploitable reserve are reclassified at their carrying amount to "*Investments in areas with reserves*" under property, plant and equipment.

- Exploration costs other than G&G costs, excluding the costs of drilling exploration wells and exploration licenses, are recognized as an expense in the income statement when incurred.

- Development expenditure incurred in lifting hydrocarbon, its processing or storing is capitalized under "*Investments in areas with reserves*" in property, plant and equipment.

- Future field abandonment and decommissioning costs are capitalized at their present value when they are initially recognized under "*Investments in areas with reserves*" against the line item for decommissioning provisions (see Note 15).

- The investments capitalized are depreciated according to the unit of production method and in accordance with the following criteria:

    a. Investments in the acquisition of proved and probable reserves and investments in common facilities are depreciated on the basis of the production for the year as a proportion of those reserves.

    b. The costs incurred in surveys for the development and extraction of hydrocarbon reserves are depreciated on the basis of the relationship between the production for the year and the total of the most probable proved reserves.

The changes in estimated reserves are considered on a prospective basis in calculating depreciation.

Estimate of crude oil and gas reserves and resources

The estimate of oil and gas reserves and resources is a key component of the Company's decision-making process. Oil and gas reserve volumes are used to calculate depreciation and amortization charges, and to assess the recoverability of the investments in assets of the Upstream segment (see Note 3.6). Changes in volumes of reserves and resources could have a significant impact on the Group's results.

The reserves are classified as follows:

a. Proved reserves: Proved reserves are those quantities of crude oil, natural gas and natural gas liquids that, with the information available to date, are estimated to be recoverable with reasonable certainty. There should be at least a 90% probability that the amounts recovered will equal or exceed the 1P estimate.

b. Probable reserves: Probable reserves are those additional reserves that, together with proved reserves, make up scenario 2P. There should be at least a 50% probability that the amounts recovered will equal or exceed the 2P estimate. This scenario reflects the best estimate of the reserves.

c. Developed reserves: Proved or probable quantities that are expected to be recovered from existing wells and facilities.

d. Undeveloped reserves: Proved or probable quantities that are expected to be recovered through future investments.

e. Contingent resources: Those quantities of oil and natural gas that are estimated, at a given date, to be potentially recoverable from accumulations known from the application of development projects, but which are not currently considered commercially recoverable due to one or more contingencies.

Independent engineering firms periodically audit registered volumes (at least 95% of the reserves are audited externally in a three-year cycle). For information on the Group's reserves, see "*Information on oil and gas exploration and production activities*".

To estimate oil and gas reserves and resources, Repsol uses the criteria established by the "*SPE/WPC/AAPG/SPEE/SEG/ SPWLA/EAGE Petroleum Resources Management System*", commonly referred to by its acronym "*SPE-PRMS (SPE standing for Society of Petroleum Engineers)*".

SEGMENT REPORTING

(4) Information by business segment[8]

4.1) Definition of business segments

The segment reporting disclosed by the Group in this section is presented in accordance with the disclosure requirements of IFRS 8 *Operating segments*.

The definition of the Group's business segments is based on the different activities performed by the Group, as well as on the organizational structure approved by the Board of Directors for business management. Using these segments as a reference point, Repsol's management team (Executive Committee) analyzes the main operating and financial aggregates in order to make decisions about resource allocation and to assess how the Company is performing.

At December 31, 2021 and 2020, Repsol's reporting segments are as follows:

- Exploration and Production (*Upstream/E&P*): activities for the exploration, development and production of crude oil and natural gas reserves.

- Industrial: activities related to (i) refining, (ii) petrochemicals, (iii) trading and transportation of crude oil and oil products, and (iv) sale, transportation and regasification of natural gas and liquefied natural gas (LNG).

- Commercial and Renewables: (i) low-carbon power generation and renewable sources, (ii) sale of gas and power, (iii) mobility and sale of oil products, and (iv) liquefied petroleum gas (LPG).

On the other hand, "Corporate and other" includes (i) corporate overhead expenses and, specifically, those expenses related to managing the Group that have not been invoiced to the business divisions as a service, (ii) the financial result, and (iii) intersegment consolidation adjustments.

The Group has not aggregated any operating segments for presentation purposes.

4.2) Presentation model of the results by segments

In presenting the results and other financial aggregates of its operating segments, Repsol includes the results of its joint ventures[9], in accordance with the Group's interest, considering its operational and economic metrics in the same manner and with the same level of detail as for fully consolidated companies. Thus, the Group considers that the nature of its businesses and the way in which results are analyzed for decision-making purposes is adequately reflected.

In addition, the Group, considering its business reality and in order to make its disclosures more comparable with those in the sector, uses a measure of segment profit known as adjusted net income, which corresponds to net income from continuing operations at replacement cost ("*Current Cost of Supply*" or CCS), net of taxes and non-controlling interests, without including certain income and expenses that are presented separately ("*Special Items*"). The financial result is assigned to the adjusted net income of *Corporate and other*.

The Current Cost of Supply (CCS), commonly used in this industry to present the results of the Industrial and the Commercial and Renewables businesses that must work with huge inventories subject to continual price fluctuations, is not an accepted European accounting regulation, yet does enable the comparability with other sector companies as well as the monitoring of businesses independently of the impact of price variations on their inventories. Under income at CCS, the cost of volumes sold during the reporting period is calculated using the procurement and production costs incurred during that same period. Therefore, adjusted net income does not include the so-called inventory effect. This inventory effect is presented separately, net of tax and non-controlling interests, and corresponds to the difference between income at CCS and that obtained using the weighted average cost approach, which is the method used by the Group to determine its earnings in accordance with European accounting regulations.

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[8] Some of metrics presented in this Note are classified as Alternative Performance Measures (APMs) in accordance with ESMA guidelines (for further information, see Appendix II Alternative Performance Measures of the consolidated Management Report or www.repsol.com.) All of the figures shown throughout this Note have been reconciled with the EU-IFRS financial statements in Appendix III.
[9] See Note 13 and Appendix I, where the Group's main joint ventures are identified.

Furthermore, adjusted net income does not include the so-called special items, i.e. certain material items whose separate presentation is considered appropriate in order to facilitate analysis of the ordinary business performance. This heading includes gains/losses on divestments, restructuring costs, asset impairment losses (provisions/reversals), provisions for contingencies and charges, and other relevant income/expenses that do not form part of the ordinary management of the businesses. These results are presented separately, net of the tax effect and non-controlling interests.

4.3) Financial information by business segment

The main financial information by business segment is included in this note and Appendix III. Additional information on the performance of these segments can be found in the accompanying consolidated Management Report, which is published together with these Financial Statements.

Results

	€ Million	
SEGMENTS	**2021**	**2020**
Exploration and Production	1,687	195
Industrial	606	297
Commercial and Renewables	542	485
Corporate and other	(381)	(377)
ADJUSTED NET INCOME	**2,454**	**600**
Inventory effect	797	(978)
Special items	(752)	(2,911)
NET INCOME	**2,499**	**(3,289)**

Other figures

	Operating income		Cash flow from operations		Free cash flow		Operating investment[1]		Capital employed	
€ Million	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Exploration and Production	3,027	351	3,355	1,736	2,465	1,231	1,223	948	12,348	12,608
Industrial	792	369	1,031	783	196	209	859	565	11,163	9,755
Commercial and Renewables	761	650	1,288	703	475	1	829	739	4,451	4,061
Corporate and other	(208)	(235)	(221)	(25)	(297)	538	83	56	594	893
TOTAL	**4,372**	**1,135**	**5,453**	**3,197**	**2,839**	**1,979**	**2,994**	**2,308**	**28,556**	**27,317**

[1] Includes investments accrued during the period.

CAPITAL STRUCTURE, DEBT AND FINANCIAL RESOURCES

(5) Financial structure

Repsol has adopted a policy of financial prudence with the aim of maintaining its investment grade credit rating. For more information, see section 4.3 of the 2021 consolidated Management Report.

The determination of the target financial structure takes into account a leverage ratio that ensures the Group's financial strength, defined as the relationship between net debt[10] and capital employed[11]. Both metrics are calculated, for these purposes, in accordance with the Group's reporting model described in Note 4 and the reconciliation of these figures to those established in EU-IFRSs and used for the preparation of these consolidated Financial Statements can be found in Appendix III and in the consolidated Management Report (www.repsol.com). The calculations of these ratios at December 31, 2021 and 2020, are as follows:

€ Million	**12/31/2021**	**12/31/2020**
Equity	22,794	20,539
Net financial debt (1)	5,762	6,778
Capital employed (1)	28,556	27,317
Leverage ratio (%)	**20.2**	**24.8**

(1) Alternative Performance Measure.

(6) Equity

	€ Million	
	2021	**2020**
Shareholders' equity:	**22,320**	**21,185**
Share capital	1,527	1,568
Share premium and Reserves:	16,655	21,132
Share premium	4,038	4,078
Legal reserve (1)	314	312
Retained earnings and other reserves (2)	12,303	16,844
Dividends and remuneration on account	—	(102)
Treasury shares and own equity investments	(641)	(162)
Net income for the period attributable to the parent	2,499	(3,289)
Other equity instruments	2,280	1,936
Other cumulative comprehensive income	**94**	**(890)**
Equity instruments with changes through other comprehensive income	(4)	(3)
Hedging transactions	51	(62)
Translation differences	47	(825)
Non-controlling interests	**380**	**244**
TOTAL EQUITY	**22,794**	**20,539**

(1) Under the Spanish Companies Act, 10% of profit for each year of the parent company must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of share capital. The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount. Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.
(2) This heading includes the transfer from income for the year attributable to the parent for 2020. Includes a reserve for retired capital amounting to €280 million, which is equivalent to the nominal value of the shares retired in the capital reductions since 2018 under the "*Repsol Flexible Dividend*" program (see Note 6.3).

[10] The formula considers net and not gross debt to factor in the effect of financial investments.
[11] Corresponds to the sum of net financial debt and equity.

6.1) Share capital

The subscribed share capital at December 31, 2021 and 2020 registered with the Companies Register was represented by 1,527,396,053 fully subscribed and paid up shares of €1 par value each, in book entry form, and all listed on the Spanish stock exchanges. According to the latest information available, Repsol's significant shareholders are:

Significant shareholders	% of voting rights attributed to shares: Direct	% of voting rights attributed to shares: Indirect	% of voting rights through financial instruments	% of total voting rights
BlackRock, Inc. (1)	—	5.092	0.213	5.305
Banco Santander, S.A.	1.512		2.317	3.829
Norges Bank	3.187	—	0.005	3.192
Sacyr, S.A. (2)	—	3.094	—	3.094
Amundi, S.A. (3)	—	3.288	—	3.288

(1) BlackRock, Inc. holds its interest through a number of controlled entities.
(2) Sacyr, S.A. holds its interest through Sacyr Investments II, S.A.U.
(3) Amundi, S.A. holds its interest through various controlled entities.

At December 31, 2021 Repsol, S.A.'s shares were listed on the following markets:

Number of shares listed	% of share capital listed	Stock exchanges (1)	Closing	Quarter average	Currency
1,527,396,053	100%	Spanish stock exchanges (Madrid, Barcelona, Bilbao, Valencia)	10.44	10.76	Euros
		OTCQX	11.76	12.34	Dollars

Note: For more information regarding Repsol's shares, see section 4.4 of the 2021 Management Report.
(1) Exchanges, markets or multilateral trading platforms on which the shares may be traded without having been specifically requested by the Group are not included.

On October 19, 2021 the common shares representing the Class A share capital of Refinería La Pampilla, S.A.A. were delisted from the Public Registry of the Lima Stock Exchange, following completion of the delisting processes initiated by Repsol Perú B.V. (see Note 6.5).

6.2) Treasury shares and own equity investments

The main transactions undertaken by the Repsol Group involving treasury shares[12] were as follows:

€ Million	2021 No. of shares	2021 Amount	2021 % capital	2020 No. of shares	2020 Amount	2020 % capital
Opening balance	**19,601,118**	**162**	**1.25 %**	**80,768,905**	**1,170**	**5.16 %**
Market purchases (1)	123,085,955	1,272	8.06 %	96,294,772	850	6.14 %
Market sales (1)	(38,081,992)	(366)	2.49 %	(58,847,189)	(637)	3.75 %
Capital reduction (1)	(40,494,510)	(427)	2.65 %	(98,982,965)	(1,221)	6.31 %
Repsol Flexible Dividend (2)	—	—	— %	367,595	—	0.02 %
Balance at year end	**64,110,571**	**641**	**4.20 %**	**19,601,118**	**162**	**1.25 %**

(1) In 2021 and 2020 “Market purchases” included purchases made under the Company’s Treasury Share Repurchase Plan for redemption (in 2021, a total of 55,494,510 shares were acquired, of which 40,494,510 shares were redeemed as of December 31) In 2021 and 2020 “Market purchases” and “Market sales” also included the shares acquired and delivered within the framework of the Share Acquisition Plan and the Share Purchase Plans for the beneficiaries of the multi-year variable remuneration plans (1,081,992 shares were delivered in 2021 in accordance with that established in each of the plans described in Note 28.4), as well as other transactions within the framework of the discretionary treasury share transactions described in the Repsol Group’s Internal Code of Conduct in the securities market.
(2) New shares received in the share capital increases carried out within the framework of the “*Repsol Flexible Dividend*” program corresponding to treasury shares.

At December 31, 2021, the Company also held derivatives on treasury shares, which are reported in Note 9.

[12] The shareholders at the Annual General Meeting held on May 11, 2018, authorized the Board of Directors for a period of 5 years to carry out the acquisition of Repsol shares, directly or through subsidiaries, up to a maximum number of shares such that the sum of those already held by Repsol and any of its subsidiaries does not exceed 10% of the Company’s share capital, insofar as the price or value of the consideration delivered is not less than the par value of the shares or more than their quoted price on the stock exchange.

6.3) Dividends and shareholder remuneration

In 2021 and 2020, the Company's shareholders were also remunerated by means of the "*Repsol Flexible Dividend*" program, which allows its shareholders to decide whether they prefer to receive their remuneration in cash (through the sale to the Company or in the market of bonus issue rights) or in Company shares:

	No. of bonus issue rights sold to Repsol	Purchase commitment price (€/right)	Disbursement in cash (€ Million)	New shares issued	Remuneration in shares (€ Million)
December 2019/January 2020	252,017,771	0.424	107	38,647,825	541
June/July 2020	480,011,345	0.492	236	60,335,140	534
December 2020/January 2021	353,055,244	0.288	102	40,494,510	338

To offset the dilutive effect of the capital increase through the bonus share issue carried out in January 2021 within the framework of the "*Repsol Flexible Dividend*" program, in April 2021 a capital reduction was carried out through the redemption of 40,494,510 treasury shares (representing approximately 3% of share capital at the date of the aforementioned capital reduction) approved by the shareholders at the Annual General Meeting on March 26, 2021. The acquisition cost of the shares redeemed amounted to €427 million.

In accordance with the 2021-2025 Strategic Plan, shareholder remuneration through the "*Repsol Flexible Dividend*" program has been replaced by the payment of cash dividends. In July 2021, a cash dividend of €0.30 gross per share was paid out of profit for 2020, for a total of €447[13] million.

Shareholder remuneration in 2021 amounted to €0.588 per share.

At the Annual General Meeting held on March 26, 2021, the shareholders approved the distribution of an additional cash dividend of €0.30 gross per share with a charge to unrestricted reserves, which is recognized as a liability under "*Trade and other payables*" in the balance sheet. Payment was made on January 11, 2022 with a charge to voluntary reserves from undistributed profits for a total of €439[12] million.

Furthermore, on October 27, 2021 the Board of Directors of Repsol, S.A. agreed to submit the following for approval at the next Annual General Meeting: (i) payment in 2022 of supplementary remuneration (in addition to that paid in January 2022) to shareholders at €0.33 gross per share that, at the date of authorization for issue of these consolidated Financial Statements, the Board decided to propose with a charge to profit for 2021; and (ii) a capital reduction, through the redemption of 75,000,000 treasury shares, with a par value of one euro each and representing approximately 4.91% of Repsol's share capital at December 31, 2021[14].

For further information, see section 4.4 of the 2021 consolidated Management Report.

6.4) Other equity instruments

– On March 2021, Repsol International Finance, B.V. ("RIF") finalized the terms of the issuance of a series of subordinated bonds secured by Repsol, S.A. for a total of €750 million, which were perpetual bonds or did not have a maturity date, redeemable at the request of the issuer after the sixth year, or in certain cases provided for in the terms and conditions. The bonds were placed with qualified investors and are listed on the Luxembourg Stock Exchange. Their main characteristics are as follows:

ISIN	XS2320533131
Amount	€750 million
Period for the first option to redeem	12/22/2016 - 03/22/2027
Interest (payable annually)	2.5% until March 22, 2027, and on that date a 5-year swap rate applies plus an additional spread according to the terms and conditions of the bonds.

[13] Remuneration paid for outstanding shares of Repsol, S.A. carrying dividend rights.
[14] For this purpose, the Company may use treasury shares from the following sources: (i) those treasury shares held at October 27, 2021; (ii) treasury shares that may be acquired through the settlement of derivatives on treasury shares arranged by the Company prior to October 27, 2021; and (iii) treasury shares that may be acquired through the Repurchase Program that began on November 10, 2021.

In addition, in March 2021 RIF redeemed the remaining balance of the issue of subordinated bonds issued in March 2015 at their nominal value plus the unpaid interest accrued up until the redemption date for a total of €422 million (€594 million of the nominal amount corresponding to this issue were redeemed in 2020, paying those accepting the offer a total of €606 million in cash).

– On June 2, 2020, RIF issued two series of subordinated bonds secured by Repsol, S.A. for a total of €1,500 million, which were perpetual bonds or did not have a maturity date, redeemable at the request of the issuer after the sixth and eighth year, or in certain cases provided for in the terms and conditions. The bonds were placed with qualified investors and are listed on the Luxembourg Stock Exchange. Their main characteristics are as follows:

	Series 1	Series 2
ISIN	XS2185997884	XS2186001314
Amount	€750 million	€750 million
Period for the first option to redeem	03/11/2026-06/11/2026	09/11/2028-12/11/2028
Interest (payable annually)	3.750% until June 11, 2026, and on that date a 5-year swap rate applies plus an additional spread according to the terms and conditions of the bonds	4.247% until December 11, 2028, and on that date a 5-year swap rate applies plus an additional spread according to the terms and conditions of the bonds

In accordance with the terms and conditions of the issues, the issuer can defer the coupon payments without triggering an event of default. Coupons so deferred will be cumulative and must be paid in certain cases described in the related terms and conditions of the issues (the prospectuses on the issues are available on www.repsol.com).

These bonds, which totaled a nominal amount of €2,250 million at December 31, 2021, were recognized under *"Other equity instruments"*, since it is considered that they do not qualify for recognition as financial liabilities, since their redemption and coupon payments are at the discretion of Repsol. The finance expense, net of taxes, associated with the coupon on the subordinated bonds has been recognized under "*Retained earnings and other reserves*" amounting to €-60 million (€-54 million in 2020).

6.5) Non-controlling interests

Equity attributable to non-controlling interests at December 31, 2021 and 2020 relates to the following companies:

	€ Million	
	2021	**2020**
Petronor, S.A.	175	172
Delta I companies [(1)]	178	—
Repsol Comercial de Productos Petrolíferos, S.A.	21	35
Refinería La Pampilla, S.A.A.	3	37
Other companies	3	—
TOTAL	**380**	**244**

[(1)] Corresponds to a group of 8 companies: Alectoris Energía Sostenible 1, S.L., Alectoris Energía Sostenible 3, S.L., Desarrollo Eólico las Majas VII, S.L., Fuerzas Energéticas del Sur de Europa V, S.L., Fuerzas Energéticas del Sur de Europa VI, S.L., Fuerzas Energéticas del Sur de Europa XI, S.L., Fuerzas Energéticas del Sur de Europa XII, S.L. and Generación Eólica El Vedado, S.L.

In October 2021 Repsol Perú B.V. acquired 6.8% of the share capital of Refinería La Pampilla through a takeover bid (see Note 6.1), which resulted in the award of a total of 563,999,345 shares at a price of 0.18 soles per share, for a payment of $26 million, increasing the ownership interest to 99.2% of the share capital.

In November 2021, a 49% holding in the Delta I wind farm was sold to the Pontegadea group for €245 million, without a loss of control. This wind farm as been fully operational since last March and has a total installed capacity of 335 megawatts (MW).

(7) Financial resources

7.1) Financial liabilities

The breakdown of financial liabilities included in the balance sheet headings can be found below:

	€ Million 2021	2020
Non-current financial liabilities:		
Non-current financial liabilities	10,185	12,123
Non-current trade derivatives [1]	180	44
Current financial liabilities:		
Current financial liabilities	4,611	3,880
Current trade derivatives [3]	871	208
TOTAL	**15,847**	**16,255**

[1] Recognized under "*Other non-current liabilities*" on the balance sheet.
[2] Recognized under "*Trade and other payables*" on the balance sheet.

The breakdown of these financial liabilities at December 31, 2021 and 2020, is provided below:

	December 31, 2021 and 2020									
	At fair value through profit or loss		At fair value through other comprehensive income		At amortized cost		Total		Fair value	
€ Million	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Bonds	—	—	—	—	6,584	5,513	**6,584**	**5,513**	6,970	6,005
Loans [1]	—	—	—	—	—	3,250	**—**	**3,250**	—	3,250
Lease liabilities	—	—	—	—	2,441	2,505	**2,441**	**2,505**	n/a	n/a
Bank borrowings	—	—	—	—	983	667	**983**	**667**	852	675
Derivatives	207	67	51	78	—	—	**258**	**145**	—	145
Other financial liabilities	—	—	—	—	99	87	**99**	**87**	102	87
Non-current	**207**	**67**	**51**	**78**	**10,107**	**12,022**	**10,365**	**12,167**		
Bonds	—	—	—	—	1,986	2,438	**1,986**	**2,438**	1,977	2,471
Loans [1]	—	—	—	—	1,087	430	**1,087**	**430**	1,087	430
Lease liabilities	—	—	—	—	507	486	**507**	**486**	n/a	n/a
Bank borrowings	—	—	—	—	904	270	**904**	**270**	904	272
Derivatives	747	448	244	4	—	—	**991**	**452**	—	452
Other financial liabilities	—	—	—	—	7	12	**7**	**12**	6	12
Current	**747**	**448**	**244**	**4**	**4,491**	**3,636**	**5,482**	**4,088**		
TOTAL [1] [2]	**954**	**515**	**295**	**82**	**14,598**	**15,658**	**15,847**	**16,255**		

NOTE: For the fair value hierarchy of financial liabilities measured at fair value, see Appendix II.
[1] Includes loans granted by Group companies that are not eliminated in the consolidation process. The change is mainly explained by the allocation of financial assets of Repsol Sinopec Brasil, B.V. to its partners (see Note 13) in the amount of €2,794 million.
[2] In relation to liquidity risk, the distribution of financing by maturity at December 31, 2021 and 2020 is disclosed in Note 10.

The breakdown of average financial balances outstanding and cost by instrument is as follows:

	2021		2020	
€ Million	Average volume	Average cost	Average volume	Average cost
Bonds	8,646	1.69 %	8,245	2.1 %
Other financial liabilities	1,104	1.34 %	3,955	2.5 %
Bank borrowings	1,181	1.75 %	1,895	1.76 %
TOTAL [1]	**10,931**	**1.71 %**	**14,095**	**2.17 %**

NOTE: Does not include lease liabilities or derivatives.

7.2) Bonds

In June 2021, the new comprehensive sustainable financing strategy, offering flexibility and transparency in the issuance of financial instruments, was published to go along with the energy transition process. It is implemented through a framework (available at www.repsol.com) that incorporates both instruments for financing specific projects (green and transitional) and instruments linked to sustainable company commitments (sustainability-linked bonds, or SLBs). For more information, see section 4.3 of the 2021 consolidated Management Report.

Key issues, repurchases and redemptions carried out in 2021[15] under the EMTN program:

Changes	Date of issue	Issuer	Nominal amount (€M)	Price	Coupon %	Maturity
Issue	May-21	RIF	300	100,815%	EUR 3m + 0,7%	2023
Issue (1)	Jul-21	REF	650	99,077%	0,375%	2029
Issue (1)	Jul-21	REF	600	99,108%	0,875%	2033
Cancellation	Oct-13	RIF	1,000	n.a.	3.625%	2021

(1) First issuance of sustainability-linked bonds (SBLs) under the new sustainable financing framework.

Detail of bonds outstanding at December 31, 2021, all secured by Repsol, S.A.:

ISIN	Issuer	Date of issue	Currency	Nominal amount (millions)	Average rate %	Maturity	Listed (3)
US87425EAE32	Repsol Oil & Gas Canadá Inc.	Oct-97	Dollar	50	7.250%	Oct-27	—
US87425EAH62	Repsol Oil & Gas Canadá Inc.	May-05	Dollar	88	5.750%	May-35	—
US87425EAJ29	Repsol Oil & Gas Canadá Inc.	Jan-06	Dollar	102	5.850%	Feb-37	—
US87425EAK91	Repsol Oil & Gas Canada Inc.	Nov-06	Dollar	115	6.250%	Feb-38	—
US87425EAN31	Repsol Oil & Gas Canada Inc.	May-12	Dollar	57	5.500%	May-42	—
XS1148073205 (1)	Repsol International Finance, B.V.	Dec-14	Euro	500	2.250%	Dec-26	LuxSE
XS1207058733 (2)	Repsol International Finance, B.V.	Mar-15	Euro	1,000	4.500%	Mar-75	LuxSE
XS1352121724 (1)	Repsol International Finance, B.V.	Jan-16	Euro	100	5.375%	Jan-31	LuxSE
XS1613140489 (1)	Repsol International Finance, B.V.	May-17	Euro	500	0.500%	May-22	LuxSE
XS2035620710 (1)	Repsol International Finance, B.V.	Aug-19	Euro	750	0.250%	Aug-27	LuxSE
XS2156581394 (1)	Repsol International Finance, B.V.	Apr-20	Euro	750	2.000%	Dec-25	LuxSE
XS2156583259 (1)	Repsol International Finance, B.V.	Apr-20	Euro	750	2.625%	Apr-30	LuxSE
XS2241090088 (1)	Repsol International Finance, B.V.	Oct-20	Euro	850	0.125%	Oct-24	LuxSE
XS2343835315 (1)	Repsol International Finance, B.V.	May-21	Euro	300	EUR 3m + 0.7%	May-24	LuxSE
XS2361358299 (1) (4)	Repsol Europe Finance, S.à.r.l.	Jul-21	Euro	650	0.375%	Jul-29	LuxSE
XS2361358539 (1) (5)	Repsol Europe Finance, S.à.r.l.	Jul-21	Euro	600	0.875%	Jul-33	LuxSE

Note: Excludes perpetual subordinated bonds, which qualify as equity instruments (see Note 6.4), issued by RIF in June 2020 and March 2021 for an outstanding nominal amount at December 31 of €1,500 million and €750 million, respectively.
(1) Issues made under the EMTN Program.
(2) Subordinated bond (does not correspond to any open-ended or shelf program) with a coupon that will be revised on March 25, 2025 and March 25, 2045.
(3) LuxSE (Luxembourg Stock Exchange). Multilateral trading systems or other trading centers or non-official OTC markets are not considered.
(4) Bond linked to a target of a 12% reduction in the Carbon Intensity Indicator (CII) by 2025. If the Group fails to meet these targets, the coupon on the bonds will be increased by 0.25% (payable in 2027, 2028 and 2029).
(5) Bond linked to a target of a 25% reduction in the CII by 2030. If the Group fails to meet these targets, the coupon on the bonds will be increased by 0.375% (payable in 2032 and 2033. For information on the progress regarding the CII, see section 6.1 of the 2021 consolidated Management Report.

In 2021 Repsol Europe Finance, S.à.r.l. (REF) registered a Euro Commercial Paper (ECP) Program, underwritten by Repsol, S.A., with a limit of up to €3,000 million. RIF also runs an ECP Program, underwritten by Repsol, S.A., with a limit of up to €2,000 million. Under these programs, several issues and cancellations took place over the course of the period, with an outstanding nominal amount of €1,418 million at December 31, 2021 (€1,370 million at December 31, 2020).

[15] Key issues, repurchases or redemptions in 2020: i) in April RIF issued two series of bonds secured by Repsol, S.A. for €750 million each, maturing in December 2025 and April 2030, with fixed annual coupons of 2.000% and 2.625%, respectively; ii) in May the bond issued by RIF was canceled at maturity (nominal amount of €1,200 million and a fixed annual coupon of 2.625%); iii) in October RIF issued bonds secured by Repsol, S.A. for €850 million, maturing in October 2024 and with a fixed annual coupon of 0.125%; iv) in December the bond issued by RIF (nominal amount of €600 million and a fixed annual coupon of 2.125%) was canceled at maturity

Financial conditions and debt obligations

In general, the financial debt agreements include the early termination clauses customary in agreements of this nature.

- The ordinary bonds issued by RIF and REF and secured by Repsol, S.A., with an aggregate face value at year-end of €5,750 million, contain certain early termination clauses (including cross-acceleration or cross-default, applicable to the issuer and the guarantor) and negative pledge covenants in relation to future bond issues. In the event of failure to comply with any of these covenants, the trustee, at its sole discretion or at the behest of the holders of at least one-fifth of the series of bonds affected or on the basis of an extraordinary resolution, may declare the early maturity of the bonds. In addition, the holders of these bonds may redeem them if, as a result of a change in control of Repsol, Repsol's credit ratings are downgraded to below investment grade status.

- The subordinated bonds issue by RIF and secured by Repsol, S.A. in March 2015, June 2020 and March 2021 for a total nominal value of €3,250 million, do not have early redemption covenants other than in the event of dissolution or liquidation.

At the date of authorization for issue of these consolidated Financial Statements, the Repsol Group was not in breach of any of its financial obligations or of any other obligation that could give rise to the early repayment of any of its financial commitments.

At December 31, 2021 and 2020 there are no amounts secured by the Group companies in issuances, repurchases or redemptions made by associates, joint arrangements or companies that are not part of the Group.

7.3) Lease liabilities

The liabilities recognized[16] for lease payables at December 31, 2021 and 2020 amounted to €2,948[17] million and €2,991 million, respectively. The main lease agreements relate to gas transportation contracts in North America and the Group's service stations in Spain, Portugal, Peru and Mexico, which are described in Note 12.

7.4) Bank borrowings

This heading reflects the loans granted to the Group companies, mainly in Spain and Peru, by several banks in order to fund their projects and operations. It also includes drawdowns under short-term credit facilities extended by banks.

(8) Financial assets

The breakdown of the current and non-current financial assets included under the headings of the balance sheet is as follows:

	€ Million	
	2021	**2020**
Non-current assets		
Non-current financial assets	1,249	916
Non-current trade derivatives (1)	133	47
Current assets		
Other current financial assets (2)	2,451	1,584
Current trade derivatives (3)	1,027	200
Cash and cash equivalents (4)	5,595	4,321
TOTAL	**10,455**	**7,068**

(1) Recognized under "*Other non-current assets*" on the balance sheet.
(2) The variation is due mainly to the placement of deposits during the period.
(3) Recognized under "*Trade and other receivables*" (see Note 18) in "*Other receivables*" on the balance sheet.
(4) See the statement of cash flows.

[16] The liabilities recognized do not include: (i) variable lease payments, which are not significant with respect to fixed payments; (ii) the options for expanding the current portfolio of contracts for 2022-2077, the estimated future undiscounted payments of which would amount to €191 million, the most significant being the five-year extension of the lease agreement for a vessel amounting to €114 million (this does not include the optional extensions of the contracts with Emera Brunswick Pipeline and Maritimes & North East Pipeline described in Note 12 due to the low probability of execution); and (iii) the signed leases that have not yet begun, with fixed future payments amounting to €3 million in 2022 y €12 million in 2023 and subsequent years.
[17] 6% and 7% correspond to contracts that mature in more than 15 years in 2021 and 2020, respectively.

The detail of these assets at December 31, 2021 and 2020 is as follows:

€ Million	At fair value through profit or loss 2021	At fair value through profit or loss 2020	At fair value through other comprehensive income 2021	At fair value through other comprehensive income 2020	At amortized cost [4] 2021	At amortized cost [4] 2020	Total 2021	Total 2020
Equity instruments [1]	27	37	89	86	—	—	116	123
Derivatives	203	93	22	1	—	—	225	94
Loans	—	—	—	—	913	697	913	697
Time deposits	—	—	—	—	85	5	85	5
Other financial assets	24	28	—	—	19	16	43	44
Non-current	**254**	**158**	**111**	**87**	**1,017**	**718**	**1,382**	**963**
Derivatives	860	268	319	125	—	—	1,179	393
Loans	—	—	—	—	57	199	57	199
Time deposits	—	—	—	—	2,232	1,181	2,232	1,181
Cash and cash equivalents [2]	4	3	—	—	5,591	4,318	5,595	4,321
Other financial assets	1	—	—	—	9	11	10	11
Current	**865**	**271**	**319**	**125**	**7,889**	**5,709**	**9,073**	**6,105**
TOTAL [3]	**1,119**	**429**	**430**	**212**	**8,906**	**6,427**	**10,455**	**7,068**

NOTE: For the fair value hierarchy of financial assets measured at fair value, see Appendix II.
[1] Includes non-controlling financial investments in certain companies over which the Group does not have management influence.
[2] Corresponds mainly to liquid financial assets, deposits or liquid financial investments needed to meet payment obligations in the short term that can be converted into a known amount of cash within a period usually shorter than three months and that are subject to an insignificant risk of changes in value.
[3] Does not include "*Other non-current assets*" and "*Trade and other receivables*" in the balance sheet, which at December 31, 2021 amounted to €744 million for non-current and €7,211 million for current, while at December 31, 2020 these headings amounted to €811 million for non-current and €3,856 million for current, respectively, corresponding to trade receivables net of the related provisions for impairment.
[4] The items that do not accrue explicit interest are recognized at their nominal value whenever the effect of not discounting the related cash flows is not significant.

The average return on the financial assets (not including cash and cash equivalents) was accrued at an average interest rate of 3.0% and 3.9% in 2021 and 2020, respectively.

8.1) Loans

In 2021 and 2020, current and non-current loans include mainly those loans granted to companies accounted for using the equity method, which are not eliminated in the consolidation process (see Note 13), amounting to €970 million and €896 million. These included financing to joint ventures in Venezuela and the credit facility signed by Petroquiriquire, S.A., Repsol and Petróleos de Venezuela, S.A. (PDVSA).

In October 2016 Petroquiriquire, S.A., Repsol and PDVSA signed a range of agreements to shore up the financial structure of Petroquiriquire and enable it to implement its Business Plan. The agreements involved (i) the provision by Repsol of a credit facility for up to $1,200 million, backed by a guarantee given by PDVSA, to be used to pay past dividends owed to Repsol and for Petroquiriquire's capital and operating expenditures, from which no new drawdowns other than those already taken may be made until November 2021; and (ii) a commitment given by PDVSA to pay for hydrocarbon production of the mixed-ownership company via transfer to Petroquiriquire, S.A. of payments arising from crude oil sale contracts to offtakers or through outright cash payments in an amount sufficient for the mixed-ownership company to meet its capital and operating expenditures not covered by the financing from Repsol, and to pay Repsol's dividends generated in each financial year and its debt service obligations with Repsol. The financing granted by Repsol and the commitments assumed by PDVSA are governed by the Laws of the State of New York, and any disputes that may arise shall be submitted to arbitration in Paris in accordance with the rules of the International Chamber of Commerce. Drawdowns under the credit facility are subject to compliance by Petroquiriquire, S.A. and PDVSA of certain conditions precedent, and the terms and conditions include the covenants, breach clauses and acceleration or early termination clauses that are customary in such transactions. Failure by PDVSA to comply with any of its obligations under the guarantee, if there is a default by Petroquiriquire, could enable PDVSA's creditors and bondholders to declare default and acceleration of the rest of its financial debt. In addition, the agreement includes other elements such as a mechanism for offsetting of reciprocal debts between Petroquiriquire, S.A. and PDVSA. At December 31, 2021, the cumulative drawdowns under this credit facility amounted to $839 million, with an outstanding balance at December 31, 2020 of €304 million (a gross balance of €757 million and a provision of €453 million) and €341 million at December 31, 2020 (see Note 21.3).

In addition, Repsol granted a loan to Cardón IV, which matures annually and can be extended by the shareholders (Repsol and Eni), and has been considered part of the net investment of this company (see Note 13 and Appendix II).

The maturity of these types of net financial assets is as follows:

	€ Million	
	2021	**2020**
2022		42
2023	88	52
2024	106	98
2025	93	171
2026	208	—
Subsequent years	418	334
TOTAL	**913**	**697**

(9) Derivative and hedging transactions

9.1) Accounting hedges

In cash flow hedges, the effective portion of changes in fair value is recognized under "*Hedging transactions*" in equity and the gain or loss relating to the ineffective portion (absolute excess of the cumulative change in fair value of the hedging instrument over the hedged item) is recognized in the income statement. Accumulated amounts in equity are transferred to the income statement in periods in which the hedged items affect the income statement or, in the case of a hedge of a transaction that results in the recognition of a non-financial asset or liability, are included in the cost of the asset or liability when the asset or liability is recognized in the balance sheet. Hedges of net investments are accounted for in the same way as cash flow hedges, although changes in the valuation of these transactions are recognized in equity under "*Translation differences*" until the hedged foreign transaction is disposed of, at which time they are transferred to the income statement.

The Group contracts derivatives to hedge exposure to changes in cash flows, most notably in 2021[18] and 2020:

- Cash flow hedges in the form of interest rate swaps arranged in 2014 for a notional amount of €1,500 million to hedge future bond issues in late 2014 and early 2015. Under these hedges, the Group pays a weighted average interest rate of 1.762% and receives 6-month Euribor. The fair value recognized in equity, yet to be recognized in profit or loss, amounts to €-40 million after tax at December 31, 2021 (€-52 million after tax at December 31, 2020). The impact before tax recognized in the income statement in 2021 amounted to an expense of €15 million (€15 million in 2020).

- The interest rate cash flow hedge for the bond arranged by RIF in May 2021 for a notional amount of €300 million. With this instrument, the Group pays a weighted average interest rate of 0.1930% and receives 3-month Euribor plus 70 bps. At December 31, the instrument's fair value amounted to €2 million, and the impact recognized in the income statement in 2021 was not significant.

- Cash flow hedges to mitigate the risk of fluctuations in the sale and purchase price of electricity through sale and purchase agreements, respectively (long-term financial Power Purchase Agreements (PPAs) maturing between 2023 and 2036 at a fixed price). At December 31, 2021, their net notional amount totaled -11 million MWh sold (equivalent to €298 million) and their fair value at that date was not material. The impact before tax recognized in the income statement in 2021 amounted to a gain of €15 million.

- Cash flow hedges to mitigate the risk of fluctuations in the sale and purchase price of electricity with derivatives arranged maturing mainly between 2022 and 2023. At December 31, 2021, their net notional amount totaled 1.2 million MWh purchased (equivalent to €67 million) and their fair value amounted to €182 million. The impact before tax recognized in the income statement in 2021 amounted to a gain of €123 million.

- Cash flow hedges to mitigate the risk of fluctuations in the sale and purchase price of gas and the sale price of crude oil maturing in 2022 y 2024 tied to international benchmarks. At December 31, 2021, its notional amount totaled -119 million TWh sold (equivalent to €535 million) and its fair value amounted to €-59 million at year-end (€50 million at December 31, 2020). The impact before tax recognized in the income statement in 2021 amounted to an expense of €-27 million.

[18] In 2021, as a result of acquiring a 25% holding in Saint John LNG in November and the takeover of this company (see Note 2.3), the amount accrued in equity at that date (€-43 million) due to the cash flow hedge on interest rate swaps related to financing the investment in the LNG project of Saint John LNG (Canada) was taken to income in accordance with the accounting standard.

In addition, the Group maintains instruments to hedge its exposure to fluctuations in foreign exchange rates relating to the ownership interest in the net assets of foreign operations. Of note are the financial instruments designated as hedges of net investments with respect to certain dollar assets in the *Exploration and Production* segment, the notional amount of which at December 31 amounted to $3,000 million (€2,649 million). In 2020, the notional amount was $3,000 million (€2,445 million).

The instruments designated as accounting hedges at December 31, 2021 and 2020 are detailed below:

€ Million	Nominal amounts hedging instruments [2]		Balances of hedging instruments on the balance sheet: Non-current assets		Current assets		Non-current liabilities		Current liabilities		Total FV		Changes in FV of the hedging instrument [3]	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Cash flows:	(441)	150	22	—	319	68	(51)	(78)	(165)	(4)	125	(14)	72	44
Interest rate	326	349	2	—	—	—		(78)		(2)	2	(80)	18	(8)
Product price	(767)	(199)	20	—	319	68	(51)	—	(165)	(2)	123	66	54	52
Fair value:	—	(19)	—	1	—	1	—	—	—	—	—	2	(1)	—
Product price	—	(19)	—	1	—	1	—	—	—	—	—	2	(1)	—
Net investment:	(2,649)	(2,445)	—	—	—	56	—	—	(79)	—	(79)	56	(136)	82
Exchange rate	(2,649)	(2,445)	—	—	—	56	—	—	(79)	—	(79)	56	(136)	82
TOTAL [1]	(3,090)	(2,314)	22	1	319	125	(51)	(78)	(244)	(4)	46	44	(65)	126

[1] Fair value measurement methods are described in Appendix II.
[2] Instruments in US dollars translated into euros at year-end rates. In the case of product price derivatives, they correspond to the physical units at the contract price.
[3] In 2021 and 2020, the changes in fair value of the hedged items generally coincide with those of the hedging instruments, and no significant amounts were recognized due to a lack of effectiveness.

The changes relating to hedging instruments at December 31, 2021 and 2020 recognized under "*Other cumulative comprehensive income"* in the balance sheet are detailed below:

€ Million	2021: Cash flow hedges	2021: Hedges of net investments	2020: Cash flow hedges	2020: Hedges of net investments
Opening balance at December 31	**(62)**	**(23)**	**(109)**	**(84)**
Gains/(Losses) for measurement allocated to other comprehensive income	173	(221)	78	82
Amounts transferred to the income statement [1]	(40)	12	(20)	—
Translation differences	(2)	—	3	—
Share of investments in joint ventures and associates	—	—	1	—
Effective tax	(18)	55	(15)	(21)
Closing balance at December 31	**51**	**(177)**	**(62)**	**(23)**

[1] Includes mainly the allocation to income of cash flow hedges related to the transactions described above.

The cumulative balances by type of hedging instrument at December 31, 2021 and 2020 are:

€ Million	Cash flow hedging reserve and translation reserves: 2021	2020
Cash flow hedges:	**51**	**(62)**
- Interest rate	(63)	(139)
- Product price	111	56
- Tax effect	3	21
Hedges of net investments:	**(177)**	**(23)**
- Exchange rate	(262)	(57)
- Tax effect	85	34

9.2) Other derivative transactions

Furthermore, Repsol has arranged a series of derivatives to manage its exposure to foreign exchange rate and price risk of crude oil and oil products (including CO_2) that are not recognized as accounting hedges. These derivatives include currency forward contracts that mature in less than a year, as part of the global strategy to manage the exposure to exchange rate risk.

Additionally, the Group has entered into futures and swap contracts to hedge the product risk that derives from future physical transactions such as the sale and/or purchase of crude oil and other oil products.

The breakdown of these derivative instruments is as follows:

	Non-current assets		Current assets		Non-current liabilities		Current liabilities		Total fair value	
€ Million	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Exchange rate	—	—	149	42	(76)	—	(36)	(242)	36	(200)
Product price	114	46	708	132	(128)	(44)	(706)	(206)	(12)	(72)
Derivatives on treasury shares	89	47	3	94	(3)	(23)	(5)	—	85	118
TOTAL	**203**	**93**	**860**	**268**	**(207)**	**(67)**	**(747)**	**(448)**	**109**	**(154)**

The breakdown, by maturity, of these derivatives at December 31, 2021 and 2020 is provided below:

€ Million	Maturity fair values											
	2021						**2020**					
	2022	**2023**	**2024**	**2025**	**Sub. years**	**Total**	**2021**	**2022**	**2023**	**2024**	**Sub. years**	**Total**
Exchange rate	**36**	—	—	—	—	**36**	**(200)**	—	—	—	—	**(200)**
Product price:	**100**	**(115)**	**3**	—	—	**(12)**	**(51)**	**(7)**	**(13)**	**(1)**	—	**(72)**
Purchase futures [(1)]	834	94	12	—	—	940	318	49	3	(1)	—	369
Sale futures [(2)]	(882)	(197)	(10)	(1)	—	(1,090)	(322)	(57)	(14)	—	—	(393)
Options	3	1	—	—	—	4	1	1	—	—	—	2
Swaps	195	(9)	—	—	—	186	(19)	4	(1)	—	—	(16)
Others	(50)	(4)	1	1	—	(52)	(29)	(4)	(1)	—	—	(34)
Derivatives on treasury shares	(2)	87	—	—	—	85	94	—	24	—	—	118
TOTAL	**134**	**(28)**	**3**	—	—	**109**	**(157)**	**(7)**	**11**	**(1)**	—	**(154)**

[(1)] The physical units and fair value of product and other price derivatives associated with purchase agreements are broken down below:

Purchase futures	Physical units	FV (€ Million)	Physical units	FV (€ Million)
	2021		**2020**	
EUAs CO2 (Thousand tons)	4,773	58	5,986	24
Crude oil (Thousand barrels)	41,148	316	66,396	270
Gas (TBTU)	1	—	284	1
Electricity (MWh)	3,736	480	6,244	37
Products	n.a	86	n.a	37
Total		**940**		**369**

[(2)] The following is a breakdown of the physical units and the fair value of the product price derivatives associated with sales contracts:

Sale futures	Physical units	FV (€ Million)	Physical units	FV (€ Million)
	2021		**2020**	
EUAs CO2 (Thousand tons)	1,763	(57)	3,524	(27)
Crude oil (Thousand barrels)	43,794	(364)	30,137	(262)
Gas (TBTU)	48	(1)	196	7
Electricity (MWh)	4,521	(580)	5,476	(33)
Products	n.a.	(88)	n.a.	(78)
Total		**(1,090)**		**(393)**

In 2021 and 2020, the negative impact of the valuation of product derivatives and CO2 prices on "*Operating income*" was €310 million and €41 million, respectively.

In 2021 and 2020, short-term forward contracts and currency swaps were arranged that generated a financial gain of €490 million and €260 million, respectively, which are recognized under "*Financial result - Change in fair value of financial instruments*".

Derivatives on treasury shares

As at December 31, 2021, Repsol had arranged derivatives on its treasury shares, which are recognized at fair value through profit or loss under "*Change in fair value of financial instruments*" in the income statement.

- Options: (i) a call option on a volume of 50 million shares at an exercise price of €8.26 per share; a put option on a volume of 25 million shares at an exercise price of €5.78 per share; and (ii) a put option sold on a volume of 25 million shares at an exercise price of €5.78 per share (collectively referred to as a "Reverse collar"). The maturity of the instrument begins on January 16, 2023 and ends on February 17, 2023 at a rate of 2 million shares per day for the call tranche and 1 million shares per day for the put tranche. The call tranche can be settled through physical delivery or financially, at the discretion of Repsol, and the put tranche can only be settled financially. The impact on the income statement amounted to €63 thousand.

  In 2021 the call options acquired in 2020 on a volume of 40 million shares were settled early, at an average exercise price of €5.9 per share. The impact on the income statement amounted to €72 million, which was recognized under "*Change in fair value of financial instruments*".

- Equity swaps: In 2021 equity swaps were arranged (with the option to settle them in favor of Repsol through physical delivery or financially) on treasury shares for a volume of 37 million shares, of which 25 million were not yet settled at year-end. The average exercise price was €10.50 per share and the contractual maturity is in July and August 2022. These instruments are measured at fair value through profit or loss under "*Change in fair value of financial instruments*" in the income statement and their impact amounted to €17 million in 2021.

(10) Financial risks

Group business is exposed to different kinds of financial risk, including: market risk, liquidity risk and credit risk. Repsol has a risk management structure and systems that enable it to identify, measure and mitigate the risks to which the Group is exposed.

10.1) Market risk

Market risk is the potential loss faced due to adverse changes in market variables. The Group is exposed to several types of market risks: exchange rate risk, interest rate risk and commodities risk.

The Company monitors exposure to market risk through ongoing sensitivity analysis. This strategy is complemented with other risk management measures when required by the nature of the risk exposure. Accordingly, the risk that affects the result is subject to maximum risk levels, measured in terms of Value at Risk (VaR), defined by Repsol's Executive Committee in line with the different authorization levels and supervised on a daily basis by an area that is separate from the area responsible for management.

A sensitivity analysis of the main risks inherent in financial instruments is included for each of the market risks described below, showing how profit and equity could be affected (under "*Other comprehensive income*") as a result of the financial instruments held by the Group at the reporting date.

a) Exchange rate risk

The Group's profit and equity are exposed to fluctuations in the exchange rates of the currencies in which it transacts, with the US dollar generating the greatest level of exposure. The US dollar-euro exchange rate at December 31, 2021 and 2020 was as follows:

	December 31, 2021		**December 31, 2020**	
	Closing rate	**Accumulated average rate**	**Closing rate**	**Accumulated average rate**
US dollar	1.13	1.18	1.23	1.14

Exposure to exchange rate risk can be traced to financial assets and investments, liabilities and monetary flows in currencies other than the functional currency of Repsol, S.A. and to the translation to euros of the financial statements of Group companies with a different functional currency.

Repsol constantly monitors the Group's exposure to fluctuations in the exchange rate of currencies in which it undertakes significant operations and actively manages exchange rate risk positions that affect the financial result of the income statement. To this end, it contracts derivative financial instruments that seek to provide a consolidated economic hedge of currencies for which there is a liquid market.

Furthermore, net investment and cash flow hedges are arranged in order to ensure the carrying amount of net investments abroad, the economic value of the flows corresponding to investment and divestment operations, corporate operations or project execution or one-off contracts for which the monetary flows are distributed over a period of time.

For exchange rate derivatives, see Note 9.

The sensitivity of net income and equity to exchange rate risk, as a result of the effect on the financial instruments held by the Group at December 31, due to the appreciation or depreciation of the euro against the dollar, is illustrated below:

	Appreciation (+) / depreciation (-) in exchange rate	€ Million	
		2021	2020
Effect on net income after tax	5%	4	2
	(5)%	(3)	(2)
Effect on equity	5%	234	183
	(5)%	(211)	(166)

b) Interest rate risk

Fluctuations in interest rates can affect interest income and expense from financial assets and liabilities with variable interest rates; which may also impact the fair value of financial assets and liabilities with a fixed interest rate. Furthermore, these fluctuations can affect the carrying amount of assets and liabilities due to variations in the discount rates of applicable cash flows, the return on investments and the future cost of raising financial resources.

Repsol's debt is linked to the most competitive financial instruments at any given time, both in terms of the capital market and banking market, and based on those market conditions considered to be ideal for each of them. Furthermore, Repsol contracts interest rate derivatives to reduce the risk of variations in financial burdens and in the fair value of its debt, and to mitigate the interest rate risk on future fixed-rate debt issues, which are designated in general as hedging instruments (see Note 9).

At December 31, 2021 and 2020, the financing at fixed rates amounted to €7,775 million and €7,359 million, respectively. This is equivalent to 289% and 116%, respectively, of total net debt including interest rate derivative financial instruments.

The sensitivity of net income and equity, as a result of the effect of fluctuations in interest rates on the financial instruments held by the Group at December 31, is shown in the following table:

	Increase (+) / decrease (-) in interest rates (basis points)	€ Million	
		2021	2020
Effect on net income after tax	50 b.p.	19	3
	-50 b.p.	(18)	(3)
Effect on equity	50 b.p.	38	13
	-50 b.p.	(39)	(14)

In connection with the process of transitioning to new benchmark interest rates currently under way in several jurisdictions worldwide, the Group reviewed the rates of the contracts entered into in accordance with the reform timetable affecting mainly loans and credit facilities. For more information, see Appendix II.

c) Commodity price risk

The Group's results are exposed mainly to volatility in the prices of oil, derivative products, natural gas and electricity, as well as other commodities used in its activities.

In some cases, Repsol arranges derivatives to mitigate its exposure to commodity price risk. These derivatives provide an economic hedge of the Group's results, although they are not always designated as hedging instruments for accounting purposes (see Note 9).

At December 31, 2021 an increase or decrease of 10% in commodity prices would have approximately led to the following changes in net income and in equity as a result of changes in value in the financial derivatives.

	Increase (+) / decrease (-) in commodity prices	€ Million	
		2021	2020
Effect on net income after tax	+10%	(69)	(40)
	(10)%	69	40
Effect on equity	+10%	(35)	9
	(10)%	35	(9)

NOTE: A +/-50% change in commodity prices would have had an estimated impact of €-346 million and €346 million on net income, respectively, and €-174 million and €174 million on equity, respectively.

The sensitivity of the derivatives to increases in commodity prices partially offsets the adverse exposure of Repsol's physical operations -in inventories- inherent to its activity.

10.2) Liquidity risk[19]

The liquidity policy applied by Repsol is structured around guaranteeing the availability of the necessary funds to ensure compliance with the obligations assumed and the evolution of the Group's business plans, while maintaining the ideal amount of liquid resources and seeking the highest level of efficiency in the management of financial resources at all times. In line with this prudent financial policy, at December 31, 2021 Repsol had cash resources and other liquid financial instruments[20] and undrawn credit facilities that are sufficient to cover current debt maturities 2.3 times.

Repsol controls and monitors its financial needs ranging from the production of daily cash flow forecasts to the financial planning involved in the annual budgets and its strategic plan; it maintains diversified and stable sources of financing that facilitate efficient access to financial markets, all within the framework of a financing structure that is compatible with the corresponding credit rating in the investment grade category.

The Group had undrawn credit facilities amounting to €2,664 million and €3,425 million at December 31, 2021 and 2020, respectively. At the end of the period, liquidity stood at €10,283 million (including undrawn committed credit facilities).

The following table contain an analysis on the maturities of the financial liabilities existing at December 31, 2021 and 2020:

	Maturities (€ Million)							Maturities (€ Million)						
	2021							**2020**						
	2022	2023	2024	2025	2026	Seq	Total	2021	2022	2023	2024	2025	Seq	Total
Bonds and obligations (1)	2,050	429	979	1,878	568	3,577	9,481	2,525	622	120	970	868	6,045	11,149
Loans and other financial debts (1)	2,574	125	83	289	86	652	3,809	872	639	110	2,914	193	331	5,059
Lease payments (1)	530	476	402	363	326	1,899	3,996	524	446	416	365	333	2,039	4,123
Derivatives (2)	(19)	(70)	16	15	13	129	84	(64)	—	24	—	—	—	(40)
Suppliers	5,548	—	—	—	—	—	5,548	2,471	—	—	—	—	—	2,471
Other payables	5,289	—	—	—	—	—	5,289	3,356	—	—	—	—	—	3,356

NOTE: The amounts shown are the contractual undiscounted cash flows and, therefore, they differ from the amounts included on the balance sheet.
(1) Corresponds to future maturities of amounts recognized under "*Non-current financial liabilities*" and "*Current financial liabilities*", including interest related to these financial liabilities. It does not include financial derivatives.
(2) The contractual maturities of the derivatives included under this heading are outlined in Note 9. It does not include trade derivatives recognized under "*Other non-current liabilities*" and "*Other payables*" on the balance sheet.

[19] For information on the definitions of the liquidity and solvency ratios and their reconciliations to the Alternative Performance Measures, see Appendix II of the 2021 consolidated Management Report.
[20] Includes on-demand deposits recognized under "*Time deposits*" amounting to €2,024 million.

10.3) Credit risk[21]

EXPECTED LOSS:

The Group calculates the expected credit loss on its **trade receivables** using its own risk assessment models for its customers, taking into account the probability of default, the balance at risk and the estimated loss given default. The general criteria for considering objective evidence of impairment (in the absence of other evidence of default such as bankruptcy, etc.) is that it has exceeded 180 days in default.

The remaining **financial instruments**, mainly certain loans and financial guarantees granted to joint ventures, are individually monitored.

The expected loss on financial instruments is calculated based on the stage of the debtor's credit risk in accordance with the following formula:

Expected credit loss	=	Probability of default(1)	x	Exposure(2)	x	LDG(3)

Phase 1: At the time of initial recognition, expected loss is calculated taking into account the probability of default in the first 12 months (for trade receivables, the calculation is spread over the life of the instrument).

Phase 2: When there is a significant increase in risk, expected loss is calculated for the entire life of the instrument.

Phase 3: For instruments that are already impaired, expected loss is calculated for the entire life of the instrument with effective interest on amortized cost net of the amount of the impairment.

(1) Calculated individually for each debtor except for individuals, for whom an average default rate is used. The models take into account quantitative information (economic-financial variables of the customer, payment behavior, etc.), qualitative information (sector of activity, macroeconomic data on the country, etc, and market sensitivity variables (e.g. price performance). An internal rating and an associated probability of default are obtained for each debtor, according to the models.

(2) Calculated taking into account the amount of the outstanding receivable and a potential future exposure according to the available risk limit.

(3) Percentage of unrecovered exposure in the event of default, based on the historical behavior and taking into account whether or not such exposure is guaranteed.

Credit risk is defined as the possibility of a third party not complying with their payment obligations, thus creating credit losses. The Group specifically evaluates all available information consistent with internal credit risk management for each financial instrument, including those of a commercial nature.

The Company updated its customer management model using economic forecasts for the main countries where it operates, without this having a significant impact on the Group's financial statements from a change in the payment behavior of debtors.

For credit risk arising from financial instruments relating to operations in Venezuela, see Note 21.3.

The Group's exposure to credit risk, according to the type of financial instrument together with the impairment recognized at December 31, 2021 for each of them, is broken down as follows:

	Gross balance	Average impairment	Impairment	Net balance 12/31/2021	Net balance 12/31/2020
Current financial assets and Cash (1)	8,047	—	(1)	8,046	5,905
Non-current financial assets (2)	3,686	63,6%	(2,343) (3)	1,343	1,171
Other current and non-current assets (4)	2,239	46 %	(1,036) (4)	1,203	1,096
Trade and other receivables (5)	8,424	2,2%	(186)	8,238	4,056

(1) Impairments of less than one million euros due to the high credit quality of the counterparties (banks and financial institutions with ratings equal to or greater than BB). The Group's cash surplus is used to acquire safe and liquid short-term instruments, including short-term bank deposits and other instruments with similar low-risk characteristics. The portfolio of these investments is diversified to avoid a concentration of risk in any one instrument or counterparty.
(2) This heading is presented in the balance sheet net of the provision for the equity deficit of Cardón IV (see Note 15).
(3) Includes assets impaired in Phase III (see "*Expected loss*" in the table above). The impairment losses at December 31, 2021 relate mainly to ongoing litigation and bankruptcy proceedings (€1,733 million) and to loans and credit facilities granted to joint ventures in Venezuela (€524 million).
(4) Includes mainly assets impaired in Phase III corresponding primarily to accounts receivable related to activity in Venezuela (see Notes 20.5 and 21.3).
(5) See the following section "*Trade and other receivables*".

[21] The credit risk information included in this section does not include the credit risk of investees or joint ventures, the impact of which is recognized under "*Net income from investments accounted for using the equity method*". Expected credit losses are an estimate, weighted by probability, of credit losses (i.e. the present value of all cash deficits) over the expected life of the financial instrument. A cash deficit is defined as the difference between the cash flows due to the entity under the contract and the cash flows it expects to receive. Because expected credit losses take into account both the amount and timing of payments, there is a credit loss if the entity expects to collect in full, but later than contractually agreed.

Trade and other receivables

The trade receivables are shown on the balance sheet at December 31, 2021 and 2020, net of provisions for impairment, for an amount of €8,238 million and €4,056 million, respectively. This heading increased mainly due to greater activity in all businesses (higher sales), as a result of higher demand due to fewer restrictions on mobility, and higher prices. The following table shows the age of the trade receivables net of provisions for impairment (including expected loss):

	€ Million			
	2021			**2020**
Maturities	Debt	Impairment	Balance	Balance
Unmatured debt	8,086	(75)	8,011	3,889
Matured debt 0-30 days	149	(5)	144	100
Matured debt 31-180 days	39	(5)	34	25
Matured debt over 180 days	150	(101)	49	42
TOTAL	**8,424**	**(186)**	**8,238**	**4,056**

The Group's credit risk on trade receivables is not significantly concentrated as it is spread out among a large number of customers and other counterparties. The maximum net exposure to a third party after its trade receivables have become impaired, including official bodies and public sector entities, does not exceed 1.8%.

As a general rule, the Group establishes a bank guarantee issued by financial institutions as the most suitable instrument of protection from credit risk. In some cases, the Group has contracted credit insurance policies whereby this partially transfers to third parties the credit risk related to the business activity of some of their customers in part of their business.

As part of its business activities, the Group has guarantees extended by third parties in an amount of €3,833 million at December 31, 2021 and €3,264 million at December 31, 2020. Of this balance, the trade receivables secured by guarantees stood at €1,313 million at December 31, 2021 and €821 million at December 31, 2020.

NON-CURRENT ASSETS AND LIABILITIES

(11) Intangible assets

The breakdown of the intangible assets and of the related accumulated amortization and impairment losses at December 31, 2021 and 2020 is as follows:

	€ Million								
		Exploration and Production			Industrial, and Commercial and Renewables			Corporate	
GROSS COST	Goodwill	Exploration permits	Computer software	Other assets	Service station association rights and other rights[4]	Computer software	Concessions and others	Computer software and others	**Total**
Balance at January 1, 2020	**3,197**	**2,685**	**218**	**91**	**306**	**461**	**760**	**328**	**8,046**
Investments [1]	—	82	14	8	30	57	87	31	309
Disposals or reductions	—	(564)	(2)	(1)	(22)	(9)	—	(11)	(609)
Translation differences	(192)	(193)	(19)	(7)	(9)	(7)	(2)	—	(429)
Change in scope of consolidation	4	(3)	—	—	—	2	38	—	41
Reclassifications and other [2]	3	16	4	(2)	10	41	(384)	4	(308)
Balance at December 31, 2020	**3,012**	**2,023**	**215**	**89**	**315**	**545**	**499**	**352**	**7,050**
Investments [1]	—	54	5	200	28	56	26	50	419
Disposals or reductions	(2)	(70)	(3)	—	(14)	(24)	(2)	—	(115)
Translation differences	203	160	18	7	4	6	1	—	399
Change in scope of consolidation	(38)	(5)	—	—	(11)	(4)	23	—	(35)
Reclassifications and other	(14)	12	2	(4)	(10)	31	(148)	—	(131)
Balance at December 31, 2021	**3,161**	**2,174**	**237**	**292**	**312**	**610**	**399**	**402**	**7,587**
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES									
Balance at January 1, 2020	(1,026)	(1,486)	(143)	(73)	(176)	(225)	(188)	(259)	(3,576)
Amortization	—	(56)	(21)	—	(26)	(48)	(30)	(27)	(208)
Disposals or reductions	—	564	2	—	13	9	—	10	598
(Provision for)/Reversal of provisions for impairment [3]	(667)	(101)	—	—	—	—	(1)	—	(769)
Translation differences	97	89	13	7	2	3	1	—	212
Changes in scope of consolidation	—	2	—	—	—	(1)	—	—	1
Reclassifications and other	6	32	2	(8)	5	—	15	(7)	45
Balance at December 31, 2020	**(1,590)**	**(956)**	**(147)**	**(74)**	**(182)**	**(262)**	**(203)**	**(283)**	**(3,697)**
Amortization	—	(24)	(19)	—	(27)	(66)	(14)	(31)	(181)
Disposals or reductions	—	69	2	—	14	22	2	—	109
(Provision for)/Reversal of provisions for impairment [3]	—	(211)	—	—	—	—	—	—	(211)
Translation differences	(120)	(83)	(13)	(6)	(1)	(3)	(1)	—	(227)
Changes in scope of consolidation	38	5	—	—	9	2	11	—	65
Reclassifications and other	—	10	2	—	12	(39)	67	—	52
Balance at December 31, 2021	**(1,672)**	**(1,190)**	**(175)**	**(80)**	**(175)**	**(346)**	**(138)**	**(314)**	**(4,090)**
Net balance at December 31, 2020	**1,422**	**1,067**	**68**	**15**	**133**	**283**	**296**	**69**	**3,353**
Net balance at December 31, 2021	**1,489**	**984**	**62**	**212**	**137**	**264**	**261**	**88**	**3,497**

(1) Investments in 2021 and 2020 come from the direct acquisition of assets. Investments in "*Exploration permits*" mainly refer to the acquisition of acreage and geological and geophysical costs in the amount of €54 million and €82 million in 2021 and 2020, respectively. In 2021, "*Other non-current assets*" in the Exploration and Production segment included the investment in gas assets in production from the US gas company Rockdale Marcellus for €196 million.
(2) In 2020, "*Reclassifications and other*" includes mainly the reclassification of CO_2 emission allowances to inventories (see Note 17.
(3) For more information, see Note 21. At December 31, 2021 and 2020, cumulative provisions for impairment losses amounted to €2,136 million and €1,916 million, respectively (mainly impairment losses on "*Goodwill*", see the section below).

Repsol has taken out insurance to cover potential security incidents that could occur in its IT system, including computer software, due to malicious acts (cyber-attacks) or accidents that cause the system to be unavailable.

Goodwill

The breakdown of goodwill, by segment and company, at December 31, 2021 and 2020 is as follows:

Goodwill	€ Million 2021	2020
Upstream [(1)]:	1,051	983
Commercial and Renewables [(2)]:		
Repsol Portuguesa, S.A.	154	154
Repsol Gas Portugal, S.A.	106	106
Repsol Comercial de Productos Petrolíferos, S.A.	105	104
Repsol Comercializadora de Electricidad y Gas, S.L.U.	49	49
Other companies[(2)]	24	26
TOTAL [(3)]	**1,489**	**1,422**

(1) Includes mainly the goodwill arising from the acquisition of ROGCI in 2015, which for the purpose of assessing its recoverability was allocated to the Exploration and Production segment.
(2) Corresponds to a total of 8 CGUs, with the most significant individual amount not exceeding 10% of the Group's total. Of the total, €436 million and €438 million in 2021 and 2020 relate to companies that mainly carry out business in Europe. For more information on the calculation of the recoverable amount, see Note 21.
(3) Includes €1,672 million and €1,590 million in accumulated impairment losses in 2021 and 2020, respectively.

Repsol considers that, based on current knowledge, reasonably foreseeable changes in the key assumptions for determining the recoverable amount of the CGUs (10% decrease in hydrocarbon prices, 5% decrease in sales volume, 5% increases in operating or investment costs, 5% decreases in unit contribution margins or increases in the discount rate of 100 basis points) to which goodwill has been allocated would not have a significant impact on the Group's financial statements at December 31, 2021 as a result of calculating the recoverable amount of this goodwill.

(12) Property, plant and equipment

The breakdown of "*Property, plant and equipment*" and of the related accumulated depreciation and impairment losses at December 31, 2021 and 2020 is as follows:

	€ Million								
	Exploration and Production			Industrial, and Commercial and Renewables				Corporate	
GROSS COST	Investments in areas with reserves	Investments in exploration	Other property, plant and equipment	Land, buildings and other constructions	Machinery and plant	Other property, plant and equipment	Property, plant and equipment in progress (4)	Land, construction and others	**Total**
Balance at January 1, 2020	**25,263**	**3,135**	**902**	**2,515**	**21,871**	**1,679**	**901**	**1,065**	**57,331**
Investments	467	121	146	—	7	6	986	17	1,750
Disposals or reductions	(8)	(643)	(39)	(14)	(141)	(32)	(4)	(27)	(908)
Translation differences	(2,126)	(181)	(82)	(55)	(274)	(54)	(5)	—	(2,777)
Change in scope of consolidation	—	(390)	—	—	—	—	—	—	(390)
Reclassifications and other (1)	49	25	9	76	942	78	(858)	2	323
Balance at December 31, 2020	**23,645**	**2,067**	**936**	**2,522**	**22,405**	**1,677**	**1,020**	**1,057**	**55,329**
Investments	458	117	65	1	7	11	968	17	1,644
Disposals or reductions	(269)	(11)	(19)	(28)	(238)	(62)	(18)	(17)	(662)
Translation differences	1,877	165	72	31	231	51	4	—	2,431
Change in scope of consolidation	(251)	(1)	(10)	8	(92)	40	—	—	(306)
Reclassifications and other (1)	(1,032)	(24)	(147)	(383)	462	11	(762)	(32)	(1,907)
Balance at December 31, 2021	**24,428**	**2,313**	**897**	**2,151**	**22,775**	**1,728**	**1,212**	**1,025**	**56,529**
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES									
Balance at January 1, 2020	**(14,965)**	**(2,506)**	**(382)**	**(1,312)**	**(13,843)**	**(673)**	**—**	**(505)**	**(34,186)**
Depreciation (2)	(877)	(20)	(44)	(60)	(845)	(112)	—	(41)	(1,999)
Disposals or reductions	7	643	28	12	125	29	—	22	866
(Provision for)/Reversal of provisions for impairment (3)	(1,350)	(13)	(5)	—	152	(18)	—	(2)	(1,236)
Translation differences	1,404	119	32	42	172	19	—	—	1,788
Changes in scope of consolidation	—	390	—	—	—	—	—	—	390
Reclassifications and other (1)	7	(13)	5	(4)	315	(334)	—	(1)	(25)
Balance at December 31, 2020	**(15,774)**	**(1,400)**	**(366)**	**(1,322)**	**(13,924)**	**(1,089)**	**—**	**(527)**	**(34,402)**
Depreciation (2)	(677)	(24)	(41)	(58)	(880)	(107)	—	(36)	(1,823)
Disposals or reductions	228	11	13	25	232	76	—	14	599
(Provision for)/Reversal of provisions for impairment (3)	(109)	(34)	(14)	8	51	(34)	—	(23)	(155)
Translation differences	(1,264)	(108)	(27)	(20)	(134)	(24)	—	—	(1,577)
Changes in scope of consolidation	237	1	9	(3)	40	23	—	—	307
Reclassifications and other (1)	1,244	(2)	101	407	439	41	—	18	2,248
Balance at December 31, 2021	**(16,115)**	**(1,556)**	**(325)**	**(963)**	**(14,176)**	**(1,114)**	**—**	**(554)**	**(34,803)**
Net balance at December 31, 2020	**7,871**	**667**	**570**	**1,200**	**8,481**	**588**	**1,020**	**530**	**20,927**
Net balance at December 31, 2021	**8,313**	**757**	**572**	**1,188**	**8,599**	**614**	**1,212**	**471**	**21,726**

(1) In 2021 and 2020 this item included reclassifications from "*Property, plant and equipment in progress*" mainly to "*Machinery and plant*", as a result of several upgrade, repair and remodeling projects of the Group's refineries, and in 2021 due to the entry into operation of the Kappa and Valdesolar projects (see Note 2.3). In addition, in 2021 this includes reclassifications from "*Investment in areas with reserves*" to "*Non-current assets held for sale*" corresponding to the assets in Malaysia and Ecuador (see Note 16).

(2) See the table below in this section for the measurement and useful life of the items of property, plant and equipment.

(3) See Note 21. At December 31, 2021 and 2020, the impairment losses on the assets came to €6,103 million and €6,679 million, respectively, corresponding mainly to the impairment on "*Investments in areas with reserves*" (€5,288 million and €5,186 million in 2021 and 2020, respectively) and "*Machinery and plant*" (€450 million and €836 million in 2021 and 2020, respectively).

(4) In 2021 and 2020, includes property, plant and equipment in progress corresponding to investments in the industrial complexes of the Refining and Chemicals businesses, mainly in Spain and, to a lesser extent, in Peru and Portugal, in addition to the investments that Repsol is making in wind and solar power projects in Spain.

The breakdown, by geographical area, of the Group's most significant investments is detailed in sections 4 and 5.1 of the 2021 consolidated Management Report which is presented using the Group's reporting model.

"*Property, plant and equipment*" includes investments made by the Group in service concession arrangements in the amount of €249 million and €247 million at December 31, 2021 and 2020, respectively. These concessions revert to the State over a period of time ranging from 2022 to 2084.

As a general rule, non-current assets are depreciated on a straight-line basis over their estimated useful lives. The estimated useful lives of the main assets are detailed below:

Estimated useful life	Years
Buildings and other constructions	20-50
Machinery and plant:	
Machinery, plant and tools	8-25
Specialized complex installations (Refining and Chemical industrial complexes):	
- Units	8-25
- Storage tanks	20-40
- Cabling and networks	12-25
Specialized complex installations (electricity and gas):	
- Electricity generation plant	18-40
- Gas and electricity infrastructure and distribution	12-40
Transport elements	5-20
Other property, plant and equipment:	
- Furniture and fixtures	9-15

In relation to the connection rights of service stations, their ownership is conditional on the life of the contracts that give rise to them, which are amortized on a straight-line basis over the term of each contract (between 25 and 30 years).

See Note 3.7 for the estimated useful life of the items of property, plant and equipment related to hydrocarbon exploration and production activities.

In addition, the estimated useful life for the rest of the Group's industrial and commercial facilities and plants did not have to be changed as a result of the expected impact of the energy transition on the demand for our products.

The figures corresponding to non-depreciable assets, i.e., land and property, plant and equipment in progress, amount to €581 million and €1,522 million at December 31, 2021, respectively, and €584 million and €1,284 million at December 31, 2020, respectively.

"*Property, plant and equipment*" includes fully depreciated items in the amount of €10,020 million and €9,497 million at December 31, 2021 and 2020, respectively.

In accordance with industry practices, Repsol insures its assets and operations worldwide. The risks insured include damage to property, plant and equipment, with the subsequent interruptions in its business that such damage may cause to the majority of operations. The Group believes that the current coverage level is, in general, appropriate for the risks inherent to its business.

The breakdown of and changes in the right-of-use assets, as well as their accumulated depreciation, are as follows:

€ Million	Machinery and plant	Transport elements	Buildings	Land	Other	Total
Balance at January 1, 2021	**1,489**	**256**	**110**	**185**	**1**	**2,041**
Acquisitions	197	36	41	27	193	494
Disposals and reductions	(12)	(2)	—	(1)	—	(15)
Depreciation	(41)	(70)	(28)	(17)	(25)	(181)
Translation differences and other	(152)	(12)	(7)	(13)	(12)	(196)
Balance at December 31, 2020	**1,481**	**208**	**116**	**181**	**157**	**2,143**
Acquisitions	163	26	(58)	52	44	227
Disposals and reductions	—	—	(3)	—	—	(3)
Depreciation	(153)	(63)	(29)	(16)	(29)	(290)
Translation differences and other	(14)	8	16	(16)	18	12
Balance at December 31, 2021	**1,477**	**179**	**42**	**201**	**190**	**2,089**

The most significant lease agreements are as follows:

- Agreement with Emera Brunswick Pipeline Company, Ltd. for the transportation of natural gas through a pipeline that connects the Saint John LNG plant with the US border for a period of 25 years (renewable for up to an additional 30 years). The lease came into effect in July 2009. At December 31, 2021, the rights of use under this agreement were provisioned in full and the future payments recognized as financial liabilities amounted to $406 million (€358 million).

- Agreement with Maritimes & North East Pipeline for the transportation of Canadian natural gas from the Canadian border to Dracut (USA) for an initial term of 25 years (renewable for up to an additional 30 years). The agreement initially came into effect in March 2009. At December 31 2021, the corresponding rights of use amounted to €493 million[22] and the future payments recognized as a financial liability were $880 million (€777 million).

- For the service stations that the Group has in Spain, Portugal, Peru and Mexico, lease agreements are signed for various concepts and with varying terms. At December 31, 2021, the corresponding rights of use amounted to €963 million and the future payments recognized as financial liabilities were €952 million.

(13) Investments accounted for using the equity method

Movement in this heading during 2021 and 2020 was as follows:

	€ Million	
	2021	**2020**
Opening balance for the year	5,897	7,237
Net investments	19	10
Changes in scope of consolidation	145	54
Net income from investments accounted for using the equity method (1)	301	(609)
Dividends paid out (2)	(266)	(202)
Translation differences	220	(473)
Reclassifications and other movements (Note 7.1)	(2,762)	(120)
Balance at year end	**3,554**	**5,897**

(1) The increase is mainly due to those businesses whose activity has been favored by the increase in prices during the period. This heading does not include "*Other comprehensive income*" amounting to €219 million in 2021 (€205 million corresponding to joint ventures) and €-484 million in 2020 (€-472 million corresponding to joint ventures), mainly as a result of translation differences.
(2) In 2021 this corresponds mainly to RSB (€155 million), YPFB Andina (€29 million) and Sierracol Energy Arauca (€29 million), and in 2020 it related mainly to Repsol Sinopec Brasil (RSB) and Dynasol.

In 2021 "*Reclassifications and other*" includes the amount for the year corresponding mainly to the allocation of financial assets of Repsol Sinopec Brasil, B.V. (a joint venture 60% owned by Repsol and 40% owned by the Sinopec group) to the partners. In 2020 this mainly included the reclassification of the equity deficit of Petroquiriquire and Cardón (see "*Carrying amount of interests in joint ventures*" below).

[22] Provisions of €64 million recognized for rights of use.

In 2021 *"Changes in scope of consolidation"* includes the acquisition of a 40% holding in Hecate Energy Group LLC, a company that operates in the renewable energy market in the United States and specializes in the development of photovoltaic and battery projects for energy storage with a project portfolio of more than 40 GW. This heading also includes the sale of the ownership interest in AR Oil & Gaz, B.V. in Russia (joint venture formed with Alliance Oil).

The breakdown of the investments accounted for using the equity method is as follows:

	€ Million	
	Carrying amount of the investment [2]	
	2021	**2020**
Joint ventures	3,349	5,757
Associates [1]	205	140
TOTAL	**3,554**	**5,897**

[1] This mainly includes the interest in Hecate Energy Group LLC and Oleoducto de Crudos Pesados (OCP) Ltd.
[2] In 2021, €2,737 million correspond to Exploration and Production (€5,448 million in 2020).

On the basis of the shareholders agreements signed at each company, where strategic, operational and financial decisions require the unanimous consent of the parties sharing control, these companies are considered joint ventures provided they are not a joint operation The most significant joint ventures are:

Repsol Sinopec Brasil (RSB)

Repsol holds a 60% interest in Repsol Sinopec Brasil, S.A. and Repsol Sinopec Brasil B.V (through Repsol Upstream, B.V. and Repsol Exploraçao Brasil, Ltda., respectively, both wholly owned by Repsol, S.A.), which were included in the tables below together with RSB. The remaining 40% of these companies corresponds to Tiptop Luxembourg, S.A.R.L.

This company's main businesses are hydrocarbon exploration, production and sale. It operates mainly in Brazil.

For the guarantees granted by the Group to RSB, see Note 26.

YPFB Andina, S.A.

Repsol holds a 48.33% interest in YPFB Andina, S.A., through Repsol Bolivia, S.A., with the other shareholders being YPF Bolivia (51%) and non-controlling shareholders (0.67%). It engages mainly in hydrocarbon exploration, operation and sale. It operates mainly in Bolivia.

BPRY Caribbean Ventures, LLC. (BPRY)

Repsol holds a 30% interest in the share capital of BPRY Caribbean Ventures LLC through Repsol Exploración, S.A. The remaining 70% is owned by British Petroleum Ltd. This company and its subsidiaries mainly engage in hydrocarbon exploration, operation and sale, and other related activities in Trinidad and Tobago.

Petroquiriquire, S.A.

Repsol has a 40% interest in Petroquiriquire, S.A. through Repsol Exploración, S.A. Petroquiriquire is a public-private venture, partly held by Corporación Venezolana de Petróleo, S.A. (CVP) with 56% and PDVSA Social, S.A. with 4%. Its core activity is the production and sale of oil and gas in Venezuela. For information on the Group's risks and exposure in Venezuela, see Note 21.3.

Cardón IV, S.A.

Repsol has a 50% interest in Cardón IV, S.A. through Repsol Exploración, S.A. The other 50% is owned by the ENI group. Cardón IV is a gas licensee whose core activity is the production and sale of gas in Venezuela. For information on the Group's risks and exposure in Venezuela, see Note 21.3.

Repsol Sinopec Resources UK Ltd. (RSRUK)

A company held by Talisman Colombia Holdco, Ltd, a subsidiary of the Repsol Group, and by Addax Petroleum UK Limited ("Addax"), a subsidiary of the Sinopec group, with a 51% and 49% interest, respectively. The company mainly engages in hydrocarbon exploration and operation in the North Sea. For information on the arbitration procedure concerning the purchase by Addax of its 49% interest in RSRUK, see Note 15.

The tables below provide a summary of the financial information for these investments, prepared in accordance with EU-IFRS accounting policies, as detailed in Note 3 and its reconciliation with the carrying amount of the investment in the consolidated financial statements:

Income from joint ventures:

	RSB		YPFB Andina		BPRY		Petroquiriquire		Cardón IV		RSRUK	
€ Million	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Revenue	1,358	810	148	165	1,599	768	206	78	636	589	887	646
Amortization and impairment [1]	(331)	(361)	(118)	(138)	(841)	(2,060)	(298)	78	(54)	(193)	(496)	(876)
Other operating income/ (expenses)	(434)	(251)	(86)	(108)	(791)	(591)	(53)	(26)	(158)	(146)	(535)	(428)
Operating income	**593**	**198**	**(56)**	**(81)**	**(33)**	**(1,883)**	**(145)**	**130**	**424**	**250**	**(144)**	**(658)**
Net interest	18	128	2	4	(77)	(73)	(38)	(40)	(64)	(106)	8	18
Financial result	(66)	(30)	(11)	(8)	(23)	(29)	11	1	(22)	3	(46)	(68)
Net income from investments accounted for using the equity method- net of taxes	—	6	2	14	—	—	—	—	—	—	—	—
Net income before tax	**545**	**302**	**(63)**	**(71)**	**(133)**	**(1,985)**	**(172)**	**91**	**338**	**147**	**(182)**	**(708)**
Tax expense	(212)	(240)	13	15	52	499	73	(196)	5	184	96	232
Net income attributable to the parent	**333**	**62**	**(50)**	**(56)**	**(81)**	**(1,486)**	**(99)**	**(105)**	**343**	**331**	**(86)**	**(476)**
Repsol interest	60 %	60 %	48 %	48 %	30 %	30 %	40 %	40 %	50 %	50 %	51 %	51 %
Consolidation income	**200**	**37**	**(24)**	**(27)**	**(24)**	**(446)**	**(40)**	**(42)**	**171**	**166**	**(44)**	**(243)**
Dividends	**155**	**34**	**29**	**41**	—	—	—	—	—	—	—	—
Other comprehensive income [2]	**121**	**(373)**	**27**	**(35)**	**5**	**1**	**(37)**	**38**	**(13)**	**27**	**45**	**(57)**

Note: The amounts itemized below feature the Group's percentage of ownership interest in each of the companies:
(1) Includes impairment losses on assets at BPRY, YPFB Andina and RSRUK, and due to credit risk, mainly at Cardón IV and PQQ (see Note 21).
(2) Relates to "*Valuation gains/(losses)*" and "*Amounts transferred to the income statement*" in the statement of recognized income and expense.

Carrying amount of interest in joint ventures:

	RSB		YPFB Andina		BPRY		Petroquiriquire		Cardón IV		RSRUK	
€ Million	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Assets												
Non-current assets	3,903	8,366	686	699	2,934	3,191	4	106	636	739	3,068	2,921
Current assets	638	476	268	280	650	427	589	345	537	389	1,555	1,093
Cash and cash equivalents	273	132	23	41	110	89	—	12	7	3	65	71
Other current assets [1]	365	344	245	239	540	338	589	333	530	386	1,490	1,022
Total Assets	**4,541**	**8,842**	**954**	**979**	**3,584**	**3,618**	**593**	**451**	**1,173**	**1,128**	**4,623**	**4,014**
Liabilities												
Non-current liabilities	1,940	1,780	237	210	2,251	2,420	712	736	652	1,113	2,929	2,730
Financial liabilities	939	997	—	—	1,139	1,117	706	652	446	826	64	58
Other non-current liabilities	1,001	783	237	210	1,112	1,303	6	84	206	287	2,865	2,672
Current liabilities	423	396	56	55	1,094	895	1,131	772	709	523	539	159
Financial liabilities	195	126	—	—	693	587	52	11	1	7	20	32
Other current liabilities [1]	228	270	56	55	401	308	1,079	761	708	516	519	127
Total Liabilities	**2,363**	**2,176**	**293**	**265**	**3,345**	**3,315**	**1,843**	**1,508**	**1,361**	**1,636**	**3,468**	**2,889**
NET ASSETS	**2,178**	**6,666**	**661**	**714**	**239**	**303**	**(1,250)**	**(1,057)**	**(188)**	**(508)**	**1,155**	**1,125**
Repsol interest	60 %	60 %	48 %	48 %	30 %	30 %	40 %	40 %	50 %	50 %	51 %	51 %
Share in net assets [2]	1,307	4,000	317	343	72	91	(500)	(423)	(94)	(254)	589	574
Goodwill	—	—	—	—	—	—	—	—	—	—	—	—
Carrying amount of the investment	**1,307**	**4,000**	**317**	**343**	**72**	**91**	—	—	—	—	**589**	**574**

Note: The amounts itemized below feature the Group's percentage of ownership interest in each of the companies:
(1) With regard to Petroquiriquire, other current assets and liabilities include the offsetting of reciprocal claims and debts with PDVSA under the agreed terms.
(2) Petroquiriquire: in 2021 and 2020 a provision was recognized for contingencies and charges amounting to €500 million and €423 million at December 31, respectively, corresponding to the equity deficit of Petroquiriquire (see Note 15).

Cardón IV: The value of the investment is made equal to zero by deducting the carrying amount from the loan granted to Cardón IV (the balance of which, net impairment, at December 31, 2021 and 2020 amounted to €166 million and €255 million, respectively, and which is considered a net investment (see Note 8.1)).

Regarding joint arrangements and associates that are material or of significant relative importance: (i) there are no applicable legal restrictions on the capacity to transfer funds to Repsol, (ii) the financial statements that have been used refer to the same date as the financial statements of Repsol, S.A., and (iii) there are no unrecognized losses.

(14) Other non-current assets

In 2021 and 2020, this heading mainly included accounts receivable from PDVSA in Venezuela (see Notes 21.3) amounting to €344 million, net of impairment losses (€293 million in 2020) and the deposits associated with the decommissioning of Exploration and Production assets ("*sinking funds*") amounting to €59 million (€154 million in 2020), mainly in Indonesia, as well as derivatives on non-current trade receivables (see Note 8).

(15) Current and non-current provisions

Repsol makes judgements and estimates that affect the recognition and measurement of provisions for litigation, decommissioning and other contingencies. The final cost of settling complaints, claims and litigation may vary from the estimates previously made due to differences in the identification of dates, interpretation of rules, technical opinions and assessments of the amount of damages and liabilities.

The calculations to recognize provisions for the cost of decommissioning its hydrocarbon production operations are complex, on account of the need to initially recognize the present value of the estimated future costs and to adjust this figure in subsequent years in order to reflect the passage of time and changes in the estimates due to changes in the underlying assumptions used as a result of technological advances and regulatory changes, economic, political and environmental security factors, as well as changes in the initially-established schedules or other terms. The decommissioning provisions are updated regularly to reflect trends in estimated costs and the discount rates. These discount rates take into account the risk-free rate, by term and currency, country risk and a spread according to debt structure and the cash flow projection period. Specifically, the weighted average rate used by the Group was 3.4%.

The decommissioning provisions associated with refineries and petrochemical facilities are generally not recognized, as the potential obligations cannot be measured, given their undetermined settlement dates. The Group regularly reviews its refineries and long-lived petrochemical assets to detect changes in facts and circumstances that may require the recognition of a decommissioning provision.

Additionally, Repsol makes judgements and estimates in recognizing costs and establishing provisions for environmental clean-up and remediation costs, which are based on current information regarding costs and expected plans for remediation based on applicable laws and regulations, the identification and assessment of the effects on the environment, as well as applicable technologies.

Therefore, any change in the factors or circumstances related to provisions of this nature, as well as changes in laws and regulations, could therefore have a significant effect on the provisions recognized.

15.1) Provisions

At December 31, 2021 and 2020, the balance of these headings and the changes therein are as follows:

	€ Million Provisions for current and non-current contingencies and charges				
	Asset decommissioning [3]	Onerous contracts [4]	Legal contingencies	Other provisions [5]	Total
Balance at January 1, 2020	**1,870**	**420**	**948**	**1,539**	**4,777**
Provisions charged to income [1]	84	20	14	370	488
Provisions reversed with a credit to income	(22)	(33)	(5)	(21)	(81)
Cancellation due to payment	(54)	(47)	(11)	(86)	(198)
Changes in scope of consolidation	(2)	—	—	(28)	(30)
Translation differences, reclassifications and other [2]	(103)	(30)	(55)	(456)	(644)
Balance at December 31, 2020	**1,773**	**330**	**891**	**1,318**	**4,312**
Provisions charged to income [1]	85	42	73	680	880
Provisions reversed with a credit to income	(10)	(8)	(10)	(13)	(41)
Cancellation due to payment	(101)	(39)	(43)	(79)	(262)
Changes in scope of consolidation	(17)	(323)	—	(2)	(342)
Translation differences, reclassifications and other [2]	(21)	19	(132)	(125)	(259)
Balance at December 31, 2021	**1,709**	**21**	**779**	**1,779**	**4,288**

[1] In 2021 and 2020, this line item included €59 million and €75 million, respectively, reflecting the discounting to present value of provisions and "*Other provisions*" included the provision corresponding to the use of CO_2 allowances (see Note 30) for €479 million and €281 million, respectively.

(2) In 2021 "*Asset decommissioning*" included the reclassifications to "*Liabilities associated with non-current assets held for sale*" in the balance sheet (see Note 16). In 2021 and 2020 "*Other provisions*" included the derecognition of the CO2 allowances used amounting to €469 million and €281 million (see Note 30) and the adjustment for the loss on the investments in Petroquiriquire and Cardón IV (see Note 13).
(3) In 2021, a change in the discount rate of +/- 50 basis points would decrease/increase provisions by €-114 million and €121 million.
(4) In 2021, "*Changes in scope of consolidation*" includes mainly the derecognition of the provision for the onerous consideration following the acquisition of 25% of Saint John LNG once the obligation is extinguished at Group level (see Note 2.3).
(5) "*Other provisions*" includes mainly those recognized to cover obligations arising from environmental clean-up and remediation costs (see Note 30), pension commitments (see Note 28), use of CO2 allowances (see Note 30), employee incentive schemes (see Note 28), provisions for tax risks not related to income tax (see Note 23), provisions for workforce restructuring and other provisions to cover obligations arising from the Group's interests in companies. The tax provisions related to income tax are presented under "*Deferred tax liabilities and other*" in the balance sheet (see Note 23).

The following table provides an estimate of maturities of provisions at year-end 2021:

	Due dates[1] € Million			
	Less than one year	From 1 to 5 years	> 5 years and/or undetermined	Total
Provisions for field decommissioning	87	239	1,383	1,709
Provision for onerous contracts	5	12	4	21
Provision for legal and tax contingencies	—	462	317	779
Other provisions	932	754	93	1,779
TOTAL	**1,024**	**1,467**	**1,797**	**4,288**

(1) Due to the nature of the risks provisioned, these timing assessments are subject to uncertainty and changes that are beyond the Group's control. As a result, this schedule could change in the future depending on the circumstances on which these estimates are based.

15.2) Disputes

The amounts provisioned are calculated on the basis of the best estimate of the amount needed to settle the lawsuit in question, underpinned, among others, by a case-by-case analysis of the facts, the legal opinions of its in-house and external advisors and prior experience from past events.

At December 31, 2021, Repsol's balance sheet includes provisions for litigation in the ordinary course of its activities totaling €834 million (€946 million at December 31, 2020). The most significant legal or arbitration proceedings and their status as of the date of authorization for issue of these consolidated Financial Statements are summarized below.

United Kingdom

Addax arbitration in relation to the purchase of Talisman Energy UK Limited (TSEUK)

On July 13, 2015, Addax Petroleum UK Limited ("Addax") and Sinopec International Petroleum Exploration and Production Corporation ("Sinopec") filed a "Notice of Arbitration" against Talisman Energy Inc. (currently "ROGCI") and Talisman Colombia Holdco Limited ("TCHL") in connection with the purchase of 49% of the shares of TSEUK (currently Repsol Sinopec Resources UK Limited "RSRUK"). On October 1, 2015, ROGCI and TCHL submitted the answer to the "Notice of Arbitration". On May 25, 2016, Addax and Sinopec formalized the arbitration claim, in which they requested that, in the event that their claims are upheld in full, they be paid the amount of their initial investment in RSRUK, materialized in 2012 through the purchase of 49% of this from TCHL, a wholly-owned subsidiary of ROGCI, together with any additional investment, past or future, in such company, as well as any loss of opportunity that could have occurred, which is estimated to be a total figure of approximately $5,500 million.

The dispute relates to events that took place in 2012, prior to Repsol's acquisition of Talisman in 2015 -and that does not involve any actions by Repsol.

ROGCI and TCHL asked the Arbitral Tribunal to dismiss the claims of Addax and Sinopec based on contractual guarantees. On August 15, 2017, the Arbitral Tribunal issued a First Partial Award dismissing Addax and Sinopec warranty claims.

The Arbitral Tribunal decided, among other procedural matters, to split the procedure into two phases: the first addressing liability and the second dealing with the amount of any liability found that, where appropriate, would have been determined.

The five main matters in dispute are Reserves, Production, Abandonment, Projects and Maintenance.

In 2018, the oral hearing on matters of liability was held and the conclusions of the parties were presented.

On January 29, 2020, the Arbitral Tribunal issued its second Partial Award on Reserves, determining that ROGCI and TCHL are liable to Sinopec and Addax with regard to this matter. On April 28, 2020, Repsol challenged this second partial award in the Singapore courts, as the case had been transferred to the Singapore International Commercial Court (SICC). A ruling is expected to be handed down on this appeal in the third quarter of 2022.

On April 20, 2021 the Arbitral Tribunal issued a Third Partial Award with regard to the remaining issues pending to be decided in the liability phase, whereby it declared that TCHL and ROGCI were liable for the matter related to Production — which overlaps with what was already decided in the previous award on Reserves — and dismissed the claims of Addax and Sinopec regarding the remaining matters (Abandonment, Projects and Maintenance). On July 19, 2021, ROGCI and TCHL challenged this Third Partial Award before the Singapore courts.

Following this Award, the arbitration process will continue in its quantification phase, and a decision is not expected to be handed down before the fourth quarter of 2023.

The Third Partial Award has dismissed most of the claims of Addax and Sinopec and allows for a better estimate of the liabilities that could arise from this litigation. Therefore, a new assessment has been carried out of the provision necessary to cover the corresponding risks and, as a result of the analysis performed by the company and its lawyers and external advisors, the provision initially recognized has been reduced. The Company considers that the information above is sufficient in accordance with paragraph 92 of IAS 37 "*Provisions, Contingent Liabilities and Contingent Assets*", as further details on its estimates could harm the development and outcome of the litigation.

In addition, on November 30, 2017 Repsol, S.A. commenced arbitration proceedings against China Petroleum Corporation and TipTop Luxembourg S.A.R.L (Sinopec Group companies) seeking relief from any adverse ruling on the arbitration mentioned above together with other damages yet unquantified. The Tribunal issued an award dismissing Repsol claim. This decision does not have any impact in the risk assessment and the provision of the Addax arbitration.

United States of America

<u>The Passaic River / Newark Bay lawsuit</u>

The events underlying this litigation related to the sale by Maxus Energy Corporation ("Maxus") of its former chemicals subsidiary, Diamond Shamrock Chemical Company ("Chemicals") to Occidental Chemical Corporation ("OCC"). Maxus agreed to indemnify Occidental for certain environmental contingencies relating to the business and activities of Chemicals prior to September 4, 1986. After that (1995), Maxus was acquired by YPF, S.A. and subsequently (in 1999) Repsol, S.A. acquired YPF.

In December 2005, the New Jersey Department of Environmental Protection ("DEP") and the New Jersey Spill Compensation Fund (together, the "State of New Jersey") sued Repsol YPF, S.A. (currently Repsol, S.A., hereinafter, "Repsol"), YPF, YPF Holdings Inc. ("YPFH"), CLH Holdings ("CLHH"), Tierra Solutions, Inc. ("Tierra"), Maxus and OCC for the alleged contamination caused by the former Chemicals plant which allegedly contaminated the Passaic River, Newark Bay and other bodies of water and properties in the vicinity.

On September 26, 2012 OCC lodged a "Second Amended Cross Claim" (the "Cross Claim") against Repsol, YPF, Maxus, Tierra and CLHH (all of which together "the Defendants") demanding, among other things, that Repsol and YPF be held liable for Maxus' debts ("Alter Ego"). Between June 2013 and August 2014, the Defendants signed different agreements with the State of New Jersey, in which they do not acknowledge liability and through certain payments in exchange for the withdrawal by the State of New Jersey of its proceedings against them. In February 2015, Repsol file a claim against OCC for the $65 million that it had to pay to the State of New Jersey.

On April 5, 2016 the Presiding Judge decided to dismiss OCC's suit against Repsol in full. On June 17, 2016 Maxus filed for bankruptcy with the Federal Bankruptcy Court of the State of Delaware, and also requested the stay of the Cross Claim. On October 19, 2017, the Presiding Judge upheld Repsol's claim against OCC in full, ordering OCC to pay $65 million plus interest and costs.

On September 14, 2018, Maxus (declared by the Federal Bankruptcy Court of Delaware, the successor to OCC -its main creditor- as the claimant in the Cross Claim) filed an appeal against the ruling handed down in these proceeding, and that rejected the claim between Maxus and Repsol. At the same time, OCC filed an appeal against the claim ordering them to pay the $65 million that Repsol had to pay to the State of New Jersey. On December 27, 2021 the New Jersey Appellate Division reversed the decisions of the Trial Court, accepting the appeals of Maxus and OCC. This opinion does not find Repsol liable, but only remands the case to the Trial Court as it considers that a Summary Judgment could not be granted in this stage of the proceeding.

On June 14, 2018, the Maxus Bankruptcy Administration filed a lawsuit ("New Claim") in the Federal Bankruptcy Court of the State of Delaware against YPF, Repsol and certain subsidiaries of both companies for the same claims as those contained in the Cross Claim. In February 2019, the Federal Bankruptcy Court rejected the petitions submitted by Repsol requesting that the Court reject the New Claim from the outset, which implies that the proceedings will be ongoing.

Repsol maintains the view, as has been shown in the Cross Claim, that the claims made in the New Claim and in the Insurance Claim are unfounded.

On December 10, 2019, the bankruptcy managers of Maxus filed an Insurance Claim in Texas against Greenstone Assurance Limited (a historical captive reinsurance company of the Maxus Group and currently 100% owned by Repsol - “Greenstone”), claiming that this company would be required to pay Maxus compensation for the liabilities arising from the indemnity granted to OCC, by virtue of alleged insurance policies issued by Greenstone between 1974 and 1998.

Repsol continues to maintain the view that the claims asserted in the Insurance Claim are unfounded. However, the parties have reached an agreement for an amount of $25 million. The settlement agreement was executed on March 25, 2021, with the parties then filing a joint application with the court to file the matter on March 26, 2021, which was approved and agreed to be filed on April 9, 2021.

CURRENT ASSETS AND LIABILITIES

(16) Non-current assets held for sale and associated liabilities

The main line items of assets classified as held for sale and associated liabilities in the consolidated balance sheet at December 31, 2021 are as follows:

€ Million	12/31/2021
Non-current assets	407
Current assets	198
Assets	**605**
Non-current liabilities	(213)
Current liabilities	(217)
Liabilities	**(460)**
NET ASSETS	**145**

These line items mainly include production assets in Malaysia (including interests in blocks PM3 CAA, Kinabalu and PM305/314) and in Ecuador (blocks 16 and 67) of the Exploration and Production segment, the sale of which was pending due to certain conditions precedent as of December 31, 2021. These assets were sold in 2022 as described in Note 32, without any significant impact on the Group's financial statements.

(17) Inventories

Inventories are measured at the lower of their cost (calculated based on the weighted average cost) and their net realizable value. Commodities related to trading activity are measured at fair value less costs to sell and changes in value are recognized in the income statement.

The breakdown of "Inventories" at December 31, 2021 and 2020 is as follows:

	€ Million	
	2021	**2020**
Crude oil and natural gas	1,713	1,130
Finished and semi-finished products	2,918	1,653
Materials and other inventories (1)	596	596
TOTAL (2)	**5,227**	**3,379**

(1) Includes zero-cost CO2 allowances for a total of €260 million (equal to 7,574 thousand tons).
(2) Includes inventory write-downs of €48 million and €38 million at December 31, 2021 and 2020, respectively. The write-downs recognized and reversed amounted to €-15 million and €7 million, respectively (€-8 million and €20 million in 2020).

At December 31, 2021 the balance of commodities, related to trading activity, amounted to €342 million, and the effect of their measurement at market value represented income of €4 million. The fair value is calculated using forward price curves provided by the market depending on the time horizon for the transactions. The main variables used are: prices taken from official publications (Platt's, Argus, OPIS, brokers, etc.) and historic or mark-to-market premiums, if available.

The higher inventory balances are mainly explained by the increase in average Brent crude oil prices (+70% / +$29.1/bbl).

At December 31, 2021 and 2020 the Repsol Group complied with the legal requirements regarding minimum safety stocks established under prevailing legislation (see Appendix IV) through its Spanish Group companies.

(18) Trade and other receivables

The breakdown of this heading at December 31, 2021 and 2020 is as follows:

	€ Million	
	2021	**2020**
Trade receivables for sales and services (gross amount)	5,972	3,046
Impairment	(186)	(210)
Trade receivables for sales and services	**5,786**	**2,836**
Receivables from operating activities and other receivables	693	597
Receivables from operations with staff	47	41
Public administrations	215	202
Trade derivatives (Note 9)	1,027	200
Other receivables	**1,982**	**1,040**
Current tax assets	**470**	**180**
Trade and other receivables	**8,238**	**4,056**

This heading increased mainly due to greater activity in all businesses (higher sales) as a result of the increase in demand due to fewer restrictions on mobility and higher prices.

(19) Trade and other payables

Repsol had the following accounts payable classified under "*Trade and other payables*":

	€ Million	
	2021	**2020**
Suppliers	**5,548**	**2,471**
Payables and others	3,783	2,611
Payables to public administrations	635	537
Derivative financial instruments (Note 9)	871	208
Other payables	**5,289**	**3,356**
Current tax liabilities	**386**	**72**
TOTAL	**11,223**	**5,899**

"*Trade and other payables*" increased due to greater activity (higher volume of purchases) in line with the increase in trade and other payables.

Information on the average period of payment to suppliers in Spain

The disclosures made in respect of the average period of payment for trade payables in Spain are presented in accordance with that established in applicable law.

	Days	
	2021	**2020**
Average period of payment to suppliers (PMP) [(1)]	30	28
Ratio of transactions paid [(2)]	30	28
Ratio of transactions payable [(3)]	30	30
	Amount (€ Million)	
Total payments made	11,733	10,752
Total payments outstanding	460	283

(1) PMP = ((Ratio of transactions paid * total payments made) + (Ratio of transactions payable * total payments outstanding)) / (Total payments made + total payments outstanding).
(2) Σ (Number of days of payment * amount of the transaction paid) / Total payments made.
(3) Σ (Number of days outstanding * amount of the transaction payable) / Total payments outstanding.

In accordance with the transitional provisions of Law 15/2010, the maximum legal payment deadline is 60 days.

INCOME

(20) Operating income

On the same date as these consolidated Financial Statements, Repsol published its 2021 consolidated Management Report, which includes an explanation of performance results and other aggregates.

20.1) Sales and income from services rendered

Income is recognized based on compliance with performance obligations to customers. Income from ordinary activities represents the transfer of committed goods or services to customers for an amount that reflects the consideration to which the entity expects to be entitled in exchange for these goods and services. There are five distinct steps in income recognition: i) identify the customer's contract(s), ii) identify performance obligations, iii) determine the transaction price, iv) assign the transaction price to the different performance obligations, and v) income recognition according to the fulfillment of each obligation.

Most of the Group's business contracts have a single performance obligation that is fulfilled with the delivery of the product, which takes place at a specific point in time. At December 31, there were no relevant performance obligations outstanding with customers.

In sales in which the Group acts as an agent, the Group only recognizes the net interest margin as revenue.

With regard to excise duties (tax on hydrocarbons), this is a single-phase tax and the company assumes the same repercussions as the holder of the tax warehouse (normally CLH), and Repsol subsequently transfers this cost to its customers as part of the price of the product. In other words, Repsol does not act as a mere collection agent for the Spanish Tax Agency as it is not a tax that can be recovered from the tax authorities (for example, in the event of non-payment by the end customer), but rather a tax for which the Group assumes all the risks (for example, also in the event of the destruction or loss of the product) and rewards, and therefore in essence constitutes a production cost to be recovered, where appropriate, through the sale of the product, with the company being free to set the sales price. This is why Repsol considers the tax on hydrocarbons to be a cost incurred and, symmetrically, as an increase in revenue from sales.

In Exploration and Production, income was mainly generated either from the sale of crude oil, condensates and liquefied natural gas and natural gas, or from the provision of hydrocarbon operation services, depending on the contracts in force in each of the countries in which the Group operates. In the Industrial segment, income is generated mainly from the sale of oil products (petrol, fuel oil, LPG, asphalt, lubricants, etc.), petrochemical products (ethylene, propylene, polyolefins and interim products). With regard to Commercial and Renewables, income is generated mainly from the sale of oil products and other services at service stations and the sale of gas (natural gas and LNG) and electricity.

The distribution, by country, of income from ordinary activities ("Sales" and "*Income from services rendered*") by segment in 2021 and 2020 is as follows:

	2021	2020
Exploration and Production	5,009	2,963
Industrial	39,582	25,142
Commercial and Renewables	21,680	16,315
Corporate	(16,526)	(11,138)
TOTAL	**49,745**	**33,282**

Note: Includes excise duties levied on hydrocarbon consumption amounting to €5,216 million and €5,033 million in 2021 and 2020, respectively.

The increase in income in 2021 is explained by: (i) the increase in crude oil and gas realization prices in the Exploration and Production productive businesses, (ii) the increase in demand and prices of oil and petrochemical products in Industrial, (iii) the increase in sales in the commercial businesses, as a result of the increase in demand due to fewer restrictions on mobility and higher fuel prices, and (iv) the start-up of new renewable electricity generation assets.

The distribution, by country, of income from ordinary activities in 2021 and 2020 is shown below:

	2021	2021
Spain	24,335	17,088
United States	3,347	1,988
Peru	2,464	1,672
Portugal	2,976	1,912
Other	16,623	10,622
TOTAL (1)(2)	**49,745**	**33,282**

(1) The distribution by geographical area has been drawn up based on the markets to which the sales or income relate.
(2) The distribution of the target markets is as follows: i) EU euro zone: €32,832 million (€22,464 million in 2020), ii) EU non-euro zone: €90 million (€488 million in 2020) and iii) Other countries: €16,823 million (€10,330 million in 2020). In 2021 the income corresponding to the United Kingdom is included under "Other countries" following its departure from the EU on January 31, 2020 (in 2020 it was included under "EU non-euro zone").

20.2) Changes in inventories of finished goods and work in progress

The income recognized under this heading is explained by the increase in prices for finished goods in the period.

20.3) Other operating income

This heading includes, inter alia, income recognized on the remeasurement of trade derivatives (see Note 9), income from the zero-cost CO2 emission allowances used (see Note 30.1) and the reversal of provisions taken to the income statement (see Note 15). This heading also includes operating grants amounting to €15 million and €18 million in 2021 and 2020, respectively.

20.4) Procurements

This heading includes the following items:

	€ Million	
	2021	2020
Purchases	38,502	24,158
Changes in inventories (raw materials and goods held for sale)	(1,054)	677
TOTAL	**37,448**	**24,835**

The higher costs recognized under "*Procurements*" were mainly due to the higher volume of purchases as a result of increased activity and the increase in the price of raw materials for the industrial complexes.

This heading includes excise duties levied on hydrocarbon consumption mentioned in "*Sales and income from services rendered*" of this Note.

20.5) (Charges for)/Reversal of impairment

These headings include the following items:

	€ Million	
	2021	2020
Impairment charges of assets (Notes 10.3, 18 and 21)	(1,185)	(2,494)
Reversal of impairment (Note 21)	522	335
TOTAL	**(663)**	**(2,159)**

20.6) Personnel expenses

"*Personnel expenses*", the balance of which was slightly less than in 2020, includes the following items:

	€ Million	
	2021	2020
Remuneration and other	1,364	1,407
Social security costs	438	438
TOTAL	**1,802**	**1,845**

20.7) Exploration expenses

Hydrocarbon exploration expenses in 2021 and 2020 amounted to €367 million and €253 million, of which €53 million and €86 million are recognized under "*Amortization and depreciation of non-current assets*" and €245 million and €116 million under "*(Charges for)/Reversal of impairment*" in 2021 and 2020, respectively.

The geographical distribution of the costs taken to the income statement in respect of exploration activities is as follows:

	€ Million	
	2021	**2020**
Europe	59	105
America	303	60
Africa	1	24
Asia	4	64
Oceania	—	—
TOTAL	**367**	**253**

For more information, see Information on oil and gas exploration and production activities (non-audited information) at www.repsol.com.

20.8) Gains/(losses) on disposal of assets

In 2021 the gains (€115 million) and losses (€-105 million) on the disposal of assets correspond mainly to the sale of the ownership interest in AR Oil & Gaz, B.V. (AROG) in Russia, the sale of the Tin Fouyet Tabenkor (TFT) asset in Algeria and block 15/02 in Vietnam, the sale of the fuel business in Italy and the sale of land in LPG businesses (see Note 2.3).

20.9) Transport and freights, supplies and other operating expenses

The expenses recognized under "*Transport and freight*" decreased as a result of lower prices in the freight market in 2021 and less activity in the Trading business.

The expenses recognized under "*Supplies*" rose as a result of higher gas and electricity prices.

Moreover, "*Other operating expenses*" includes the following items:

	€ Million	
	2021	**2020**
Operator expenses [1]	589	559
Services of independent professionals	434	439
Leases [2]	113	125
Taxes [3]	486	325
Taxes on production	181	73
Other	305	252
Repair and upkeep [4]	270	258
Measurement of trade derivatives [5]	970	139
Use of CO_2 allowances [6]	479	281
Others [7]	1,293	1,299
TOTAL	**4,634**	**3,425**

Note: In order to minimize transport costs and optimize the Group's logistics chain, oil product exchanges of a similar nature are carried out with other companies in different geographical locations. These transactions are not recognized in the income statement for the year as individual purchases and sales, but rather any economic differences are recognized at their net amount.

[1] Includes, among other items, the cost of agency services at the facilities of Compañía Logística de Hidrocarburos CLH, S.A., product bottling, storage, loading, transportation and dispatch services.
[2] In 2021, it included expenses for short-term and low-value leases (€87 million) and for variable payments (€26 million).
[3] They correspond to taxes other than income tax (see Note 23). Taxes on hydrocarbon production in Exploration and Production activities have been paid mainly in Libya, Algeria and Peru. The other taxes reflect mainly local taxes. For further information on taxes paid, see section 6.7 of the 2021 consolidated Management Report and the Report on Payments to Governments published by the Company.
[4] Relates to repair, upkeep and maintenance activities carried out mainly at the Group's industrial complexes.
[5] Relates mainly to derivatives arranged in trading activities involving crude oil, gas, oil products and electricity (see Note 9).
[6] See Note 30.1.
[7] Includes, among others, the period provisions.

The increase in "*Taxes*" is explained by greater activity and the increase in prices. The increase in "*Repair and upkeep*" in 2021 is mainly due to increased activity at industrial complexes. The increase in expenses recognized under "*Measurement of trade derivatives*" is mainly explained by the higher valuation of derivatives and commitments over commodities as a result of the increase in the price of crude oil and oil products. "*Use of CO_2 allowances*" rose as a result of greater activity at industrial complexes and the increase in the price of CO_2 allowances (see Note 30.2).

20.10) Research and development

Research expenses incurred are recognized under "*Other operating expenses*" as expenses for the year and development expenditure is capitalized only if all the conditions established in the accounting standard of reference are met.

The expense recognized in the income statement in connection with research and development activities amounted to €57 million in 2021 and €65 million in 2020. The capitalized expenses corresponding to development activities amounted to €24 million in 2021.

(21) Asset impairment

<u>Impairment test</u>

In order to ascertain whether its assets have become impaired, the Group compares their carrying amount with their recoverable amount at least annually and whenever there are indications that an asset might have become impaired ("impairment test"). If the recoverable amount of an asset is estimated to be less than its net book value, the carrying amount of the asset is reduced to its recoverable amount, and an impairment loss is recognized in the income statement.

After an impairment loss has been recognized, amortization charges are calculated prospectively on the basis of the reduced carrying amount of the impaired asset.

When there are new events, or changes in existing circumstances, which prove that an impairment loss recognized on a prior date could have disappeared or decreased, a new estimate is given for the recoverable amount of the corresponding asset, and, if applicable, the impairment losses recognized in previous years are reversed. An impairment loss of goodwill cannot be reversed in subsequent years.

If a previously recognized impairment loss is reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, up to the limit of the carrying amount that would have been recorded had no impairment loss on the value of the asset been recognized in previous periods.

Cash-generating units

For the impairment test, assets are grouped into cash-generating units (CGUs) if, when individually considered, they do not generate cash inflows that are independent of the cash inflows from other assets of the CGU. The grouping of assets into the various CGUs implies the use of professional judgements and the determination, among other criteria, of the business units and geographical areas in which the Group operates. Against this backdrop, in the Upstream segment, each CGU corresponds to one of the various contractual exploration areas widely known as 'blocks'; exceptionally, if the cash flows generated by more than one block are mutually interdependent, these blocks will be grouped into a single CGU. In the case of the Industrial, and Commercial and Renewables segments, the CGUs correspond to activities (mainly Refining, Chemicals, Wholesale and Trading Gas, Mobility, LPG, Lubricants, Asphalts and Specialized Products, Electricity Generation and Sale) and geographical areas. In 2021 there were no significant changes in the composition of the CGUs.

Goodwill acquired on a business combination is allocated among the CGUs or groups of CGUs that benefit from the synergies of the business combination, up to the limit of the business segment.

Calculating the recoverable amount

The recoverable amount is the higher of fair value less costs to sell and value in use.

The methodology used by the Group to estimate the recoverable amount of assets is, in general, the value in use, calculated by discounting to present value the future cash flows after tax expected to derive from the operation of these assets. For specific information on the methodology for calculating the recoverable amount, see Note 3.6.

21.1) Asset impairment test

The Group has assessed the recoverable amount of its cash-generating units as per the methodology described in Note 3 and the scenarios consistent with its new vision of the market, the expected environment and its strategy. The main assumptions are described below:

a) Future price paths:

In 2020, in view of the situation in the commodity markets, the social and economic consequences of the COVID-19 pandemic and the foreseeable development of the energy transition given the risk of climate change, the Group reviewed its expectations of future oil and gas prices, modifying the price paths defined at the end of 2019 to bring them into line with the new scenario.

In view of the upward trend in commodity markets, influenced by the more optimistic outlook for economic recovery from the consequences of the pandemic and the influence on markets of transition policies in countries such as China, the US and the EU, in 2021 the Group increased its near-term expectations for future crude oil and gas prices. It should be noted that these estimates were made in an environment of high uncertainty, marked by the scenarios of recovery from the COVID-19 crisis, by the dynamics of the energy transition and decarbonization of the economy and, in short, by their possible impacts on the Oil & Gas markets.

The new assumptions for the main price references are:

Real terms 2020	**2022-2050[1]**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027-2050[2]**
Brent ($/ barrel) [3]	62	69	67	66	68	68	60
WTI ($/ barrel)	59	66	64	63	65	65	58
HH ($/ Mbtu) [3]	2.9	3.6	3.3	2.9	3.0	3.0	2.8
Electricity pool (€/MWh) [4]	52	108	85	80	67	59	46

(1) Average prices for the 2022-2050 period.
(2) Average prices for the 2027-2050 period.
(3) For the purpose of preparing the 2021-2025 Strategic Plan published in November 2020, constant Brent and Henry Hub prices of $50/barrel and $2.5/Mbtu, respectively, were used to demonstrate the Company's ability to meet its intended shareholder remuneration even in acidic scenarios, which do not necessarily coincide with the Company's view of future crude oil and gas prices, which are those considered when testing for impairment, as explained in Note 3.6.
(4) Electricity pool prices in Spain. In 2021 the Group significantly increased the electricity pool prices. Pool prices rose by +228% in 2021 mainly as a result of the significant increase in gas and CO2 prices.

With regard to CO2 prices, the most significant for the Group are those of the current EU ETS mechanism (see Note 30.1). For these purposes, the price of emission allowances, in nominal terms, is estimated for the 2022-2026 period to be $70.2/Tn, $70.8/Tn, $70.8/Tn, $72.0/Tn and $75.6/Tn, respectively ($99.4/Tn for the 2022-2050 period and $105.1/Tn for the 2027-2050 period). In 2021 the Group significantly revised CO2 prices upwards as a result of the more ambitious decarbonization targets announced by Repsol and those set by the European Union (55% -Fit for 55-), as well as the price increase in 2021 (+105%).

These assumptions consider the implementation of the public policies and commitments aimed at boosting the pace of the decarbonization of the economy to achieve the climate change objectives of the Paris Summit Agreement and sustainability goals of the UN. They represent a commitment to the decarbonization of the economy and, therefore, assume the restriction on the use of fossil fuels and the development of new alternative technologies that drive the energy transition; this will mean a reduction in the demand for hydrocarbon products in the medium and long term should be noted. This will require companies to have a strategy in place to adapt to the energy transition that Repsol has already begun.

b) Discount rates:

The discount rate used by Repsol is the weighted average cost of capital employed after tax for each country and business. This rate seeks to reflect current market assessments with regard to the time value of money and the specific risks of the business. Therefore, the discount rate used takes into account the risk-free rate, the country risk, the currency in which the cash flows are generated and the market, credit and business risk. For more information, see Note 3.6.

	2021	**2020**
EXPLORATION AND PRODUCTION [1]		
Latin America	7.1% - 37.6%	7.2% - 37.6%
Europe and North Africa [3]	6.9% - 13.7%	7.0% - 18.6%
North America	7.4% - 7.6%	7.5% - 7.6%
Asia and Russia	7.4% - 8.6%	7.4% - 9.2%
INDUSTRIAL [2]	5.0% - 9.2%	4.6% - 8.4%
COMMERCIAL AND RENEWABLES [2]	5.0% - 8.6%	4.2% - 9.7%

(1) Discount rates in US dollars.
(2) Discount rates in euros and US dollars
(3) The higher range is reduced by the rate corresponding to Libya due to the reduction of risk in the country.

c) Impairment recognized

In 2021 impairment losses were recognized for the Group's assets in these balance sheet headings:

€ Million	Notes	Total
Other intangible assets [(1)]	11	(184)
Property, plant and equipment [(1)]	12	(120)
Investments accounted for using the equity method [(2)]	13	(232)
Deferred tax assets	23	(318)
Other		(10)

(1) Does not include impairment losses on unsuccessful exploratory investments recognized in the normal course of operations (see Note 20.7) amounting to €-26 million (recognized under "*Other intangible assets*")and €-3 million (recognized under "*Property, plant and equipment - Investments in exploration*"), or those recognized in divestment processes during the period (apart from the annual calculation of the recoverable amount of the assets).
(2) Before tax.

Impairment, net of reversals, amounted to €-864 million before tax (€-672 million after tax)[23].

Exploration and Production assets

The Group has recognized net impairment losses[24] in relation to the assets of the Exploration and Production segment amounting to €-547 million, before tax, which affect:

- Production assets (€-347 million), mainly in: (i) Europe (€-183 million), mainly in the United Kingdom and Norway, due to higher investments and operating expenses —inflation and costs linked to decarbonization—, and project delays; and (ii) Latin America (€-162 million), mainly in Trinidad and Tobago, and Bolivia, due to less activity resulting from the natural decline of assets.

- Exploration and development assets (€-188 million), mainly in the United States, as a result of the future developments of the energy transition, which does not allow a favorable conclusion to be drawn on the commercial viability of certain bonds and capitalized wells.

The recoverable amount of assets impaired in the period stood at €10,271 million. The carrying amount of the cash-generating units of the segment[25] after recognizing the impairment stood at €12,857 million.

Industrial and Commercial assets

With regard to the rest of the assets of the Industrial, and Commercial and Renewables segments, the new scenarios assumed, in the context of decarbonization and the energy transition, consider an environment marked by a reduction in the demand for oil products and fuels, and an increase in the expected cost of CO_2 emissions. The quality of the assets and the capacity of the business models to adapt to the new environment and the new strategic approach means that, even in the new and demanding scenarios, no impairment losses were observed during the year.

Other

In 2021 deferred tax assets in Canada and Spain were reduced by €-318 million (see Note 23).

[23] In 2020 provisions, net of reversals, amounted to €3,016 million before tax (€2,774 million after tax).
[24] This relates to the impairment losses recognized under *"Goodwill", "Other intangible assets", "Property, plant and equipment"* and *"Investments accounted for using the equity method"* before tax.
[25] Includes investments accounted for using the equity method. Does not include goodwill or the carrying amount of exploratory assets.

21.2) Sensitivities

The changes in estimated future prices or discount rates used would affect the amount of the impairment of the Repsol Group assets. The main sensitivities to these variations without taking into account the rebalancing of other related variables or the possible adjustments of the operational plans, which would allow the negative impact of the above-mentioned variations to be mitigated, are indicated in the table below:

		€ Million [(1)]	
	Increase (+) / decrease (-)	Operating income	Net income
Change in hydrocarbons prices	+10%	975	956
	(10)%	(952)	(857)
Change in hydrocarbons production	5%	430	450
	(5)%	(465)	(485)
Change in hydrocarbons prices and production	+10%	1,926	1,865
	(10)%	(2,060)	(1,907)
Changes in the margins of Industrial, and Commercial and Renewables	5%	42	31
	(5)%	(179)	(134)
Change in discount rate	+100 b.p.	(265)	(233)
	-100 b.p.	292	257

(1) Includes impact on investments accounted for using the equity method.

21.3) Geopolitical risks

Repsol is exposed to risks arising in countries that may present specific economic, social and political circumstances that may have a negative impact on its businesses (unexpected regulatory changes; highly volatile exchange rate; high inflation; possibility of economic and financial crises or political instability or social tensions and public unrest, etc.) and that may have a negative impact on its business.

According to the ratings in the Country Risk Rating of IHS Global Insight, among others, the Repsol Group is exposed to a particular geopolitical risk mainly in Venezuela, Libya and Algeria.

Venezuela

Repsol has a presence in Venezuela through its shareholdings in mixed oil companies and gas licensees. The current situation of crisis in the country generates increased uncertainty regarding business performance. To assess the recoverability of the investments in this country, which include both the investment in the share capital of the companies and the financing granted through loans and trade receivables, it is necessary to use certain hypotheses and assumptions (such as asset development plans, compliance with the agreements signed and changes in the environment), which involves judgements and estimates that may vary from those initially made (see Notes 10 and 13).

Repsol's equity exposure[26] in Venezuela at December 31, 2021 amounted to €298 million, (€320 million at December 31, 2020), which includes mainly the financing granted to its Venezuelan subsidiaries (see Note 8 and 14).

The situation of political instability, economic recession (GDP[27] dropped by 5% in 2021) and inflation (686%[28] in 2021 and it is expected to be 730% in 2022) continued in 2021 and, therefore, the State of Exception and Economic Emergency was extended several times — the last Presidential Decree No. 4,440 was published in Official Gazette No. 6,615, dated February 23, 2021 — for a period of sixty days. Oil production has declined significantly in recent years. There was a significant devaluation of the Venezuelan currency against the euro (€5.211/BsS compared to €1.359/BsS at December 31, 2020, the SIMECA[29] exchange rate) with no significant impact on the Group's financial statements, since the functional currency of its subsidiaries in the country is the US dollar, except in the case of Quiriquire Gas[30] (see Note 13).

With regard to international sanctions affecting the Venezuelan government and PDVSA and its subsidiaries, on November 24, 2021 the US government announced that the General License 8H (now 8I) of the Office of Foreign Assets Control (OFAC)

[26] Equity exposure relates to the value on the Group's balance sheet of net consolidated assets exposed to own risks of the countries reported.
[27] Source: Estimate from the International Monetary Fund.
[28] National Price Index of the National Assembly (INPCAN).The Central Bank of Venezuela has not officially released a cumulative inflation figure since 2016.
[29] SMC (Foreign Exchange Market System) reference exchange rate.
[30] The functional currency of Quiriquire Gas is the bolivar (the carrying amount of the investment is non-existent, so any effect arising from the translation of the bolivar to the euro is not significant).

would be extended with regard to the oil company Chevron and four other US companies in the hydrocarbon sector. However, although these companies will not be able to extract, sell or transport Venezuelan oil, hire additional personnel or pay any dividends to PDVSA or its subsidiaries, they will be able to continue activities aimed at limited maintenance of their operations that are essential for the security or preservation of the assets until June 1, 2022.

Repsol has adopted the measures necessary to continue its activity in Venezuela, with full respect of the applicable international regulations regarding sanctions, including US regulations in relation to Venezuela, and is constantly monitoring their development and, therefore, any possible effects they may have on these activities. However, if the current situation continues over the long term or if there are further changes in US policies, our activities in Venezuela could be affected.

The Group assesses the recoverability of its investments and the credit risk on accounts receivable from PDVSA.

With regard to financial instruments, expected loss is calculated by considering the cash flow scenarios expected for the business, weighted by their estimated probability. Three LGD scenarios (moderate, significant and severe) are applied with different assumptions and economic impacts on the estimated cash flows. The probability of occurrence of these scenarios is weighted according to the historical information of sovereign defaults (Moody's Report: "*Sovereign Default and Recovery Rates 1983-2020*") and Management's expectations. The estimation of the cash flow scenarios is consistent with those used for the purpose of calculating the recoverable amount of the assets. The assessment of credit risk impairment in Venezuela required estimates of the implications and evolution of a highly uncertain environment, which made it advisable to have an independent expert to validate Management's judgements.

As a result, in 2021 the Group recognized impairment for the credit profile of PDVSA and for the deterioration of the business environment in Venezuela, which affects the value of the financing instruments and accounts receivable from PDVSA (€-223 million)[31] as well as the value of the investments accounted for using the equity method (€-129 million).

Libya

Repsol's equity exposure in Libya as of December 31, 2021 amounts to about €344 million (including primarily property, plant and equipment at that date).

Repsol has operated in Libya since the 1970s when it started exploring in the Sirte Basin. As of December 31, 2021, Repsol has acreage on two contractual areas (exploration and production activities) located in the Murzuq basin in the Sahara desert, with estimated reserves amounting to 100.18 million barrels of oil equivalent at December 31, 2021.

Following the joint declaration of a ceasefire agreed between the GNA (government officially established in Tripoli and supported by the United Nations) and the LNA (Libyan National Army) with the endorsement of the international community in September 2020, in February 2021 the Libyan Political Dialogue Forum (LDPF) was able to create a transitional government that will lead the country until elections, which are currently set for the first half of 2022.

Production in 2021 at El Sharara Field was not affected by any interruptions until December 20, when it had to be shut down due to safety conditions. Production resumed on January 10, 2022 following an agreement reached by the Prime Minister with the Petroleum Facilities Guard (one of the militias protecting the field). Repsol's net crude oil production in 2021 amounted to 34.2 thousand barrels of oil per day (vs. 9.35 thousand barrels of oil per day during the same period in 2020).

Algeria

Repsol's equity exposure in Algeria at December 31, 2021 amounted to around €505 million (including mainly property, plant and equipment at that date).

Repsol now has two blocks in Algeria in the production/development phase (Reggane Nord and block 405a —with the MLN, EMK and Ourhoud licenses—), once the *Tin Fouyé Tabankort* (TFT) asset was sold in June 2021 (see Note 2.3).

Net average production in Algeria in 2021 came to 19.7 thousand barrels of oil equivalent per day (25.9 kboe in 2020) from Reggane Nord and block 405a (in 2020 this also included the production of TFT).

The estimated net proved reserves at December 31, 2021 amount to 23.3 million barrels of oil equivalent. Around 50% of the net proved reserves refer to the gas production project at Reggane, which is located in the Algerian Sahara in the Reggane

[31] Recognized under "*(Provision for)/Reversal of provisions for impairment*" (credit risk, see Notes 10.3 and 20.5) and "*Impairment of financial instruments*" (see Note 22) in the income statement.

basin. Repsol holds a 29.25% interest in the consortium that is to develop the project alongside the Algerian state-owned company Sonatrach (40%), Germany's RWE Dea AG (19.5%), and Italy's Edison (11.25%).

Following the election of Abdelmayid Tebboune in the elections called in December 2019, Algeria started a process of political and economic reform.

(22) Financial result

The financial result has improved compared to 2020 mainly due to better results from one-off dollar/euro exchange rate and treasury share positions (derivatives on treasury shares, see Note 9), as well as lower interest rates on debt.

The breakdown of financial income and expenses in 2021 and 2020 is as follows:

€ Million	**2021**	**2020**
Financial income	82	96
Financial expenses	(234)	(340)
Net interest [1]	**(152)**	**(244)**
By interest rate	32	29
By exchange rate	459	(293)
Other positions	153	116
Change in fair value of financial instruments [2]	**644**	**(148)**
Exchange gains/(losses) [3]	**(131)**	**406**
Impairment of financial instruments	**27**	**57**
Adjustment for provision discounting	5	(82)
Interim interest	77	86
Interest on leases [4]	(172)	(200)
Gains/(losses) on disposal of financial instruments	—	—
Others	(27)	(16)
Other financial income and expenses	**(117)**	**(212)**
FINANCIAL RESULT	**271**	**(141)**

(1) Includes interest income from financial instruments valued at amortized cost in the amount of €82 million (€96 million in 2020). Financial expenses decreased as a result of lower volume and borrowing costs (see Note 7.1).
(2) Includes the results from the valuation and settlement of derivative financial instruments (see Note 9). "*Other provisions*" includes the results from the valuation and settlement of derivatives on treasury shares (see Notes 6.2 and 9).
(3) Includes the exchange gains and losses generated by the valuation and settlement of monetary items in foreign currency. The change compared to 2020 is explained by the varying performance of the dollar exchange rate on financing instruments in both periods.
(4) Corresponds to the financial discounting of lease liabilities.

(23) Taxes

The appropriate assessment of the income tax expense is dependent on several factors, including estimates on the timing and realization of deferred tax assets and the timing of income tax payments. Collections and payments may be materially different from these estimates as a result of changes in the expected performance of the Company's businesses or in tax regulations or their interpretation, as well as unforeseen future transactions that impact the Company's tax balances

Deferred tax assets are only recognized when it is considered probable that the entities (individually or on a consolidated basis) that have generated them will have sufficient taxable income in the future against which they can be utilized.

Deferred tax assets are reviewed when there are indications of impairment, and in any event once a year, to verify that they still qualify for recognition and they are considered to be recoverable in the future, and the appropriate adjustments are made on the basis of the outcome of the analyses performed. These analyses are based on: (i) assumptions made to analyze the existence or otherwise of sufficient future earnings for tax purposes that might offset the tax losses or apply existing tax credits, based on the approach used to ascertain the presence of indications of impairment on its assets; (ii) the assessment of earnings estimates for each entity or tax group in accordance with their individual business plans and the Group's overall strategic plan; and (iii) the statute of limitations period and other utilization limits imposed under prevailing legislation in each country for the recovery of the tax credits.

23.1) Applicable taxes

With regard to taxation and, particularly, income tax, the Repsol Group is subject to the legislation of several tax jurisdictions due to the broad geographic mix and the relevant international nature of the business activities carried out by the companies comprising the Group.

For this reason, the Repsol Group's effective tax rate is shaped by the breakdown of earnings obtained in each of the countries where it operates and, on occasion, by the taxation of said profits in more than one country (double taxation).

a) In Spain

Most of the entities resident in Spain for tax purposes are subject to taxation under Spain's consolidated tax regime. Under this regime, the companies comprising the tax group jointly determine the Group's taxable profit and tax liability.

Repsol, S.A. is the parent of Consolidated Tax Group 6/80, which comprises all of the companies resident in Spain that are at least 75%-owned, directly or indirectly, by the parent and that meet certain prerequisites. This Consolidated Tax Group was composed of 97 companies in 2021, the most significant of which are: Repsol, S.A., Repsol Petróleo, S.A., Repsol Trading, S.A., Repsol Química, S.A., Repsol Butano, S.A., Repsol Comercial de Productos Petrolíferos, S.A., Repsol Exploración, S.A., Repsol Exploración Murzuq, S.A., Repsol Generación Eléctrica, S.A. and Repsol Renovables, S.L.U.

Accordingly, Petróleos del Norte, S.A. (Petronor) is the company representing Consolidated Tax Group 02/01/B, to which the special regional corporation tax regulations of Vizcaya are applicable. In 2021 this tax group included subsidiaries, among others, such as Repsol Customer Centric, S.L. (the company that channels the Repsol Group's holdings in the Customer business) and Repsol Industrial Transformation, S.L. (the company that brings together the Group's subsidiaries in the Industrial business).

The rest of the companies resident in Spain for tax purposes that are not included in either of the above tax groups determine their income tax individually.

The Spanish companies have been taxed at the general rate of 25% in 2021, regardless of whether they pay tax as part of a tax group or individually. Exceptionally, Repsol Investigaciones Petrolíferas, S.A., which files its taxes on an individual basis under the special hydrocarbon regime, is taxed at 30%, and the Petronor group, which applies the regime of Vizcaya, is taxed at 24%.

In December 2021, Law 22/2021, on the General State Budget for 2022, amended the Corporate Income Tax Law, effective as of January 1, 2022, introducing a minimum income tax rate of 15% to the taxable base, which implies an additional limitation on the application of tax credits for Tax Group 6/80 in future years.

b) Other countries

The rest of the Group companies are subject to taxation in each of the countries in which they do business, applying the income tax rate in force under applicable local tax regulations. Group companies in some countries are also subject to a tax on their presumed minimum income in addition to income tax.

In turn, the Group companies resident in Spain that conduct some of their business in other countries are also subject to prevailing income tax in those countries in respect of the profits generated outside Spain. This is the case, for example, with the permanent establishments of the Spanish companies that carry out hydrocarbon exploration and production activities in other countries (including Algeria, Ecuador, Indonesia, Libya or Peru).

Below is a list of the statutory income tax rates applicable in the Group's main tax jurisdictions:

Country	Tax rate	Country	Tax rate
Algeria [(1)]	38 %	Norway	78 %
Bolivia	25 %	Netherlands	25 %
Brasil	34 %	Peru	29.5 %
Canada [(2)]	24.6 %	Portugal	22.5% - 31.5%
Colombia	32 %	United Kingdom	40 %
Ecuador	25 %	Russia	20 %
United States [(3)]	21 %	Singapore	17 %
Indonesia	32.5% - 44%	Trinidad and Tobago	55% - 57.2%
Libya	65 %	Venezuela	34% (Gas) and 50% (Oil)
Malaysia	38 %	Vietnam	32% - 50%
Mexico	30 %		

(1) Plus tax on exceptional profits (TPE).
(2) Federal and provincial rate.
(3) Does not include state taxes.

23.2) Accrued income tax expense

The table below shows how the accrued income tax expense for accounting purposes in 2021 and 2020 was calculated:

	€ Million	
	2021	**2020**
Current tax (expense)/income for the year	(934)	(105)
Adjustments to current tax [(1)]	24	13
Current income tax (expense)/income (a)	**(910)**	**(92)**
Deferred tax (expense)/income for the year	(579)	296
Adjustments to deferred tax [(2)]	(312)	(220)
Deferred income tax (expense)/income (b)	**(891)**	**76**
Income tax (expense)/income(a+b)	**(1,801)**	**(16)**

(1) Includes changes in tax provisions amounting to €86 million and other current tax adjustments amounting to €-62 million.
(2) Includes the adjustment to deferred tax assets amounting to €-318 million and other deferred tax adjustments amounting to €6 million.

The reconciliation of "*Income tax expense*" recognized and the expense that would result from the application of the nominal income tax rate existing in the country of the parent company (Spain) to the net income before tax and investees is as follows:

	€ Million	
	2021	**2020**
Profit before income tax	4,329	(3,304)
Profit of investments accounted for using the equity method	301	(609)
Profit before income tax and profit of investments accounted for using the equity method	**4,028**	**(2,695)**
General nominal income tax rate in Spain	25 %	25 %
Income tax (expense)/income at the general nominal rate in Spain	**(1,007)**	**674**
Additional income tax (expense)/income due to adjustments to nominal rates other than the general rate in Spain [(1)]	(572)	83
Increased income tax expense from non-deductible expenses [(2)]	(37)	45
Lower income tax expense due to application of mechanisms to avoid double taxation [(3)]	55	(644)
Lower income tax expense due to application of tax credits and incentives [(4)]	88	77
Income tax (expense)/income due to adjustments for deferred taxes [(5)]	(318)	(236)
Income tax (expense)/income due to provision/reversion of provisions for income tax risks	86	(51)
Other items [(6)]	(96)	36
Income tax (expense)/income	**(1,801)**	**(16)**

(1) Profit taxed abroad or in Spain at rates other than 25% (special hydrocarbons regime, regional regimes, etc.).
(2) Corresponds to accounting provisions and expenses that are not tax deductible (the most noteworthy in 2020 were impairment losses on assets).
(3) Includes mechanisms to prevent international and internal double taxation, whether in the form of exemptions, tax relief and tax credits.
(4) Relates mainly to investment incentives in Norway ("Uplift") and tax credits for R&D in Spain.
(5) Includes mainly the adjustment to deferred tax assets in Canada and Spain following the reversal of their recoverability (see Note 23.3).
(6) Includes changes in deferred taxes due to exchange rate differences and changes in the tax rate.

23.3) Deferred taxes

The Group presents deferred tax assets and liabilities on a net basis in the same taxable entity. The breakdown of the deferred tax assets and deferred tax liabilities by underlying concept recognized in the accompanying balance sheet is shown below:

€ Million	**2021**	**2020**
Tax losses, tax credits and similar benefits not yet used	2,756	3,122
Amortization differences for tax and accounting purposes	(1,623)	(1,214)
Provisions for field decommissioning	404	543
Staff and other provisions	585	476
Other deferred taxes	66	252
Total deferred tax	**2,188**	**3,179**
Provisions for contingencies related to income tax[(1)]	(1,332)	(1,576)
Net deferred tax and other taxes	**856**	**1,603**

(1) The changes in provisions for contingencies related to income tax is as follows: (i) provisions/reversals charged to profit or loss, €155 million; (ii) reclassifications/payments, €98 million; and (iii) translation and other differences, €-9 million.

The tax assets recognized corresponding to tax losses and tax loss carryforwards amount to €2,756 million and correspond mainly to:

Country	€ Million	Legal expiry	Estimated recoverability
Spain	1,674	No time limit	In less than 10 years
United States	892	20 years	Mostly in 10 years
Luxembourg	125	No time limit	In less than 10 years
Mexico	26	10 years	In less than 10 years
Colombia	37	No time limit	In less than 10 years
Other	2	-	-
Total	**2,756**		

Below is a breakdown of changes in deferred tax:

€ Million	**2021**	**2020**
Opening balance for the year	**3,179**	**3,224**
Income (expense) in income statement	(891)	58
Income (expense) in equity	(14)	—
Translation differences for balances in foreign currency	52	(101)
Other items [1]	(138)	(2)
Balance at year end	**2,188**	**3,179**

[1] Relates mainly to deferred taxes of companies reclassified as held for sale.

In 2021, following the review performed by the Group to test its assets for impairment, the Group concluded that the recoverability of the deferred tax assets in Canada was not justified and therefore reduced the deferred tax assets recognized by €175 million.

In addition, the Group reduced the deferred tax assets recognized in Spain by €141 million mainly due to the impact of implementing the minimum tax as of 2022, which limits the use of tax credits for investments and, therefore, the justification of their recoverability.

In 2020, as a result of reviewing the price scenarios determined for the asset impairment test, the Group reduced the deferred tax assets recognized by €236 million (does not include impairment losses on joint ventures, see Note 21).

The breakdown of net deferred tax assets at year-end 2021 is as follows:

Country	€ Million	Legal expiration
Luxembourg	3,629	17 years / no time limit
Canada	814	20 years
United States	637	20 years / no time limit
Spain [1]	506	No time limit
Other [2]	111	
Total [3]	**5,697**	

NOTE: €5,021 million corresponds to 2020.

[1] In Spain this does not include deferred tax liabilities associated with taxable temporary differences on investments in subsidiaries, associates and permanent establishments that meet the requirements established in IAS 12 to apply the accounting exception (€94 million and €113 million at the end of 2021 and 2020, respectively).

[2] Corresponds to Australia (€38 million), the Netherlands (€12 million), Venezuela (€11 million), Singapore (€5 million), the United Kingdom (€5 million), Colombia (€2 million) and Bolivia (€2 million).

[3] Does not include the amount corresponding to net unrecognized deferred tax assets of companies accounted for using the equity method, which amounted to €1,391 million (United Kingdom €776 million, Venezuela €446 million, Trinidad and Tobago €166 million and Spain €3 million).

23.4) Government and legal proceedings with tax implications

In accordance with current tax legislation, tax returns cannot be considered final until they have been audited by the tax authorities or until the statute of limitations period in each tax jurisdiction has expired.

The time frame for which the Group companies have their tax returns open for audit with regard to the main applicable taxes are as follows:

Country	Years	Country	Years
Algeria	2017 - 2021	Mexico	2017 - 2021
Bolivia	2015 - 2021	Norway	2019 - 2021
Canada	2015 - 2021	Netherlands	2020 - 2021
Colombia	2016 - 2021	Peru	2016 - 2021
Ecuador	2017 - 2021	Portugal	2018 - 2021
Spain	2017 - 2021	United Kingdom	2015 - 2021
United States	2018 - 2021	Singapore	2016 - 2021
Indonesia	2017 - 2021	Trinidad and Tobago	2015 - 2021
Libya	2013 - 2021	Venezuela	2016 - 2021

Whenever discrepancies arise between Repsol and the tax authorities with respect to the tax treatment applicable to certain operations, the Group behaves towards the authorities in a transparent and cooperative manner in order to resolve the resulting controversy, using the legal avenues available with a view to reaching non-litigious solutions. However, as in prior years, this year there are administrative and legal proceedings with tax implications that may have an adverse impact on the Group's interest and that have given rise to litigation proceedings that could result in additional tax liabilities. Repsol believes that it has acted lawfully in handling the foregoing matters and that its defense arguments are underpinned by reasonable interpretations of prevailing legislation, to which end it has lodged appeals as necessary to defend the interests of the Group and its shareholders.

It is difficult to predict when these tax proceedings will be resolved due to the extensive appeals process. Based on the advice received from in-house and external tax experts, the Company believes that the tax liabilities that may ultimately derive from these proceedings will not have a significant impact on the accompanying financial statements.

As a general rule, the Group recognizes provisions for tax-related proceedings that it deems it is likely to lose. The amounts to be provisioned are calculated on the basis of the best estimate of the amount needed to settle the lawsuit in question, underpinned, among others, by a case-by-case analysis of the facts, the legal opinions of its in-house and external advisors and prior experience from past events in these matters.

In view of the uncertainty generated by the materialization of existing tax risks associated with litigation and other tax contingencies, the Group has recognized provisions that are considered adequate to cover the aforementioned risks. At December 31, 2021, the Group had recognized €1,332 million relating to uncertain income tax positions (€1,576 million at December 31, 2020). In addition, it recognized other tax provisions amounting to €215 million (€101 million at December 31, 2020), which are presented under "*Other provisions*" in Note 15.

At December 31, the main tax-related proceedings concerning the Repsol Group were as follows:

Bolivia

YPFB Andina, S.A. is involved in a lawsuit regarding the deductibility of royalty payments and hydrocarbon shares from the Company's income tax. A judgment has been handed down at first instance, rejecting the company's claim; the lawsuit is currently awaiting a ruling at second instance. The Company believes that its position is expressly supported by law.

Brazil

Petrobras, as operator of the Albacora Leste, BMS 7, BMES 21 and BMS 9 consortia (in which Repsol has a 10%, 37%, 11% and 25% interest, respectively) received various tax assessments (IRRF, CIDE and PIS/COFINS)[32] for tax years 2008 to 2013, in connection with payments to foreign companies for charter contracts for exploration platforms and related services used for activities in the blocks.

[32] IRRF: Imposto de Renda Retido na Fonte (Withholding tax), CIDE: Contribuição sobre Intervenção no Domínio Econômico (Contribution on Economic Activities), PIS: Programa de Integração Social (Social Integration Program) and COFINS: Contribuição para o financiamento da seguridade social (Contribution for Social Security Financing).

Likewise, Repsol Sinopec Brasil received assessments for the same items and taxes (tax years 2009 and 2011) in connection with payments to foreign companies for contracts for exploration charters and related services used in blocks BMS 48, BMS 55, BMES 29 and BMC 33, in which Repsol Sinopec Brasil is the operator.

These lawsuits are currently limited to CIDE and PIS/COFINS, after the company availed itself of a program authorized by Law 13,586/17, which made it possible to reduce the amount in dispute regarding personal income tax (IRRF) through the retroactive application of the price determination percentages (split) contained in this Law, abandoning the lawsuits in progress and without any penalties being applicable.

All these assessments have been appealed in administrative or court proceedings (at first or second instance), with a favorable ruling at second instance. The Company considers that it has acted in accordance with the law and in line with general practice in the sector.

In 2021 Repsol Sinopec Brasil, S.A. received a proposal to adjust its transfer pricing policy with regard to the methodology for calculating the remuneration for the charter services rendered in 2016 for the drilling and extraction rigs owned by Agri BV and Guara BV. The Company has filed pleadings as it considers that the remuneration calculation methodology applied is correct.

Canada

The Canadian Revenue Agency (CRA) periodically reviews the tax situation of the companies of Repsol Oil & Gas Canada Inc. (ROGCI, formerly Talisman Group, acquired by Repsol in 2015) resident in Canada. In recent years, Repsol has strengthened cooperative relationships with the CRA, which has allowed it to reach agreements on tax matters. In 2020, the tax audit of international operations for tax years 2011, 2012 and 2013 was concluded with an agreement reached and without any significant impact for the Group. International operations from 2015 and 2016 and corporate income tax for 2016 and 2018 are currently being audited.

Spain

Proceedings relating to the following corporate income tax years are still open.

- Financial years 2006 to 2009. In relation to the audit of these years, the matters under dispute relate mainly to (i) transfer pricing, (ii) tax credits for losses incurred on investments abroad, and (iii) tax credits for investment incentives, the majority of them as a result of changes in the criteria maintained by the Administration in previous audits. In relation to the transfer pricing adjustments, the settlements were annulled as a consequence of the resolution of a dispute by the Arbitration Board of the Economic Agreement with the Basque Country, the resolution of a mutual agreement with the US and two decisions handed down by the Central Economic Administrative Tribunal; the tax authorities issued a new assessment for the 2007-2009 period applying the criteria already accepted in subsequent years by the Administration and the taxpayer (the assessment for 2006 is still pending). In relation to the other matters (tax credits for losses incurred on investments abroad and tax credits for R&D), the Central Economic Administrative Court partially upheld the Company's appeals, and with regard to that not upheld, two appeals for judicial review were filed with the National Court (for 2006 and for 2007-2009). In 2021 the National Court handed down a judgment with regard to the appeal corresponding to 2007-2009, upholding in full that relating to the tax credits for investments (R&D tax incentives), and mostly upholding that relating to the tax credit for losses incurred on investments abroad. Accordingly, as this last issue was partially dismissed, the Company has prepared an appeal to be filed with the Supreme Court. Consequently, more than 90% of that originally demanded by the tax authorities has already been definitively annulled.

- Financial years 2010 to 2013. The audits in relation to these years were concluded in 2017 without any penalties being imposed and, for the large part, by means of assessments signed on an uncontested basis or agreements from which no significant liabilities have arisen for the Group. However, with regards to two issues (deductibility of interest for the late payment of taxes and the deduction of losses incurred on overseas business), the administrative decision has been subject to appeal, as the Company believes it has acted within the law. The Central Economic Administrative Tribunal rejected this claim and an appeal for judicial review was filed with the National Court, which has yet to hand down a decision. Regarding the deductibility of late payment interest, the Supreme Court has already followed case law in the position defended by Repsol.

- Financial years 2014 to 2016. The audit ended in December 2019 without the imposition of any penalty and, for the most part, with assessments signed on an uncontested basis or agreements that did not generate significant liabilities for the Group. However, there are still disputes regarding the deduction of losses for foreign investments and the corresponding claim has been filed against the administrative ruling, since the Company believes that its actions have been in accordance with the law.

– Financial years 2017 to 2020. In November 2021, the Company was notified that a tax audit would be carried out for these years.

Indonesia

The Indonesian tax authorities have been questioning various aspects regarding the taxation of the profits of the permanent establishments that the Group has in the country, in particular with regard to the application of the reduced rate of the double taxation treaties signed by Indonesia. The company considers that its actions are in line with general practice in the sector and are in accordance with the law and, therefore, the disputes on which the aforementioned actions are based are being appealed through administrative proceedings or a ruling has yet to be handed down by the courts.

Peru

The Peruvian Tax Authorities (SUNAT) modified the 2014 income tax assessment of RELAPASAA as the transfer prices applied on certain sales and purchases came into question. An administrative appeal has been filed against this matter.

The Supervisory Agency for Investment in Energy and Mining (OSINERGMIN) ordered RELAPASAA to pay the "contribution for regulation of the companies of the hydrocarbon sub-sector" for the sales of aircraft fuel, however, it is the company's understanding that such sales are not subject to this tax since the use of that product is exempt. An administrative appeal has been filed against this matter.

The Company does not expect any additional liabilities to arise that could have a significant impact on the Group's profit as a result of the above proceedings.

(24) Earnings per share

The earnings per share at December 31, 2021 and 2020 are detailed below:

Earnings per share (EPS)	2021	2020
Net income attributed to the parent (€ million)	2,499	(3,289)
Adjustment to the interest expense on subordinated perpetual bonds (€ million)	(60)	(54)
Weighted average number of shares outstanding (millions of shares)	1,491	1,572
Basic and diluted earnings per share (euros/share)	**1.64**	**(2.13)**

CASH FLOWS

(25) Cash flow

25.1) Cash flow from operating activities

During 2021 the cash flow from operating activities amounted to €4,677 million compared to €2,738 million in 2020. The increase was due mainly to higher revenue as a result of higher crude oil prices and greater demand for products, in a context of increased activity due to the recovery from the international crisis caused by COVID-19 (see Note 2.3). This increase in revenue was partially offset by the effect of higher inventory costs (price of inventories in the industrial businesses).

The breakdown of "*Cash flows from operating activities*" in the statement of cash flows is as follows:

	Notes	€ Million 2021	2020
Net income before tax		**4,329**	**(3,304)**
Adjusted result:		**2,390**	**5,074**
Amortization of non-current assets	3, 11 and 12	2,004	2,207
Operating provisions	10.3, 15 and 21	935	2,204
Net income from the disposal of assets		(10)	(102)
Financial result	22	(271)	141
Share of results of companies accounted for using the equity method, net of taxes	13	(301)	609
Other adjustments (net)		33	15
Changes in working capital:		**(1,107)**	**1,000**
Increase/Decrease in accounts receivable	18	(3,785)	985
Increase/Decrease in inventories	17	(1,340)	1,525
Increase/Decrease in accounts payable	19	4,018	(1,510)
Other cash flows from operating activities:		**(935)**	**(32)**
Dividends received		281	183
Income tax refunded/(paid) [1]		(920)	100
Other proceeds from/(payments for) operating activities [2]		(296)	(315)
Cash flows from operating activities		**4,677**	**2,738**

[1] In 2021, net income tax payments returned to normal levels in line with those of 2019 (€975 million). In 2020, of particular note were corporate income tax refunds in Spain and Norway. For further information on the Group's tax contribution, see section 6.7 "*Responsible tax policy*" of the 2021 consolidated Management Report and in Appendix V.
[2] Includes mainly payments for the application of provisions (see Note 15).

25.2) Cash flows from investing activities

During 2021 the net cash flow from investing activities resulted in a net outflow of €-2,933 million.

"*(Payments for)/proceeds from investments in Group companies and associates*" amounted to €-269 million. The payments relate mainly to the acquisition of 40% of Hecate, the acquisition of an additional 25% in Saint John LNG, the acquisitions and contributions to develop renewable energy projects in the US (100% of the Jicarilla 2 solar photovoltaic plant) and in Chile (through the joint venture in Ibereólica), and the acquisition of 70% in Gana Energy. The proceeds relate mainly to the sales completed in the Exploration and Production segment (including the sale of AROG.B.V. in Russia) and the refund of capital from Repsol Sinopec Brasil, S.A. In 2020, this heading mainly included the tax refund (income tax prepayments) attributed to the divestment in Naturgy in May 2018 and offsetting the divestment in Vietnam.

"*(Payments for)/proceeds from investments in property, plant and equipment, intangible assets and investment property*" amounted to €-1,797 million, which is in line with that of 2020. Less investments in assets in the Exploration and Production segment are offset by higher investments in the industrial businesses and the investment efforts to develop low-carbon generation projects.

"*(Payments for)/proceeds from investments in other financial assets*" reflected net disposals of €-891 million, which is explained by the placement/settlement of deposits during the period.

25.3) Cash flows from financing activities

In 2021 the net cash flow from financing activities resulted in a net payment of €-529 million, €1,086 million less than in 2020. This improvement is explained by the net issuance in 2021 of equity instruments (see Note 6) and debt (see Note 7), the cash flow obtained from the sale of the 49% holding in the renewable asset (Delta I) and lower interest payments (lower cost of debt), despite the higher investment in treasury shares (share buyback programs) and higher dividend payments (cash dividend in July, compared to the "*Repsol Flexible Dividend*" in 2020).

The breakdown of the changes to liabilities linked to financing activities in 2021 is as follows:

	€ Million					
	2020	**2021**				
			Non-cash changes			
	Opening balance [1]	Cash flows	Exchange rate effect	Changes in FV	Others [3]	Closing balance [1]
Bank borrowings	937	588	74	—	288	1,887
Bonds and other marketable securities	7,951	431	29	—	159	8,570
Derivatives (liabilities)	344	(556)	241	161	9	199
Loans [2]	3,680	91	91	—	(2,775)	1,087
Other financial liabilities	99	(7)	4	—	10	106
Lease liabilities	2,991	(537)	156	—	338	2,948
Shareholder remuneration and perpetual bonds	2,039	(285)	—	—	985	2,739
Treasury shares and own equity instruments	(162)	(722)	—	—	243	(641)
Changes in investments in companies without loss of control	—	(200)	—	—	(200)	—
Total liabilities from financing activities	**17,879**	**(797)**	**595**	**161**	**(943)**	**16,895**
Derivatives (assets)	(240)	653	(17)	(808)	168	(244)
Other proceeds from/payments for financing activities	—	(385)	—	—	385	—
Total other assets and liabilities	**(240)**	**268**	**(17)**	**(808)**	**553**	**(244)**
Total	**17,639**	**(529)**	**578**	**(647)**	**(390)**	**16,651**

[1] Corresponds to the current and non-current balance on the balance sheet.
[2] Includes loans to companies accounted for using the equity method. The change is mainly explained by the allocation of financial assets of Repsol Sinopec Brasil, B.V. to its partners (see Notes 7.1 and 13) in the amount of €2,794 million.

The breakdown of the changes in liabilities arising from financing activities in 2020 is as follows:

	€ Million					
	2019	**2020**				
			Non-cash changes			
	Opening balance [1]	Cash flows	Exchange rate effect	Changes in FV	Other [3]	Closing balance [1]
Bank borrowings	2.245	(1.284)	(56)	—	32	937
Bonds and other marketable securities	7.92	(116)	(32)	—	179	7.951
Derivatives (liabilities)	118	(792)	27	979	12	344
Loans [2]	3.915	10	(362)	—	117	3.68
Other financial liabilities	136	(35)	(9)	—	7	99
Lease liabilities	3.133	(528)	(182)	—	568	2.991
Shareholder remuneration and perpetual bonds	1.137	540	—	—	362	2.039
Treasury shares and own equity instruments	(1.170)	(378)	—	—	1.386	(162)
Total liabilities from financing activities	**17.434**	**(2.583)**	**(614)**	**979**	**2.663**	**17.879**
Derivatives (assets)	(110)	887	(191)	(827)	1	(240)
Other proceeds from/payments for financing activities	73	81	—	—	(154)	—
Total other assets and liabilities	**(37)**	**968**	**(191)**	**(827)**	**(153)**	**(240)**
Total	**17.397**	**(1.615)**	**(805)**	**152**	**2.51**	**17.639**

[1] Corresponds to the current and non-current balance on the balance sheet.
[2] Includes loans with companies accounted for using the equity method.
[3] This mainly includes the capital reduction carried out during the year through the retirement of treasury shares amounting to€1,221 million (see Note 6.2), the increase in liabilities due to the addition of leases, and the accrual of interest and dividends.

Cash and cash equivalents increased by €1,274 million compared to December 31, 2020, amounting to a total of €5,595 million. Cash and cash equivalents are part of the Group's liquidity (see Note 10).

OTHER DISCLOSURES

(26) Commitments and guarantees

26.1) Contractual commitments

Commitments consist of future unconditional obligations (non-cancellable, or cancellable only under certain circumstances), as a result of commercial agreements. These commitments were quantified using Repsol's best estimates, and, if fixed total amounts were not stipulated, using price estimates and other variables that are consistent with those considered for calculating the recoverable amount of the assets (see Notes 3 and 21).

At December 31, 2021, the Group has contractually committed to the following purchases, investment and other expenditures:

€ Million	2022	2023	2024	2025	2026	Subsequent years	Total
Purchase commitments	**4,943**	**1,729**	**1,477**	**1,375**	**1,302**	**16,640**	**27,466**
Natural gas [(1) (2)]	2,349	1,344	1,163	1,060	990	13,962	20,868
Crude oil and others [(2) (3)]	2,594	385	314	315	312	2,678	6,598
Investment commitments [(4)]	**735**	**357**	**343**	**110**	**52**	**62**	**1,659**
Provision of services [(5)]	**388**	**263**	**190**	**146**	**147**	**174**	**1,308**
Transport commitments [(6)]	**170**	**162**	**105**	**81**	**66**	**264**	**848**
TOTAL	**6,236**	**2,511**	**2,115**	**1,712**	**1,567**	**17,140**	**31,281**

(1) Primarily includes commitments to purchase liquefied natural gas (LNG) in North America (with "take or pay" clauses). These contracts are classified for accounting purposes as "own use". Long-term firm commitments for the purchase and sale of gas and crude oil are analyzed to determine whether they correspond to the supply or marketing needs of the Group's normal business activities (own use), or whether, on the contrary, they should be considered a derivative and recognized in accordance with the criteria established in IFRS 9 (see Note 9).

(2) Committed crude oil and gas volumes are as follows:

Purchase commitments	Unit of measurement	2022	2023	2024	2025	2026	Subsequent years	Total
Crude oil	kbbl	26,003	201	214	227	214	323	27,182
Natural gas								
Natural gas	Tbtu	95	29	17	17	4	6	168
Liquefied natural gas	Tbtu	116	162	165	166	166	2,185	2,960

(3) Mainly includes the commitments for the purchase of products needed to operate the Group's refineries in Spain and the commitments assumed under crude oil purchase contracts with the Pemex Group (open-ended), with the Saudi Arabian Oil Company (renewed annually) and with the Repsol Sinopec Brasil Group (expires 2021) and with Overseas Petroleum and Investment Corporation (expires in 2021).

(4) Includes mainly investment commitments in Portugal, Spain, Colombia, Norway and Algeria amounting to €462 million, €297 million, €285 million, €204 million and €199 respectively.

(5) Includes mainly commitments associated with hydrocarbon exploration and productions activities totaling €571 million and commitments for technological developments amounting to €266 million.

(6) Includes, primarily, hydrocarbon transportation commitments in North America and Peru amounting to approximately €818 million.

26.2) Guarantees

In the course of its business activities, Repsol assumes guarantees of various types and content for third parties or companies whose assets, liabilities and earnings are not presented in the consolidated financial statements (joint ventures and associates). The guarantees cannot be considered a definite outflow of resources to third parties, as the majority of these guarantees will mature without any payment obligation arising. At the date of issue of these consolidated Financial Statements, the likelihood that any non-compliance would give rise to a liability for these commitments to any material extent is remote.

At December 31, 2021, the most significant guarantees for the fulfillment of obligations are:

- For the rental of three floating production platforms for the development of the BMS 9 field in Brazil: (i) a guarantee for $435 million corresponding to 100% of RSB's obligations (see Note 13), for which Repsol holds a counter guarantee from China Petrochemical Corporation in respect of its 40% interest in RSB; and (ii) two additional guarantees of $408 million and $371 million, corresponding to the 60% interest held by the Group in RSB. The guaranteed amounts are reduced annually until 2036, the date on which the contracts are completed.

- For 51% of the guarantees for the decommissioning of RSRUK in the North Sea, for £568 million.

In addition, in line with general industry practice, the Group grants guarantees and commitments to offset obligations arising in the ordinary course of business and activities, and for any liabilities arising from its activities, including environmental liabilities and for the sale of assets.

Guarantees granted in the ordinary course of business correspond to a limited number of guarantees totaling €77 million. In Venezuela an undetermined guarantee has been granted to Cardón IV to cover the commitment to supply gas to PDVSA until 2036. However, PDVSA has provided a guarantee to Cardón IV to cover collection rights for the supply commitment; the Group has also provided a guarantee to the Republic of Venezuela to cover the obligations assumed in the development of gas assets in the country.

Environmental guarantees are arranged in the normal course of hydrocarbon exploration and production operations, however, the probability of occurrence of the contingencies covered is remote and their amounts indeterminable.

Outstanding guarantees for asset sales, granted in accordance with general industry practice, are immaterial. Of recent note are those granted in the sale of LNG assets to Shell in 2015.

(27) Related party transactions

Repsol carries out transactions with related parties on an arm's length basis. The transactions performed by Repsol, S.A. with its Group companies and those performed by the Group companies among themselves form part of the Company's ordinary course of business in terms of their purpose and conditions.

For the purposes of presenting this information, the following are considered to be related parties:

a. Significant shareholders: at December 31, the Company's significant shareholders that are deemed related parties are:

Significant shareholders	Total as % of share capital December 31, 2021
Sacyr, S.A. [(1)]	3.094

Note: data available to the Company at December 31, 2021 based on the most recent information furnished by Spain's central counterparty clearing house (Iberclear, for its acronym in Spanish) and the information submitted by the shareholders to the Company and to the National Securities Market Commission (CNMV, for its abbreviation in Spanish).
[(1)] Sacyr, S.A. holds its investment through Sacyr Investments II, S.A.U.

b. Directors and executives: includes members of the Board of Directors as well as members of the Executive Committee, who are considered "key management personnel" and any persons related thereto for the purpose of this section (see Note 29.4).

c. People, companies or entities within the Group: includes transactions with Group companies or entities that were not eliminated in the consolidation process, corresponding mainly to transactions undertaken with companies accounted for using the equity method (see Note 13).

Income, expenses and other transactions and balances recognized at December 31 with related party transactions are as follows:

€ Million	2021				2020			
EXPENSES AND REVENUE	Significant shareholders	Directors and executives [1]	People, companies or entities within the Group	Total	Significant shareholders	Directors and executives [1]	People, companies or entities within the Group	Total
Financial expenses	—	—	16	16	—	—	92	92
Leases	2	—	—	2	2	—	—	2
Services received	19	—	55	74	22	—	36	58
Purchase of goods [2]	3	—	1,092	1,095	—	—	738	738
Other expenses [3]	—	—	97	97	—	—	24	24
TOTAL EXPENSES	**24**	**—**	**1,260**	**1,284**	**24**	**—**	**890**	**914**
Financial income	—	—	67	67	—	—	81	81
Services provided	—	—	4	4	—	—	2	2
Sale of goods [4]	16	—	453	469	44	—	221	265
Other revenue	—	—	254	254	1	—	131	132
TOTAL REVENUE	**16**	**—**	**778**	**794**	**45**	**—**	**435**	**480**

€ Million	2021				2020			
OTHER TRANSACTIONS	Significant shareholders	Directors and executives [1]	People, companies or entities within the Group	Total	Significant shareholders	Directors and executives [1]	People, companies or entities within the Group	Total
Financing agreements: credit and contributions of capital (creditor) [5]	—	—	463	463	—	—	457	457
Financing agreements: loans and contributions of capital (borrower)	—	—	338	338	—	—	872	872
Guarantees and sureties given [6]	—	—	615	615	—	—	637	637
Guarantees and sureties received	9	—	10	19	7	—	5	12
Commitments assumed [7]	2	—	57	59	56	—	90	146
Dividends and other profits distributed [8]	65	1	—	66	58	—	—	58
Other operations [9]	34	—	3,738	3,772	12	—	1,799	1,811

€ Million	2021				2020			
CLOSING BALANCES	Significant shareholders	Directors and executives [1]	People, companies or entities within the Group	Total	Significant shareholders	Directors and executives [1]	People, companies or entities within the Group	Total
Customer and trade receivables	2	—	169	171	2	—	101	103
Loans and credits granted	—	—	845	845	—	—	900	900
Other receivables	—	—	92	92	—	—	82	82
TOTAL RECEIVABLE BALANCES	**2**	**—**	**1,106**	**1,108**	**2**	**—**	**1,083**	**1,085**
Suppliers and trade payables	16	—	238	254	16	—	62	78
Loans and credits received [10]	—	—	1,085	1,085	—	—	3,674	3,674
Other payment obligations [11]	—	—	—	—	28	—	—	28
TOTAL PAYABLE BALANCES	**16**	**—**	**1,323**	**1,339**	**44**	**—**	**3,736**	**3,780**

(1) Includes transactions performed with executives and directors not included in Note 29 on the remuneration received by executives and directors, and would correspond to the outstanding balance at the reporting date of the loans granted to members of senior management and the corresponding accrued interest, as well as dividends and other remuneration received as a result of holding shares of the Company.

(2) In 2021 "*People, companies or entities within the Group*" primarily includes products purchased from Repsol Sinopec Brasil (RSB) and from BPRY Caribbean Ventures LLC (BPRY), for the amount of €753 million and €127 million, respectively (€509 million and €85 million in 2020).

(3) Includes mainly supplies and provisions for credit risks of accounts receivable and financial instruments (see Note 10.3 and 21.3).

(4) In 2020 "*Significant shareholders*" included mainly the sales of crude oil to the Temasek group. In 2021 and 2020 "People, companies or entities of the Group" includes mainly sales of products to Iberian Lube Base Oil, S.A. (ILBOC) and Dynasol Group for €279 million and €152 million in 2021 and €154 million and €57 million in 2020, respectively.

(5) Includes loans granted and new provisions for credit facilities in the period, as well as capital contributions to Group companies with companies accounted for using the equity method.

(6) Includes primarily guarantees granted to joint ventures in the United Kingdom, issued in the ordinary course of business to cover obligations to decommission offshore platforms in the North Sea.

(7) Corresponds to purchase, investment or expense commitments acquired in the period (see Note 26).

(8) In 2021, the amounts recognized as dividends and other income include amounts corresponding to the sale to Repsol, at the guaranteed fixed price, of bonus issue rights as part of the bonus share issue closed in January 2021, as part of the "*Repsol Flexible Dividend*" remuneration program, as well as the cash dividend paid in July (see Note 6.3).

(9) In 2021 and 2020 "*People, companies or entities within the Group*" includes mainly the repayments and/or cancellations of guarantees provided or loans granted to joint ventures in the UK and financing agreements (see the following footnote to the table).
(10) The change is mainly explained by the allocation of financial assets of Repsol Sinopec Brasil, B.V. to its partners (see Note 13)
(11) In 2020 "*Significant shareholders*" included the amounts corresponding to the sale to Repsol, at the guaranteed fixed price, of bonus issue rights as part of the bonus share issue closed in 2021. In 2021 this did not include the amount corresponding to cash dividends payable in January 2022.

(28) Personnel obligations

28.1) Defined contribution pension plans

For certain employees in Spain, Repsol has recognized mixed pension plans in line with the current law. Specifically, these are defined contribution pension plans for the contingency of retirement and defined benefit plans for the contingencies of total or absolute permanent disability, comprehensive disability and death. In the case of total or absolute permanent disability, comprehensive disability and death, the pension plans have taken out insurance policies with an external entity.

The annual cost charged to "*Personnel expenses*" in the income statement in relation to the defined contribution pension plans detailed above amounted to €47 million and €52 million in 2021 and 2020, respectively.

The Group's executives in Spain are beneficiaries of an executive pension plan that complements the standard pension plan known as "*Plan de previsión de Directivos*" (Executive welfare plan), which covers the participant's retirement, their full or total permanent disability, comprehensive disability and death. Repsol makes defined contributions based on a percentage of participants' salaries. The plan guarantees a fixed return equal to 125% the National Consumer Price Index for the previous year. The plan is instrumented through collective insurance policies underwritten by an insurance company that finances and outsources the commitments in respect of contributions and the fixed return mentioned above.

The cost of this plan recognized under "*Personnel expenses*" in the income statement in 2021 and 2020 amounted to €16 million and €12 million, respectively.

28.2) Defined benefit pension plans

Certain groups of employees have pension plans for the contingencies of full or total permanent disability, comprehensive disability and death, the insurance policies of which are taken out with an external entity. The total amount charged to the Group's income statement in 2021 and 2020 was €10 million and €5 million, respectively, while the provisions recognized on the balance sheet at year-end 2021 and 2020 stood at €80 million and €81 million, respectively (see Note 15).

28.3) Long-term variable remuneration

A loyalty building plan aimed at executives and other persons occupying positions of responsibility consisting of long-term incentives as part of their benefit package. The purpose of this program is to strengthen the link with shareholders' interests, based on the sustainability of medium and long-term results as well as compliance with the Strategic Plan, while at the same time facilitating the retention by the Group of key personnel.

At year end, the 2018-2021, 2019-2022, 2020-2023 and 2021-2024 plans were in force. The 2017-2020 plan was closed and its beneficiaries received their bonuses in 2021.

The four plans are independent of each other and fulfillment of the objectives tied to each plan allows its beneficiaries to receive an incentive in the first four months of the year following the last year of the plan. However, receipt is tied to the beneficiary remaining in the Group until December 31 of the last year of the plan, except in the special cases envisaged in the terms and conditions of the related plan.

The 2018-2021 and 2019-2022 plans do not involve the delivery of shares or options, with the exception of the Chief Executive Officer, who is partially paid in shares. In this regard, the amount of the 2018-2021 Long-Term Incentive will be paid to the Chief Executive Officer in a proportion of 70% in cash and 30% in shares, so that he will receive €773,088 in cash and 13,184 Company shares equal to €146,174.

In accordance with the provisions of the current Directors Remuneration Policy, the final number of shares to be delivered to the Chief Executive Officer is calculated based on: (i) the amount that is effectively payable following application of the corresponding taxes (or withholdings); and (ii) the weighted average for the daily volume of weighted average Repsol share prices in the fifteen trading sessions before the Friday of the week preceding the date on which the Board of Directors agrees to pay the incentive of each of the Plans for the Chief Executive Officer.

Accordingly, the 2020-2023 and 2021-2024 plans differ from the previous plans in that beneficiaries are entitled to receive a "cash incentive" and a certain number of "Performance Shares", which will entitle them to receive Repsol, S.A. shares at the end of the Plan's vesting period, subject to the performance of certain metrics.

To reflect these commitments assumed, expenses of €21 million and €9 million were recognized in 2021 and 2020, respectively, with the accumulated outstanding payment obligation amounting to €49 million and €52 million at December 31, 2021 and 2020, respectively.

28.4) Share Purchase Plans for Beneficiaries of Long-Term Incentive and Share Acquisition Plans

i.) "*Share Purchase Plan for Beneficiaries of the Long-Term Incentive Plans*"

This Plan allows investments in shares of up to 50% of the gross amount of the Long-term Incentive to encourage its beneficiaries (including the Chief Executive Officer and the other Executive Committee members) to align themselves with the long-term interests of the Company and its shareholders. If the beneficiary maintains the shares for three years from the initial investment and the remaining conditions of the Plan are met, the Company will give the employee one additional share for every three initially acquired.

In the case of Senior Management, (the Chief Executive Officer and other Executive Committee members), they are subject to an additional performance requirement in order to receive these additional shares, namely overall fulfillment of at least 75% of the targets set in the Long-Term Incentive Plan closed in the year preceding that of delivery of the shares.

The following cycles of this Plan are currently in force:

	No. of shares	Total initial investment (no. of shares)	Average price (Eur/Share)	Maximum commitment for delivery of shares
Ninth cycle (2019-2022) (1)	201	246,508	14.4101	82,168
Tenth cycle (2020-2023) (2)	238	340,537	8.4935	113,512
Eleventh cycle (2021-2024) (3)	180	200,997	11.0414	66,999

(1) Includes 14,330 shares delivered to the Chief Executive Officer as a partial payment of the 2015-2018 Long-Term Incentive Plan. In accordance with the provisions of the Directors Remuneration Policy, the shares delivered to the Executive Directors under each long-term variable remuneration plan may be calculated for the purposes of the investment in shares referred to in the Share Purchase Plan for the Beneficiaries of the Long-Term Incentive Plans.
(2) Includes 14,743 shares delivered to the Chief Executive Officer as a partial payment for the 2016-2019 Long-Term Incentive Plan.
(3) Includes 19,337 shares delivered to the Chief Executive Officer as a partial payment for the 2017-2020 Long-Term Incentive Plan.

During this eleventh cycle, the current members of the Executive Committee, including the Chief Executive Officer, have acquired a total of 99,517 shares.

As a result of this Plan, at December 31, 2021 and 2020, the Group had recognized an expense under "*Personnel expenses*" with a balancing entry under "*Other equity instruments*" in equity of €0.95 million.

In addition, the eighth cycle of the Plan (2018-2021) vested on May 31, 2021. As a result, the rights of 136 beneficiaries vested 40,887 shares (30,174 shares net of payment on account of the personal income tax). Specifically, the rights of the members of the Executive Committee and the Chief Executive Officer to 20,232 shares also vested (14,028 shares net of payment on account).

ii.) "*Share Acquisition Plans*"

The Company has been implementing, on an annual basis, a share acquisition plan aimed at all Group employees in Spain since 2011. These Plans enable those so wishing to receive a portion of their remuneration in shares up to an annual limit of €12,000. The shares to be delivered are valued at the closing share price on the continuous Spanish stock market on each date of delivery.

In 2021 the Group purchased 1,032,481 shares of Repsol, S.A. (1,502,421 shares in 2020) amounting to €11 million (€12 million in 2020) for delivery to employees (see Note 6).

The members of the Executive Committee acquired 8,211 shares in accordance with the plan terms and conditions in 2021.

iii.) "*Global Employee Share Purchase Plan: YOUR REPSOL*"

In 2020 the YOUR REPSOL Plan was launched, which enabled all employees to allocate a certain amount of their remuneration to purchase Company shares and receive one free share for every two initially acquired, provided that the shares are held for a period of 2 years and the other conditions of the Plan are met.

Under the YOUR REPSOL Plan for 2020, the members of the Executive Committee acquired a total of 1,848 shares which, in accordance with the terms and conditions of the Plan, will entitle them to receive a total of 924 shares in February 2023.

The shares to be delivered under plans i.), ii.) and iii.) may come from Repsol's direct or indirect treasury shares, be newly issued or come from third parties with which agreements have been signed.

(29) Remuneration of the members of the Board of Directors and key management personnel

29.1) Remuneration of the members of the Board of Directors

a) Due to membership of the Board of Directors

In accordance with Article 45 of the Bylaws, the Directors, in their capacity as members of the Board and in exchange for discharging the supervisory and decision-making duties intrinsic to Board membership, are entitled to receive a fixed annual payment that may not exceed the ceiling established to this end at the Annual General Meeting or in the Directors Remuneration Policy; it is up to the Board of Directors to determine the precise amount payable within that limit and its distribution among the various Directors, factoring in the positions and duties performed by each within the Board and its Committees, the membership of the Committees, the positions held by each one of them on the Board and any other objective circumstance considered as relevant.

The upper limit established in the Directors Remuneration Policy approved at the Annual General Meeting held on March 26, 2021 is €8,5 million.

The remuneration accrued in 2021 for membership of the Board of Directors and with a charge to bylaw-stipulated emoluments amounted to €6,884 million, the detail being as follows:

	Remuneration of Board members relating to their position (euros)							
Board of Directors	Board	Delegate C.	Independent Lead Director	Audit C.	Appoints C.	Remun. C.	Sustain. C.	Total
Antonio Brufau Niubó [1]	(1)	(1)	—	—	—	—	—	2,500,000
Josu Jon Imaz San Miguel	176,594	176,594	—	—	—	—	—	353,188
Arantza Estefanía Larrañaga	176,594	—	—	—	18,395	3,679	44,149	242,817
María Teresa García-Milá Lloveras	176,594	—	—	88,297	22,074	—	—	286,965
Henri Philippe Reichstul	176,594	176,594	—	—	—	—	—	353,188
Mª del Carmen Ganyet i Cirera	176,594	—	—	88,297	22,074	22,074	—	309,039
Ignacio Martín San Vicente	176,594	176,594	—	—	—	—	—	353,188
María Teresa Ballester Fornés [2]	44,149	—	—	22,074	—	5,519	—	71,742
Manuel Manrique Cecilia	176,594	176,594	—	—	—	—	—	353,188
Rene Dahan [3]	161,878	161,878	—	—	—	—	—	323,756
José Manuel Loureda Mantiñán [4]	132,446	—	—	—	—	16,556	33,111	182,113
Mariano Marzo Carpio	176,594	—	22,074	—	22,074	22,074	44,149	286,965
Isabel Torremocha Ferrezuelo	176,594	—	—	88,297	—	—	44,149	309,040
Emiliano López Achurra [5]	14,716	—	—	—	1,840	—	3,679	20,235
Aurora Catá [6]	132,446	—	—	66,223	16,556	16,556	—	231,781
J. Robinson West	176,594	176,594	—	—	—	—	—	353,188
Luis Suárez de Lezo Mantilla	176,594	176,594	—	—	—	—	—	353,188

Note: In accordance with the scheme approved by the Board of Directors, and at the proposal of the Remuneration Committee, the amount due in 2021 came to: (i) €176,594 for membership of the Board of Directors; (ii) €176,594 for membership of the Delegate Committee; (iii) €88,297 for membership of the Audit and Control Committee; (iv) €44,149 for membership of the Sustainability Committee; (v) €22,074 for membership of the Appointments Committee; and (vi) €22,074 for membership of the Remuneration Committee; and (vii) €22,074 for the position of Independent Lead Director.

[1] On April 30, 2015, Mr. Brufau stepped down from his executive duties, and on this same date the shareholders at the Annual General Meeting approved his re-election as non-executive Chairman of the Board of Directors and his new remuneration conditions, applicable from May 1, 2015, consisting of a fixed remuneration of €2,500 thousand gross per year. In addition, remuneration in kind and payments on account/withholdings linked to remuneration in kind totaled €0,273 million.

[2] Ms. Ballester ended her term of office as director on March 26, 2021.

[3] Mr. Dahan ceased to hold office as director and member of the Delegate Committee due to his death on November 21, 2021.

[4] Mr. Loureda resigned from his position as director and member of the Remuneration Committee and Sustainability Committee prior to the meeting held on October 27, 2021.
[5] Mr. López accepted his appointment as a director of the Company and member of its Appointments Committee and Sustainability Committee following the meeting held on November 24, 2021
[6] Ms. Catá was appointed director and member of the Audit and Control Committee, Appointments Committee and Remuneration Committee on March 26, 2021.

Additionally, it should also be noted that:

– The members of the Board of Directors of the parent company have not been granted any loans or advances by any Group company, joint arrangement or associate.

– The non-executive directors only receive the fixed remuneration indicated in the table above and are excluded from the schemes financed by the Company to provide coverage in the event of termination, death or other developments and from the Company's short- and long-term performance-based bonus schemes. As regards the Chairman of the Board of Directors, see Note 1 of the table on remuneration for membership of the managing bodies in this section.

– No Group company, joint arrangement or associate has pension or life insurance obligations to any former or current member of the Board of Directors of the parent company, except in the case of the Chief Executive Officer, whose remuneration is subject to the commitments set forth in his contract for services, as described further on.

b) Due to the holding of executive positions and performing executive duties

In 2021, compensation to Directors for the performance of executive duties was as follows:

€ Million	Josu Jon Imaz San Miguel
Fixed monetary remuneration	1.200
Variable remuneration and in kind [1]	2.432

[1] Includes, among other items, life and disability insurance and health insurance, as well as variable annual and multi-annual remuneration, as well as additional shares corresponding to the settlement of the eighth cycle of the Share Purchase Plan for the Beneficiaries of the Long-Term Incentive Plans, as detailed in Note 28.3.

The above amounts do not include the amounts detailed in section d) below.

c) Due to membership of the Boards of Directors of investees

The remuneration earned in 2021 by members of the Board of Directors of the parent company for membership on the managing bodies of other Group companies, joint arrangements or associates amounts to €0.08 million, and is detailed as follows:

	€ Million
Emiliano López Achurra	0.08

d) Due to contributions to pension plans, long-service bonuses and welfare plans

The cost in 2021 of the contributions made to pension plans and welfare plans for the Chief Executive Officer discharging executive duties in the Group amounted to:

	€ Million
Josu Jon Imaz San Miguel	0.254

e) Share Purchase Plan for Beneficiaries of the Long-Term Incentive Plans

On May 31, 2021, the vesting period concluded for the eighth cycle of the share purchase plan for beneficiaries of long-term incentive plans (see Note 28.4). Upon vesting, Josu Jon Imaz became entitled to receive a total of 10,525 shares, valued at a price of €11.35 per share.

29.2) Indemnity payments to Board members

In 2021, no Director received any indemnity payments from Repsol.

29.3) Other transactions with directors

In 2021, Repsol's Directors did not conclude any material transaction with the Parent or any of the Group companies outside the ordinary course of business or on terms other than those afforded to customers.

The Chief Executive Officer signed up for the 2019-2022, 2020-2023 and 2021-2024 cycles of the Share Purchase Plan for Beneficiaries of the Long-Term Incentive Plans, as detailed in Note 28.

In 2021, the Board of Directors has not been made aware of any situation of direct or indirect conflict of interest. Nevertheless, in accordance with Article 229 of the Spanish Companies Act, the resolutions of the Board and of the Appointments Committee during the year regarding related-party transactions, ratification, re-election and continuity of Directors and on appointment to positions on the Board and its committees were passed in the absence of the Director affected by the relevant proposed resolution.

In addition, the Chief Executive Officer did not participate in the approval of the Board of Directors resolutions regarding his compensation for the performance of executive duties at the Company.

29.4) Remuneration of key management personnel

a) Scope

Repsol considers “key management personnel” to be the members of the Executive Committee. In 2021, a total of 9 persons formed the Executive Committee. The term “key management personnel” neither substitutes nor comprises a benchmark for interpreting other senior management pay concepts applicable to the Company under prevailing legislation (e.g. Royal Decree 1382/1985), nor does it have the effect of creating, recognizing, amending or extinguishing any existing legal or contractual rights or obligations.

This section itemizes the remuneration accrued in 2021 by the people who, at some juncture during the period and during the time they occupied such positions, were members of the Executive Committee. Unless indicated otherwise, the compensation figures provided for “key management personnel” do not include the compensation accrued by people who are also directors of Repsol, S.A. (information included in Note 29.1).

b) Wages and salaries, executive welfare plan, pension fund and insurance premiums.

The total remuneration earned in 2021 is as follows:

	€ Million
Wages	5.579
Allowances	0.054
Variable remuneration (1)	4.965
Remuneration in kind (2)	0.524
Executive welfare plan	1.152

(1) This consists of an annual bonus, and a multi-annual bonus, calculated as a given percentage of the fixed remuneration earned on the basis of the degree to which certain targets are met.
(2) Includes vested entitlement to 9,707 additional shares (before withholdings) for the eighth cycle of the Share Purchase Plan for Beneficiaries of the Long-Term Incentive Plans, valued at €11.35 per share, equivalent to a gross amount of €110,193. It also includes contributions to pension plans for executives (see Note 28), and the premiums paid for life and disability insurance, amounting to €0.155 million.

c) Advances and loans granted

At December 31, 2021, Repsol, S.A. had granted loans to key management personnel amounting to €0.381 million, having accrued an average interest rate of 2.1% during the current financial year.

29.5) Indemnity payments to key management personnel

Key management personnel are entitled to severance pay if their employment is terminated for any reason other than a breach of executive duties, retirement, disability or their own free will without reference to any of the grounds for compensation specified in their contracts.

The Group has arranged a group insurance policy to assure such benefits for Executive Committee members with the title General Manager, and for Directors that have performed executive duties.

In 2021, none of the Company's key management personnel had received severance pay for the termination of their contract and for non-competition agreements.

29.6) Other transactions with key management personnel

In 2021, Executive Committee members did not conclude any material transaction with the parent company or any of the Group companies outside the ordinary course of business or on terms other than those afforded to customers or other than on an arm's length basis.

Additionally, the Executive Committee members signed up for the 2019-2022, 2020-2023 and 2021-2024 cycles of the Share Purchase Plan for Beneficiaries of the Long-term Incentive Plans, as detailed in Note 28.3.

29.7) Civil liability insurance

In 2021, the Group took out a civil liability policy for Board members, the key management personnel referred to in Note 29.4 a), and the other executives and people executing such functions, for a total premium of €4.5 million. The policy also covers different Group companies under certain circumstances and conditions.

(30) Climate change and environmental information

In accordance with its express commitment to transparency, Repsol prepares its climate change information in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD)[33], to which it voluntarily adheres. The main aspects related to climate change are reported below and are explored in detail in section 6.1 of the 2021 consolidated Management Report:

– *Strategy*: Repsol has made public its commitment to be part of the solution in the fight against climate change by focusing its strategy on becoming a company with net zero CO_2 emissions by 2050, in line with the objectives of the Paris and Glasgow Summits and the Sustainable Development Goals of the United Nations, which aim to limit global warming to 1.5°C with respect to pre-industrial levels.

  The reduction in the Carbon Intensity Indicator (CII) measured in gCO_2e/MJ[34] is the metric used by the Company to monitor and set intermediate targets for decarbonization towards emission neutrality by 2050. Since the announcement of the first decarbonization roadmap in December 2019, Repsol has increased this target twice (most recently in October 2021) and, therefore, the intermediate CII reduction targets are: 15% by 2025, 28% by 2030 and 55% by 2040.

  For the 2021-2030 period, the 28% reduction in the CII corresponds to the specific plans established for each of the Company's businesses, and is achieved by applying a wide range of technologies and solutions: (i) emissions reduction in traditional businesses, through efficiency measures and portfolio optimization, (ii) industrial transformation (advanced biofuels, biogas from organic waste, renewable hydrogen, synthetic fuels, circular economy, etc.), (iii) renewable electricity generation, and (iv) CO_2 capture and storage.

In the 2030-2050 period, given the uncertainty regarding environmental conditions, the development of technologies and regulation, different scenarios are considered in which different decarbonization levers take on greater importance in the future energy basket; in each of these scenarios, the performance of the businesses allows it to achieve the goal of net zero

[33] The G-20 Ministers of Finance and central bank governors asked the Financial Stability Board (FSB) to review how the financial sector can address climate-related issues. The FSB established the Task Force on Climate-related Financial Disclosures (the Task Force), which has developed certain recommendations, the core elements of which are: governance, strategy, risk management, and metrics and targets. More information at https://www.fsb-tcfd.org.

[34] The numerator of the CII shows the emissions generated by the Company's activities (direct and indirect emissions derived from exploration and production, refining and chemicals, and from electricity generation), as well as emissions generated by the use of fuel products derived from its primary energy production (oil and natural gas). 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 sources (More information at www.repsol.com).

emissions (100% reduction in the CII) by 2050 under technologically and economically viable conditions, taking advantage of opportunities for the transformation of traditional businesses and growth in new energies.

– *Risks and opportunities*: The methodology for identifying climate risks is adapted to that used in the Integrated Risk Management System, with a five-year time horizon, in order to extend its scope to 2050 and bring it into line with the commitment to net zero emissions:

  – By 2030, the probability of facing significant negative impacts as a result of the energy transition is low; and there is a very high probability that there will be opportunities (energy efficiency, renewable power generation, advanced biofuels, renewable hydrogen, medium- and long-term circular economy, carbon capture and storage), which will counteract the potential impacts of the energy transition.

  – By 2040 and 2050, exposure to climate risks will increase, as there will be added uncertainty associated with risk factors and the scale at which opportunities can be exploited is greater. However, Repsol's commitment to becoming a net zero emissions company by 2050 and its response to different energy transition scenarios mitigates these risks. The main risks, which may become opportunities through mitigation measures, are as follows:

    i. Changes in the basket of primary energy sources towards other less carbon-intense sources, which involve a reduction in the use of hydrocarbons.

    ii. Changes in energy end uses leading to a reduction in demand for the products sold, either as a result of natural market dynamics or caused by regulation.

    iii. Regulatory changes that affect operations and/or future investments.

    iv. Inefficient or late adoption of new practices, processes, or novel or less mature technologies.

    v. Changes that promote efficiency in the use of natural resources, including the reduction, reuse and recycling of non-energy products.

    vi. Potential difficulty or limitation for the Group to raise funds to meet its obligations or to carry out its activities.

    vii. Harm to the reputation of the Company and/or the industry.

    viii. Technological advances or innovation related to new processes or production methods that could significantly alter the operations of the Group's businesses.

One of the main conclusions of the climate risk analysis is that Repsol is more exposed to transitional risks than to physical risks. However, measures are being implemented to reduce exposure to both risks. Physical risks are those adverse weather phenomena to which Repsol is exposed (hurricanes, floods, changes in rainfall or temperature, etc.), capable of triggering impacts on its activities.

– *Metrics and objectives*: In 2021, a 5% reduction in the CII was achieved. This target was maintained with respect to the previous year, even though activity in the industrial businesses recovered, due to the implementation of energy efficiency plans, the management of methane emissions in E&P operated assets, and the growth of installed renewable capacity, both in Spain and abroad.

  To ensure carbon neutrality by 2050, the Company has set a new target of reducing the net absolute scope 1+2+3 emissions that make up the numerator of the CII by 30% by 2030 compared to base year of 2016. A 22% reduction was achieved in 2021. Emissions were reduced in 2021 as a result of a lower level of activity, especially in the E&P business, with combined cycle plants logging fewer operating hours, as well as a reduction in scope 3 emissions.

  In addition, Repsol has established plans to reduce CO_2 equivalent emissions in order to reduce energy and carbon intensity through efficiency in its operations. Within the framework of the current plan for 2021-2025, and with the aim of achieving an additional reduction of 1.5 Mt CO_2 by 2025, the Company was able to reduce emissions by 0.6 Mt CO_2e in 2021, which in energy terms represents a reduction of 9 million GJ.

  A new target has been set to reduce the intensity of methane emissions from operated assets by 0.2% by 2025 compared to 2017, a value recognized as a standard of operational excellence for the oil and gas sector by international bodies such as the UNEP, and which is consistent with the commitment recently announced by the Oil and Gas Climate Initiative (OGCI), of which Repsol is a member. In 2021, methane intensity reached 0.77% (1.34% in 2017).

A target has also been set to reduce CO_2 equivalent emissions from routine gas flaring by 50% by 2025, with regard to E&P operated assets, the baseline for which was set in 2018. In 2021, routine gas flaring emissions were reduced compared to 2020 (by around 40%), mainly as a result of less activity, which as a whole has resulted in a 5% decrease compared to the base year (2018).

Greenhouse gas emissions over the last six years have been as follows:

Mt CO_2e (CO_2, CH_4 and N_2O)	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Scope 1 emissions [(1)]	19.4	22.4	24.7	22.0	23.0	24.9
Scope 2 emissions [(2)]	0.4	0.5	0.5	0.4	0.4	0.5
Scope 3 emissions [(3)]	157	157	189	194	193	183

[(1)] Scope 1 (direct emissions from the Company's activities).
[(2)] Scope 2 (indirect emissions associated with the purchase of electricity and steam from third parties).
[(3)] Scope 3 (indirect emissions associated with the use of products sold and the production of raw materials such as crude oil and hydrogen).

– Governance: The entire organization, businesses, corporate areas and employees are involved in achieving the climate change objectives. The Board of Directors approved the decarbonization strategy and the climate change policy, and it monitors compliance with the objectives included in the Strategic Plan on a quarterly basis, analyzing, among others, the indicators related to sustainability and energy transition. Its Sustainability, Audit and Control, and Remuneration Committees also play an important role in the deployment of the strategy and policy defined by the Board.

  The Executive Committee (EC) is the body that is directly responsible for managing climate change issues, strategic decisions and lines of action. The EC approves the Strategic Plan, the multi-annual strategic objectives and the annual targets to reduce greenhouse gas (GHG) emissions.

  The EC, together with the Sustainability Committee and the Audit and Control Committee of the Board, holds quarterly meetings to monitor the information on the implementation of the climate change strategy, as well as the management of and progress regarding compliance with the CII.

  The Company's climate change objectives have a direct impact on the variable remuneration of all employees.

Within the framework of its commitments to decarbonization and the energy transition, and taking into consideration the related risks and opportunities described in this Note, Repsol reviews the main assumptions for the assessment of both future investments and existing assets. In particular, short-term expectations regarding future crude oil and gas prices have been revised upwards, along with short- and long-term expectations regarding the cost of CO_2 emissions, forming a scenario that is in line with the climate objectives of the Paris Agreement and Sustainable Development Goals of the United Nations. (see Note 21).

30.1) CO2 emission allowances

Emission allowances are recognized as inventory and are initially recognized at acquisition cost. Those allowances free of charge received under the emissions trading system for the 2013-2020 period, are initially recognized as inventory at the market price prevailing at the beginning of the year in which they are issued, against deferred income as a grant. As the corresponding tons of CO_2 are issued, the deferred income is reclassified to profit or loss.

They are not amortized and are subject to an impairment test based on their recoverable amount, (measured with reference to the price of the benchmark contract in the futures market provided by the ECX-European Climate Exchange).

The Group records an expense under "Other operating expenses" in the income statement for the CO_2 emissions released during the year, recognizing a provision calculated based on the tons of CO_2 emitted above those emission allowances at zero cost, measured at: (i) their carrying amount in the case of the allowances that the Group has at year end; and (ii) the closing list price in the case of allowances that it does not yet have at year end.

When the emissions allowances for the tons of CO_2 emitted are delivered to the authorities, the inventories and their corresponding provision are derecognized from the balance sheet without any effect on the income statement.

When CO_2 emission allowances are actively managed to take advantage of market trading opportunities, the trading allowances portfolio is classified as trading inventories (see Note 17).

In relation to the estimated price of CO_2 emission allowances to calculate the recoverable amount of the assets, see Notes 3 and 21.

In Europe, phase 4 of the EU Emissions Trading System (EU-ETS) began, which covers the period from 2021 to 2030. This phase takes into account the target of reducing CO_2 emissions by 55% by 2030 compared to 1990, in line with the goal of zero net emissions by 2050 set out in the European Green Deal. To meet these targets, the sectors affected by the EU ETS must reduce their emissions by 61% compared to 2005. To increase the rate of reduction, the global number of emission allowances will decrease at an annual rate of 2.2% from 2021, and going forward a 4.2% reduction is planned to reach the target set for 2030.

The movements in provisions recognized in respect of CO2 emission allowances (see Note 15) used in 2021 and 2020 is as follows:

	€ Million	
	2021	**2020**
Opening balance for the year	**281**	**325**
Provisions charged to the income statement (1)	479	281
Reclassifications and other movements (2)	(291)	(325)
Balance at year end	**469**	**281**

(1) Corresponds to the expense incurred to acquire the allowances needed to cover the Group's CO2 emissions.
(2) In 2021 and 2020, corresponds to the derecognition of allowances used to cover emissions made in 2020 and 2019, respectively (see Note 11).

In 2021 and 2020, the Group companies recognized emission allowances allocated free of charge under the Spanish National Allocation Plan equivalent to 7.6 million tons of CO2, initially measured at €260 million and €189 million, respectively (see Note 17).

The net cost of carbon management amounted to €220 million in 2021 and €96 million in 2020, corresponding mainly to the CO2 emitted by industrial complexes in Spain not covered by free emission allowances.

30.2) Environmental investment, expenses and provisions[35]

Environmental investments in 2021[36] amounted to €97 million (€47 million classified as "*work in progress*" at December 31). These investments most notably include those aimed at fulfilling the obligations assumed by the Company with regard to the energy transition (energy savings, energy efficiency or use of waste as raw material), management and optimization of water consumption, reduction of atmospheric emissions and soil remediation. In 2021 the following are particularly noteworthy: in Chemicals, the replacement of the raw gas turbine in Puertollano, which improved energy efficiency, and the launch of the project to adapt 80,000 tons of pyrolysis oil in Tarragona, which will enable the plant to generate plastics with a circular life cycle; and in Refining, the motorization and modernization of the gas compressor of a platform unit and the use of smoke heat in furnaces, a reduction in flare emissions by installing a system to recover the gases discharged, and a reduction in water consumption.

Environmental expenses, which are recognized under "*Procurements*" and "*Other operating expenses*", excluding the expenses for the allowances necessary to cover CO2 emissions (see previous section), amounted to €76 million and €79 million in 2021 and 2020, respectively. In 2021, of note are the actions carried out for the protection of the atmosphere in the industrial facilities amounting to €19 million (€28 million in 2020); water management amounting to €17 million (€16 million in 2020); and waste management amounting to €16 million (€13 million in 2020).

Provisions for environmental actions[37] at December 31, 2021 amount to €84 million, with no significant provisions recognized during the year. In addition, the Group has recognized field decommissioning provisions for its hydrocarbon exploration and production assets and its renewable generation asset (see Note 15).

The corporate insurance policies cover, subject to terms and conditions, civil liability for pollution on land and at sea and certain liabilities vis-a-vis the authorities pursuant to the Environmental Liability Act, all of which derived from accidental, sudden and identifiable events, in keeping with habitual industry practice and applicable legislation.

[35] Items identified as of an environmental nature, are understood as those the purpose of which is to minimize environmental impact and to protect and improve the environment. The criteria for their assessment are based on the Group's technical criteria in accordance with the guidelines issued by the American Petroleum Institute (API).
[36] For additional information on the Group's investments in low-carbon generation businesses, see sections 5.3 and 6 of the consolidated Management Report, and for investments that contribute to mitigating and adapting to climate change in accordance with the EU's Sustainable Finance Taxonomy, see Appendix V.e) of said Report.
[37] Repsol recognizes the provisions required to cover measures aimed at preventing and repairing environmental impact. These provisions are presented under "*Current and non-current provisions*" on the balance sheet and under "*Other provisions*" in the table reconciling the movement in provisions in Note 15.

(31) Further breakdowns

31.1) Staff[38]

The Repsol Group employed a total of 23,900 people at December 31, 2021, geographically distributed as follows: Spain (16,759), North America (1,151), South America (3,781), Europe, Africa and Brazil (1,719), and Asia and Russia (490). Average headcount in 2021 was (23,931) employees (24,183 employees in 2020).

Below is a breakdown of the Group's total staff[39] distributed by professional category and gender at year-end 2021 and 2020:

	2021		2020	
	Men	Women	Men	Women
Executives	184	46	196	46
Technical Managers	1,540	733	1,631	766
Technicians	6,681	3,612	6,738	3,626
Manual workers and junior personnel	6,419	4,685	6,314	4,476
Total	**14,824**	**9,076**	**14,879**	**8,914**

The Repsol Group employed a total of 475 differently-abled people at December 31, 2021 (1.97% of its workforce).

In Spain, in 2021, using the computation criteria stipulated in the Spanish law on the rights of disabled persons and their social inclusion (*Ley General de derechos de las personas con discapacidad y de su inclusión social*), the Group surpassed the legally required percentage threshold: its differently-abled workforce accounted for 2.29% of its workforce, namely 408 direct hires.

31.2) Fees paid to auditors

The fees for audit services and other services provided during the year to Repsol Group companies by PricewaterhouseCoopers Auditores, S.L. and the companies in its network (PwC), as well as the fees for those provided by other audit firms, are shown below:

	Main auditor	
€ Million	**2021**	**2020**
Audit services	6.0	6.3
Other services (1)	1.4	1.4
Total (2)	**7.4**	**7.7**

(1) No tax services were provided during either year.
(2) The fees approved in 2021 for PricewaterhouseCoopers Auditores, S.L. (not including companies that are part of its network) for audit services and other services amounted to €4.3 million and €1.2 million, respectively.

"Audit services" includes the fees relating to the audit of the separate and consolidated financial statements of Repsol, S.A. and of the companies forming part of its Group.

"Other services" includes professional services related to the audit, mainly comprising the review of the Internal Control over Financial Reporting System, a limited review of the interim condensed consolidated financial statements, verifications and certifications for partners and official bodies, reports for the issuance of bonds and other marketable securities (comfort letters), as well as the verification of the non-financial information of the 2021 consolidated Management Report.

31.3) Other annual information

Along with these consolidated Financial Statements, Repsol publishes annual information that is available on the Repsol website (www.repsol.com):

- Consolidated Management Report, which includes the Statement of Non-Financial Information, the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration.
- Alternative Performance Measures (APMs).
- Information on oil and gas exploration and production activities.
- Report on payments to governments on oil and gas exploration and production activities.

The Shareholder Information Office is located at calle Méndez Álvaro, 44, Madrid and its telephone number is 900.100.100.

[38] For further information on the workforce and human resource management policies, see section 6.5 of the 2021 consolidated Management Report.
[39] Pursuant to the provisions of Organic Law 3/2007, of March 22, which promotes true equality between men and women, published in the Official State Gazette of March 23, 2007.

(32) Subsequent events

- In January 2022 Repsol completed the sales in Malaysia (PM3 CAA, Kinabalu and PM305/314), Ecuador (blocks 16 and 67) and Russia (Karabashky block), which did not have a significant impact on the Group's financial statements.
- On January 15, 2022, an oil spill occurred at the facilities of the Multiboyas Terminal No. 2 of the La Pampilla Refinery while unloading crude oil from the Mare Doricum tanker. The spill has had an impact on people and the natural environment, as well as on marine species off the coast of Peru. Having analyzed the technical information available, the amount of oil spilled is estimated to be approximately 10,396 barrels, which is being recovered through intensive cleanup work of the sea and beaches affected. Repsol affirms its commitment to continue mitigating and remedying the effects of the spill, and to work with the authorities and the communities affected, and to respond to the public in the most effective manner with complete transparency. Based on the information available at the date of authorization for issue of these Financial Statements, Repsol does not expect any significant impact on the Group's financial statements.
- The Central Examining Court No. 6 of the National Appellate Court declared, through orders dated July 29 and September 20, 2021 —issued in sub-proceedings no. 21 in relation to the hiring of Cenyt, S.A. ("Cenyt")—, that the proceedings would be provisionally dismissed and closed, respectively, with regard to Repsol, S.A. ("Repsol" or "the Company") and its Chairman, and declared the provisional dismissal and closing of the investigation with regard to the Secretary Director and two former executives. Both rulings have been appealed.

  On February 7, 2022, the Court ruled with regard to the first proceedings, rendering the dismissal of the case null and void, and indicated that additional investigation proceedings should take place.

  Repsol believes that these additional proceedings will corroborate the conclusions reached by the Central Examining Court No. 6 in July and September 2021 as a result of the exhaustive investigation carried out.

  The Company reaffirms that it acted correctly and that there has been no unlawful conduct or conduct contrary to the Company's Code of Ethics and Conduct by any current or former director, executive or employee, reiterating its commitment to full cooperation with the authorities and its confidence in the Spanish Courts and Tribunals.

(33) Explanation added for translation to English

These consolidated financial statements are prepared on the basis of IFRSs, as endorsed by the European Union, and Article 12 of Royal Decree 1362/2007. Consequently, certain accounting practices applied by the Group may not conform to other generally accepted accounting principles in other countries.

APPENDIX I: Group's corporate structure

APPENDIX IA: Main companies comprising the Repsol group at December 31, 2021

					December 2021			
					%		€ Million	
Name	Parent company	Country	Corporate purpose	Method of conso. (1)	Control Int. (2)	Total Group Interest	Equity (3)	Share Capital (3)
UPSTREAM								
504744 Alberta, Ltd.	Repsol Canada Energy Partnership	Canada	Oil and gas exploration and production (11)	F.C.	100.00	100.00	(7)	—
7308051 Canada, Ltd.	Repsol Oil & Gas Canada, Inc.	Canada	Oil and gas exploration and production	F.C.	100.00	100.00	108	289
8441251 Canada, Ltd.	Repsol Oil & Gas Canada, Inc.	Canada	Oil and gas exploration and production	F.C.	100.00	100.00	17	15
8787352 Canada, Ltd.	Repsol Oil & Gas Canada, Inc.	Canada	Oil and gas exploration and production	F.C.	100.00	100.00	2	2
Agri Development, B.V. (15)	Repsol Sinopec Brasil, B.V.	Netherlands	Platform for production of crude oil and natural gas	E.M.(J.V.)	10.00	6.00	—	—
Akakus Oil Operations, B.V.	Repsol Exploración Murzuq, S.A.	Netherlands	Oil and gas exploration and production	E.M.	49.00	49.00	—	—
ASB Geo, Llc.	Repsol Exploración, S.A.	Russia	Oil and gas exploration and production	E.M.(J.V.)	50.01	50.01	—	—
BP Trinidad & Tobago, Llc. (15)	BPRY Caribbean Ventures, Llc.	United States	Oil and gas exploration and production	E.M.(J.V.)	100.00	30.00	—	—
BPRY Caribbean Ventures, Llc. (14)	Repsol Exploración, S.A.	United States	Oil and gas exploration and production	E.M.(J.V.)	30.00	30.00	239	2,756
Cardón IV, S.A. (14)	Repsol Exploración, S.A.	Venezuela	Oil and gas exploration and production	E.M.(J.V.)	50.00	50.00	(188)	4
Edwards Gas Services, Llc.	Repsol Oil & Gas USA, LLC	United States	Portfolio company	F.C.	100.00	100.00	83	117
Equion Energía, Ltd. (14)	Talisman Colombia Holdco, Ltd.	United Kingdom	Oil and gas exploration and production	E.M.(J.V.)	49.00	49.00	655	—
Fortuna International (Barbados), Inc (12)	Talisman International (Luxembourg), S.a.r.l.	Barbados	Portfolio company	F.C.	100.00	100.00	43	68
Fortuna International Petroleum Corporation	Repsol Exploración, S.A.	Barbados	Portfolio company	F.C.	100.00	100.00	172	161
Fortuna Resources (Sunda), Ltd. (9)	Talisman UK (South East Sumatra), Ltd.	Indonesia	Oil and gas exploration and production (11)	F.C.	100.00	100.00	27	—
Guará, B.V. (15)	Repsol Sinopec Brasil, B.V.	Netherlands	Platform for production of crude oil and natural gas	E.M.	25.00	15.00	2	—
JSC Eurotek - Yugra	Repsol Exploración Karabashsky, B.V.	Russia	Oil and gas exploration and production	E.M.(J.V.)	67.43	67.43	(51)	—
Lapa Oil & Gas, B.V. (15)	Repsol Sinopec Brasil, B.V.	Netherlands	Platform for production of crude oil and natural gas	E.M.	25.00	15.00	2	—
Oleoducto de Crudos Pesados, Ltd.	Repsol OCP de Ecuador, S.A.	Cayman Islands	Portfolio company	E.M.	29.66	29.66	42	89
Paladin Resources, Ltd.	FEHI Holding, S.a.r.l. (30)	United Kingdom	Portfolio company	F.C.	100.00	100.00	29	296
Petrocarabobo, S.A.	Repsol Exploración, S.A.	Venezuela	Oil and gas exploration and production	E.M.(J.V.)	11.00	11.00	(148)	548
Petroquiriqué, S.A. - Empresa Mixta (14)	Repsol Exploración, S.A.	Venezuela	Oil and gas exploration and production	E.M.(J.V.)	40.00	40.00	(1,250)	230
Quiriquiré Gas, S.A.	Repsol Venezuela, S.A.	Venezuela	Oil and gas exploration and production	E.M.(J.V.)	60.00	60.00	—	—
Repsol Alberta Shale Partnership	Repsol Oil & Gas Canada, Inc.	Canada	Oil and gas exploration and production	F.C.	100.00	100.00	169	1,498
Repsol Andaman B.V.	Talisman International Holdings, B.V.	Netherlands	Oil and gas exploration and production	F.C.	100.00	100.00	36	—
Repsol Angostura, Ltd. (6)	Repsol Exploración, S.A.	Trinidad and Tobago	Oil and gas exploration and production	F.C.	100.00	100.00	1	38
Repsol Bolivia, S.A.	Repsol Upstream Inversiones, S.A.	Bolivia	Provision of services	F.C.	100.00	100.00	328	14
Repsol Bulgaria Khan Kubrat, S.A.	Repsol Exploración, S.A.	Spain	Oil and gas exploration and production (11)	F.C.	100.00	100.00	14	—
Repsol Canada Energy Partnership	Repsol Oil & Gas Canada, Inc.	Canada	Oil and gas exploration and production	F.C.	100.00	100.00	438	1,350
Repsol Colombia Oil & Gas Limited	Repsol Exploración, S.A.	Canada	Oil and gas exploration and production	F.C.	100.00	100.00	541	784
Repsol Corridor, S.A.	Fortuna International (Barbados), Inc.	Spain	Oil and gas exploration and production	F.C.	100.00	100.00	193	41
Repsol Ductos Colombia, S.A.S.	Talisman Colombia Holdco, Ltd.	Colombia	Oil and gas exploration and production	F.C.	100.00	100.00	74	3
Repsol E&P Bolivia, S.A.	Repsol Bolivia, S.A.	Bolivia	Oil and gas exploration and production	F.C.	100.00	100.00	640	2
Repsol E&P USA Holdings, Inc.	Repsol Oil & Gas Holdings USA, Inc.	United States	Oil and gas exploration and production	F.C.	100.00	100.00	1,540	1,671
Repsol E&P USA, Llc.	Repsol USA Holdings LLC	United States	Oil and gas exploration and production	F.C.	100.00	100.00	2,876	2,902
Repsol Ecuador, S.A.	Repsol Exploración, S.A.	Spain	Oil and gas exploration and production	F.C.	98.36	100.00	85	6

					December 2021			
					%		€ Million	
Name	Parent company	Country	Corporate purpose	Method of conso. [1]	Control Int. [2]	Total Group Interest	Equity [3]	Share Capital [3]
Repsol Exploração Brasil, Ltda.	Repsol, S.A.	Brazil	Oil and gas exploration and production	F.C.	100.00	100.00	949	900
Repsol Exploración 405A, S.A.	Repsol Exploración, S.A.	Spain	Oil and gas exploration and production	F.C.	100.00	100.00	195	—
Repsol Exploración Aitoloakarnania, S.A.	Repsol Exploración, S.A.	Spain	Oil and gas exploration and production [11]	F.C.	100.00	100.00	6	—
Repsol Exploración Argelia, S.A.	Repsol Exploración, S.A.	Spain	Oil and gas exploration and production	F.C.	100.00	100.00	387	5
Repsol Exploración Aru, S.L	Repsol Exploración, S.A.	Spain	Oil and gas exploration and production	F.C.	100.00	100.00	1	—
Repsol Exploración Atlas, S.A. [32]	Repsol E&P Bolivia, S.A.	Bolivia	Oil and gas exploration and production	F.C.	100.00	100.00	(3)	1
Repsol Exploración Colombia, S.A.	Repsol Exploración, S.A.	Spain	Oil and gas exploration and production	F.C.	100.00	100.00	(24)	2
Repsol Exploración Gharb, S.A.	Repsol Exploración, S.A.	Spain	Oil and gas exploration and production [11]	F.C.	100.00	100.00	5	—
Repsol Exploración Guinea, S.A.	Repsol Exploración, S.A.	Spain	Oil and gas exploration and production [11]	F.C.	100.00	100.00	—	—
Repsol Exploración Guyana, S.A.	Repsol Exploración, S.A.	Spain	Oil and gas exploration and production	F.C.	100.00	100.00	31	—
Repsol Exploración Ioannina, S.A.	Repsol Exploración, S.A.	Spain	Oil and gas exploration and production [11]	F.C.	100.00	100.00	25	—
Repsol Exploración Irlanda, S.A.	Repsol Exploración, S.A.	Spain	Oil and gas exploration and production [11]	F.C.	100.00	100.00	15	—
Repsol Exploración Karabashsky, B.V.	Repsol Exploración, S.A.	Netherlands	Oil and gas exploration and production	F.C.	100.00	100.00	26	131
Repsol Exploración México, S.A. de C.V.	Repsol Exploración, S.A.	Mexico	Oil and gas exploration and production	F.C.	100.00	100.00	179	253
Repsol Exploración Murzuq, S.A.	Repsol Upstream Inversiones, S.A.	Spain	Oil and gas exploration and production	F.C.	100.00	100.00	(169)	9
Repsol Exploración Perú, S.A.	Repsol Upstream Inversiones, S.A.	Spain	Oil and gas exploration and production	F.C.	100.00	100.00	410	12
Repsol Exploracion South East Jambi B.V.	Repsol Exploración, S.A.	Netherlands	Oil and gas exploration and production	F.C.	100.00	100.00	6	—
Repsol Exploración South Sakakemang, S.L.	Repsol Exploración, S.A.	Spain	Oil and gas exploration and production	F.C.	100.00	100.00	3	2
Repsol Exploración Tanfit, S.L.	Repsol Exploración, S.A.	Spain	Oil and gas exploration and production [11]	F.C.	100.00	100.00	8	3
Repsol Exploración Tobago, S.A.	Repsol Exploración, S.A.	Spain	Oil and gas exploration and production	F.C.	100.00	100.00	12	—
Repsol Exploración West Papúa IV, S.L.	Repsol Exploración, S.A.	Spain	Oil and gas exploration and production	F.C.	100.00	100.00	2	—
Repsol Exploración, S.A.	Repsol, S.A.	Spain	Oil and gas exploration and production	F.C.	100.00	100.00	6,943	27
Repsol Finance Brasil B.V.[5]	Repsol Exploração Brasil Ltda.	Brazil	Financing and holding of shares	F.C.	100.00	100.00	2	4
Repsol Greece Ionian, S.L.	Repsol Exploración, S.A.	Spain	Oil and gas exploration and production [11]	F.C.	100.00	100.00	3	—
Repsol Groundbirch Partnership	Repsol Oil & Gas Canada, Inc.	Canada	Oil and gas exploration and production	F.C.	100.00	100.00	2	229
Repsol Investigaciones Petrolíferas, S.A.	Repsol Exploración, S.A.	Spain	Oil and gas exploration and production	F.C.	100.00	100.00	343	210
Repsol Norge, AS	Repsol Exploración, S.A.	Norway	Oil and gas exploration and production	F.C.	100.00	100.00	222	—
Repsol OCP de Ecuador, S.A.	Repsol Ecuador, S.A.	Ecuador	Operation of a pipeline for oil and gas transport	F.C.	99.02	99.94	48	—
Repsol Offshore E&P USA, Inc.	Repsol USA Holdings LLC	United States	Oil and gas exploration and production [11]	F.C.	100.00	100.00	11	29
Repsol Oil & Gas Australasia Pty, Ltd.	Talisman International Holdings, B.V.	Australia	Shared services company	F.C.	100.00	100.00	—	67
Repsol Oil & Gas Australia (JPDA 06-105) Pty Ltd.	Paladin Resources, Ltd.	Australia	Oil and gas exploration and production	F.C.	100.00	100.00	26	144
Repsol Oil & Gas Canada, Inc. [10]	Repsol Exploración, S.A.	Canada	Oil and gas exploration and production	F.C.	100.00	100.00	5,361	6,653
Repsol Oil & Gas Gulf of Mexico, LLC	Repsol E&P USA Holdings Inc.	United States	Oil and gas exploration and production	F.C.	100.00	100.00	313	—
Repsol Oil & Gas Holdings USA, Inc.	FEHI Holding, S.a.r.l.	United States	Oil and gas exploration and production	F.C.	100.00	100.00	7,159	1,900
Repsol Oil & Gas Malaysia (PM3), Ltd.	Fortuna International Petroleum Corporation	Barbados	Oil and gas exploration and production	F.C.	100.00	100.00	(33)	10
Repsol Oil & Gas Malaysia, Ltd.	Fortuna International Petroleum Corporation	Barbados	Oil and gas exploration and production	F.C.	100.00	100.00	58	—
Repsol Oil & Gas RTS Sdn, Bhd.	Repsol Exploración, S.A.	Malaysia	Shared services company [11]	F.C.	100.00	100.00	2	18
Repsol Oil & Gas USA, LLC.	Repsol USA Holdings LLC	United States	Oil and gas exploration and production	F.C.	100.00	100.00	2,028	1,787
Repsol Oil & Gas Vietnam 07/03 Pty Ltd.	Repsol Exploración, S.A.	Australia	Oil and gas exploration and production [11]	F.C.	100.00	100.00	1	—

Name	Parent company	Country	Corporate purpose	Method of conso. [1]	December 2021 % Control Int. [2]	Total Group Interest	€ Million Equity [3]	Share Capital [3]
Repsol Oriente Medio, S.A.	Repsol Exploración, S.A.	Spain	Oil and gas exploration and production [11]	F.C.	100.00	100.00	69	—
Repsol Perpetual Norge, A.S.	Talisman Perpetual (Norway), Ltd.	Norway	Oil and gas exploration and production [11]	F.C.	100.00	100.00	—	1
Repsol Sakakemang, B.V.	Talisman International Holdings, B.V.	Netherlands	Oil and gas exploration and production	F.C.	100.00	100.00	120	—
Repsol Services Company	Repsol USA Holdings LLC	United States	Provision of services	F.C.	100.00	100.00	44	39
Repsol Servicios Colombia, S.A.	Repsol Exploración, S.A.	Spain	Oil and gas exploration and production	F.C.	100.00	100.00	5	—
Repsol Sinopec Brasil, S.A. [14]	Repsol Upstream B.V.	Brazil	Operation and sale of oil and gas	E.M.(J.V.)	60.01	60.01	2,178	1,986
Repsol Sinopec Brasil, B.V. [15] [29]	Repsol Exploração Brasil Ltda.	Brazil	Portfolio company	E.M.(J.V.)	60.00	60.00	22	14
Repsol Sinopec Resources UK Ltd. [14]	Talisman Colombia Holdco, Ltd.	United Kingdom	Oil and gas exploration and production	E.M.(J.V.)	51.00	51.00	1,155	4,358
Repsol Transgasindo S.à r.l.	Fortuna International (Barbados), Inc.	Luxembourg	Portfolio company	F.C.	100.00	100.00	(52)	26
Repsol U.K., Ltd.	Repsol Exploración, S.A.	United Kingdom	Oil and gas exploration and production	F.C.	100.00	100.00	3	16
Repsol Upstream B.V. [18]	Repsol, S.A.	Netherlands	Portfolio company	F.C.	100.00	100.00	2,312	1
Repsol Upstream Inversiones, S.A.[19]	Repsol Upstream B.V.	Spain	Portfolio company	F.C.	100.00	100.00	1,758	—
Repsol USA Holdings LLC [22]	Repsol Oil & Gas Holdings USA, Inc.[23]	United States	Oil and gas exploration and production	F.C.	100.00	100.00	4,743	4,776
Repsol Venezuela, S.A.	Repsol Exploración, S.A.	Venezuela	Oil and gas exploration and production	F.C.	100.00	100.00	130	708
Sierracol Energy Arauca, LLC	Repsol International Finance, B.V.	Colombia	Portfolio company	E.M.(J.V.)	25.00	25.00	127	93
Talisman (Asia), Ltd.	Repsol Oil & Gas Canada, Inc.	Canada	Oil and gas exploration and production [11]	F.C.	100.00	100.00	(135)	5
Talisman (Block K 39), B.V.	Repsol Exploración, S.A.	Netherlands	Oil and gas exploration and production [11]	F.C.	100.00	100.00	(2)	—
Talisman (Jambi Merang), Ltd.	Talisman International Holdings, B.V.	Indonesia	Oil and gas exploration and production [11]	F.C.	100.00	100.00	2	71
Talisman (Sageri), Ltd.	Repsol Oil & Gas Canada, Inc.	Indonesia	Oil and gas exploration and production [11]	F.C.	100.00	100.00	(85)	—
Talisman (Sumatra), Ltd.	Repsol Oil & Gas Canada, Inc.	Canada	Oil and gas exploration and production [11]	F.C.	100.00	100.00	—	—
Talisman (Vietnam 133 & 134), Ltd.	Repsol Exploración, S.A.	Vietnam	Oil and gas exploration and production [11]	F.C.	100.00	100.00	1	32
Talisman Colombia Holdco, Ltd.	Repsol Exploración, S.A.	United Kingdom	Portfolio company	F.C.	100.00	100.00	1,121	1,883
Talisman East Jabung, B.V.	Talisman International Holdings, B.V.	Netherlands	Oil and gas exploration and production [11]	F.C.	100.00	100.00	3	—
Talisman Perpetual (Norway), Ltd.	FEHI Holding, S.a.r.l. [30]	United Kingdom	Portfolio company [11]	F.C.	100.00	100.00	—	1
Talisman Resources (Bahamas), Ltd. [8]	Paladin Resources, Ltd.	Bahamas	Oil and gas exploration and production [11]	F.C.	100.00	100.00	1	—
Talisman Resources (North West Java), Ltd.	Talisman UK (South East Sumatra), Ltd.	Indonesia	Oil and gas exploration and production [11]	F.C.	100.00	100.00	34	—
Talisman South Sageri, B.V.	Talisman International Holdings, B.V.	Netherlands	Oil and gas exploration and production [11]	F.C.	100.00	100.00	—	—
Talisman UK (South East Sumatra), Ltd.	Paladin Resources, Ltd.	United Kingdom	Oil and gas exploration and production [11]	F.C.	100.00	100.00	36	—
Talisman Vietnam 07/03, B.V.	Repsol Exploración, S.A.	Netherlands	Oil and gas exploration and production [11]	F.C.	100.00	100.00	39	—
Talisman Vietnam 07/03-CRD Corporation, Llc.	Talisman International Holdings, B.V.	Vietnam	Oil and gas exploration and production [11]	F.C.	100.00	100.00	16	—
Talisman Vietnam 135-136, B.V.	Repsol Exploración, S.A.	Vietnam	Oil and gas exploration and production [11]	F.C.	100.00	100.00	79	—
Talisman Vietnam 146-147, B.V.	Repsol Exploración, S.A.	Vietnam	Oil and gas exploration and production [11]	F.C.	100.00	100.00	7	—
Talisman Vietnam, Ltd.	Fortuna International Petroleum Corporation	Vietnam	Oil and gas exploration and production	F.C.	100.00	100.00	3	—
Transportadora Sulbrasileira del Gas, S.A.	Repsol Exploração Brasil Ltda	Brazil	Gas pipeline construction and operation	E.M.(J.V.)	25.00	25.00	—	9
Transworld Petroleum (U.K.) Ltd.	Repsol Sinopec North Sea, Ltd.	United Kingdom	Oil and gas exploration and production	E.M.(J.V.)	100.00	51.00	—	—
Triad Oil Manitoba, Ltd.	Repsol Oil & Gas Canada, Inc.	Canada	Oil and gas exploration and production [11]	F.C.	100.00	100.00	5	—
Vung May 156 - 159 Vietnam, B.V.	Repsol Exploración, S.A.	Netherlands	Oil and gas exploration and production [11]	F.C.	100.00	100.00	—	—
YPFB Andina, S.A. [14]	Repsol Bolivia, S.A.	Bolivia	Oil and gas exploration and production	E.M.(J.V.)	48.33	48.33	661	156

Name	Parent company	Country	Corporate purpose	Method of conso. (1)	December 2021 % Control Int. (2)	Total Group Interest	€ Million Equity (3)	Share Capital (3)
YPFB Transierra, S.A. (15)	YPFB Andina, S.A.	Bolivia	Transport of oil and gas by pipeline	E.M.	44.50	21.51	213	71
INDUSTRIAL								
Alba Emission Free Energy, S.A. (5)	Petróleos del Norte, S.A.	Spain	Decarbonization activities	F.C.	100.00	85.98	—	—
Asfaltos Españoles, S.A.	Repsol Petróleo, S.A.	Spain	Asphalts	(4)	50.00	49.99	36	9
Cogeneración Gequisa, S.A. (13)	General Química, S.A.U.	Spain	Production of electricity and steam	E.M.	39.00	19.50	7	2
Compañía Auxiliar de Remolcadores y Buques Especiales, S.A.	Repsol Petróleo, S.A.	Spain	Provision of maritime services	F.C.	100.00	99.21	7	—
Dynasol China, S.A. de C.V. (13)	Dynasol Gestión México, S.A.P.I. de C.V.	Mexico	Provision of services	E.M.(J.V.)	99.99	50.00	18	20
Dynasol Elastómeros, S.A. de C.V. (13)	Dynasol Gestión México, S.A.P.I. de C.V.	Mexico	Production and sale of chemical products	E.M.(J.V.)	99.99	50.00	95	28
Dynasol Elastómeros, S.A.U. (13)	Dynasol Gestión, S.L.	Spain	Production and sale of chemical products	E.M.(J.V.)	100.00	50.00	94	17
Dynasol Gestión México, S.A.P.I. de C.V. (13)	Repsol Química, S.A.	Mexico	Portfolio and shared services company	E.M.	50.00	50.00	222	181
Dynasol Gestión, S.L.	Repsol Química, S.A.	Spain	Portfolio and shared services company	E.M.	50.00	50.00	222	42
Dynasol, Llc. (13)	Dynasol Gestión, S.L.	United States	Sale of petrochemical products	E.M.(J.V.)	100.00	50.00	17	11
Energía Distribuida del Norte, S.A.	Petróleos del Norte, S.A.	Spain	Construction and operation of an oil refinery	F.C.	100.00	85.98	—	—
General Química, S.A.U. (13)	Dynasol Gestión, S.L.	Spain	Manufacture and sale of petrochemical products	E.M.(J.V.)	100.00	50.00	49	6
Grupo Repsol del Perú, S.A.C.	Repsol Perú, B.V.	Peru	Shared services company	F.C.	100.00	100.00	1	—
Iberian Lube Base Oils Company, S.A.	Repsol Petróleo, S.A.	Spain	Development and production of lubricant base oils	(4)	30.00	29.99	250	180
Industrias Negromex, S.A. de C.V. (13)	Dynasol Gestión México, S.A.P.I. de C.V.	Mexico	Manufacture of synthetic oil cloths	E.M.	99.99	50.00	91	49
Insa Gpro (Nanjing), Synthetic Rubber Co. Ltd. (13)	Dynasol China, S.A. de C.V.	China	Manufacture, development, sale of synthetic rubber	E.M.(J.V.)	50.00	25.00	20	38
Liaoning North Dynasol Synthetic Rubber Co. Ltd. (13)	Dynasol Gestión, S.L.	China	Manufacture, development, sale of synthetic rubber	E.M.(J.V.)	50.00	25.00	12	104
Petróleos del Norte, S.A.	Repsol Industrial Transformation, S.L	Spain	Construction and operation of an oil refinery	F.C.	85.98	85.98	1,633	121
Petronor Innovación, S.L.	Petróleos del Norte, S.A.	Spain	Research activities	F.C.	100.00	85.98	1	—
Polidux, S.A.	Repsol Química, S.A.	Spain	Manufacture and sale of petrochemical products	F.C.	100.00	100.00	19	17
Refinería La Pampilla, S.A.A.	Repsol Perú, B.V.	Peru	Refining and sale of oil and gas	F.C.	99.20	99.20	554	656
Relkia Distribuidora de Electricidad, S.L	Repsol Petróleo, S.A.	Spain	Distribution of electricity	F.C.	100.00	99.97	11	—
Repsol Canadá, Ltd.	Repsol Exploración, S.A.	Canada	Regasification of LNG	F.C.	100.00	100.00	(5)	2
Repsol Chemie Deutschland, GmbH	Repsol Química, S.A.	Germany	Sale of chemical products	F.C.	100.00	100.00	3	—
Repsol Comercial, S.A.C.	Refinería La Pampilla, S.A.A.	Peru	Sale of fuel	F.C.	100.00	92.42	87	74
Repsol Energy North América Corporation	Repsol USA Holdings LLC	United States	Sale of LNG	F.C.	100.00	100.00	(239)	623
Repsol Energy Perú, S.A.C.	Repsol Comercial, S.A.C.	Peru	Sale of solid, liquid and gaseous fuels and related products (11)	F.C.	100.00	92.42	3	—
Repsol Hidrógeno, S.A.(5)	Repsol Industrial Transformation, S.L	Spain	Production, storage, consumption and transformation of hydrogen	F.C.	100.00	100.00	2	—
Repsol Industrial Transformation, S.L (16)	Repsol, S.A.	Spain	Portfolio company	F.C.	100.00	100.00	6,576	—
Repsol LNG Holding, S.A.	Repsol Industrial Transformation, S.L (26)	Spain	Sale of oil and gas	F.C.	100.00	100.00	12	2
Repsol Marketing, S.A.C.	Repsol Customer Centric, S.L.U.(25)	Peru	Sale of fuel and special products	F.C.	100.00	97.79	1	3
Repsol Perú, B.V.	Repsol, S.A.	Netherlands	Portfolio company	F.C.	100.00	100.00	406	342

Name	Parent company	Country	Corporate purpose	Method of conso. (1)	December 2021 % Control Int. (2)	December 2021 % Total Group Interest	December 2021 € Million Equity (3)	December 2021 € Million Share Capital (3)
Repsol Petróleo, S.A.	Repsol Industrial Transformation, S.L	Spain	Import of products and operation of refineries	F.C.	99.97	99.97	1,152	218
Repsol Polímeros, Unipessoal, Lda.	Repsol Química, S.A.	Portugal	Manufacture and sale of petrochemical products	F.C.	100.00	100.00	276	62
Repsol Química, S.A.	Repsol Industrial Transformation, S.L	Spain	Manufacture and sale of petrochemical products	F.C.	100.00	100.00	1,179	60
Repsol St. John LNG, S.L	Repsol LNG Holding, S.A.	Spain	Sector studies (11)	F.C.	100.00	100.00	—	—
Repsol Trading Perú, S.A.C.	Repsol Trading, S.A.	Peru	Trading and transport	F.C.	100.00	100.00	10	9
Repsol Trading Singapore Pte, Ltd.	Repsol Trading, S.A.	Singapore	Trading and transport	F.C.	100.00	100.00	(69)	—
Repsol Trading USA Corporation	Repsol USA Holdings LLC	United States	Trading and transport	F.C.	100.00	100.00	107	279
Repsol Trading, S.A.	Repsol Industrial Transformation, S.L	Spain	Storage, sale, trading and transport	F.C.	100.00	100.00	369	—
Saint John LNG Development Company Ltd.	Repsol Saint John LNG, S.L.	Canada	Liquefaction plant investment project in Canada (11)	F.C.	100.00	100.00	—	3
Saint John LNG Limited Partnership (33)	Repsol Oil & Gas Canada, Inc.	Canada	Oil and gas exploration and production	F.C.	100.00	100.00	—	—
Servicios de Seguridad Mancomunados, S.A.	Repsol Petróleo, S.A.	Spain	Safety	F.C.	100.00	99.98	1	—
COMMERCIAL AND RENEWABLES								
Abastecimentos e Serviços de Aviaçao, Lda.	Repsol Portuguesa, Lda	Portugal	Sale of oil products	E.M.	50.00	50.00	—	—
Air Miles España, S.A.	Repsol Comercial de Productos Petrolíferos, S.A.	Spain	Travel Club Program. Loyalty services	E.M.	26.67	25.86	13	—
Alectoris Energía Sostenible 1, S.L.	Repsol Renovables, S.L.U	Spain	Wind power project	F.C.	51.00	51.00	59	—
Alectoris Energía Sostenible 3, S.L.	Repsol Renovables, S.L.U	Spain	Wind power project	F.C.	51.00	51.00	53	—
Ampere Power Energy, S.L.	Repsol Energy Ventures, S.A.	Spain	Manufacture and sale of storage batteries	E.M.	6.64	6.64	21	1
Aragonesa de Infraestructuras Energéticas Renovables, S.L.U	Repsol Renovables, S.L.U	Spain	Wind power project	F.C.	100.00	100.00	4	—
Arco Energía 1, S.L.U.	Repsol Renovables, S.L.U	Spain	Sun power project	F.C.	100.00	100.00	1	—
Arco Energía 2, S.L.U.	Repsol Renovables, S.L.U	Spain	Sun power project	F.C.	100.00	100.00	1	—
Arco Energía 3, S.L.U.	Repsol Renovables, S.L.U	Spain	Sun power project	F.C.	100.00	100.00	1	—
Arco Energía 4, S.L.U.	Repsol Renovables, S.L.U	Spain	Sun power project	F.C.	100.00	100.00	1	—
Arco Energía 5, S.L.U.	Repsol Renovables, S.L.U	Spain	Sun power project	F.C.	100.00	100.00	1	—
Arteche y García, S.L.	Repsol Comercial de Productos Petrolíferos, S.A.	Spain	Installation and operation of service stations	F.C.	100.00	97.71	—	—
Autoservicio Sargento, S.A. de C.V.	Repsol Downstream Internacional, S.A.	Mexico	Installation and operation of service stations	E.M.(J.V.)	50.00	48.89	1	—
Bardahl de México, S.A. de C.V.	Repsol Downstream Internacional, S.A.	Mexico	Production and distribution of lubricants	E.M.(J.V.)	40.00	39.12	147	—
Begas Motor, S.L.	Repsol Energy Ventures, S.A.	Spain	Manufacture, transformation and sale of motor vehicles; manufacture of electrical equipment, parts and accessories.	E.M.	18.91	18.91	5	1
Belmont Technology Inc.	Repsol Energy Ventures, S.A.	United States	Software platform and virtual assistance in geoscience and reservoir engineering based on artificial intelligence.	E.M.	12.90	12.90	13	13
Benzirep - Vall, S.L.	Repsol Comercial de Productos Petrolíferos, S.A.	Spain	Installation and operation of service stations	F.C.	100.00	97.71	4	—
Boalar Energías, S.L.U	Repsol Renovables, S.L.U	Spain	Solar power project	F.C.	100.00	100.00	(1)	—
Caiageste - Gestão de Areas de Serviço, Ltda.	GESPOST	Portugal	Operation and management of service stations	E.M.	50.00	50.00	—	—
Campsa Estaciones de Servicio, S.A.	Repsol Comercial de Productos Petrolíferos, S.A.	Spain	Operation and management of service stations	F.C.	100.00	97.71	88	8
Carburants i Derivats, S.A.	Repsol Comercial de Productos Petrolíferos, S.A.	Andorra	Distribution of oil derivative products	E.M.	33.25	32.45	2	—
CI Repsol Aviación Colombia, S.A.S.	Repsol Downstream Internacional, S.A.	Colombia	Distribution and sale of oil products	F.C.	100.00	97.79	—	—

Name	Parent company	Country	Corporate purpose	Method of conso. (1)	December 2021 % Control Int. (2)	% Total Group Interest	€ Million Equity (3)	€ Million Share Capital (3)
Combustibles Sureños, S.A. de C.V.	Repsol Downstream Internacional, S.A.	Mexico	Production and distribution of lubricants	E.M.(J.V.)	50.00	48.89	1	—
Compañía Anónima de Revisiones y Servicios, S.A.	Repsol Comercial de Productos Petrolíferos, S.A.	Spain	Installation and operation of service stations	F.C.	95.00	92.83	3	1
Desarrollo Eólico Las Majas VII, S.L.U	Repsol Renovables, S.L.U	Spain	Wind power project	F.C.	50.99	50.99	51	—
Desarrollo Eólico Las Majas VIII, S.L.U	Repsol Renovables, S.L.U	Spain	Wind power project	F.C.	100.00	100.00	2	—
Desarrollo Eólico Las Majas XIV, S.L.U	Repsol Renovables, S.L.U	Spain	Wind power project	F.C.	100.00	100.00	2	—
Desarrollo Eólico Las Majas XV, S.L.U	Repsol Renovables, S.L.U	Spain	Wind power project	F.C.	100.00	100.00	2	—
Desarrollo Eólico Las Majas XXVII, S.L.U	Repsol Renovables, S.L.U	Spain	Wind power project	F.C.	100.00	100.00	3	—
Desarrollo Eólico Las Majas XXXI, S.L.U	Repsol Renovables, S.L.U	Spain	Wind power project	F.C.	100.00	100.00	1	—
Desarrollos Eólicos El Saladar, S.L.U	Repsol Renovables, S.L.U	Spain	Wind power project	F.C.	100.00	100.00	2	—
Distribuidora Andalucía Oriental, S.A.	Repsol Comercial de Productos Petrolíferos, S.A.	Spain	Sale of fuel	E.M.(J.V.)	50.00	48.80	2	1
Distribuidora de Petróleos, S.A.	Repsol Comercial de Productos Petrolíferos, S.A.	Spain	Sale of fuel	F.C.	83.06	83.06	—	—
Ecoplanta Molecular Recycling Solutions, SL (5)	Repsol Industrial Transformation, S.L	Spain	Development, design, construction and operation of molecular recycling facilities	E.M.	39.00	39.00	12	4
Ekiola Construcción, M&O, S.L.(5)	Repsol Customer Centric, S.L.U.	Spain	Generation of electricity from renewable or conventional sources	E.M.	49.00	47.92	—	—
Ekiola Energía Comercializadora, S.L. (5)	Repsol Customer Centric, S.L.U.	Spain	Sale of electricity from renewable or conventional sources	E.M.	51.00	49.87	—	—
Ekiola Promoción, S.L. (5)	Repsol Customer Centric, S.L.U.	Spain	Administrative development of plants producing electricity from renewable sources	E.M.	49.00	47.92	(1)	—
Endomexicana Renta y Servicios, S.A. de C.V.	Repsol Downstream Internacional, S.A.	Mexico	Production and distribution of lubricants	E.M.(J.V.)	40.00	39.12	1	—
Energías Renovables de Cilene, S.L.U	Repsol Renovables, S.L.U	Spain	Wind power project	F.C.	100.00	100.00	1	—
Energías Renovables de Dione, S.L.U	Repsol Renovables, S.L.U	Spain	Wind power project	F.C.	100.00	100.00	1	—
Energías Renovables de Gladiateur 18, S.L.U	Repsol Renovables, S.L.U	Spain	Wind power project	F.C.	100.00	100.00	—	—
Energías Renovables de Hidra, S.L.U	Repsol Renovables, S.L.U	Spain	Wind power project	F.C.	100.00	100.00	1	—
Energías Renovables de Kore, S.L.U	Repsol Renovables, S.L.U	Spain	Wind power project	F.C.	100.00	100.00	2	—
Energías Renovables de Lisitea, S.L.U	Repsol Renovables, S.L.U	Spain	Wind power project	F.C.	100.00	100.00	2	—
Energías Renovables de Polux, S.L.U,	Repsol Renovables, S.L.U	Spain	Wind power project	F.C.	100.00	100.00	1	—
Energy Express, S.L.	Societat Catalana de Petrolis, S.A.	Spain	Operation and management of service stations	F.C.	100.00	92.66	—	—
Eólica del Taltal, SpA	Repsol Chile, SpA	Chile	Wind power project	E.M.	15.00	15.00	10	11
ERNC LOA, SpA	Repsol Ibereólica Renovables Chile SpA	Chile	Wind power project	E.M.	50.00	50.00	32	—
Estación de Servicio Bahía Asunción, S.A. de C.V.	Repsol Downstream Internacional, S.A.	Mexico	Production and distribution of lubricants	E.M.(J.V.)	50.00	48.89	2	—
Estación de Servicio Barajas, S.A.	Repsol Comercial de Productos Petrolíferos, S.A.	Spain	Installation and operation of service stations	F.C.	96.00	93.80	3	1
Estación de Servicio Montsia, S.L.	Repsol Comercial de Productos Petrolíferos, S.A.	Spain	Installation and operation of service stations	E.M.(J.V.)	50.00	48.80	—	—
Ezzing Renewable Energies S.L.	Repsol Energy Ventures, S.A.	Spain	Development of solar power projects	E.M.	24.32	24.32	12	—
Finboot Ltd.	Repsol Energy Ventures, S.A.	United Kingdom	Blockchain technology for energy, retail and automotive sectors	E.M.	8.54	8.54	9	—
Fuerzas Energéticas del Sur de Europa V, S.L.U	Repsol Renovables, S.L.U	Spain	Wind power project	F.C.	51.00	51.00	47	—
Fuerzas Energéticas del Sur de Europa VI, S.L.U	Repsol Renovables, S.L.U	Spain	Wind power project	F.C.	51.00	51.00	18	—
Fuerzas Energéticas del Sur de Europa XI, S.L.U	Repsol Renovables, S.L.U	Spain	Wind power project	F.C.	51.00	51.00	48	—
Fuerzas Energéticas del Sur de Europa XII, S.L.U	Repsol Renovables, S.L.U	Spain	Wind power project	F.C.	51.00	51.00	48	—
Fuerzas Energéticas del Sur de Europa XIII, S.L.U	Repsol Renovables, S.L.U	Spain	Wind power project	F.C.	100.00	100.00	—	—

Name	Parent company	Country	Corporate purpose	Method of conso. (1)	December 2021 % Control Int. (2)	Total Group Interest	€ Million Equity (3)	Share Capital (3)
Fuerzas Energéticas del Sur de Europa XIV, S.L.U	Repsol Renovables, S.L.U	Spain	Wind power project	F.C.	100.00	100.00	—	—
Fuerzas Energéticas del Sur de Europa XVIII, S.L.U	Repsol Renovables, S.L.U	Spain	Wind power project	F.C.	100.00	100.00	1	—
Fuerzas Energéticas del Sur de Europa XX, S.L.U	Repsol Renovables, S.L.U	Spain	Wind power project	F.C.	100.00	100.00	1	—
Gaolania Servicios, S.L. (5)	Repsol Customer Centric, S.L.U.	Spain	Sale of electricity	E.M.	70.00	68.45	14	—
Generación Eólica El Vedado, S.L.	Repsol Renovables, S.L.U	Spain	Wind power project	F.C.	51.00	51.00	22	—
Generación y Suministro de Energía, S.L.U	Repsol Renovables, S.L.U	Spain	Wind power project	F.C.	100.00	100.00	2	—
Gestao e Administraçao de Postos de Abastecimiento Unipessoal, Lda.	Repsol Portuguesa, Lda	Portugal	Sale of oil products	F.C.	100.00	97.79	8	2
Gestión Activa de Pedidos S.L. (5)	Repsol Comercial de Productos Petrolíferos, S.A.	Spain	Computer programming activities	F.C.	100.00	96.70	—	—
Gestión de Puntos de Venta, Gespevesa, S.A.	Repsol Comercial de Productos Petrolíferos, S.A.	Spain	Service stations management	E.M.(J.V.)	50.00	48.80	37	39
Gutsa Servicios, S.A. de C.V.	Repsol Downstream Internacional, S.A.	Mexico	Operation and management of service stations	E.M.(J.V.)	50.00	48.89	1	—
Hecate Energy Group, LLC (5)	Repsol Renewables North America, Inc	United States	Development of photovoltaic and battery projects for energy storage	E.M.	40.00	40.00	405	108
Hispánica de Desarrollos Energéticos Sostenibles, S.L.U	Repsol Renovables, S.L.U	Spain	Wind power project	F.C.	100.00	100.00	4	—
Iberen Renovables, S.A.	Repsol Renovables, S.L.U	Spain	Wind power project	F.C.	100.00	100.00	12	4
Ibil, Gestor de Carga de Vehículo Eléctrico, S.A.	Repsol Customer Centric, S.L.U.	Spain	Operation of electric vehicle charging points	E.M.(J.V.)	50.00	48.89	1	4
Jicarilla Solar 2 LLC (5)	Repsol Renewables Development Holdings Corp	United States	Development of new energy projects	F.C.	100.00	100.00	—	—
Jicarilla Solar 2 Bond Purchaser LLC (5)	Jicarilla Solar 2 LLC	United States	Development of new energy projects	F.C.	100.00	100.00	—	—
Klikin Deals Spain, S.L.	Repsol Comercial de Productos Petrolíferos, S.A.	Spain	Customer and oil product marketing management	F.C.	100.00	97.60	3	1
LGA Logística Global de Aviação, Lda.	Repsol Portuguesa, Lda	Portugal	Transport of aviation oil products	E.M.	20.00	19.56	0	1
Nanogap Sub n-m Powder, S.A.	Repsol Energy Ventures, S.A.	Spain	Development of nanoparticles and nanofibers for application in materials, energy and biomedicine	E.M.	12.52	12.52	18	2
Natural Power Development, S.L.U	Repsol Renovables, S.L.U	Spain	Wind power project	F.C.	100.00	100.00	1	—
Nudo Manzanares 220 KV, A.I.E.	Tramperase, S.L.	Spain	Electricity power transmission grid	E.M.	27.60	27.60	19	—
OGCI Climate Investments LLP	Repsol Energy Ventures, S.A.	United Kingdom	Technology development	E.M.	9.09	9.09	271	359
Palmira Market, S.A. de C.V.	Repsol Downstream Internacional, S.A.	Mexico	Management of supermarkets and stores	E.M.(J.V.)	50.00	48.89	1	—
Parque Eólico Antofagasta, SpA	Eólica del Taltal, SpA	Chile	Wind power project	E.M.	100.00	15.00	70	—
Parque Eólico Atacama SPA	Repsol Ibereólica Renovables Chile SpA	Chile	Wind power project	E.M.	100.00	50.00	49	—
PE Cabo Leones III SpA	Repsol Ibereólica Renovables Chile SpA	Chile	Wind power project	E.M.	100.00	50.00	65	7
Perseo Biotechnology S.L.U.	Repsol Energy Ventures, S.A.	Spain	Manufacture, distribution and sale of biofuels	E.M.	24.99	24.99	6	7
PT Pacific Lubritama Indonesia	United Oil Company Pte Ltd	Indonesia	Production and distribution of lubricants	E.M.	95.00	37.16	22	8
Recreus Industries, S.L.	Repsol Energy Ventures, S.A.	Spain	Distribution of oil derivative products	E.M.	16.67	16.67	4	—
Régsiti Comercializadora Regulada, S.L.U.	Repsol Comercializadora de Electricidad y Gas, S.L.U.	Spain	Sale of electricity	F.C.	100.00	97.79	11	1
Renovacyl, S.A.	Iberen Renovables, S.A.	Spain	Wind power projects	F.C.	100.00	100.00	4	1
Repsol Butano, S.A.	Repsol Customer Centric, S.L.U.	Spain	Sale of LGP	F.C.	100.00	97.79	1,017	59
Repsol Chile SpA	Repsol Renovables, S.L.U	Chile	Portfolio company	F.C.	100.00	100.00	17,897	49
Repsol Comercial de Productos Petrolíferos, S.A.	Repsol Customer Centric, S.L.U.	Spain	Sale of oil products	F.C.	99.79	97.60	3,559	335
Repsol Comercializadora de Electricidad y Gas, S.L.U.	Repsol Customer Centric, S.L.U.	Spain	Sale of electricity	F.C.	100.00	97.79	435	1
Repsol Customer Centric, S.L.U	Repsol, S.A.	Spain	Portfolio company	F.C.	97.79	97.79	—	—

Name	Parent company	Country	Corporate purpose	Method of conso. (1)	December 2021 % Control Int. (2)	December 2021 % Total Group Interest	December 2021 € Million Equity (3)	December 2021 € Million Share Capital (3)
Repsol Directo, Lda.	Repsol Portuguesa, Lda	Portugal	Distribution and sale of oil products	F.C.	100.00	97.79	3	2
Repsol Directo, S.A.	Repsol Comercial de Productos Petrolíferos, S.A.	Spain	Distribution and sale of oil products	F.C.	100.00	97.71	(4)	—
Repsol Downstream Internacional, S.A.	Repsol Customer Centric, S.L.U.(25)	Spain	Portfolio company	F.C.	100.00	97.79	580	—
Repsol Downstream México, S.A. de C.V	Repsol Downstream Internacional, S.A.	Mexico	Production and distribution of lubricants	F.C.	100.00	97.79	46	108
Repsol Energy Ventures, S.A.	Repsol Technology and Ventures, S.L.U	Spain	Development of new energy projects	F.C.	100.00	100.00	25	2
Repsol Gas Portugal, Unipessoal, Lda.	Repsol Butano, S.A.	Portugal	Sale of LGP	F.C.	100.00	97.79	131	3
Repsol Generación de Ciclos Combinados, S.L.U.(5)	Repsol S.A. (31)	Spain	Generation and sale of electricity	F.C.	100.00	100.00	9	8
Repsol Generación Eléctrica, S.A.	Repsol Renovables, S.L.U (20)	Spain	Generation of electricity	F.C.	100.00	100.00	889	468
Repsol Ibereólica Renovables Chile SpA	Repsol Chile, SpA	Chile	Wind power projects	E.M.	50.00	50.00	98	163
Repsol Lubricantes y Especialidades, S.A.	Repsol Customer Centric, S.L.U.(25)	Spain	Production and sale of lubricants	F.C.	100.00	97.79	816	5
Repsol Lubrificantes e Especialidades Brasil Participaçoes, Ltda.	Repsol Downstream Internacional, S.A.(24)	Brazil	Distribution and sale of oil products	F.C.	100.00	100.00	3	6
Repsol Mar de Cortés Estaciones de Servicio, S.A. de C.V.	Repsol Downstream Internacional, S.A.	Mexico	Production and distribution of lubricants	E.M.(J.V.)	50.00	48.89	1	—
Repsol Mar de Cortés, S.A. de C.V.	Repsol Downstream Internacional, S.A.	Mexico	Production and distribution of lubricants	E.M.(J.V.)	50.00	48.89	39	1
Repsol Marketing France, S.A.S.U.	Repsol Downstream Internacional, S.A.	France	Sale of oil products (11)	F.C.	100.00	97.79	—	—
Repsol Maroc, S.A.(6)	Repsol Butano, S.A.	Morocco	Sale of LGP	E.M.	99.96	99.96	—	1
Repsol Portuguesa, Lda.	Repsol Downstream Internacional, S.A.(27)	Portugal	Distribution and sale of oil products	F.C.	100.00	97.79	373	118
Repsol Renewables Development Company LLC (5)	Repsol Renewables North America, Inc	United States	Development of new energy projects	F.C.	100.00	100.00	—	—
Repsol Renewables Development Holdings Corp (5)	Repsol Renewables North America, Inc	United States	Development of new energy projects	F.C.	100.00	100.00	—	—
Repsol Renewables North America, Inc (5)	Repsol Renovables, S.L.U	United States	Development of new energy projects	F.C.	100.00	100.00	143	—
Repsol Renovables, S.L.U	Repsol, S.A.(28)	Spain	Development of new energy projects	F.C.	100.00	100.00	1,309	200
Repsol Services México, S.A. de C.V.	Repsol Downstream Internacional, S.A.	Mexico	Oil and gas exploration and production	F.C.	100.00	97.79	10	8
Repsol Servicios Renovables, S.A. (17)	Repsol Renovables, S.L.U (20)	Spain	Development of new energy projects	F.C.	100.00	100.00	6	2
Rocsole OY	Repsol Energy Ventures, S.A.	Finland	Technology development	E.M.	15.34	15.34	12	—
Servicios Logísticos de Combustibles de Aviación, S.L	Repsol Lubricantes y Especialidades, S.A.	Spain	Transport of aviation oil products	E.M.(J.V.)	50.00	49.98	9	4
Sociedade Abastecedora de Aeronaves, Ltda.	Repsol Portuguesa, Lda	Portugal	Sale of oil products	E.M.	25.00	25.00	—	—
Societat Catalana de Petrolis, S.A.	Repsol Comercial de Productos Petrolíferos, S.A.	Spain	Distribution and sale of oil products	F.C.	94.94	92.77	1	6
Solar Antofagasta SpA	Repsol Ibereólica Renovables Chile SpA	Chile	Wind power project	E.M.	50.00	50.00	78	—
Solar Elena SpA	Repsol Ibereólica Renovables Chile SpA	Chile	Wind power project	E.M.	50.00	50.00	82	—
Solar Fotovoltaica Villena, S.L.	Repsol Renovables, S.L.U	Spain	Development of solar power projects	F.C.	100.00	100.00	1	—
Solgas Distribuidora de Gas, S.L.	Repsol Butano, S.A.	Spain	Sale of LGP	F.C.	100.00	97.79	1	1
Solred, S.A.	Repsol Comercial de Productos Petrolíferos, S.A.	Spain	Management of payment methods at service stations	F.C.	100.00	97.60	55	26
Soluciones Tecnológicas de Energías Verdes, S.L.U	Repsol Renovables, S.L.U	Spain	Wind power project	F.C.	100.00	100.00	2	—
Sorbwater Technology A.S	Repsol Energy Ventures, S.A.	Norway	Water treatment technology management in E&P	E.M.	30.78	30.78	(1)	—
Terminales Canarios, S.L.	Repsol Comercial de Productos Petrolíferos, S.A.	Spain	Storage and distribution of oil products	E.M.(J.V.)	50.00	48.80	22	20
Tramperase, S.L.	Repsol Renovables, S.L.U	Spain	Development of solar power projects	F.C.	100.00	100.00	19	—
United Oil Company Pte Ltd	Repsol Downstream Internacional, S.A.	Singapore	Production and distribution of lubricants	E.M.	40.00	39.12	90	9
Valdesolar Hive, S.L.	Repsol Renovables, S.L.U	Spain	Development of solar power projects	F.C.	100.00	100.00	43	—

Name	Parent company	Country	Corporate purpose	Method of conso. [1]	December 2021 % Control Int. [2]	Total Group Interest	€ Million Equity [3]	Share Capital [3]
WIB Advance Mobility, S.L.	Repsol Comercial de Productos Petrolíferos, S.A.	Spain	City car sharing rentals	E.M.(J.V.)	50.00	48.80	5	—
Windplus, S.A.	Repsol Renovables, S.L.U	Portugal	Technology development for wind generation	E.M.	13.63	13.63	—	2
CORPORATION								
Albatros, S.A.R.L.	Repsol, S.A.	Luxembourg	Portfolio company	F.C.	100.00	100.00	5,207	—
FEHI Holding, S.a.r.l.	Repsol Exploración, S.A.	Luxembourg	Portfolio company	F.C.	100.00	100.00	2,988	197
Gaviota RE, S.A. [7]	Albatros, S.À.R.L.	Luxembourg	Insurance and reinsurance	F.C.	100.00	100.00	455	1
Greenstone Assurance, Ltd.	Gaviota RE, S.A.	Bermuda	Insurance and reinsurance [11]	F.C.	100.00	100.00	2	32
Repsol Exploration Advanced Services, A.G.	Repsol Exploración, S.A.	Switzerland	Company providing human resource services	F.C.	100.00	100.00	1	—
Repsol Europe Finance S.A.R.L.[21]	Albatros, S.À.R.L.	Luxembourg	Portfolio and financial services company	F.C.	100.00	100.00	5,895	4,096
Repsol Finance Brasil S.A.R.L. [5]	Repsol Exploração Brasil Ltda.	Luxembourg	Portfolio and financial services company	F.C.	100.00	100.00	992	—
Repsol Gestión de Divisa, S.L.	Repsol, S.A.	Spain	Financial services	F.C.	100.00	100.00	457	—
Repsol International Finance, B.V.	Repsol, S.A.	Netherlands	Financial services and holding company	F.C.	100.00	100.00	2,908	301
Repsol Technology and Ventures, S.L.U	Repsol, S.A.	Spain	Shared services company	F.C.	100.00	100.00	26	—
Repsol Tesorería y Gestión Financiera, S.A.	Repsol, S.A.	Spain	Financial services	F.C.	100.00	100.00	177	—
SUN2HY, S.L.(5)	Repsol Energy Ventures, S.A.	Spain	Development and scale-up of artificial photosynthesis technology for hydrogen production	E.M.	50.00	50.00	1	—
Talisman International (Luxembourg), S.a.r.l.	Repsol Oil & Gas Canada, Inc.	Luxembourg	Portfolio company	F.C.	100.00	100.00	376	68
Talisman International Holdings, B.V.	Repsol Exploración, S.A.	Netherlands	Portfolio company	F.C.	100.00	100.00	250	646

(1) Method of consolidation:
F.C.: Full consolidation
E.M.: Equity method. Joint Ventures are identified as "JV".
(2) Percentage corresponding to direct and indirect interest of the parent company immediately above the subsidiary.
(3) Corresponds to Equity and Share Capital data used in the Group´s consolidation process, prior to the adjustments related thereto. Companies whose functional currency is not the euro have been translated at the closing exchange rate. Amounts have been rounded (less than half a million euros has been rounded down to zero).
(4) Interests in joint operations (see Appendix Ic) which are structured through a company and this vehicle does not limit its rights to the assets or obligations for the liabilities related to the arrangement.
(5) Companies incorporated into the Repsol Group in 2021 (see Appendix Ib).
(6) Company in the process of liquidation.
(7) This company holds a non-controlling interest in Oil Insurance, Ltd (5.30%), domiciled in Bermudas.
(8) This company, legally incorporated in the Bahamas, is registered for tax purposes in the United Kingdom.
(9) This company, legally incorporated in the British Virgin Islands, is registered for tax purposes in the United Kingdom.
(10) This company is the parent company for Repsol Groundbirch Partnership, registered in the United States.
(11) Inactive company.
(12) This company, legally incorporated in Barbados, is registered for tax purposes in the Netherlands.
(13) The figures on Share Capital and Equity relate to 2020.
(14) The equity corresponds to the value of the consolidated subgroup.
(15) Equity value included in its parent company.
(16) This company, formerly known as Repsol Exploración Caribe, S.L., changed its company name in February 2021.
(17) This company, formerly known as Repsol Suroriente Ecuador, S.A., changed its company name in February 2021.
(18) This company, formerly known as Repsol Exploración 17, B.V., changed its company name in February 2021.
(19) This company, formerly known as Repsol Exploración Jamaica, S.A., changed its company name in February 2021.
(20) The parent of these companies is now Repsol Renovables, S.L.U.
(21) This company, formerly known as TE Holding, S.a.r.l., changed its company name in March 2021.
(22) This company, formerly known as Repsol USA Holdings Corporation, changed its company name in April 2021.
(23) The parent of this company is now Repsol Oil & Gas Holdings USA, Inc. The change took place in April 2021.
(24) The parent of this company is now Repsol Downstream Internacional, S.A. Inc. The change took place in April 2021.
(25) The parent of these companies is now Repsol Customer Centric, S.L.U.
(26) The parent of this company is now Repsol Industrial Transformation S.L.U. The change took place in July 2021.
(27) Repsol, S.A. transferred 70% to Repsol Downstream Internacional, S.A. (RDI), which then held 100% of the ownership interest. The change took place in September 2021.
(28) The parent of this company is now Repsol, S.A. The change took place in September 2021.
(29) The equity value is included together with Repsol Sinopec Brasil, S.A. (see Note 13).
(30) The parent of these companies is now FEHI Holding S.a.r.l. The change took place in November 2021.
(31) The parent of this company is now Repsol, S.A. The change took place in December 2021.
(32) The company moved its registered office to Bolivia in November 2021.
(33) This company, formerly known as Canaport LNG Limited Partnership, changed its name to Saint John LNG Limited Partnership in December 2021.

APPENDIX IB: Main changes in the scope of consolidation

For the year ended December 31, 2021

a) Business combinations, other acquisitions and acquisitions of interest in subsidiaries, joint ventures and/or associates:

					2021		
Name	**Country**	**Parent company**	**Item**	**Date**	**Method of consolidation (1)**	**% voting rights acquired**	**% total voting rights in entity following acquisition (2)**
Finboot Ltd.	United Kingdom	Repsol Energy Ventures, S.A.	Shareholding increase	February 2021	E.M.	0.28 %	8.69 %
Ekiola Promoción, SL	Spain	Repsol Customer Centric, S.L.U	Acquisition	March 2021	E.M.	49.00 %	49.00 %
Ekiola Construcción, M&O, S.L.	Spain	Repsol Customer Centric, S.L.U	Acquisition	March 2021	E.M.	49.00 %	49.00 %
Ekiola Energía Comercializadora, S.L.	Spain	Repsol Customer Centric, S.L.U	Acquisition	March 2021	E.M.	51.00 %	51.00 %
Gaolania Servicios, S.L.	Spain	Repsol Customer Centric, S.L.U	Acquisition	March 2021	E.M.	70.00 %	70.00 %
SUN2HY , S.L.	Spain	Repsol Energy Ventures S.A.	Acquisition	April 2021	E.M.	50.00 %	50.00 %
Rocsole OY	Finland	Repsol Energy Ventures S.A.	Shareholding increase	May 2021	E.M.	2.70 %	16.70 %
Repsol Renewables North America, Inc	United States	Repsol Renovables, S.L.U	Incorporation	May 2021	F.C.	100.00 %	100.00 %
Repsol Finance Brasil B.V.	Brazil	Repsol Exploração Brasil Ltda.	Incorporation	June 2021	F.C.	100.00 %	100.00 %
Hecate Energy Group, LLC	United States	Repsol Renewables North America, Inc	Acquisition	June 2021	E.M.	40.00 %	40.00 %
Repsol Generación de Ciclos Combinados, S.L.U.	Spain	Repsol Renovables, S.L.U	Incorporation	July 2021	F.C.	100.00 %	100.00 %
Ecoplanta Molecular Recycling Solutions, SL	Spain	Repsol Industrial Transformation, S.L.	Acquisition	July 2021	E.M.	39.00 %	39,0%
Belmont Technology Inc., S.L.	Spain	Repsol Energy Ventures, S.A.	Shareholding increase	July 2021	E.M.	3.03 %	12,90%
Alba Emission Free Energy S.L	Spain	Petróleos del Norte, S.A.	Acquisition	September 2021	F.C.	100.00 %	100.00 %
Repsol Finance Brasil S.A.R.L.	Luxembourg	Repsol Exploração Brasil Ltda.	Incorporation	September 2021	F.C.	100.00 %	100.00 %
Ezzing Renewable Energies S.L.	Spain	Repsol Energy Ventures S.A.	Shareholding increase	September 2021	E.M.	2.10 %	24.30 %
Refinería La Pampilla, S.A.A.	Perú	Repsol Perú, B.V.	Shareholding increase	October 2021	F.C.	6.80 %	99.20 %
Ampere Power Energy, S.L.	Spain	Repsol Energy Ventures, S.A.	Shareholding increase	October 2021	E.M.	0.01 %	6.64 %
Saint John LNG, Limited Partnership	Canada	Repsol Oil & Gas Canada, Inc.	Shareholding increase	November 2021	F.C.	25,00%	100,00%
Begas Motor, S.L.	Spain	Repsol Energy Ventures, S.A.	Shareholding increase	December 2021	E.M.	0,02%	18,91%
Repsol Renewables Development Company LLC	United States	Repsol Renewables North America, Inc	Acquisition	December 2021	F.C.	100,00%	100,00%
Repsol Renewables Development Holdings Corp	United States	Repsol Renewables North America, Inc	Acquisition	December 2021	F.C.	100,00%	100,00%
Jicarilla Solar 2 LLC	United States	Repsol Renewables Development Holdings Corp	Acquisition	December 2021	F.C.	100,00%	100,00%
Jicarilla Solar 2 Bond Purchaser LLC	United States	Jicarilla Solar 2 LLC	Acquisition	December 2021	F.C.	100,00%	100,00%
Gestión Activa de Pedidos S.L.	Spain	Repsol Comercial de Productos Petrolíferos, S.A.	Incorporation	December 2021	F.C.	100,00%	100,00%

(1) Method of consolidation:
F.C.: Full consolidation
E.M.: Equity method. Joint Ventures are identified as "JV".
(2) Corresponds to the percentage of equity in the acquired company.

b) Reduction in interest in subsidiaries, joint ventures, and/or associates and other similar transactions:

					2021		
Name	**Country**	**Parent company**	**Item**	**Date**	**Method of consolidation [1]**	**% voting rights disposed or derecognized**	**% total voting rights in entity following disposal**
Ampere Power Energy, S.L.	Spain	Repsol Energy Ventures, S.A.	Shareholding reduction	January 2021	E.M.	0.55 %	6.63 %
Dubai Marine Areas, Ltd.	United Kingdom	Repsol Exploración S.A.	Liquidation	April 2021	E.M.	50.00 %	0.00 %
JSC Eurotek - Yugra	Russia	Repsol Exploración Karabashsky, B.V.	Shareholding reduction	April 2021	E.M.	0.90 %	67.40 %
AR Oil & Gaz, B.V.	Netherlands	Repsol Exploración S.A.	Disposal	May 2021	E.M. (J.V)	49.00 %	0.00 %
MC Alrep, Llc.	Russia	AR Oil & Gaz, B.V.	Disposal	May 2021	E.M. (J.V)	49.00 %	0.00 %
Saneco	Russia	AR Oil & Gaz, B.V.	Disposal	May 2021	E.M. (J.V)	49.00 %	0.00 %
TNO (Tafnefteotdacha)	Russia	AR Oil & Gaz, B.V.	Disposal	May 2021	E.M. (J.V)	48.79 %	0.00 %
Finboot Ltd.	United Kingdom	Repsol Energy Ventures S.A.	Shareholding reduction	May 2021	E.M.	0.15 %	8.54 %
Nudo Manzanares 220 KV, A.I.E.	Spain	Tramperase, S.L.	Shareholding reduction	May 2021	E.M.	9.66 %	27.60 %
Dynasol Altamira, S.A. de C.V.	Mexico	Dynasol Elastómeros, S.A. de C.V.	Absorption	June 2021	E.M.	49.99 %	0.00 %
Oleum Insurance Company Ltd.	Barbados	Repsol Oil & Gas Canada, Inc.	Disposal	September 2021	F.C.	100.00 %	— %
Repsol Electricidad y Gas, S.A.	Spain	Repsol S.A.	Absorption	September 2021	F.C.	100.00 %	— %
Repsol Italia, SpA	Italy	Repsol S.A.	Disposal	September 2021	F.C.	100.00 %	0.00 %
Repsol E&P Eurasia, LLC	Russia	Repsol Exploración, S.A.	Liquidation	October 2021	F.C.	100.00 %	0.00 %
Repsol Baicoi, S.R.L.	Romania	Repsol Exploración, S.A.	Liquidation	November 2021	F.C.	100.00 %	0.00 %
Repsol Targoviste, S.R.L.	Romania	Repsol Exploración, S.A.	Liquidation	November 2021	F.C.	100.00 %	0.00 %
Repsol Libreville, S.A. avec A.G.	Gabon	Repsol Exploración, S.A.	Liquidation	November 2021	F.C.	100.00 %	0.00 %
Alectoris Energía Sostenible 1, S.L.	Spain	Repsol Renovables, S.L.U	Shareholding reduction	November 2021	F.C.	49.00 %	51.00 %
Alectoris Energía Sostenible 3, S.L.	Spain	Repsol Renovables, S.L.U	Shareholding reduction	November 2021	F.C.	49.00 %	51.00 %
Desarrollo Eólico Las Majas VII, S.L.U	Spain	Repsol Renovables, S.L.U	Shareholding reduction	November 2021	F.C.	49.00 %	51.00 %
Fuerzas Energéticas del Sur de Europa V, S.L.U	Spain	Repsol Renovables, S.L.U	Shareholding reduction	November 2021	F.C.	49.00 %	51.00 %
Fuerzas Energéticas del Sur de Europa VI, S.L.U	Spain	Repsol Renovables, S.L.U	Shareholding reduction	November 2021	F.C.	49.00 %	51.00 %
Fuerzas Energéticas del Sur de Europa XI, S.L.U	Spain	Repsol Renovables, S.L.U	Shareholding reduction	November 2021	F.C.	49.00 %	51.00 %
Fuerzas Energéticas del Sur de Europa XII, S.L.U	Spain	Repsol Renovables, S.L.U	Shareholding reduction	November 2021	F.C.	49.00 %	51.00 %
Generación Eólica El Vedado, S.L.	Spain	Repsol Renovables, S.L.U	Shareholding reduction	November 2021	F.C.	49.00 %	51.00 %
Agrícola Comercial del Valle de Santo Domingo, S.A.	Mexico	Repsol Downstream Internacional, S.A.	Disposal	November 2021	E.M.	20,00%	20,00%
Repsol Pitesti, S.R.L.	Romania	Repsol Exploración, S.A.	Liquidation	December 2021	F.C.	100.00 %	0.00 %
Talisman (Vietnam 15-2/01), Ltd.	Canada	Repsol Exploración, S.A.	Disposal	December 2021	F.C.	100.00 %	0.00 %
Repsol Oil & Gas Sea Pte., Ltd.	Singapore	Repsol Exploración, S.A.	Disposal	December 2021	F.C.	100.00 %	0.00 %
Repsol Targu Jiu, S.R.L.	Romania	Repsol Exploración, S.A.	Liquidation	December 2021	F.C.	100.00 %	0.00 %
Rocsole OY	Finland	Repsol Energy Ventures S.A.	Shareholding reduction	December 2021	E.M.	1,33%	15,34%

[1] Method of consolidation:
F.C.: Full consolidation
E.M.: Equity method. Joint Ventures are identified as "JV".

For the year ended December 31, 2020

a) Business combinations, other acquisitions and acquisitions of interest in subsidiaries, joint ventures and/or associates:

					2020		
Name	**Country**	**Parent company**	**Item**	**Date**	**Method of consolidation** [(1)]	**% voting rights acquired**	**% total voting rights in entity following acquisition** [(2)]
LGA – Logística Global de Aviação, LDA.	Portugal	Repsol Portuguesa, S.A	Acquisition	January 2020	E.M.	20.00 %	20.00 %
Aragonesa de Infraestructuras Energéticas Renovables, S.L.U	Spain	Repsol Renovables, S.L.U	Acquisition	February 2020	F.C.	100.00 %	100.00 %
Boalar Energías, S.L.U	Spain	Repsol Renovables, S.L.U	Acquisition	February 2020	F.C.	100.00 %	100.00 %
Desarrollos Eólicos El Saladar, S.L.U	Spain	Repsol Renovables, S.L.U	Acquisition	February 2020	F.C.	100.00 %	100.00 %
Desarrollo Eólico Las Majas VIII, S.L.	Spain	Repsol Renovables, S.L.U	Acquisition	February 2020	F.C.	100.00 %	100.00 %
Desarrollo Eólico Las Majas XIV, S.L.	Spain	Repsol Renovables, S.L.U	Acquisition	February 2020	F.C.	100.00 %	100.00 %
Desarrollo Eólico Las Majas XV, S.L.	Spain	Repsol Renovables, S.L.U	Acquisition	February 2020	F.C.	100.00 %	100.00 %
Desarrollo Eólico Las Majas XXVII, S.L.U	Spain	Repsol Renovables, S.L.U	Acquisition	February 2020	F.C.	100.00 %	100.00 %
Desarrollo Eólico Las Majas XXXI, S.L.U	Spain	Repsol Renovables, S.L.U	Acquisition	February 2020	F.C.	100.00 %	100.00 %
Energías Renovables de Cilene, S.L.U	Spain	Repsol Renovables, S.L.U	Acquisition	February 2020	F.C.	100.00 %	100.00 %
Energías Renovables de Gladiateur 18, S.L.U	Spain	Repsol Renovables, S.L.U	Acquisition	February 2020	F.C.	100.00 %	100.00 %
Energías Renovables de Hidra, S.L.U	Spain	Repsol Renovables, S.L.U	Acquisition	February 2020	F.C.	100.00 %	100.00 %
Energías Renovables de Kore, S.L.U	Spain	Repsol Renovables, S.L.U	Acquisition	February 2020	F.C.	100.00 %	100.00 %
Fuerzas Energéticas del Sur de Europa XIII, S.L.U	Spain	Repsol Renovables, S.L.U	Acquisition	February 2020	F.C.	100.00 %	100.00 %
Fuerzas Energéticas del Sur de Europa XIV, S.L.U	Spain	Repsol Renovables, S.L.U	Acquisition	February 2020	F.C.	100.00 %	100.00 %
Fuerzas Energéticas del Sur de Europa XVIII, S.L.U	Spain	Repsol Renovables, S.L.U	Acquisition	February 2020	F.C.	100.00 %	100.00 %
Fuerzas Energéticas del Sur de Europa XX, S.L.U	Spain	Repsol Renovables, S.L.U	Acquisition	February 2020	F.C.	100.00 %	100.00 %
Generación y Suministro de Energía, S.L.U	Spain	Repsol Renovables, S.L.U	Acquisition	February 2020	F.C.	100.00 %	100.00 %
Hispánica de Desarrollos Energéticos Sostenibles, S.L.U	Spain	Repsol Renovables, S.L.U	Acquisition	February 2020	F.C.	100.00 %	100.00 %
Natural Power Development, S.L.U	Spain	Repsol Renovables, S.L.U	Acquisition	February 2020	F.C.	100.00 %	100.00 %
Soluciones Tecnológicas de Energías Verdes, S.L.U	Spain	Repsol Renovables, S.L.U	Acquisition	February 2020	F.C.	100.00 %	100.00 %
Finboot Ltd.	United Kingdom	Repsol Energy Ventures, S.A.	Shareholding increase	March 2020	E.M.	0.07 %	8.41 %
Klikin Deals Spain, S.L.	Spain	Repsol Comercial de Productos Petrolíferos, S.A.	Shareholding increase	April 2020	E.M.	0.73 %	70.73 %
Energia Distribuida del Norte, S.A.	Spain	Petróleos del Norte, S.A.	Incorporation	April 2020	F.C.	100.00 %	100.00 %
Rocsole OY	Finland	Repsol Energy Ventures S.A.	Shareholding increase	May 2020	E.M.	1.43 %	13.93 %
Energías Renovables de Dione, S.L.U	Spain	Repsol Renovables, S.L.U	Acquisition	June 2020	F.C.	100.00 %	100.00 %
Energías Renovables de Lisitea, S.L.U	Spain	Repsol Renovables, S.L.U	Acquisition	June 2020	F.C.	100.00 %	100.00 %
Energías Renovables de Polux, S.L.U,	Spain	Repsol Renovables, S.L.U	Acquisition	June 2020	F.C.	100.00 %	100.00 %
Repsol Ibereólica Renovables Chile SpA	Chile	Repsol Chile, S.A.	Acquisition	October 2020	E.M.	50.00 %	50.00 %
Eólica del Tatal SpA	Chile	Repsol Chile, S.A.	Acquisition	October 2020	E.M.	15.00 %	15.00 %
Klikin Deals Spain, S.L.	Spain	Repsol Comercial de Productos Petrolíferos, S.A.	Shareholding increase	December 2020	F.C.	29.27 %	100.00 %
Perseo Biotechnology S.L.U.	Spain	Repsol Energy Ventures S.A.	Acquisition	December 2020	E.M.	24.99 %	24.99 %

[(1)] Method of consolidation:
F.C.: Full consolidation
E.M.: Equity method. Joint Ventures are identified as "JV".
[(2)] Corresponds to the percentage of equity in the acquired company.

b) Reduction in interest in subsidiaries, joint ventures, and/or associates and other similar transactions:

Name	Country	Parent company	Item	Date	2020		
					Method of consolidation [1]	% voting rights disposed or derecognized	% total voting rights in entity following disposal
Repsol Exploración East Bula, B.V.	Netherlands	Repsol Exploración S.A.	Liquidation	January 2020	F.C.	100.00 %	0.00 %
Repsol Exploración Seram, B.V.	Netherlands	Repsol Exploración, S.A.	Liquidation	January 2020	F.C.	100.00 %	0.00 %
Foreland Oil, Ltd.	British Virgin Islands	Rift Oil, Ltd.	Disposal	January 2020	F.C.	100.00 %	0.00 %
Repsol Oil & Gas Papua Pty, Ltd.	Australia	Repsol Oil & Gas Niugini Pty Ltd.	Disposal	January 2020	F.C.	100.00 %	0.00 %
Repsol Oil & Gas Niugini Pty, Ltd.	Australia	Talisman International Holdings, B.V.	Disposal	January 2020	F.C.	100.00 %	0.00 %
Repsol Oil & Gas Niugini Kimu Alpha Pty, Ltd.	Australia	Repsol Oil & Gas Niugini Ltd.	Disposal	January 2020	F.C.	100.00 %	0.00 %
Repsol Oil & Gas Niugini Kimu Beta, Ltd.	Papua New Guinea	Repsol Oil & Gas Niugini Ltd.	Disposal	January 2020	F.C.	100.00 %	— %
Repsol Oil & Gas Niugini, Ltd.	Papua New Guinea	Repsol Oil & Gas Papua Pty, Ltd.	Disposal	January 2020	F.C.	100.00 %	0.00 %
Rift Oil, Ltd.	United Kingdom	Talisman International Holdings, B.V.	Disposal	January 2020	F.C.	100.00 %	0.00 %
CSJC Eurotek - Yugra	Russia	Repsol Exploración Karabashsky, B.V.	Shareholding reduction	February 2020	E.M.	0.58 %	70.20 %
CSJC Eurotek - Yugra	Russia	Repsol Exploración Karabashsky, B.V.	Shareholding reduction	April 2020	E.M.	1.00 %	69.20 %
Repsol Louisiana Corporation	United States	Repsol USA Holdings Corporation	Liquidation	April 2020	F.C.	100.00 %	0.00 %
Repsol Exploration Australia Pty, Ltd.	Australia	Repsol Exploración S.A.	Liquidation	April 2020	F.C.	100.00 %	0.00 %
Nanogap Sub n-m Powder S.A.	Spain	Repsol Energy Ventures S.A.	Shareholding reduction	May 2020	E.M.	0.10 %	12,52%
Principle Power, Inc.	United States	Repsol Energy Ventures S.A.	Shareholding reduction	May 2020	E.M.	4.49 %	16.08 %
Repsol Exploración Cendrawasih III, B.V.	Netherlands	Repsol Exploración S.A.	Liquidation	May 2020	F.C.	100.00 %	— %
Talisman (Block K 9) B.V.	Netherlands	Talisman Global Holdings, B.V.	Liquidation	June 2020	F.C.	100.00 %	— %
Begas Motor, S.L.	Spain	Repsol Energy Ventures, S.A.	Shareholding reduction	June 2020	E.M.	4.23 %	23.70 %
Gas Natural West África S.L.	Spain	Repsol LNG Holding, S.A.	Liquidation	July 2020	E.M.	60.00 %	0.00 %
Repsol Angola 35, B.V.	Netherlands	Repsol Exploración S.A.	Liquidation	July 2020	F.C.	100.00 %	0.00 %
Begas Motor, S.L.	Spain	Repsol Energy Ventures, S.A.	Shareholding reduction	July 2020	E.M.	4.81 %	18.89 %
Principle Power, Inc.	United States	Repsol Energy Ventures S.A.	Shareholding reduction	September 2020	E.M.	— %	0.159
Windplus, S.A.	Portugal	Repsol Renovables, S.L.U	Shareholding reduction	October 2020	E.M.	6 %	0.1363
Repsol Angola 22, B.V.	Netherlands	Repsol Exploración S.A.	Liquidation	October 2020	F.C.	100 %	0
Repsol Angola 37, B.V.	Netherlands	Repsol Exploración S.A.	Liquidation	October 2020	F.C.	100 %	0
Repsol Aruba, B.V.	Netherlands	Repsol Exploración S.A.	Liquidation	December 2020	F.C.	100 %	0
Repsol Exploración Cendrawasih I, B.V.	Netherlands	Repsol Exploración S.A.	Liquidation	December 2020	F.C.	100 %	0
Repsol Corridor B.V.	Netherlands	Repsol Exploración S.A.	Liquidation	December 2020	F.C.	100 %	0
Talisman Banyumas B.V.	Netherlands	Repsol Exploración, S.A.	Liquidation	December 2020	F.C.	100 %	0
Repsol Exploración Cendrawasih IV, B.V.	Netherlands	Repsol Exploración, S.A.	Liquidation	December 2020	F.C.	100 %	0
Repsol Bulgaria, B.V.	Netherlands	Repsol Exploración, S.A.	Liquidation	December 2020	F.C.	100 %	0
Talisman (Algeria), B.V.	Netherlands	Repsol Exploración, S.A.	Liquidation	December 2020	F.C.	100 %	0
Principle Power (Europe), Ltd.	United Kingdom	Principle Power, Inc.	Disposal	December 2020	E.M.	21 %	0
Principle Power Portugal Unipessoal, Lda.	Portugal	Principle Power, Inc.	Disposal	December 2020	E.M.	21 %	0
Principle Power, Inc.	United States	Repsol Energy Ventures S.A.	Disposal	December 2020	E.M.	16 %	0
CSJC Eurotek - Yugra	Russia	Repsol Exploración Karabashsky, B.V.	Shareholding reduction	December 2020	E.M.	1 %	0.692
Repsol Exploration Namibia Pty, Ltd.	Namibia	Repsol Exploración S.A.	Liquidation	December 2020	F.C.	100 %	0

[1] Method of consolidation:
F.C.: Full consolidation
E.M.: Equity method. Joint Ventures are identified as "JV".

APPENDIX IC: Joint operations of the Repsol group at December 31, 2021

The Repsol Group's main Joint Operations (see Note 3.4) are shown below (including those in which the Group is involved through a joint arrangement)[40]:

Name	Interest (1)	Operator	Activity
Argelia			
El Merk (EMK) Field Unit Agt	9.10%	Groupement Berkine	Development/Production
Greater MLN	35.00%	Pertamina	Development/Production
Menzel Ledjmet Sud-Est /405a	35.00%	Pertamina	Development/Production
Ourhoud Field / 404,405,406a	1.92%	Organisation Ourhoud	Development/Production
Reggane Nord	29.25%	Groupement Reggane	Development/Production
Australia			
JPDA 06-105 PSC	25.00%	ENI	Development/Production
Bolivia			
Arroyo Negro	48.33%	YPF B Andina, S.A	Development/Production
Boqueron	48.33%	YPF B Andina, S.A	Development/Production
Camiri	48.33%	YPF B Andina, S.A	Development/Production
Carohuaicho 8D	48.33%	YPF B Andina, S.A	Exploration
Cascabel	48.33%	YPF B Andina, S.A	Development/Production
Cobra	48.33%	YPF B Andina, S.A	Development/Production
Enconada	48.33%	YPF B Andina, S.A	Development/Production
Guairuy	48.33%	YPF B Andina, S.A	Development/Production
Iñiguazu	37.50%	Repsol	Exploration
La Peña-Tundy	48.33%	YPF B Andina, S.A	Development/Production
Los Penocos	48.33%	YPF B Andina, S.A	Development/Production
Los Sauces	48.33%	YPF B Andina, S.A	Development/Production
Margarita-Huacaya	37.50%	Repsol	Development/Production
Monteagudo	39.67%	Repsol	Development/Production
Palacios	48.33%	YPF B Andina, S.A	Development/Production
Patuju	48.33%	YPF B Andina, S.A	Development/Production
Puerto Palos	48.33%	YPF B Andina, S.A	Development/Production
Rio Grande	48.33%	YPF B Andina, S.A	Development/Production
San Antonio - Sabalo	24.17%	Petrobras	Development/Production
San Alberto	24.17%	Petrobras	Development/Production
Sirari	48.33%	YPF B Andina, S.A	Development/Production
Vibora	48.33%	YPF B Andina, S.A	Development/Production
Yapacani	48.33%	YPF B Andina, S.A	Development/Production
Brazil			
Albacora Leste	6.00%	Petrobras	Development/Production
BM-C-33 (C-M-539)	21.00%	Equinor	Development/Production
BM-S-50 (S-M-623) Sagitario	12.00%	Petrobras	Exploration
BM-S-9 Concesion Sapinhoá	15.00%	Petrobras	Development/Production
BM-S-9 PSC Sapinhoá	15.00%	Petrobras	Development/Production
BM-S-9A Lapa	15.00%	Total	Development/Production
C-M-821	40.00%	Repsol	Exploration
C-M-823	40.00%	Repsol	Exploration
C-M-825	60.00%	Repsol	Exploration
C-M-845	40.00%	Chevron	Exploration
S-M-764	40.00%	Chevron	Exploration
S-M-766	40.00%	Chevron	Exploration
Canada (2)			
Chauvin Alberta	62.44%	Repsol	Development/Production
Chauvin Saskatchewan	90.36%	Repsol	Development/Production
Edson	78.04%	Repsol	Development/Production
Groundbirch No Montney Rights	35.19%	Others	Development/Production
Misc. Alberta	56.05%	Repsol	Exploration

[40] Joint operations in the Upstream segment include the blocks of joint operations where the Group holds acreage for exploration, development and production of oil and gas.

Name	Interest [1]	Operator	Activity
Misc. British Columbia	75.00%	Repsol	Exploration
Misc. Saskatchewan	87.02%	Repsol	Exploration
Northwest Territories	4.24%	Others	Exploration
Nunavut	1.91%	Others	Exploration
Wild River Region	54.79%	Repsol	Development/Production
Yukon	1.05%	Others	Exploration
Colombia			
CPO-9 Akacias Production Area	45.00%	Ecopetrol	Development/Production
Caguan 5	50.00%	Frontera Energy	Exploration
Caguan 6	40.00%	Frontera Energy	Exploration
Catleya	50.00%	Repsol	Exploration
Chipirón	8.75%	SierraCol	Development/Production
COL-4	50.01%	Repsol	Exploration
CPE-8	50.00%	Repsol	Exploration
CPO-9 - Exploration Area	45.00%	Ecopetrol	Exploration/Production
Cravo Norte	5.63%	SierraCol	Development/Production
Mundo Nuevo	30.00%	Equion	Exploration
Cosecha	17.50%	SierraCol	Development/Production
Rondón	6.25%	SierraCol	Development/Production
Ecuador			
Block 16	35.00%	Repsol	Service Contract
Tivacuno	35.00%	Repsol	Service Contract
Spain			
Albatros	82.00%	Repsol	Development/Production
Angula	53.85%	Repsol	Development/Production
Boquerón	61.95%	Repsol	Development/Production
Casablanca - Montanazo Unificado	68.67%	Repsol	Development/Production
Casablanca No Unificado	67.35%	Repsol	Development/Production
Montanazo D	72.44%	Repsol	Development/Production
Rodaballo	65.42%	Repsol	Development/Production
Barracuda	60.21%	Repsol	Development/Production
United States [2]			
Alaska			
North Slope Horseshoe project (49 blocks)	49.00%	Oil Search	Exploration
North Slope Pikka	49.00%	Oil Search	Exploration
Placer Unit	49.00%	Oil Search	Exploration
North Slope Exploration 37,24% (40 blocks)	37.24%	Oil Search	Exploration
North Slope Exploration 49% (82 blocks)	49.00%	Oil Search	Exploration
Gulf of Mexico			
Alaminos Canyon Blacktip project (4 blocks)	8.50%	Shell	Exploration
Alaminos Canyon Blacktip North project (3 blocks)	10.51%	Shell	Exploration
Alaminos Canyon Bobcat project (2 blocks)	8.50%	Shell	Exploration
Alaminos Canyon Lucille project (3 blocks)	8.50%	Shell	Exploration
Garden Banks Blacktail project (4 blocks)	50.00%	Repsol	Exploration
Green Canyon - Shenzi (6 blocks)	28.00%	BHP	Development/Production
Keathley Canyon Leon (4 blocks)	50.00%	Llog	Exploration
Keathley Canyon Buckskin (7 blocks)	22.50%	Llog	Development/Production
Keathley Canyon Moccasin North	50.00%	Llog	Exploration
Keathley Canyon Moccasin	30.00%	Llog	Exploration
Keathley Canyon Noel (2 blocks)	50.00%	Llog	Exploration
Keathley Canyon Buckshot (2 blocks)	50.00%	Llog	Exploration
Walker Ridge Monument project (11 blocks)	20.00%	Equinor	Exploration

Name	Interest [1]	Operator	Activity
Eagle Ford			
Eagle Ford Texas	81.60%	Repsol	Development/Production
Marcellus			
Marcellus New York (*) Exploration Unconventional	99.71%	Repsol	Exploration
Marcellus New York	86.10%	Repsol	Development/Production
Marcellus Pennsylvania	82.84%	Repsol	Development/Production
Greece			
Ionian Block	50.00%	Repsol	Exploration
Guyana			
Kanuku	37.50%	Repsol	Exploration
Indonesia			
Andaman III	51.00%	Repsol	Exploration
Corridor PSC	36.00%	Conoco	Development/Production
Aru	60.00%	Repsol	Exploration
South Sakakemang	80.00%	Repsol	Exploration
Sakakemang	45.00%	Repsol	Exploration
South East Jambi	40.00%	Repsol	Exploration
Libya			
NC-115 (Development)	20.00%	Akakus	Development/Production
NC-115 (Exploration)	40.00%	Repsol	Exploration
NC-186 (Development)	16.00%	Akakus	Development/Production
NC-186 (Exploration)	32.00%	Repsol	Exploration
Malaysia			
PM-03 CAA	35.00%	Repsol	Development/Production
PM-305	60.00%	Repsol	Development/Production
PM-314	60.00%	Repsol	Development/Production
2012 Kinabalu Oil Fields	60.00%	Repsol	Development/Production
Mexico			
Bloque 10	40.00%	Repsol	Exploration
Bloque 11	60.00%	Repsol	Exploration
Bloque 14	50.00%	Repsol	Exploration
Bloque 29	30.00%	Repsol	Exploration
Norway			
PL 019 G	61.00%	Aker BP	Development/Production
PL 019B	61.00%	Repsol	Development/Production
PL 025	15.00%	Equinor	Development/Production
PL 038C	70.00%	Repsol	Development/Production
PL 052	27.00%	Equinor	Development/Production
PL 092	7.65%	Equinor	Development/Production
PL 120	11.00%	Equinor	Development/Production
PL 120 CS	11.00%	Equinor	Development/Production
PL 121	7.65%	Equinor	Development/Production
PL 187	15.00%	Equinor	Exploration
PL 316	55.00%	Repsol	Development/Production
PL 316B	55.00%	Repsol	Development/Production
PL 976	30.00%	Lundin	Exploration
Peru			
Bloque 56	10.00%	Pluspetrol	Development/Production
Bloque 57	53.84%	Repsol	Development/Production
Bloque 88	10.00%	Pluspetrol	Development/Production
Iraq			
Topkhana	80.00%	Repsol	Development/Production

Name	Interest [1]	Operator	Activity
United Kingdom			
P534 (98/06a-Wareham)	2.55%	Perenco	Development/Production
P534 (98/06a-Wych Farm UOA)	2.53%	Perenco	Development/Production
PL089 (SZ/8, SY/88b, SY/98a)	2.55%	Perenco	Development/Production
P201 (16/21a)	7.65%	Premier	Development/Production
P201 (16/21d)	7.65%	Premier	Development/Production
P344 (16/21b_F1*-Balmoral Field Area)	8.06%	Premier	Development/Production
P344 (16/21c_f1*)	7.81%	Premier	Development/Production
P344 (16/21c_f1*-Balmoral)	8.06%	Premier	Development/Production
P019 (22/17n)	30.08%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P020 (22/18n)	30.08%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P073 (30/18_E)	51.00%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P111 (30/3a Blane Field)	30.75%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P111 (30/3a Upper)	15.55%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P116 (30/16n)	51.00%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P185 (30/11b inc. Fulmar field)	51.00%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P219 (16/13a)	19.47%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P220 (15/17n-F2- Piper+ rest of Block)	51.00%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P237 (15/16a)	51.00%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P240 (16/22a- non Arundel Area)	18.86%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P241 (21/1c)	51.00%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P241/P244 (21/1c/21/2a- Cretaceus Area West)	51.00%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P244 (21/2a)	51.00%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P249 (14/19n Residual)	51.00%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P249 (14/19n_F1- Claymore)	47.16%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P249 (14/19n_F2- Scapa/Claymore)	51.00%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P250 (14/19s- F1)	51.00%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P250 (14/19s- Rest of Block)_Develop	51.00%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P256 (30/16s)	51.00%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P263 (14/18a)	51.00%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P266 (30/17b)	51.00%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P291 (22/17s)	30.08%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P291 (22/22a)	30.08%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P291 (22/23a)	30.08%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P292 (22/18a)	30.08%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P295 (30/16a)	51.00%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P295 (30/16b)	51.00%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P295 (30/16c)	51.00%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P295 (30/16t Auk field area)	51.00%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P297 (13/28a Ross)	35.28%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P307 (13/29a Ross)	35.28%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P324 (14/20b)	25.50%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P324 (14/20b-Claymore Extension)	51.00%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P324 (14/20b-f1+f2)	51.00%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P324 (15/16b)	51.00%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P324 (15/23a)_Developm.	51.00%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P344 (16/21b Rest of Block)	30.60%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P344 (16/21c*- Rest of block excluding Stirling)	30.60%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P729 (13/29b - Blake Ext Non Skate_Devel.)	40.80%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P729 (13/29b - Ross Unitised Field UUOA interests)	35.28%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P810 (13/24b Blake Area)	34.53%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P810 (13/24b North)	35.28%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P973 (13/28c)	35.28%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P255 (30/14 Flyndre Area)	51.00%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P073 (30/18_W)	51.00%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P079 (30/13a - Contract Area C East)	51.00%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P101 (13/24a Blake)	34.53%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P185 (30/11b)	30.60%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P185 (30/12b inc. Halley field)	30.60%	Repsol Sinopec Resources UK, Ltd.	Development/Production

Name	Interest [1]	Operator	Activity
P250 (14/19a)	51.00%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P297 (13/28a)	33.02%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P307 (13/29a)	36.55%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P324 (15/23a)	51.00%	Repsol Sinopec Resources UK, Ltd.	Exploration
P593 (20/05c)	51.00%	Repsol Sinopec Resources UK, Ltd.	Development/Production
P983 (13/23b)	25.50%	Repsol Sinopec Resources UK, Ltd.	Exploration
P225 (16/27a- Contract Area 3)	13.50%	JX Nippon	Exploration
P225 (16/27a- Contract Area 3 Andrew Field Area)	5.03%	BP	Development/Production
Russia			
Karabashskiy 1	50.00%	Eurotek Yugra	Exploration
Karabashskiy 2	50.00%	Eurotek Yugra	Exploration
Karabashskiy 3	50.00%	Eurotek Yugra	Exploration
Karabashskiy 9	50.00%	Eurotek Yugra	Exploration
Kileyskiy	50.00%	Eurotek Yugra	Exploration
Sverdlovsky 4	50.00%	Eurotek Yugra	Exploration
Karabashskiy 10	50.01%	ASB Geo	Exploration
Trinidad & Tobago			
5B Manakin	30.00%	BP	Development/Production
East Block	30.00%	BP	Development/Production
S.E.C.C. Ibis	10.80%	EOG	Development/Production
West Block	30.00%	BP	Development/Production
Venezuela			
Barua Motatán	40.00%	Petroquiriquire	Development/Production
Carabobo	11.00%	Petrocarabobo	Development/Production
Cardón IV Oeste	50.00%	Cardon IV	Development/Production
Mene Grande	40.00%	Petroquiriquire	Development/Production
Quiriquire	40.00%	Petroquiriquire	Development/Production
Quiriquire Gas	60.00%	Quiriquire Gas	Development/Production
Yucal Placer Norte	15.00%	Ypergas	Development/Production
Yucal Placer Sur	15.00%	Ypergas	Development/Production
Vietnam			
Bloque 133 & 134	49.00%	Repsol	Exploration
Bloque 46-CN	70.00%	Repsol	Development/Production
DOWNSTREAM			
Spain			
Asfaltos Españoles, S.A.	50.00%	Repsol	Asphalts
Iberian Lube Base Oils Company, S.A.	30.00%	SK Lubricants	Lubricants and specialized products

(1) Corresponds to the Group company's interest in the joint arrangement.
(2) Mining domain rights in Canada and the United States are articulated over a large number of Joint Operating Agreements (JOAs). They have been grouped by geographical areas and Repsol's interest.

APPENDIX II: Other detailed information

Fair value of financial instruments

The valuation techniques used for the derivative financial instruments classified in levels 2 and 3 of the hierarchy are based, in accordance with accounting standards, on an income approach, which consists of discounting known or estimated future flows using discount curves constructed on the basis of reference market interest rates (in the case of derivatives, they are estimated using implied market forward curves), including adjustments for credit risk based on the life of the instruments and other adjustments. In the case of options, price-fixing models based on Black & Scholes formulas are used.

The main variables for the valuation of financial instruments vary depending on the type of instrument, but are mainly the following: exchange rates (spot and forward), interest rate curves, counterparty risk curves, commodity prices (spot and forward) and equity prices, as well as the volatility of all the aforementioned factors. In all cases, market data are obtained from recognized information agencies or correspond to quotations from official bodies.

Financial assets recognized at fair value are classified, in accordance with their calculation methodology, into three levels:
Level 1: Valuations based on a quoted price in an active market for an identical instrument and relate to derivatives held for trading.
Level 2: Valuations based on a quoted price in an active market for similar financial assets or based on other valuation techniques that rely on observable market inputs.
Level 3: Valuations based on inputs that are not directly observable in the market such as financial investments or electricity PPAs.

The classification of the financial liabilities recognized in the financial statements at fair value, by fair value calculation method, is as follows:

	Level 1		Level 2		Level 3		Total	
€ Million	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
At FV through profit or loss	647	111	301	404	7	—	955	515
At FV through other comprehensive income	96	2	132	80	66	—	294	82
TOTAL	**743**	**113**	**433**	**484**	**73**	**—**	**1,249**	**597**

The breakdown of the reconciliation of opening balances to closing balances for those financial liabilities classified under level 3 is as follows:

€ Million	**2021**
Opening balance	—
Income and expenses recognized in profit and loss	(7)
Income and expenses recognized in equity	(66)
Closing balance	**(73)**

NOTE: None of the possible foreseeable scenarios for the assumptions used would result in significant changes in the fair value of the instruments classified in level 3 of the fair value hierarchy.

The classification of the financial assets recognized in the financial statements at fair value (FV), by fair value calculation method, is as follows:

€ Million	Level 1		Level 2		Level 3		Total	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
At FV through profit or loss	567	129	496	263	56	37	1,119	429
At FV through other comprehensive income	294	19	2	107	134	86	430	212
TOTAL	**861**	**148**	**498**	**370**	**190**	**123**	**1,549**	**641**

The breakdown of the reconciliation of opening balances to closing balances for those financial assets classified under level 3 is as follows:

€ Million	**2021**
Opening balance	123
Income and expenses recognized in profit and loss	(12)
Income and expenses recognized in equity	48
Reclassifications and other	31
Closing balance	**190**

NOTE: None of the possible foreseeable scenarios for the assumptions used would result in significant changes in the fair value of the instruments classified in level 3 of the fair value hierarchy.

No financial instruments were transferred between hierarchy levels in 2021 or 2020.

Interest rate reform

Repsol is reviewing the arranged contracts according to the schedule set for the reform, mainly affecting loans and credit facilities.

As to the hedging relationships tied to the interest rates affected by the reform, according to the "*Interest rate benchmark reform - Amendments to IFRS 9, IFRS 7 and IAS 39 (Phase 1)*", we believe that the cash flows of the hedging instrument and the hedged item will not be altered as a result of the reform. With regard to the "*Interest rate benchmark reform - Amendments to IFRS 9, IFRS 7, IFRS 4 and IFRS 16 (Phase 2)*", any contractual change directly related to the change in the benchmark interest rate of a financial asset or liability is recognized as if it were a change in the market interest rates of a floating rate financial instrument, with no significant effect on the Group's financial statements to date.

In addition, the Group is monitoring regulatory and market developments for an orderly transition. In this regard, new contracts include a reference to risk-free rates, aside from exceptional cases when the rates allow it (USD LIBOR), and in any case specific clauses are included governing permanent cessation events. With regard to previously existing contracts that are still in force after December 31, 2021, the transition to these new rates is being carried out.

This reform has not led a change in the Group's interest rate financial risk management policy.

The main financial assets and liabilities tied to LIBOR rates as of December 31, 2021, in which the rate is a main element of the contract, are itemized below:

€ Million	12/31/2021 Amount/Notional
Financial assets (excluding derivatives) [(1)]:	
USD LIBOR	1,144
Financial liabilities (excluding derivatives) [(2)]:	
USD LIBOR	814
Derivatives [(3)]:	
USD LIBOR	474

NOTE: Does not include assets and liabilities of a commercial nature.
[(1)] Includes mainly current accounts, deposits and loans, net of impairment, tied to financing in Venezuela (see Note 8).
[(2)] Includes mainly loans
[(3)] Corresponds to the interest rate swaps related to financing the investment in the Saint John LNG project (Canada) (see Note 9.1).

APPENDIX III: Segment reporting and reconciliation with EU-IFRS financial statements[41]

Income statement figures

The reconciliation between adjusted net income and EU-IFRS net income at December 31, 2021 and 2020, is as follows:

	€ Million											
			ADJUSTMENTS									
	Adjusted net income		Reclassifications of joint ventures		Special items		Inventory effect		Total adjustments		Net income under EU-IFRS	
Results	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Operating income	4,372 [1]	1,135	(541) [1]	682	(1,173)	(3,017)	1,099	(1,354)	(615)	(3,689)	3,757	(2,554)
Financial result	(315)	(238)	137	60	449	37	—	—	586	97	271	(141)
Net income from entities accounted for using the equity method - net of taxes	(3)	6	314	(618)	(10)	3	—	—	304	(615)	301	(609)
Income before tax	**4,054**	**903**	**(90)**	**124**	**(734)**	**(2,977)**	**1,099**	**(1,354)**	**275**	**(4,207)**	**4,329**	**(3,304)**
Income tax	(1,590)	(299)	90	(124)	(22)	63	(279)	344	(211)	283	(1,801)	(16)
Net income	**2,464**	**604**	**—**	**—**	**(756)**	**(2,914)**	**820**	**(1,010)**	**64**	**(3,924)**	**2,528**	**(3,320)**
Profit attributable to non-controlling interests	(10)	(4)	—	—	4	3	(23)	32	(19)	35	(29)	31
Net income attributable to the parent	**2,454**	**600**	**—**	**—**	**(752)**	**(2,911)**	**797**	**(978)**	**45**	**(3,889)**	**2,499**	**(3,289)**

(1) Profit from continuing operations at current cost of supply (CCS).
(2) The inventory effect represents an adjustment to "*Procurement*" and "*Changes in inventory of finished goods*" on the IFRS-EU income statement.

Revenue from ordinary activities by segments between customer and inter-segment revenue is displayed below:

	€ Million											
	Income from ordinary activities (3)		Net income from operations		Provisions for amortization of fixed assets (2)		Impairment income / (expenses)		Net income from entities valued using the equity method		Income tax	
Segments	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Exploration and Production	6,809	4,228	3,027	351	(1,319)	(1,668)	(1,028)	(3,189)	9	10	(1,348)	(167)
Industrial	39,956	25,384	792	369	(824)	(812)	11	128	3	—	(197)	(74)
Commercial and Renewables	21,891	16,489	761	650	(353)	(333)	5	(17)	(12)	1	(188)	(157)
Corporate	(16,526)	(11,138)	(208)	(235)	(66)	(67)	(24)	(3)	(3)	(5)	143	99
Adjusted figures (1)	**52,130**	**34,963**	**4,372**	**1,135**	**(2,562)**	**(2,880)**	**(1,036)**	**(3,081)**	**(3)**	**6**	**(1,590)**	**(299)**
Adjustments:												
Exploration and Production	(1,800)	(1,265)	(1,330)	(2,431)	536	651	373	922	268	(630)	330	380
Industrial	(374)	(242)	877	(1,210)	12	12	—	—	31	12	(441)	179
Commercial and Renewables	(211)	(174)	72	(53)	10	10	—	—	5	1	(38)	26
Corporate	—	—	(234)	5	—	—	—	—	—	2	(62)	(302)
EU-IFRS FIGURES	**49,745**	**33,282**	**3,757**	**(2,554)**	**(2,004)**	**(2,207)**	**(663)**	**(2,159)**	**301**	**(609)**	**(1,801)**	**(16)**

(1) Figures drawn up according to the Group's reporting model described in Note 4.
(2) Including depreciation of failed exploratory drilling. For more information, see Note 21.
(3) Corresponds to the sum of "*Sales*" and "*Services rendered and other income*" (see Note 20.1). The itemization by provenance (customers or inter-segment transactions) is as follows:

	€ Million					
	Customers		Inter-segment		Total	
Segments	2021	2020	2021	2020	2021	2020
Exploration and Production	4,924	3,047	1,885	1,181	6,809	4,228
Industrial	25,502	15,556	14,454	9,828	39,956	25,384
Commercial and Renewables	21,703	16,359	188	130	21,891	16,489
Corporate	1	1	2	—	3	1
(-) Adjustments and eliminations of operating income between segments	—	—	(16,529)	(11,139)	(16,529)	(11,139)
TOTAL	**52,130**	**34,963**	**—**	**—**	**52,130**	**34,963**

[41] Some of these metrics presented in this Appendix are Alternative Performance Measures (APMs) in accordance with European Securities Markets Authority (ESMA) guidelines. For further information, see Appendix II of the 2021 consolidated Management Report.

Balance sheet figures

	€ Million							
	Non-current assets		**Net operating investments (2)**		**Capital employed (3)**		**Investments accounted for using the equity method**	
Segments	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Exploration and Production	16,746	16,248	1,223	948	12,348	12,608	146	184
Industrial	8,674	8,552	859	565	11,163	9,755	9	6
Commercial and Renewables	4,727	4,252	829	739	4,451	4,061	376	67
Corporate	608	623	83	56	594	893	39	22
ADJUSTED FIGURES (1)	**30,755**	**29,675**	**2,994**	**2,308**	**28,556**	**27,317**	**570**	**279**
Adjustments:								
Exploration and Production	(4,653)	(4,828)	(493)	(230)	(127)	2,446	2,591	5,264
Industrial	(168)	(151)	(33)	(14)	(22)	1	234	202
Commercial and Renewables	(117)	(120)	19	(46)	4	15	159	152
Corporate	—	—	—	—	—	—	—	—
EU-IFRS FIGURES	**25,817**	**24,576**	**2,487**	**2,018**	**28,411**	**29,779**	**3,554**	**5,897**

(1) Figures drawn up according to the Group's reporting model described in Note 4.
(2) Excludes "*Non-current financial investments*", "*Deferred tax assets*" and "*Other non-current assets*".
(3) Includes capital employed corresponding to joint ventures, non-current non-financial assets, operating working capital and other non-financial liability headings.

Cash flow figures

The reconciliation of the cash flow from operations to free cash flow with the EU-IFRS Statement of Cash Flows at December 31, 2021 and 2020 is as follows:

	At December 31					
	Free cash flow		**Reclassification of joint ventures and others**		**EU-IFRS statement of cash flow**	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**
I. Cash flows from / (used in) operating activities (cash flow from operations)	5,453	3,197	(776)	(459)	4,677	2,738
II. Cash flows from / (used in) investing activities	(2,614)	(1,218)	(319)	1,440	(2,933)	222
Free cash flow (I+II)	**2,839**	**1,979**	**(1,095)**	**981**	**1,744**	**2,960**

Net debt

The reconciliation of net debt to the IFRS-EU balance sheet as at December 31, 2021 and 2020 is as follows:

	Net debt	**Reclassification of joint ventures**	**IFRS-EU balance sheet**
€ Million	**2021**	**2021**	**2021**
Non-current assets			
Non-current financial instruments(1)	431	702	1,133
Current assets			
Other current financial assets	2,459	(8)	2,451
Cash and cash equivalents	5,906	(311)	5,595
Non-current liabilities			
Non-current financial liabilities (2)	(10,810)	625	(10,185)
Current liabilities			
Current financial liabilities (2)	(3,748)	(863)	(4,611)
NET DEBT(3) (4)	**(5,762)**	**145**	**(5,617)**

(1) Amounts included under "*Non-current financial assets*" in the balance sheet.
(2) Includes net non-current and current leases amounting to €3,045 and €636 million, respectively, according to the Reporting model and €2,429 and €499 million, respectively, according to the IFRS-EU balance sheet.
(3) In 2020, this included the adjustment due to eliminating the net market value for financial derivatives other than exchange rate derivatives, which the Group decided to no longer taken into consideration as of 2021 as they are scantly representative.
(4) The reconciliations in previous period are available at www.repsol.com.

APPENDIX IV: Regulatory framework

The activities of Repsol, S.A. and its subsidiaries are subject to extensive regulation, the key aspects of which are described below.

Spain

The Group's main place of business is in Spain and its registered office is located at calle Méndez Álvaro, 44, Madrid.

Basic legislation

Spain currently has legislation which implements a liberalization of the Oil Industry, an example of which is the Hydrocarbons Sector Law 34/1998 of October 7 ("LSH"), which has been amended by several legislative acts.

Law 2/2011, of March 4, on Sustainable Economy, modified the Hydrocarbons Sector Law, establishing binding guidelines for energy planning under criteria designed to contribute to create a safe, cost-effective, economically-sustainable, and environmentally-friendly energy system.

Law 3/2013 of June 4, on the creation of the Spanish National Markets and Competition Commission (CNMC - "Comisión Nacional de los Mercados y la Competencia" in Spanish), created as an overseeing body, charged with the duties and tasks relating to supervision and control of regulated markets, which were previously supervised by various National Commissions, including the Energy and Competition Commission.

Royal Decree Law 1/2019, of January 11, proceeds with returning to the CNMC the competencies that were taken away in 2014, thus bringing the competencies of the CNMC into line with to the requirements of EU law in relation to Directives 2009/72/CE and 2009/73/CE of the European Parliament and Council, of 13 July 2009, concerning common rules for the internal market in electricity and natural gas.

Controlling concentration regime in the energy sector

The aforementioned Law 3/2013 modified the regime controlling corporate transactions in the energy sector, allocating duties to the Ministry for the Ecological Transition (MITECO). It devises a new ex post regime with respect to certain transactions by either requiring the buyer to notify MITECO of the execution of certain transactions or by means of the imposition of conditions on the business operations of the companies acquired, in so far as energy supply in Spain is deemed threatened.

This control, in addition to the electricity and gas sectors, now extends to the liquid hydrocarbons sector including companies that pursue refining activities, pipeline transportation, and storage of oil products, or companies that hold title to said assets, which become strategic assets.

Principal operators and dominant operators

Under Royal Decree Law 5/2005, of March 11, the Spanish National Energy Commission (currently the CNMC) is required to publish not only the list of principal operators but also the dominant operators in each energy market or sector. Dominant operators are defined as those holding a share of more than 10% of the benchmark market. On the other hand, a principal operator is considered an operator ranked among the top five players by market share. Designation as a dominant operator or principal operator implies certain regulatory restrictions.

Hydrocarbon exploration and production

From the entry into force of Law 7/2021 on climate change and the energy transition, on May 22, 2021, no new exploration authorizations, hydrocarbon research permits or hydrocarbon exploitation concessions will be granted in Spain, including the territorial sea, the exclusive economic zone and the continental shelf, as regulated under Law 34/1998, of October 7, on the hydrocarbons sector, and Royal Decree Law 16/2017, of November 17, establishing safety provisions for hydrocarbon research and operation in the marine environment, or for any activity for hydrocarbon operations in which the use of high-volume hydraulic fracturing is envisaged.

Five years prior to the end of the term of an operating concession, and without prejudice to the requirements established in the Royal Decree granting the concession, the person or entity holding the concession must submit a report to the Ministry for Ecological Transition and the Demographic Challenge that reflects the potential for reconverting their facilities or their location for other uses of the subsoil, including geothermal energy, or for other economic activities, in particular, the establishment of renewable energies, and that must include the levels for maintaining research permits and concessions for operating the hydrocarbon fields already in force that are located in the territorial sea, the exclusive economic zone and the continental shelf, as they may not, under any circumstances, be extended beyond December 31, 2042.

Research permits and concessions for operating hydrocarbon fields already in force that are located in the territorial sea, the exclusive economic zone and the continental shelf may not, under any circumstances, be extended beyond December 31, 2042.

For those concessions currently in force, Royal Decree Law 16/2017 should be taken into account, which establishes safety provisions for hydrocarbon research and operation in the marine environment, implemented by Royal Decree 1339/2018, of October 29, transposing Directive 2013/30/EU, of 12 June 2013 on safety of offshore oil and gas operations "Offshore Directive") into Spanish law. The purpose of the Law is to establish minimum requirements that offshore hydrocarbon research and operations must meet to prevent major accidents, to mitigate their consequences and to define action principles to ensure that offshore operations, including the abandonment and decommissioning of facilities, in order to prevent serious accidents and limit their consequences.

With regard to offshore activity, Law 41/2010, of December 29, on the protection of the marine environment, regulates marine strategies as planning instruments for the five marine districts into which the Spanish marine environment is divided. The authorization of any activity that requires carrying out works or installations in marine waters, their bed or their subsoil, or the placement or deposit of materials on the seabed, or discharges regulated in Title IV of the Law, must have a favorable report from the relevant Ministry regarding its compatibility with the marine strategy. Royal Decree 79/2019, of February 22, regulates and implements the procedure for processing this report and establishes the criteria for compatibility with the marine strategies, and is applicable in the case of the modification, renewal or extension of existing actions.

Oil products

The price of oil products is deregulated, with the exception of LPG (see specific information below).

In the retail side of the business, exclusive supply contracts for the distribution of motor fuels have a maximum term of one year, and they can be automatically rolled over for additional one-year periods at the sole discretion of the distributor, for a maximum of three years. The new legislation also bans clauses that set, recommend or influence, directly or indirectly, the price at which fuel is sold to the public. Likewise, exclusive supply contracts are prohibited from containing exclusivity clauses with regard to the provision of charging services to electric vehicles.

Additionally, it establishes limits on growth in the number of fuel supply facilities of wholesalers with provincial markets shares of over 30%. Law 8/2015 stipulates that this market share shall no longer be measured in terms of points of sale but rather based on sales figures for the previous year, allowing the government to revise this percentage threshold in three years' time or even remove the restriction altogether, market trends and the sector's business structure so permitting. This period has elapsed without the government having reviewed the above measure for the time being.

Finally, Law 8/2015 allows owners of oil product retailers to supply products to other retail distributors, simply by registering in advance with the excise tax registry.

Minimum stocks

Royal Decree 1766/2007, regulates the obligation to maintain a minimum stocks in the oil and natural gas sectors, the obligation to diversify the supply of oil and natural gas, and the activities of the Corporation of Strategic Reserves of Oil Products (CORES for its acronym in Spanish).

The obligation to maintain minimum stocks of oil products in Spain for security reasons, excluding LPG, currently requires storing at all times an amount equivalent to 92 days of sales based on the sales during the previous 12 months. Repsol must maintain stocks corresponding to 50 days of sales, while the remaining stocks are held by CORES on behalf of the various operators (strategic reserves) until the obligation established has been met.

Royal Decree Law 15/2013, of December 13, introduces an amendment to the Hydrocarbon Sector Law, indicating that via regulation, administrative procedures and obligations needed to ensure, on an ongoing basis, a minimum safety buffer equivalent to at least the higher of the volume corresponding to 90 days of average net daily imports and 61 days of average internal daily consumption corresponding to the year of reference and measured in oil equivalent.

LPG

Under certain circumstances, LPG prices are subject to retail price ceilings. The prices of bulk LPG and bottled LPG in cylinders with capacity of under 8 kg or over 20 kg are deregulated. Law 18/2014, of October 15, has had the effect of also deregulating the prices of containers with capacity of more than 8 kg or less than 20 kg with a tare weight of no more than 9 kg, with the exception of LPG mixes intended for use for fuel purposes; this measure favors certain players over others as a function of the tare weight of the containers sold and, in practice, does not constitute full sector deregulation.

Ministerial Order IET/389/2015, of March 5, 2015, updates the system for automatically determining the maximum price at which bottled LPG can be retailed and for determining the price of piped LPG, adjusting the formulae used to calculate raw material costs in order to, as per the wording of the Order, adapt them "to the supply reality in the Spanish market in recent years''. Adaptation of these formulae does not apply to sales costs, thereby resulting in a reduction in maximum bottled LPG retail prices and piped LPG retail prices.

Additionally, Law 18/2014 consolidate users' right to home delivery of containers weighing between 8 kg and 20 kg by obliging the LPG wholesalers with the biggest market shares in the corresponding mainland and island territories to perform this home-delivery service. Failure to fulfill this obligation constitutes a very serious offense. The list of LPG wholesalers so obliged is determined by a resolution issued by the General Directorate of Energy Policy and Mining every 3 years. Every 5 years, the Spanish government is entitled to revise the terms of this obligation and has the power to remove it. The current list of mandatory home suppliers is as follows: Repsol Butano on the mainland and in the Balearic Islands, DISA in the Canary Islands and Atlas in Ceuta and Melilla.

On November 28, 2019, the Supreme Court handed down judgments dismissing two appeals for judicial review filed by Repsol Butano and Disa Gas against Ministerial Order IET/389/2015, of March 5, and indirectly against Articles 57 and 58 of Law 18/2014, of October 15, applied by the Order under appeal. This regulatory framework excludes LPG containers with a load equal to or greater than 8 kg and less than 20 kg, with a tare weight of more than 9 kg, from the deregulation introduced by Law 18/2014; it establishes an obligation for LPG wholesale operators with a greater market share in certain territories to supply residential homes and, lastly, it maintains the regulated price of containers with a tare weight of less than 9 kg for operators required to supply residential homes that do not have containers with a tare weight greater than that mentioned, in the corresponding territory. This framework particularly affects Repsol Butano, which is the majority operator on the mainland and the Balearic Islands, and whose fleet consists mainly of heavy containers with a tare weight of more than 9 kg.

Natural gas

Law 12/2007, of July 2, which amended the Hydrocarbon Sector Law, incorporated measures for achieving a completely liberalized market. This legislation establishes the framework for eliminating the tariff system and creates the role of the supplier of last resort with ultimate liability for supplying customers lacking sufficient bargaining power. Moreover, these suppliers are subject to a price cap ("last resort tariff"), set by MITECO. Business operations in the natural gas sector can be classified into: i) regulated activities: transport (including storage, regasification and transport per se) and distribution of natural gas; and ii) deregulated activities: production, acquisition and sale of natural gas. The Natural Gas System Operator, Enagás S.A., is responsible for the coordinating and ensuring that the system works properly.

Law 8/2015 creates an official natural gas hub with a view to facilitating entry into the market of new suppliers and increasing competition, creating a new single hub operator, tasked with management of the gas hub, the MIBGAS (which stands for Iberian Gas Market in Spanish), which ensures that all participating entities comply with the established rules.

Under the scope of the redistribution of competences regulated by Royal Decree Law 1/2019, the CNMC approved Circular 6/2020, of July 22, establishing the methodology for calculating transmission, local network and natural gas regasification fees. In particular, the methodology for determining access fees to regasification facilities, with the exception of the fee for other regasification costs, entered into force on October 1, 2020. The methodologies for the remaining fees will take effect as of October 1, 2021, and until this date the current fee structure and billing rules will continue to apply.

However, for gas year 2020-2021, the CNMC reserved the right to update the piping terms of the current transmission and distribution fees, considering the result of applying the methodologies provided for in its Circular 6/2020 and in order to ensure sufficient income for the system. In this regard, the CNMC approved its Resolution of September 22, 2020, establishing the access fees for transmission networks, local networks and regasification from October 2020 to September 2021.

The Royal Decree establishing the methodologies for calculating gas system charges, the regulated remuneration of basic underground storage facilities and the fees applied for their use is still being processed.

On December 10, 2020, the CNMC approved the resolution establishing the list of dominant operators in the energy sectors, including the Repsol Group among the dominant operators in the natural gas market. Subsequently, the Resolution of the Council of Ministers dated February 2, 2021 established Repsol's obligation to act as a market maker in the Spanish Organized Gas Market. The conditions for the participation of the Repsol Group were established in the Resolution dated July 9, 2021 of the Secretary of State for Energy, which establishes the terms and conditions governing the service making it mandatory for dominant operators to act as market makers in the natural gas market.

Electricity sector regulation in Spain

Deregulation of the Spanish electricity sector began in 1997 with the approval of Electricity Sector Law 54/1997, of November 27, amended by Law 17/2007, of July 4, and later by Electricity Sector Law 24/2013, of December 26.

Production and sale activities continue to be deregulated, governed by competition, while transmission, distribution and the system's technical and financial management remain as regulated activities, characterized by access that requires administrative authorization, and their remuneration is established by regulations and subject to specific obligations. Power supply, for its part, is classified as a service of general economic interest.

Royal Decree 413/2014 regulates the legal and economic regime governing the production of electricity using renewable sources, combined heat and power systems and waste, and affects the Repsol Group's facilities, formerly part of the now-defunct special regime and now assimilated into the ordinary regime. Ministerial Order IET/1045/2014, of June 16, meanwhile, enacts the standard facility remuneration parameters applicable to certain electricity-producing facilities that use renewable energy sources, CHP systems or waste. Royal Decree 900/2015, of October 9, regulating the administrative, technical and financial conditions was passed, which governs the permitted forms of electricity distribution and generation with self-consumption.

This Royal Decree 900/2015 has been substantially modified by Royal Decree Law 15/2018 and now by Royal Decree 244/2019, of April 5, regulating the administrative, technical and economic conditions for self-consumption in Spain. This regulation supplements the regulatory framework promoted by Royal Decree Law 15/2018, the main measure of which was to repeal the so-called "sun tax", and represents a new energy panorama that is committed to a model based on distributed generation and renewable energies. Among the many new developments, the following are worth mentioning:

- Recognition of the figure of shared self-consumption, which provides the possibility that several users may benefit from the same generating facility.
- Simplification of bureaucratic procedures and deadlines for the legalization of facilities.
- Introduction of simplified compensation for generation surpluses. Self-consumed energy from renewable sources, combined heat and power systems or waste, as well as surplus energy released into the transmission and distribution network, will be exempt from all types of charges and fees.

Ministerial Order ETU/130/2017, of February 17, updated the remuneration parameters of standard facilities applicable to certain facilities producing electricity from renewable energy sources, combined heat and power systems and waste, in order to be applied to the regulatory half period commencing on January 1, 2017.

Once the first regulatory period has ended, Ministerial Order TED/171/2020, of February 24, established the remuneration parameters for the second regulatory period, from January 1, 2020 to December 31, 2025, as well as the value of the operating subsidy, for the first six months of 2020, for standard facilities whose operating costs depend essentially on the price of the fuel. The review carried out by this Order relates to all approved standard facilities, which provides an overall view of the remuneration parameters applicable thereto.

a. Remuneration system for generation activity

Law 24/2013, of December 26, abandons the differentiated concepts of ordinary and special regime, without prejudice to the singular considerations that need to be established. The remuneration system for renewable energies, combined heat and power systems and waste is based on the market share of these facilities, complementing market income with a specific regulated remuneration that allows these technologies to compete on an equal footing with the rest of the technologies on the market. This additional specific remuneration must be sufficient to achieve the minimum level necessary to cover costs which, unlike conventional technologies, cannot be recouped on the market and will enable them to obtain adequate profitability with reference to the standard facility in each applicable case. The rate of return for the activity of production from renewable energy sources, combined heat and power systems and waste, for the first regulatory period, is established in Royal Decree Law 9/2013, of July 12, which adopts urgent measures to ensure the financial stability of the electricity system. For the purpose of calculating the specific remuneration, the following shall be taken into account for a standard facility: the income from the sale of the generated energy valued at the production market price, the average operating costs necessary to carry out the activity and the value of the initial investment of the standard facility.

Royal Decree 359/2017, of March 31, established a call for the granting of the specific remuneration system to new facilities producing electricity from renewable energy sources in the peninsular electricity system, and Ministerial Order ETU/315/2017, of April 6, regulated the procedure for assigning the specific remuneration system. In turn, and for 2016 calls only for biomass and wind through Royal Decree 947/2015 and Ministerial Order IET/2212/2015, and the 2nd auction in 2017 through Royal Decree 650/2017 and Ministerial Order ETU/615/2017), similar to the 1st of that year and open to all technologies.

Royal Decree Law 23/2020, of June 23, entrusts the government with the regulatory development of a remuneration framework for renewable generation, based on the long-term recognition of a fixed price for energy. For such purpose, it provides for the holding of competitive tender procedures, which may be differentiated by technology, technical characteristics, size, location, manageability and other criteria, in which the product to be auctioned is energy, installed capacity or a combination of both. In this regard, Royal Decree 960/2020, of November 3, has been approved, which regulates the aforementioned remuneration framework for renewable generation, to be granted through auctions, while at the same time creating the electronic register of the economic regime for renewable energies.

The head of the Ministry for Ecological Transition and the Demographic Challenge is responsible for regulating the auction mechanism, by means of a Ministerial Order, while the head of the Secretary of State for Energy is responsible for calling the auctions by means of a Resolution. In this regard, Ministerial Order TED/1161/2020, of December 4, regulates the first auction mechanism for granting the repeated economic regime for renewable energies and establishes the indicative timetable for the 2020-2025 period.

Returning to Royal Decree Law 23/2020, it also contains provisions relating to access and connection to the networks, stipulating deadlines and administrative milestones for processing existing projects and allowing the extension of permits to seven years. It also introduces a moratorium on new access permits, with exceptions, until the regulatory framework for access and connection is approved, so that, until the government and the CNMC implement Article 33 of Law 24/2013, new applications will not be accepted for existing access capacity at the entry into force of this Royal Decree Law or that may be subsequently released as a result of expiries, waivers or other circumstances. Similarly, the regulation enables holders of access permits, or access and connection permits, obtained between December 27, 2013 and June 25, 2020, or requested prior to June 25, 2020, to forgo their permits or applications within three months of the entry into force of this Royal Decree Law, and the financial guarantees provided will be returned.

Lastly, the Royal Decree Law of June 23 streamlines the processing of modifications to existing facilities, regulates figures such as the renewable energy community or the independent aggregator and incorporates provisions relating to hybridization and high-power charging infrastructures.

b. Remuneration system for marketing activity

The marketing activity is based on the principles of freedom of contract and choice of supplier by the customer. Marketing, as a deregulated activity, has a freely agreed remuneration between the parties.

Of note is Law 24/2013, subsequently developed by Royal Decree 216/2014, of March 28, which establishes the methodology for calculating voluntary prices for small electricity consumers and their legal contracting regime. These prices are defined, in line with the previously denominated last resort tariffs, as the maximum prices that reference resellers may charge to consumers who use them (consumers of less than a certain contracted power, 10 kW, who wish to use this modality as opposed to a bilateral negotiation with a free reseller). These prices will be unique throughout the entire Spanish territory. The term last resort tariffs is reserved for two groups of consumers: the so-called vulnerable consumers (which also includes the new categories of severely vulnerable and at risk of social exclusion) and those consumers who, without being entitled to voluntary prices for the small consumer, temporarily do not have a supply contract with a marketer. These voluntary prices for small consumers shall include in an additive manner, by analogy with the tariff of last resort, the concepts of electricity production cost, the corresponding access tolls and charges and the corresponding marketing costs. In addition, this Royal Decree provides as an alternative that the consumer can contract a fixed price of energy for one year with the reference reseller. It also sets out the criteria for designating reference resellers and their obligations in relation to supply to certain consumer groups.

Royal Decree 469/2016, of November 18, amending Royal Decree 216/2014, establishes the methodology for calculating the marketing costs of the reference resellers to be included in the calculation of the voluntary price for small consumers. Ministerial Order ETU/1948/2016, of December 22, established the values of the marketing costs of the reference resellers to be included in the calculation of the voluntary price for small electricity consumers in the 2014-2018 period, which result from applying the new approved methodology. In turn, Royal Decree Law 7/2016 and Royal Decree 897/2017, are the current frame of reference for everything relating to the rate subsidy and the vulnerable consumer.

Royal Decree Law 17/2021, of September 14, on urgent measures to mitigate the impact of rising natural gas prices on the retail gas and electricity markets, passed extraordinary measures in view of the high electricity prices and their effects on consumers during the autumn and winter months, which included fiscal measures eliminating the tax on the value of electricity production in the fourth quarter of 2021 and reducing the special tax on electricity; established a mechanism to reduce the excess remuneration that certain facilities receive as a result of the marginal operation of the market until March 2022; and created a minimum vital supply to combat energy poverty, among other measures. Royal Decree Law 23/2021, of 26 October, on urgent energy measures to protect consumers and ensure transparency in the wholesale and retail electricity and natural gas markets, introduces a clarification with regard to Royal Decree Law 17/2021 regarding the mechanism for reducing the excess remuneration of the electricity market caused by the quoted price of natural gas, indicating that it will not apply to energy produced by electricity generation facilities that is covered by a forward contracting instrument, when the hedging price is fixed, and provided that the forward contracting instrument was entered into prior to the entry into force of the Royal Decree Law or when, having been entered into after the entry into force of the Royal Decree Law, its hedging period is longer than one year.

In particular, Royal Decree Law 30/2020, of September 29, has expanded the consideration of vulnerable consumers in their principal residence and, therefore, extended the possibility of receiving the subsidized electricity tariff (“bono social”) to consumers who are unemployed, subject to a temporary redundancy procedure, or, being entrepreneurs, have reduced their working hours as a result of having to care for others or that are enduring similar circumstances that entail a substantial loss of income. Royal Decree Law 23/2021 increased the discounts of the subsidized electricity tariff until the first quarter of 2022.

c. Tariff deficit

In terms of revenue, the electricity system was not self-sufficient until 2014, generating an annual deficit, which the electricity companies have had to finance. 2014 was the first year with a surplus in the electricity system after more than a decade in which significant deficits accumulated, thanks to the comprehensive reform undertaken to put an end to the emergence of tariff deficits and allow the economic-financial balance of the system, fundamentally based on the following regulations:

- Law 15/2012, of December 27, on fiscal measures for energy sustainability introduced by the IVPEE, commonly known as the green cent, the hydroelectric royalty, etc.
- Royal Decree Law 9/2013, of July 12, establishes a number of additional remuneration principles for the transmission and distribution of electricity, and establishes the concept of reasonable return in project return, which, before taxes, will be based on the average yield in the secondary market of the ten-year government bonds applying the appropriate differential. In addition, it contemplates other measures aimed at rebalancing the balance between income and costs of the electricity system, such as imposing the financing of the rate subsidy on vertically integrated companies or the reduction of the investment incentive in exchange for doubling the time remaining to receive this incentive. Subsequently, the obligation was transferred to the marketing companies (or their corporate parent companies), an obligation that is currently in force.
- Law 24/2013, of December 26, incorporates the guiding principle of economic and financial sustainability, whereby any regulatory measure in relation to the sector that entails an increase in cost for the electricity system or a reduction in income must incorporate an equivalent reduction in other cost items or an equivalent increase in income to ensure the system's balance.
- Royal Decree 1054/2014, of December 12, regulates the procedure for assigning the rights to collect the electricity system deficit for 2013 and develops the methodology for calculating the interest rate that will accrue to the rights to collect said deficit and, where appropriate, the negative temporary misalignments in the financial years after 2013.

From 2014 onwards, any temporary mismatch between income and costs of the electricity system resulting from the closing settlements in a financial year and resulting in a deficit of income, as well as the temporary deviations between income and costs in the monthly settlements on account of the closing of each financial year that may arise, shall be financed by the subjects of the settlement system in proportion to the remuneration corresponding to them for the activity they carry out. In the event of a revenue shortfall in a financial year, the amount of the shortfall may not exceed 2% of the system's estimated revenue for that financial year. In addition, the accumulated debt due to misalignments from previous years may not exceed 5% of the system's estimated revenue for that year. Tolls, if any, or corresponding charges shall be revised by a total at least equal to the amount by which those limits are exceeded.

With regard to fees, the CNMC approved Circular 3/2020, of January 15, establishing the methodology for calculating electricity transmission and distribution fees. This Circular was later modified by CNMC Circular 7/2020, of July 22, in order to extend the transitional period until April 1, 2021. However, the Royal Decree on electricity charges is still underway.

Contributions to the national energy efficiency fund

Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency makes it binding on member states to justify a quantity of energy savings by 2020, obliging each state to establish energy efficiency obligation schemes such that energy distributors and/or retailers are obliged to achieve a cumulative quantity of energy savings by year-end 2020 means of annual savings between 2014 and 2020 equivalent to 1.5% of their annual energy sales. Royal Decree Law 8/2014 and Law 18/2014 transpose this EU Directive into Spanish law by establishing a National Energy Efficiency Fund (NEEF) by virtue of which gas and electricity distributors, oil product wholesalers and liquid petroleum gas wholesalers (although the latter are not considered bound parties under the Directive) are allocated an annual energy saving target at the national level called savings obligations, which is quantified in financial terms.

Successive IET/ETU ministerial orders stipulating mandatory contributions to the National Energy Efficiency Fund, are being appealed by the various companies encompassed by the aforementioned National Fund contribution obligation, including the Group entities subject to this obligation.

In particular, Ministerial Order TED/287/2020, of March 23, establishes the aggregate savings target, as well as the allocation of savings obligations and their economic equivalence for 2020.

Royal Decree Law 23/2020, of June 23, extended the Spanish energy efficiency obligation scheme until December 31, 2030, thus complying with Directive (EU) 2018/2002 of the European Parliament and of the Council of December 11, which requires Member States to achieve new annual savings of 0.8% of annual final energy consumption from January 1, 2021 to December 31, 2030.

Energy audits

Royal Decree 56/2016, of February 12, transposing Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency, in respect of energy audits, energy service and energy audit provider accreditation and the promotion of energy efficiency, took effect in February 2016.

It has the effect of obliging all enterprises that are not SMEs ("large enterprises") within the European Union to carry out regular energy audits with a view to analyzing whether their energy management is optimal and having them establish the opportune energy savings and efficiency opportunities and proposals as warranted. The Group's energy management systems, which are based on the international ISO 50001 standard, are implemented in the Group's main industrial companies.

Climate change

Following the Paris Agreement, the commitments assumed by the signatories under their respective National Determined Contributions had a significant impact on the development of new climate policies and on the approval of new regulations. The European Union (EU), also a signatory of the Paris Agreement, has made a commitment to climate neutrality by 2050. To this end, in December 2019 the European Commission presented the "European Green Deal", which constitutes the new EU growth strategy, and which aims to completely transform the European economy, highlighting the following proposals for 2021: (i) European Climate Law (published in the Official Journal of the European Union on July 9, 2021 and entered into force on July 29, 2021), which includes a legally binding target of net zero greenhouse gas emissions by 2050; and (ii) the "Fit for 55" package of proposals presented in July 2021 to reduce greenhouse gas emissions by at least 55% by 2030 compared to 1990 levels. These proposals are interconnected and stretch across a variety of policy areas and economic sectors.

In Spain, the "Strategic Framework for Energy and Climate" includes the following fundamental pillars: (i) the National Integrated Energy and Climate Plan; (ii) the Strategy for a Just Transition; and (iii) Law 7/2021, of May 20, on climate change and the energy transition (published in May 2021), which establishes, at the country level, minimum targets for reducing greenhouse gas emissions, the penetration of renewable energies and improving energy efficiency by 2030 with a commitment to achieve climate neutrality by 2050 or in the shortest possible time frame.

In relation to mobility, this Law establishes:

– the introduction of annual targets for the integration of renewable energies and the supply of sustainable alternative fuels in transport, with a special emphasis on advanced biofuels and other renewable fuels of non-biological origin.

– the obligation of public authorities to adopt the necessary measures, in accordance with that established in EU regulations, in order to: (i) ensure that passenger cars and light commercial vehicles do not have direct CO_2 emissions by 2050, and (ii) gradually reduce the emissions of new passenger cars and light commercial vehicles, excluding those registered as historic vehicles, not intended for commercial uses, so that these vehicles have emissions of 0 g CO_2/km no later than 2040.

– the obligation to install an alternative fuels infrastructure for those operators of facilities supplying fuels for vehicles (for more information, see "Alternative fuels") below.

The following are also noteworthy: (i) the Hydrogen Roadmap (published in October 2020), which focuses on the development of renewable hydrogen, with the aim of positioning Spain as a technological benchmark in the production and use of renewable hydrogen, while at the same time contributing to achieving objectives such as reaching climate neutrality, the use of surplus renewable energy or the decarbonization of sectors where electrification is not viable or profitable; and (ii) the 2050 Long Term Decarbonization Strategy (published on November 3, 2020), to move towards climate neutrality by 2050, with milestones in 2030 and 2040.

Alternative fuels

Directive 2018/2001 on the promotion of the use of energy from renewable sources provides that, in order to integrate the use of renewable energies in the transport sector, each Member State must impose an obligation on fuel suppliers to ensure that the share of renewable energies in final energy consumption in the transport sector is at least 14% by 2030. This Directive was partially transposed into Spanish law through Royal Decree (RD) 205/2021, of March 30 (which amends RD 1085/2015, of December 4, on the promotion of biofuels), establishing mandatory minimum targets for the sale or consumption of biofuels for 2021 and 2022 of 9.5% and 10%, in terms of energy content, respectively.

RD 639/2016, of December 9, established a framework of measures for the implementation of infrastructure for alternative fuels, including charging points for electric vehicles and refueling points for natural gas and hydrogen. To ensure that there are sufficient electric charging points, the Climate Change and Energy Transition Law introduces obligations that require service stations with annual sales of gasoline and diesel exceeding 5 million liters to install infrastructure for charging electric vehicles. This charging infrastructure must have a power output equal to or greater than 150 kW or 50 kW in direct current depending on the sales volume (greater than 10 or 5 million liters sold in 2019). The minimum power for new installations as of 2021, or those that undertake a reform of their installation that requires the administrative title to be reviewed, will be direct current of 50 kW.

Bolivia

The 2009 Bolivian Constitution establishes that the National Oil company Yacimientos Petrolíferos Fiscales Bolivianos (YPFB) is authorized to enter into service agreements with public or private companies to undertake activities for and on its behalf in exchange for remuneration or payment for their services.

The Bolivian oil and gas industry is regulated by Law 3,058 of May 19, 2005 (the "Hydrocarbons Law") and technical and economic regulations.

On May 1, 2006, Supreme Decree no. 28,701 was enacted, which nationalized the country's hydrocarbons. Furthermore, the shares required to enable YPFB to control at least 50% plus one vote in various companies, including Empresa Petrolera Andina, S.A., (currently known as YPFB Andina), were nationalized.

On December 11, 2015, Law No. 767 was passed to promote investment in hydrocarbon exploration and production in Bolivia. Furthermore, Law No. 817 of July 19, 2016 was enacted, supplementing Article 42 of Law No. 3,058, previously amended by Law No. 767, allowing YPFB to extend the term of the Operating Contracts.

Operating Contracts and Oil Service Contracts

According to the Hydrocarbons Law and Article 362 of the Bolivian Constitution (CPE), any individual or group, national or foreign, public or private person may enter into one or more production sharing, operating or association contracts with YPFB to carry out exploration and operation activities, for a period not to exceed forty (40) years. The CPE of 2009 and Law 767 limit the type of contract to oil service contracts, which have similar characteristics as the operating contracts of Law 3058.
An operating contract and an oil service contract are those contracts by which the titleholder will execute, by its own means and at its own risk, for and on behalf of YPFB, the operations corresponding to the exploration and operation activities within the area covered by the contract, under the remuneration system, in the case of entering into operation activities. YPFB will not make any investment and will not assume any risk or liability for the investments or results obtained in relation to the contract, and it is the exclusive responsibility of the titleholder to provide all capital, installations, equipment, materials, personnel, technology and other necessary items.

YPFB remunerates the holder for the operating services in cash through the titleholder's remuneration. This payment will cover all operating and utility costs. YPFB must pay the royalties. Once production has started in an oil service contract, the titleholder is required to deliver all oil and gas produced to YPFB. The titleholder will be entitled to remuneration under the operating contract and/or the oil service contract, for the total amount produced and delivered to YPFB.

Oil contracts and amendments thereto require authorization and approval by the Plurinational Legislative Assembly, in accordance with the CPE (Legislative Power).

As a result of the Hydrocarbons Law and the Nationalization Decree, Repsol E&P Bolivia, S.A. and its subsidiary YPFB Andina, S.A. signed the operating contracts, effective as of May 2, 2007. On June 13, 2018, Repsol E&P Bolivia, S.A. entered into an oil service contract with YPFB for the exploration and operation of the Iñiguazu Area, effective as of August 26, 2019.

In addition, the natural gas and liquid hydrocarbon delivery agreements establishing the terms and conditions governing the delivery of hydrocarbons by the titleholder were entered into on May 8, 2009.

Canada

Regulation of exploration and production activities

In the Canadian provinces of British Columbia, Alberta and Saskatchewan where the majority of the Company's exploration and production interests in Canada lie, the provincial governments own the majority of the subsurface mineral rights to crude oil and natural gas. These governments grant rights to explore for and produce oil and natural gas from Crown lands under the conditions set forth in provincial legislation and regulations. In addition to Crown lands, the Company participates in leases entered into with freehold mineral owners through direct negotiation. The royalties applicable to production from Crown lands are established by government regulation and, in general, calculated as a percentage of gross production based on the productivity of the wells, geographical location, date on which the oil fields were discovered, recovery method and type and quality of substance produced. Occasionally, the provincial governments may offer incentive programs for exploration and development. Such programs seek to reduce the royalty rate or other fees or offer certain tax credits. Fees and royalties payable for production on privately owned land are established by means of negotiation between the owner and the Company.

Companies operating in the Canadian oil and natural gas industry are subject to extensive regulation and control of operations (including land ownership, water usage, exploration, development, production, refining, transport and sales, in addition to environmental matters) as a result of legislation and policy enacted at both the federal level (by the government of Canada) and by the various provincial governments. Generally speaking, oversight of such operations is undertaken by regulatory bodies that include the British Columbia Oil and Gas Commission, the Alberta Energy Regulator, the Saskatchewan Ministry of Economy and the Saskatchewan Ministry of the Environment, as well as federal regulatory bodies such as the Impact Assessment Agency of Canada and the Canada Energy Regulator.

Environmental and emissions regulations

Environment regulations from provincial and Canadian federal governments restrict and prohibit the release or emission of various substances that are considered harmful, such as sulfur dioxide, carbon dioxide and nitrous oxide.

Regulations also impose conditions or prohibitions on operating in certain environmentally sensitive areas and establish requirements that regulate the satisfactory abandonment and reclamation of well and facility sites. Non-compliance with the legislation, regulations, orders, directives or other applicable guidelines can result in fines, suspension of work, lawsuits or other sanctions.

In addition to the regulation and control of exploration and production activities, the provincial and Canadian federal governments have also enacted various forms of emissions regulations. Specifically for the province of Alberta, where most of the Company's activities are carried out, the Technology Innovation and Emissions Reduction Implementation Act (TIER) establishes a price of 50 Canadian dollars per ton of carbon emissions by 2022.

The TIER regulations are intended to meet federally mandated carbon standards. In December 2019 TIER was accepted under the federal Greenhouse Gas Pollution Pricing Act.

The provincial government of Alberta has also committed to reducing methane emissions from oil and gas operations by 45% by 2025 through new emissions design standards for facilities, improved measurement and reporting and new regulated standards starting in 2020.

In addition to the provincial regulations, the Canadian federal government has announced an increase in the government's carbon price to CAD $170 per ton by 2030.

United States of America

Offshore exploration and production

The two government agencies responsible for offshore exploration and production on the Outer Continental Shelf are the Bureau of Ocean Energy Management (BOEM) and the Bureau of Safety and Environmental Enforcement (BSEE) under the U.S. Department of the Interior. The BOEM is in charge of responsibly ensuring the economic and environmental development of US offshore resources. Its functions include the leasing (agreements that grant oil and gas mining rights), the review and management of oil and gas exploration, the approval of development plans and carrying out analyses pursuant to the National Environmental Policy Act and other environmental studies. The BSEE is responsible for safety and environmental supervision of offshore oil and gas operations. Its functions include the development and application of safety and environmental regulations, the authorization of offshore exploration, development and production, the performance of inspections and the response to oil spills.

Onshore exploration and production

With regard to US onshore exploration and production activities, the oil and gas industry is primarily regulated by the laws of the individual states, with the exception of certain environmental matters and operations on federal land. At present, the Company has operations in Alaska, Pennsylvania and Texas. In Alaska and Texas, exploration and production activities are regulated by the Alaska Department of Natural Resources and the Railroad Commission of Texas, respectively. Each of these states has its own environmental protection agency. In Pennsylvania, the local Department of Environmental Protection is responsible for both environmental protection activities and the regulation of exploration and production activities.

Federal authorities do have jurisdiction over certain environmental aspects that affect the gas and oil sector. The United States Environmental Protection Agency (EPA) applies laws and regulations such as the Clean Air Act, the Clean Water Act and the Resource Conservation and Recovery Act. The environmental impact of the projects is regulated by the National Environmental Policy Act (NEPA), which is managed by different Federal agencies depending on the type of project.

Transport

The Federal Energy Regulatory Commission (FERC) governs the transport of natural gas as part of interstate commerce and the transport of oil via oil pipelines within the same field. The states regulate other types of transport.

Liquefied natural gas

The Natural Gas Act grants the Federal Energy Regulatory Commission (FERC) the exclusive power to regulate plants that import and export liquefied natural gas arriving in the United States and leaving the country with the authorization of the Office of Fossil Energy at the US Department of Energy (DOE).

Trading of gas, crude oil and refined products

The FERC regulates the sale of natural gas as part of interstate commerce. A number of US regulatory bodies are empowered to regulate the oil and refined products trading market. The Federal Trade Commission (FTC) has the power to regulate crude oil trading activities. The Environmental Protection Agency (EPA) regulates refined products marketed to private consumers such as gasoline and diesel. Trading of financial derivatives is regulated by the Commodities Futures Trading Commission (CFTC).

On December 18, 2015, the 2016 Consolidated Appropriation Act was passed (Public law no. 114-113). This piece of legislation repeals Article 103 of the Energy Policy and Conservation Act (EPCA), thereby eliminating the ban on exporting crude oil produced in the US. The legislation preserves the President's power to restrict oil exports in response to a national emergency, enforce trade sanctions and remedy oil supply scarcity or the sustained distortion of oil prices significantly above world market levels.

Biden Administration Orders

On January 27, 2021, President Biden issued an Executive Order titled, "Tackling the Climate Crisis at Home and Abroad." This Executive Order provides, among other things, "To the extent consistent with applicable law, the Secretary of the Interior shall pause new oil and natural gas leases on public lands or in offshore waters pending completion of a comprehensive review and reconsideration of Federal oil and gas permitting and leasing practices in light of the Secretary of the Interior's broad stewardship responsibilities over the public lands and in offshore waters, including potential climate and other impacts associated with oil and gas activities on public lands or in offshore waters. The Secretary of the Interior shall complete that review in consultation with the Secretary of Agriculture, the Secretary of Commerce, through the National Oceanic and Atmospheric Administration, and the Secretary of Energy. In conducting this analysis, and to the extent consistent with applicable law, the Secretary of the Interior shall consider whether to adjust royalties associated with coal, oil, and gas resources extracted from public lands and offshore waters, or take other appropriate action, to account for corresponding climate costs." The Executive Order does not specify a duration for the directed pause in new oil and gas leasing.

A lawsuit has been filed against Executive Order 14008. On June 15, 2021, a US District Judge in Louisiana issued a preliminary injunction, with nationwide reach, challenging the pause on new oil and natural gas leasing on public lands and in offshore waters found in Section 208 of this Executive Order. The Department of Justice has appealed the preliminary injunction and the Department of the Interior indicated in a press release dated August 16, 2021 that it will continue federal lease sales pursuant to the injunction pending appeal.

Peru

The Constitution includes the main bases of its legal framework governing the hydrocarbons market in Peru. The Constitution states that the government promotes private initiatives, recognizing the economic pluralism, and the state having a subsidiary role in terms of business concerns. The Constitution also establishes that private and public business activity must be treated equally under the law, and that national and foreign investments are subject to the same conditions. In addition, the Constitution stipulates that the country's natural resources are the property of the State and that the terms and conditions of access to and use of these resources by private parties must be regulated by means of organic laws.

Natural and legal persons, whether Peruvian or foreign, that pursue hydrocarbon activities are expressly subject to the laws of the Republic of Peru, renouncing the right to any diplomatic recourse.

The most important authorities with competence over Peruvian hydrocarbon matters are: the Ministry of Energy and Mining (MINEM for its acronym in Spanish), which is tasked with drafting, passing, proposing and applying sector policy; and the Energy and Mining Investment Oversight Body (OSINERGMIN), tasked with oversight of the natural and legal persons carrying out activities related to the electricity and hydrocarbon sub-sectors and the imposition of penalties for any breaches of the legal and technical obligations issued by the MINEM and PERUPETRO, S.A. The Environmental Assessment and Taxation Body (OEFA) is the technical institution specialized in ensuring compliance with the standards, obligations and incentives laid down in prevailing environmental regulations.

Exploration and production

The Organic Hydrocarbons Law (OHL), regulates this natural resource. To provide legal assurance to investors, it states that contracts under its framework shall be considered Contract-Law, and therefore can only be modified by written agreement between the two parties. To achieve these objectives, the OHL created PERUPETRO, a state-owned limited company organized as a public corporation, to which the state, as owner of the hydrocarbons located in its territory, grants the right of ownership over the hydrocarbons, so that PERUPETRO can negotiate, execute and monitor exploration and/or operation contracts, with a licensee (contractor) by means of license agreements, service agreements and other forms of contracts authorized by MINEM.

Hydrocarbon refining and marketing

The OHL stipulates that any natural or legal persons, whether national or foreign, may install, operate, and maintain oil refineries, plants for processing natural gas and condensates, natural asphalt, greases, lubricants, and petrochemicals, subject to the norms specifically established by MINEM.

In Peru, the marketing of hydrocarbon derivatives is regulated by supply and demand. However, Emergency Decree 010-2004 created the Fund for the Stabilization of Petroleum Derived Fuel Prices (FEPC) as an intangible fund to prevent the high volatility of oil prices and its derivatives from being passed on to consumers.

The FEPC's operating mechanism established by Emergency Decree 010-2004 and its Regulations indicates that when the import or export parity price, as the case may be, is higher than the upper limit of the corresponding price band, the producers and importers could apply a discount in the prices of the products for the same value defined by the compensation factor approved by the General Directorate of Hydrocarbons of the Ministry of Energy and Mines, whereby the FEPC would have a debt with these producers and importers for the amount of the applied compensations. Conversely, when the import or export parity price, as the case may be, is lower than the lower limit of the corresponding price band, an obligation would be generated for the producers and importers with the FEPC defined by the contribution factor. Article 10 of Emergency Decree 010-2004 establishes that each company will freely determine, in accordance with their commercial policies, the premiums or discounts to be applied for each product and customer over OSINERGMIN's reference prices, while maintaining the freedom to set the sales prices with its customers.

Although the FEPC has been applied for many years, Diesel and LPG were excluded from the FEPC in March 2020. However, in March 2021, the Ministry of Energy and Mines approved Supreme Decree No. 006-2021-EM, extended by Supreme Decree No. 015-2021-EM, which temporarily included diesel for vehicle use in the FEPC (during the period from March 27 to August 27, 2021). The most significant changes to the mechanism include the fact that compensation from the Fund will only be given to companies that maintain their primary sales price stable and without any change with regard to the primary sales price in effect on the date of publication of the aforementioned decree. This provision makes compensation conditional on maintaining fixed prices, which contravenes the freedom of contract, as well as Article 77 of the OHL, which establishes that the prices of crude oil and its derivatives are governed by supply and demand and distorts the FEPC.

Subsequently, Supreme Decree No. 025-2021-EM, of November 9, 2021, included diesel for vehicle use in the FEPC for an indefinite period of time. It also indicated that the primary sale price of such fuel must remain stable, i.e., it must not be above the corresponding target price band (defined by OSINERGMIN), which represents a change in relation to the wording of the supreme decrees of 2021 mentioned above, but it still violates principles such as the freedom of contract and free pricing of crude oil and its derivatives based on supply and demand as established in current regulations, since it establishes a maximum price for its sale, thus violating the freedom of companies to establish their prices in the market. A similar situation is occurring with LPG, which has been included in the FEPC since September 2021.

Portugal

In Portugal, Decree Law No. 31/2006, of February 15, sets out the framework for the National Oil System (SPN) and has been implemented and regulated through extensive administrative regulations.

Sale prices of crude oil and oil products are freely set on the market, without prejudice to the rules on competition and public service obligations, however, prices in the autonomous regions of the Azores and Madeira are administratively set by the regional governments. Pursuant to Law No. 69-A/2021, of October 21, the government has the power to intervene, on an exceptional basis, in setting maximum margins for any of the commercial components of the retail price of simple fuels or bottled LPG. These maximum margins may be established, with a specific duration, for any of the activities in the value chain of simple fuels or bottled LPG, being set by Ministerial Order issued by the members of government responsible for the areas of economy and energy, following the proposal of the Portuguese Energy Services Regulatory Authority (ERSE) and consultation to the Portuguese Competition Authority (AdC), which has not yet been published.

Sales, which include wholesale and retail trade activity, are freely carried out, but depends on obtaining a certificate, in addition to compliance with other obligations, especially with regard to tax and customs matters, regularity of supply, publication of prices and the provision of information to various competent administrative bodies, as well as verification of seller's good standing.

Minimum stocks

Portugal is required to maintain minimum stocks in the crude oil and/or oil products sectors, in accordance with Decree Law No. 165/2013, of December 16, which transposed EU legislation, corresponding to 90 days of average daily net imports of crude oil and oil products into the country over the last year, it being legally possible to hold stocks in another EU Member State, provided that all requirements have been verified and the necessary formalities have been completed.

LPG

LPG - piped, bottled and bulk - is regulated by Decree Law No. 57-A/2018, of July 13, and is subject to control by the Portuguese Energy Services Regulatory Authority (ERSE), which assumed the functions of the Portuguese Competition Authority (AdC) in terms of supervision, without prejudice to the powers of the AdC to issue recommendations and codes of conduct, carry out studies and inspections, decide on concentrations, initiate administrative proceedings for infringements of competition law and impose fines, for which it is granted extensive powers of investigation, including the power to carry out domiciliary searches.

Decree Law No. 5/2018, of February 2, establishes the obligation to sell bottled LPG in all of the country's service stations, unless they receive a prior exemption upon a reasoned request of the interested party.

With regard to the sale of LPG, Decree Law No. 31/2006 provides for the sale of bottled, piped and bulk LPG. The supplier of bulk LPG is required to give the customer, or the supplier chosen by the customer, the option of transferring ownership of the facility (storage and piping) upon expiry of the contract. With regard to bottled LPG, a legal obligation has been established to accept containers from other companies, at no cost to the customer, as detailed in Decree Law No. 5/2018, of February 2, which also makes it mandatory to sell bottled LPG at all service stations in Portugal and determines that the regulations on essential public services apply to bottled LPG and that the "leftover product" in the container delivered by the customer must be deducted from the sale price of the container, under the terms to be defined in regulatory legislation not yet published.

Storage

Storage activities include the operation of (i) storage facilities for direct supply to end customers, (ii) storage facilities for oil products in tare, and (iii) wholesale facilities, and will be licensed by the Minister of Custody, while the licensing of other storage facilities is the responsibility of the competent licensing authorities. The procedure for obtaining licenses to operate oil product storage facilities and the supervision conditions for tax audits are defined in Decree Law No. 267/2002.

The storage of liquid fuels, LPG and other gases derived from oil, solid fuels and other oil products is regulated by Decree Law No. 267/2002, of November 26, and Ministerial Order (Portaria) No. 1188/2003, of October 10.

The regulations establish the right of access for third parties to large storage facilities which are declared to be of public interest, operators of which will be required to grant access to third parties, under non-discriminatory, transparent and objective technical and economic conditions, as well as the right of access to large storage and distribution facilities of piped LPG for sale to end customers.

Service stations

Service stations are subject to licensing, in accordance with Decree Law No. 267/2002, of November 26. Law No. 6/2015, of January 16, requires all service station operators to sell fuels without additives, known as simple fuels.

Decree Law No. 170/2005, of October 10, as amended by Decree Law No. 120/2008, of July 10, makes it mandatory to publish fuel sale prices on the monoliths of service stations and, in the case of service areas located on highways, comparative panels (the prices of the next two service areas are compared) on the highway itself.

Environmental regulation

With regard to environmental prevention, Decree Law No. 151-B/2013, of October 31, indicates that certain facilities (in particular refineries and petrochemical plants, pipelines for the transportation of oil, storage facilities for oil, petrochemical products or chemical products, and surface industrial facilities for oil extraction, among others) are subject to an inspection procedure to assess the significant impacts on the environment and to the imposition of conditioning and/or compensatory measures, while Decree Law No. 152-B/2017 stipulates that climate changes, population, human health and soil should be assessed in future procedures.

Decree Law No. 127/2013, of August 30, establishes the industrial emissions regime, with the aim of preventing and reducing emissions, and is applicable to industrial facilities in this sector, in particular refineries and petrochemical plants, establishing the obligation to obtain an environmental license that sets out a broad set of requirements and conditions that must be met by the beneficiary, in particular emission limits for pollutants and measures for waste management, among others, prior to carrying out the activity.

Decree Law No. 12/2020, of April 6, imposes the obligation on operators producing greenhouse gases to obtain a Greenhouse Gas Emissions Certificate (Título de Emissão de Gases com Efeito de Estufa (TEGEE)) in accordance with EU Directives and the Kyoto Protocol, while Ministerial Order (Portaria) No. 420-B/2015, of December 31, imposes additional taxes on CO_2 emissions on some oil products, based on the prices of the emission license auctions at the CELE.

The legal regime for environmental liability was approved by Decree Law No. 147/2008, of July 29, and defines the objective and subjective scope of the environmental liability of economic operators, imposing the obligation to provide one or more financial guarantees (their own and autonomous, alternative or complementary to each other) to enable operators to assume the environmental liability inherent in their activity, which may be provided through various instruments. This regime is supplemented by the Environmental Administrative Offenses Act (Ley Quadro das Contra-Ordenações Ambientais), published by Law No. 50/2006, of August 29, which sets fines that can reach up to €5 million.

Decree Law No. 75/2015, of May 11, established the Single Environmental Certificate, which contains all the terms and conditions for the construction, exploration and monitoring of an environmental project and all administrative certificates and permits necessary to carry out the activity, the model for which was approved by Ministerial Order (Portaria) No. 137/2017, of April 2.

Decree Law No. 68-A/2015, of April 30, establishes regulations on energy efficiency and cogeneration production, transposing Directive 2012/27/EU of the European Parliament and of the Council of October 25, 2012, applicable to companies other than SMEs (small and medium-sized enterprises), which are required to register with the Directorate General for Energy and Geology (DGEG) and record all information on their energy consumption, in order to monitor the evolution of this consumption, and they must also carry out an independent energy audit every four years.

Climate change and alternative fuels

Council of Ministers Resolution No. 53/2020, of July 10, approved the 2030 PNEC (2030 National Energy and Climate Plan), establishing objectives, among others, to decarbonize the national economy, strengthen the commitment to renewable energies and reduce the country's energy dependence, and Council of Ministers Resolution No. 63/2020, of August 14, approved the National Hydrogen Plan - EN-H2, of exclusively green origin.

The quality levels and characteristics of oil products are provided for in (i) Decree Law No. 89/2008, of May 30 (quality rules for gasoline and diesel fuels), and (ii) Decree Law No. 281/2000, of November 10, which establishes the limits on the sulfur level of certain types of petroleum-derived liquid fuels.

Decree Law No. 117/2010, of October 25, establishes (i) the sustainability criteria for the production and use of biofuels and bioliquids, regardless of their origin, (ii) the mechanisms for promoting biofuels in land transport, and (iii) the limits for the compulsory incorporation of biofuels for the 2011-2020 period, whereby the targets for the 2020-2030 period were updated by Decree Law No. 60/2020, of August 17.

Decree Law No. 60/2017, of June 9, establishes the legal framework for the creation of infrastructure for alternative fuels, defined as: electricity, hydrogen, biofuels, synthetic and paraffinic fuels, natural gas –compressed or liquefied–, and LPG. Council of Ministers Resolution No. 88/2017, of June 26, approved the National Action Framework for the development of the market for alternative fuels in the transportation sector.

The Framework Climate Law (Law No. 98/2021 of December 31) entered into force on February 1, 2022 and establishes the regulatory framework under which Portugal undertakes to achieve carbon neutrality by 2050 through the implementation of energy transition measures and policies. The Law will have to be implemented over the next few years by supplementary legislation that will make changes in the energy sector through the implementation of various energy transition measures and policies: green taxation, carbon taxes on the use of fuel, policies for the use of electric and hybrid vehicles with a view to banning the sale of vehicles powered exclusively by fossil fuels by 2035, restrictive use of fossil fuel natural gas in electricity production, incentives for the use of renewable sources in electricity production, circular economy in industrialization.

Electricity and natural gas sector regulation

In Portugal, Decree Law No. 29/2006, of February 15, and Decree Law No. 172/2006, of August 23, establish the framework of the National Electricity System and have been implemented and regulated through extensive administrative regulations. However, on December 2, 2021 the Council of Ministers approved the Decree Law establishing the organization and operation of the national electricity system, which, once enacted by the President of the Republic and published in the Portuguese Official State Gazette, will repeal and replace Decree Laws Nos. 29/2006 of February 15 and 172/2006 of August 23.

Decree-Law No. 62/2020, of August 28, establishes the framework of the National Gas System and has been implemented and regulated through extensive administrative regulations.

The regime for selling electricity for electric mobility is regulated by Decree Law No. 39/2010, of April 26, which stipulates that the activity may only be carried out by duly licensed operators of charging points.

The prices of electricity and natural gas supplies from market suppliers to their customers are freely agreed between the parties. However, the prices include a portion corresponding to the tariffs established for accessing the networks in accordance with the tariff regulations for the electricity and gas sectors (Regulation No. 785/2021 and Regulation No. 368/2021 of April 28), approved by ERSE.

The electricity tariffs for 2021 were approved by Directive No. 1/2021, of January 8. The gas tariffs for the period from October 1, 2021 to September 30, 2022 were approved by Directive No. 12/2021, of July 29.

The sale,which includes wholesale and retail activities, is freely carried out but it is contingent on registration by the Directorate General of Geology and Energy, in addition to compliance with other obligations, supply quality, and the provision of information to various competent administrative bodies, and verification of suppliers' good standing. In order to access the wholesale market scheme, the supplier must have the status of market agent, in accordance with the Regulation on Commercial Relations, and the performance in the wholesale markets is subject to the regime established in Regulation (EU) No. 1227/2011 of the European Parliament and of the Council of 25 October 2011 on wholesale energy market integrity and transparency.

Suppliers enter into contracts with the operators of the electricity transmission and distribution networks and with the operators of the transmission networks, storage and natural gas distribution infrastructure to access the networks in accordance with the Regulation on Commercial Relations in the electricity sector and the gas sector (Regulation No. 1129/2020, of December 30), the Regulation on Access to Networks and Interconnections in the electricity sector (Regulation No. 560/2014, of December 22, as amended by Regulation No. 620/2017, of December 18) and the Regulation on Access to Networks and Interconnections in the gas sector (Regulation No. 407/2021, of May 12) approved by ERSE,

The obligation to establish natural gas security reserves is incumbent on market suppliers and suppliers of last resort. The overall minimum security reserves are set by Ministerial Order (Portaria) of the Minister responsible for the energy sector and cannot be less than the quantities necessary to guarantee the consumption of protected customers and to meet the non-interruptible consumption needs of power plants under ordinary regime in the 12 months prior to the assessment month. In accordance with Ministerial Order (Portaria) No. 297/2011, of November 16, the minimum security reserves are: (i) 24 days of average consumption as of December 31, 2015; (ii) 30 days of average consumption as of December 31, 2020; and (iii) 35 days of average consumption as of December 31, 2025.

Electricity and natural gas supplies are classified as essential public services and, therefore, subject to the rules on essential public services established in Law No. 23/96, of July 26, which establishes various mechanisms to protect customers, such as the reporting and assistance obligations of suppliers, obligations to give minimum prior notice for supply interruptions, prohibition of minimum consumption and minimum payment periods, and the limitation periods on the right to receive the prices of the services.

The activity of selling electricity and natural gas is subject to compliance with the service quality requirements and standards established in the Regulation on Service Quality approved by ERSE, which establishes the obligation of compensating customers in the event of non-compliance.

The sale of electricity and natural gas is subject to ERSE's regulation and supervision and to the regime of penalties for the energy sector established in Law No. 9/2013, of January 28. As the regulator of the sector, ERSE is the administrative authority with competence regarding supervision and application of penalties as a result of unfair commercial practices, non-compliance in the provision of promotional, informational and support services to consumers and users through call centers, duties related to the complaints book and the rules applicable to guarantees for consumers in supply contracts of essential public services.

Venezuela

The Constitution of the Bolivarian Republic of Venezuela stipulates that the mines and hydrocarbon fields, irrespective of their nature, located on national territory, offshore under the sea bed, in the exclusive economic zone or on the continental platform, belong to the Republic, are public-domain goods and are, therefore, inalienable and imprescriptible.

By virtue of organic law and to protect national interests, the Venezuelan State has reserved the Venezuelan oil activities for itself. For reasons of economic and political sovereignty and for national strategic purposes, the State holds all of the shares of Petróleos de Venezuela, S.A. (PDVSA), or the entity that may be created for the management of the oil industry.

The Hydrocarbons Organic Law (HOL) regulates all matters regarding the exploration, operation, refining, industrialization, transport, storage, sale and conservation of hydrocarbons, including related refined products and the works required to perform these activities. Pursuant to the HOL, the performance of activities involving the exploration, extraction, collection, transport and storage of hydrocarbons is reserved to the State, which may undertake them directly or through wholly-owned State companies. The State may also conduct these activities through mixed-owned companies whose equity interest is over 50%.

The mixed companies agreements referred to in the HOL do not impose restrictions on this legal form of company in terms of transferring funds in the form of cash dividends, loan repayments or the redemption of shareholder advances in foreign currency (USD).

Activities relating to the exploration, operation, collection, storage, use, industrialization, sale and transport of non-associated natural gas and associated gas are subject to the provisions set out in the Organic Gaseous Hydrocarbons Law and its regulations. On January 14, 2016, Decree No. 2184 was published in the Extraordinary Official Journal of the Bolivarian Republic of Venezuela No. 6,214, declaring a State of Exception and Economic Emergency throughout the entire territory of the Republic for a period of 60 days, providing the State with the power to enact exceptional and extraordinary economic, social, environmental, political and legal measures, in addition to others. This State of Exception and Emergency was successively extended on several occasions, with the most recent, Presidential Decree No. 4,440 published on February 23, 2021 in Official (Extraordinary) Gazette No. 6,615, for sixty (60) days from its publication. The National Constituent Assembly was called by the President of the Bolivarian Republic, Nicolás Maduro, via Presidential Decree No. 2,830, published on May 1, 2017; all public authorities are subordinated under the Constituent Assembly and are obliged to comply and ensure compliance with the legal documents issued by said Assembly. The maximum term of this Assembly has been set at two years. On May 20, 2019, the National Constituent Assembly published a Constituent Decree in Official Gazette No. 41,636 by which it extended the operation of the National Constituent Assembly at least until December 31, 2020. Official Gazette No. 41,310, of December 29, 2017, contained the publication of the Constitutional Foreign Production Investment Law, establishing the principles, policies and procedures that regulate foreign production investments in goods and services. The special legislation regulating foreign investments in specific sectors of the economy shall prevail over said law, including those addressing hydrocarbon, mining and telecommunications matters. To date, the relevant sectoral regulation has not been published.

On January 5, 2018, the term ended, established in Resolution No. 164 of the Ministry of the People's Power of Petroleum, published in the Official Gazette of December 6, 2017, for the review and validation of all national and international contracts signed and those that are about to be signed, by PDVSA, its subsidiaries and the mixed companies where PDVSA owns shares. To date, the review process is still ongoing in the mixed companies, and the results of this process have yet to be disclosed.

In Official Gazette No. 41,825, dated February 19, 2020, Presidential Decree No. 4,131 was published, declaring an energy emergency in the hydrocarbon industry, in order to adopt the necessary measures to guarantee national energy security and protect the industry against the multi-faceted aggression, both external and internal, that is being executed to affect the country's oil production and sale. This Decree ordered the creation of the Alí Rodríguez Araque Presidential Commission for the Defense, Restructuring and Reorganization of the National Oil Industry, the purpose of which is the design, supervision, coordination and promotion of all the productive, legal, administrative, labor and marketing processes of the national public oil industry and its related activities, including PDVSA and CVP; this Commission may design and apply a set of special temporary measures aimed at increasing, improving and boosting the productive, administrative, financial and commercial management capacities of the national public oil industry and its related activities.

Subsequently, in Official Gazette No. 42,071, dated February 19, 2021, the President of the Republic, through Decree No. 4,436, extended by twelve (12) months the term established in Decree No. 4,268, dated August 19, 2020, which had declared the energy emergency of the hydrocarbon industry.

In the Official Gazette (Ext.) No. 6,583, dated October 12, 2020, the National Constituent Assembly published the so-called Anti-Blockade Constitutional Law for National Development and the Guarantee of Human Rights ("Anti-Blockade Law"), effective as of the date of its publication. The law aims to establish a regulatory framework that provides public authorities with legal tools to counteract, mitigate and reduce the harmful effects caused by the unilateral coercive measures and other restrictive or punitive measures imposed against Venezuela that were issued or handed down by other States or group of States, by international organizations or other foreign public or private entities, which affect human rights, infringe international law and affect the right to free and sovereign development of the Venezuelan people as enshrined in the Constitution.

The new legislation is public policy and of public interest, so its provisions will be applicable to all branches of government, and to natural and legal persons, public and private, throughout Venezuela.

Monetary regime

On February 20, 2018, the launch of the "Petro" cryptocurrency was announced, backed by reserves from field 1 of the Ayacucho Block in the Hugo Chávez Frías Orinoco Oil Belt, in order to create an alternative currency to the dollar and a digital and transparent economy for the benefit of emerging countries. Such purchase may be made in convertible currencies: yuan, Turkish lira, euro and rouble. On March 19, the President of the United States of America signed an executive order prohibiting US persons and US residents from performing transactions with any digital currency issued by the Venezuelan government as of January 9, 2018, which increases that country's sanctions regime on Venezuelan natural and legal persons.

On August 2, 2018, the National Constituent Assembly published a Decree revoking the Exchange Rate System Law in Official Gazette No. 41,452, with a view to granting both natural and legal persons, whether Venezuelan or foreign nationals, full guarantees in terms of their involvement in the country's socioeconomic development model. On September 7, 2018, the Central Bank of Venezuela ("BCV") published in Extraordinary Official Journal No. 6,405 the so-called Exchange Agreement No. 1 ("the Exchange Agreement", pending regulation by BCV), the purpose of which is to establish the free convertibility of the currency nationwide.
On May 2, 2019, the Central Bank of Venezuela published Resolution No. 19-05-01 in Official Gazette No. 41,624, which authorized the so-called foreign exchange tables.

On November 19, 2019, the Presidency of the Republic published a decree instructing natural and legal persons, public and private, to register information and economic events expressed in accounting terms in sovereign cryptoassets, without prejudice to their registration in Bolivars.

The Central Bank of Venezuela issued a circular on March 13, 2020, allowing authorized banks to sell foreign currency in cash, in accordance with Exchange Agreement No. 1. The circular entered into force on March 13, 2020 and established that universal banks and exchange offices regulated by the Law on Banking Sector Institutions (*Ley de Instituciones del Sector Bancario*) and authorized as specialized intermediaries to carry out retail exchange operations are subject to its application.

The same circular establishes that the above-mentioned subjects must request authorization from the BCV's Foreign Exchange Operations Management to sell foreign currency in cash derived from retail exchange operations. These are operations to sell foreign currency for amounts equal to or less than €8,500, or its equivalent in another currency.

On August 6, 2021, the National Executive Branch issued Decree No. 4,553, published in Official Gazette No. 42,185 of this same date, which established a new monetary expression of the bolivar, effective as of October 1, 2021, meaning that any amount expressed in local currency prior to this date had to be converted to the new unit by dividing the amount by one million (1,000,000).

Subsequently, the Venezuelan Central Bank issued the Rules Governing the New Monetary Expression (Resolution No. 21-08-01), in Official Gazette No. 42,191 of August 16, 2021, to regulate aspects related to the new monetary scale of the bolivar established in Decree No. 4,553 of the National Executive.

2021

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

REPSOL

The company:

Repsol's ***mission*** (its reason for being) is to provide energy to society in an efficient and sustainable way.

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 ***principles of action*** —Efficiency, Respect, Anticipation and Value Creation— 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

Repsol[1], as a further show of its commitment to transparency, has drawn up this consolidated ***Management Report*** (hereinafter, "*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 requirements[2] but is also aligned with best practice and, in particular, with 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 the CNMV, Spain's securities market regulator, 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 2021 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*** included in this document, unless expressly stated to the contrary, was prepared in accordance with the Group's reporting model, which is described in Note 4 "Segment information" in the 2021 consolidated Financial Statements. Some of the financial indicators and ratios are classified as Alternative Performance Metrics (APMs) in accordance with the guidelines of the European Securities Markets Authority (ESMA)[3].

The ***information on sustainability*** is presented in accordance with the Global Reporting Initiative (GRI)[4] using the "comprehensive" option. 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 "Further 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 whose content is as indicated in Appendix V.d) "Non-Financial Statement" and is subject to verification 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 is 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) and in 2021 it also includes indicators from 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 Compact[5] have been taken into account in drawing up this information.

Repsol also discloses information on ***corporate governance*** 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 company 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), Tax (2019) and Waste (2020) standards.

5 See section 6.

Message from the Chairman

Dear shareholders,

Two years have now passed since the onset of the COVID-19 pandemic, which triggered an unprecedented global health and economic crisis. Although in recent months the long-awaited recovery has been hampered by the emergence of new variants, let us not forget that Europe still has a great opportunity to change its future: embarking on the necessary transition toward a decarbonized energy model to reactivate and transform its economy and doing so, moreover, based on the technological capacity of its industry.

We will play a significant role in the transition toward a climate-neutral world, as we use all available technologies and energies on the path to becoming a net zero emission company by 2050

To drive this change process, in July, the European Union adopted its new climate change strategy, which seeks to reduce CO_2 emissions by 55% by the end of the decade. In its proposal, known as Fit for 55, Brussels has pledged to combine various energy technologies to reduce its carbon footprint, which confirms that the hybrid solution being championed by Repsol — based on technological neutrality — is the best solution for making Europe a climate-neutral continent by 2050.

Our company has long argued that combining electrification and the use of low carbon footprint products is the most efficient solution for reducing emissions. It is a model that guarantees the supply of energy to all those sectors where electrification is not feasible with current technology, such as heavy industry and long-haul means of transport, such as planes, ships, and trucks. We are also convinced that this is the best way to achieve a fair and orderly energy transition that will avoid a potential loss of industrial competitiveness and, above all, an excessive cost for consumers, especially the most vulnerable.

Our hybrid solution is also an unrivalled opportunity for technological development within European industry, which could allow the sector to recover the value lost in GDP in recent decades. Companies like Repsol will play a key role in this joint effort by developing the low-carbon alternatives Europe needs to meet its energy demands and emission reduction targets.

New alternatives for mobility

These alternative energies include advanced biofuels and synthetic fuels, which will be key to decarbonizing mobility, along with electric charging technology and renewable hydrogen. These sustainable liquid fuels run in current generation engines, which can be refueled using the infrastructure and service stations already available to us, thus giving them immediate and efficient emission reduction benefits.

The European Renewable Energy Directive envisions a progressive increase in the use of liquid biofuels across all modes of transport, so all of us in the refining sector have set to work to produce it on a large scale. At Repsol we are now adapting our industrial complexes to enable its manufacture, while also building Spain's first biofuel production plant in Cartagena, which will be operational in 2023. This project is also a prime example of the ongoing industrial transformation at our company, with the circular economy and the reuse of recycled raw materials being one of its cornerstones.

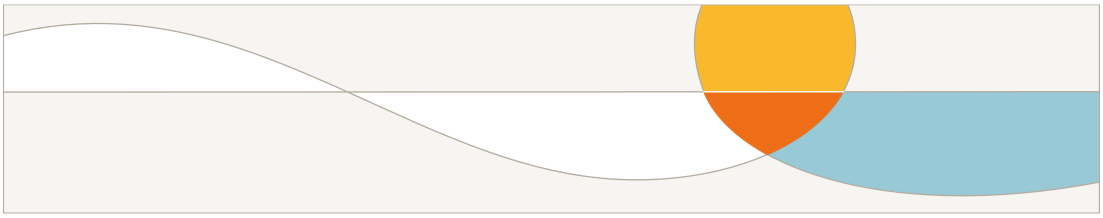
The use of this sustainable fuel, which reduces CO_2 emissions by 90% over the entire life of the vehicle, also shows that the combustion engine will have an important role to play in decarbonizing mobility. At Repsol, we believe that it is a mature technology that has enormous potential as we continue to develop more and more new eco-fuels and constantly improve their efficiency.

In fact, we are convinced that the fastest and most cost-efficient way to decarbonize mobility is to renew the current vehicle population with new combustion vehicles to bring about a significant reduction in emissions and energy consumption. This renewal process would allow us to reduce transport emissions in Spain by 28%, and all this without the need to develop new technologies or deploy new charging infrastructure.

The particular case of the combustion engine shows that, when addressing the energy transition, we must adopt an inclusive vision that does not close the door to any technology. Our priority must be to minimize the metric tons of CO_2 we produce at the lowest possible cost to society, which means allowing all technologies to compete with each other, both mature technologies — which still have the potential for further cost reductions and can still become more efficient — and alternative technologies, which are in the process of being developed.

Among the latter, I would single out renewable hydrogen, which we at Repsol believe to be one of the main vectors for decarbonizing industry and mobility over the coming decades, in line with what the European Union has set out in its Fit for 55 climate package. Its production and distribution will usher in a new "hydrogen economy" within Europe, in which we will be one of the main protagonists as we aspire to lead the Iberian Peninsula market by 2030.

Renewable hydrogen could also represent a turning point for Spain, which is perfectly poised to become one of the largest European producers and exporters of this gas. As



our contribution to this process, we have spearheaded the creation of SHYNE (Spanish Hydrogen Network), the largest multi-sector consortium in Spain, which aims to champion projects throughout the hydrogen value chain and achieve an installed capacity of 500 MW by 2025 and 2 GW by 2030; half of the target that the Spanish Government has set for the country. In total, the project could generate some 13,000 jobs.

Importance of the regulatory framework

Sustainable biofuels and renewable hydrogen are just two examples of the development opportunities that a hybrid solution — combining different types of decarbonization technologies — can offer to European industry. However, in order for these technologies to reach their full potential, our industry needs a regulatory framework that is conducive to these investments and does not harm their competitiveness.

At Repsol, we believe that the European Union's proposal to ban the sale of combustion cars by 2035 could represent a barrier to the decarbonization of mobility. This decision, based on measuring direct emissions at the tailpipe only rather than taking into account the entire life cycle of vehicles, threatens the viability of the European automotive industry and may also jeopardize the investments our sector is making in new low-carbon technologies.

Focusing only on direct emissions is tantamount to exporting CO_2 emissions to other countries, ignoring the fact that climate change is a global issue and that CO_2 generated in other parts of the world affects us all equally. For all these reasons, I believe it is important to have a global governance framework that imposes the same rules on all countries when it comes to environmental matters. In the case of Europe, this would help to prevent the relocation of its industry, i.e., its departure to countries with more lax legislation on emissions.

In the particular case of Spain, the industrial sector faces an added regulatory risk: the project to create the National Fund for the Sustainability of the Electricity System (known as FNSSE), which forces all companies that commercialize energy to finance the cost of the premiums for non-competitive renewable energies installed more than a decade ago — some 4.765 billion euros. Apart from its unquestionable economic impact on the sector, its entry into force would place companies such as Repsol — which have been investing heavily for years to improve the efficiency of our processes and products — at a comparative disadvantage.

Commitment to the energy transition

Although the road ahead is not without its challenges, at Repsol, we are fully committed to the energy transition. We are convinced that we will play a significant role in the transition toward a climate-neutral world, as we use all available technologies and energies on the path to becoming a net zero emission company by 2050.

For us, decarbonization is more than just mitigating emissions to protect the planet. It is a unique opportunity to generate value and to be a party to a decisive moment for the future of humanity, in which we are changing the way we produce and consume energy and, with the support of technology, we are shaping new industrial sectors that will generate wealth and quality employment.

And most importantly: It will allow us to continue to provide people with the kind of energy they need, when they need it. It is our way of giving back to society the trust it has placed in us for decades and of continuing to contribute to its progress.

Thank you all for your ongoing support and trust.

Antonio Brufau Niubó
Presidente

Message from the Chief Executive Officer

Dear shareholders,

For yet another year, I would like to begin this letter by expressing my sympathy and support for all those who have suffered or are suffering from the consequences of the pandemic, which showed some signs of hope and promise in 2021 despite throwing out some new challenges. Throughout these difficult times, our business has continued to play a pivotal role in delivering products and services that are essential to people's daily lives, and meeting these needs has been our main focus since the start of the health crisis.

In particular, I would be remiss not to mention the current situation in Peru, where last January we suffered an oil spill caused by a sudden and unforseeable movement of a ship that was unloading crude oil at the time. I would like to reiterate our absolute commitment to mitigating and repairing the effects of this accident, which we deeply regret. From the very outset, we brought all our human, technical and economic resources to bear in a bid to contain and clean-up the spill as rapidly as possible, while attending to the needs of the affected population. Our company has a long history of acting responsibly and we are an industry benchmark when it comes to safety. As such, we will continue to work hard to resolve the situation, restore the ecosystems to the state they were in before the spill, rebuild the trust of all our stakeholders and continue contributing to the well-being and progress of Peruvian society, as we have been doing for the past 25 years.

This has not dampened our determination to advance our sustainability commitments and that remains our primary goal. In 2021, we took firm steps in our decarbonization process, with more ambitious emission reduction and renewable generation targets that will set the path for our transformation into a net zero emissions company by 2050.

This was accompanied by further improvements in our performance, aided by a more propitious environment, in which we saw signs of recovery from the economic crisis caused by the pandemic and rallying commodity prices. Yet the key factor was undoubtedly the implementation of the measures envisioned in the 2021-2025 Strategic Plan which, together with our efficiency-oriented management, allowed us to maximize the profitability of our businesses.

The year was characterized by rising oil and gas prices. The average Brent crude oil price was close to 71 dollars per barrel, albeit with some volatility due to the emergence of new variants of COVID-19. Gas, meanwhile, averaged 3.9 dollars per MBtu, in a year marked by high volatility, with rapidly recovering demand and somewhat limited supply.

In this environment, Repsol managed to increase its net income to 2,499 million euros. This strong performance and solid cash generation have enabled us to continue to ensure profitability and generate maximum value for our shareholders. Along these lines, the Board of Directors has proposed a 5% increase in the cash dividend to 0.63 euros per share, and a reduction in share capital of 75 million shares, equivalent to 4.9%.

The path to becoming a zero net emissions company

In 2021, we decided to upgrade our decarbonization targets for the next two decades to 15% by 2025, 28% by 2030 and 55% by 2040, measured in terms of the Carbon Intensity Indicator. These are indeed ambitious targets, which will allow us to continue to lead the energy transition, and we are confident that we can deliver thanks to our well-established culture of emissions reduction. Our first decarbonization strategy was launched in 2006 and since then we have achieved a reduction of 6.1 million metric tons of CO_2 per year, of which 0.6 million metric tons was achieved in 2021.

We also raised our targets for renewable generation in 2021, as well as our investment in other low-carbon solutions. We are set to invest a total of 6.5 billion euros between 2021 and 2025, one billion more than initially planned and accounting for 35% of our total investment.

At the renewable electricity generation business — one of the pillars of our decarbonization model — the objective is to increase our installed capacity to 6 GW by 2025 and to 20 GW by 2030, marking an increase of 60%. In 2021, we continued to develop our projects in Spain as scheduled, with highlights including the inauguration of the Kappa (Ciudad Real) and Valdesolar (Badajoz) photovoltaic farms and start of work on the Delta II wind farm (Aragon). We also completed work on our first wind farm in Chile and entered the North American market with the acquisition of Hecate Energy; two further examples of our commitment to continue growing in OECD countries.

Renewable hydrogen is another key driver in decarbonizing the economy and transforming Repsol. Aside from spearheading the creation of SHYNE (Spanish Hydrogen Network), — the largest renewable hydrogen consortium in Spain — in October we announced our plan to lead the production of this sustainable gas in the Iberian Peninsula and to become a key player also in the European market, with an equivalent generation capacity of 552 MW by 2025 and 1.9 GVW by 2030 and a planned investment of 2,549 million euros. This will be achieved by installing biogas production plants and electrolyzers at our industrial complexes, such as the one we are set to inaugurate in Bilbao in the second half of 2022.

In 2021, we took firm steps in our decarbonization process, with more ambitious emission reduction and renewable generation targets

Industrial transformation

Our industrial complexes lie at the heart of Repsol's ongoing transformation process. The projects and investments we are undertaking aim to turn them into multi-energy centers, capable of using various kinds of waste as raw materials to manufacture fuels and more sustainable materials. This will ultimately allow us to guarantee their future success and profitability by ensuring quality employment and promoting wealth across the surrounding area.

In 2021, we made several important breakthroughs in the reuse of recycled raw materials. The Petronor refinery in Bilbao produced the first batch of aviation biofuels to be made in Spain from waste, which Iberia would later use to complete the first flight of this kind in our country. Elsewhere, at our refinery in A Coruña, we are now able to process frying oil to produce hydrobiodiesel, a sustainable biofuel that can be used in today's vehicle engines. Our goal for 2030 is to use three million metric tons of waste per year and offset more than seven million metric tons of CO_2. This will make us one of the leading producers of low-carbon fuels by the end of the decade, with two million metric tons per year.

We are also pursuing a similar strategy in the Chemicals business, where we will continue to focus on improving efficiency, with more sustainable products, high added value and a strong focus on the circular economy. Along these lines, in 2021 we pledged to recycle 20% of our polyolefin production by the end of the decade, while also announcing the construction in Puertollano of Spain's first plant for the chemical recycling of polyurethane foam (the main component of mattresses, sofas and vehicle seats) and another facility in Tarragona capable of processing 400,000 metric tons of non-recyclable municipal solid waste.

Another example of our energy transition can be found in the Upstream business, which in 2021 continued to improve its performance through efficiency measures and optimization of operations and costs. To make its activity — which is essential for society — more sustainable, this business plans to reduce its emissions by 75% between 2021 and 2025. To succeed in this task, it will rely on CO_2 capture and storage technology, which will now play a key role in its new projects, and on the development of geothermal energy.

Focused on the customer's energy needs

At Repsol we are focused on satisfying any energy-related need our customers may have. In the electricity and gas market, for instance, we already have some 1.35 million customers in Spain. One of the main factors enabling us to improve our relationship with customers is our commitment to digitalization. We have launched initiatives such as Vivit, a mobile app that centralizes the management of all the products we offer for the home and which, together with Waylet — our payment app for service stations and retailers — will enable us to achieve our strategic goal of reaching eight million digital customers by 2025.

In 2021, we made further progress toward our multi-energy commitment to improve sustainable mobility in Spain. One of the key priorities here is to extend the network of electric charging stations, an objective to which we will make a decisive contribution. Our company alone will have more than 1,000 public charging points by the end of 2022 and we are committed to installing fast or ultra-fast charging points every 50 kilometers on major routes across the country.

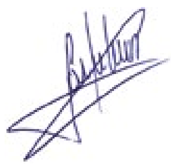
Another energy sector whose development we are strongly supporting is the self-consumption of renewable energy. Here, we are promoting the concept of solar communities, where people come together to share the photovoltaic energy generated on a rooftop near their homes. We already have more than 240 of these communities in Spain, which will cut CO_2 emissions by more than 2,300 metric tons per year.

A multi-energy company committed to decarbonization

All these projects show the breadth and depth of our transformation process, as we seek to become a net zero emissions company by 2050.

We are, therefore, a company firmly committed to sustainable development. Our business strategy embraces the principles of the United Nations 2030 Agenda and its 17 Sustainable Development Goals, as confirmed by the large presence of ESG shareholders among our institutional investors (39.9% of the total), who also value the commitment that Repsol has shown since adhering in 2002 to the 10 Principles of the United Nations Global Compact on human rights, labor standards, the environment and anti-corruption.

This transformation process would not be possible without the support of our shareholders and the hard work of the men and women who make new projects possible each day to bring us closer to the goal of becoming a climate-neutral company. To all of you, my sincere thanks.



JOSU JON IMAZ SAN MIGUEL
CONSEJERO DELEGADO

Contents

1. 2021 Overview

Our business model allows us to unlock the opportunities arising from the economic recovery

- Improved environment as we emerge from the COVID-19 crisis
- Recovery in demand for our products
- Rising crude oil and gas prices

Improved earnings, solid financial position

- Excellent results at the Upstream and Chemicals businesses
- Mobility nearly back to pre-pandemic levels
- Gradual recovery in Refining margins

Rallying prices and demand

Recovery scenario

In 2020, the global crisis triggered by COVID-19 caused demand for the raw materials and commodities of our businesses to plummet, along with prices. In 2021, the progress made toward vaccination programs and public policies to help shake off the crisis fueled a gradual recovery in economic activity and mobility, which boosted demand and pushed up prices for our products.

Improved results and solid cash generation

Improved results

The measures envisioned in the 21-25 Strategic Plan and management geared towards efficiency and transformation have enabled Repsol to take advantage of the improved environment and return to pre-pandemic results, with a significant increase in cash generation from the businesses and a considerable reduction in net debt.

Results for the period

(Million euros)	2021	2020	Δ
Upstream	1,687	195	765%
Industrial	606	297	104%
Commercial and Renewables	542	485	12%
Corporate and others	(381)	(377)	(1)%
Adjusted net income	**2,454**	**600**	**309%**
Inventory effect	797	(978)	-
Special items	(752)	(2,911)	74%
Net income	**2,499**	**(3,289)**	**-**

Adjusted net income, which seeks to shows the Company's performance from the normal course of its businesses, amounted to 2,454 million euros in 2021 (600 million euros in 2020 and 2,042 million euros in 2019), with the Upstream, Chemicals and Mobility businesses all outperforming.

At Upstream, higher results as crude oil and gas prices rallied and thanks also to the efficiency measures deployed during the crisis.

At the Industrial segment, the improved results were driven by the notable performance of the Chemicals division, where efficient operational and commercial management enabled it to achieve opportunities in an international environment of high margins; and of the gas wholesale businesses, which took advantage of rising prices and territorial arbitrage opportunities to more than offset the declines in results at Trading and Refining Spain — in an environment of low margins, albeit gradually recovering throughout the year.

The improved results at the Commercial and Renewables businesses were down to the recovery in sales and sound margin management at the Mobility and Aviation businesses, which rallied after the mobility restrictions resulting from the health crisis were lifted. Further support factors included the increased contribution made by low-carbon electricity generation following the entry into operation of new renewable projects.

Meanwhile, a very positive inventory effect was achieved in the year due to the impact on the inventories of the industrial businesses of the rise in international crude oil and product prices. Last but not least, special items included write-downs of Upstream assets and tax credits, as well as provisions associated with the business in Venezuela.

Transformation of the businesses and energy transition

- Innovative industrial, circular economy and decarbonization projects
- Marked commitment to hydrogen
- Expansion of the renewables business

Driving decarbonization

- More ambitious targets for becoming carbon neutral
- New integrated sustainable financing strate

As a result, ***net income*** obtained in the period came to 2,499 million euros (-3,289 million euros in 2020).

The steady recovery of economic activity and prices led to an increase in ***EBITDA*** (8,170 million euros), which in turn allowed Repsol to obtain ***cash flow from operations*** of 5,453 million and ***free cash flow***, net of investments, of 2,839 million euros.

Business performance and transformation

Repsol continued with its transformation process throughout 2021. Key actions in the period included the process of making business management more efficient and agile, the incorporation of new technologies and the digitalization of operations, as well as the drive to build new businesses and transform traditional ones as we adapt to the decarbonization targets and the energy transition environment.

At ***Upstream***, the resumption of production in Libya, coupled with the cost reduction plans in place and the restructuring of asset operating plans under the premise of prioritizing value over volume, allowed the Group to take advantage of the improved environment. Production (572 Kboe/d) was down on the previous year for various reasons (divestments, decline, etc.), mostly circumstantial (adaptation of operating plans to prevailing conditions, scheduled maintenance and operating incidents). The exploration campaign was carried out more selectively than in previous years and ended the period with two discoveries in Bolivia and in the US Gulf of Mexico. Asset portfolios were dynamically managed during the period, as we pursue our strategy of focusing on strategic assets and countries that offer competitive advantages. Meanwhile, assets were sold and agreements were reached to sell assets, resulting in the effective withdrawal from countries such as Russia, Vietnam, Malaysia and Ecuador. In addition, oil production in Spain and exploration activity in countries such as Morocco, Bulgaria, Greece and Ireland were terminated during the period and Repsol also acquired gas assets in production from US gas company Rockdale Marcellus.

Dynamic portfolio management of Upstream assets

At ***Industrial***, Refining adjusted its production, logistics and commercial schemes to the prevailing environment of weak demand and low margins, albeit with a progressive trend towards normalization during the latter half of the year. Meanwhile, the Chemicals businesses continued to operate efficiently and without any significant operational incidents. The Group also continued to focus heavily on innovation and digitalization by launching a number of significant investment and industrial projects (renewable hydrogen, circular economy and use of recyclable materials, production of advanced biofuels) to demonstrate how decarbonization, approached from a technology-neutral perspective, can guarantee the future and profitability of our industrial complexes. A further highlight in relation to the gas wholesale business was the acquisition of an additional stake in the Saint John LNG Limited Partnership (LNG, LTD, see Note 2.3 of the consolidated Financial Statements).

Transformation of industrial complexes

At ***Commercial and Renewables***, highlights included an increase in sales at service stations in Spain and at Aviation, due to the gradual lifting of mobility restrictions, as well as the sale of the fuels business in Italy and the adaptation to the

Expansion of the renewables business

More ambitious targets to accelerate the decarbonization process

5% reduction in the Carbon Intensity Indicator

environment of high prices at the electricity, gas and low-carbon generation businesses. In line with the renewables strategy, wind and solar photovoltaic electricity generation increased significantly following the entry into commercial operation of projects in Spain and Chile, thus reaching an installed operating capacity of 820 MW in wind and solar power. In addition, international expansion began in the United States and the first rotation of assets in Spain was completed following the sale of 49% of the stake in the Delta I wind farm to the Pontegadea Group. Meanwhile, as part of its customer-focused business strategy, Repsol has continued to promote its multi-energy supply model by increasing the number of electricity and gas customers and launching the Repsol Más Energías transversal loyalty program.

The ***progress made toward decarbonization*** can be seen across all businesses. At the Industrial segment, investments in circular energy projects have been announced for the industrial complexes of Tarragona, A Coruña and Puertollano; for the construction of an advanced biofuels plant in Cartagena; and for the construction of two plants for 100% recyclable polymeric materials in Sines (Portugal); Likewise, Repsol has unveiled its hydrogen strategy for leading the renewable hydrogen economy across the Iberian Peninsula and being a key player in Europe. As for first steps, it has approved an investment in an 2.5 MW electrolyzer, which may be brought online in 2022, and it has also made further progress in designing a number of large renewable hydrogen facilities in Tarragona and Cartagena and at Petronor, which will be commissioned between 2024 and 2025. Meanwhile, we continue to make progress in the design of the DEMO plant for the production of synthetic fuels in the Port of Bilbao, which is scheduled to come into operation in 2024. At Commercial and Renewables, the first photovoltaic complexes in Spain (Kappa and Valdesolar) were brought online and work began on the Delta II wind project (865 MW planned). In addition, Repsol acquired 70% of the renewable energy retail marketer Gana Energía and the development of photovoltaic projects and batteries for energy storage began in the United States. At Upstream, the agreements reached to sell assets and therefore help reduce the carbon footprint of this activity have generated funds and savings that will help finance new low-carbon initiatives.

In the calls for expressions of interest for ***Next Generation European funds*** launched by the Government of Spain, Repsol presented a portfolio of 31 projects that combine technology, decarbonization and circular economy, the creation of quality jobs and territorial balance, for an initial associated investment of 6.359 billion euros.

Driving decarbonization

With the aim of being an active part of the solution to climate change, Repsol has geared its strategy toward becoming a “zero net emissions” company by 2050, the first in its sector to set this goal.

In 2021, the Group delivered on its pledge to reduce the ***Carbon Intensity Indicator*** by 5% with respect to 2016 and to implement improvement actions at its facilities, which have avoided CO2 emissions totaling 560 thousand metric tons.

During the year, Repsol raised its decarbonization targets and set itself more ambitious goals for ***accelerating the transformation toward carbon neutrality***:

- New more demanding decarbonization pathway, with a reduction of the carbon intensity indicator (15% by 2025, 28% by 2030 and 55% by 2040) and a reduction of its absolute emissions of CO2 and other greenhouse gases.
- Increased investments in low-carbon initiatives (35% of investments between 2021 and 2025, at approximately 6.5 billion euros), raising the renewable generation target to 20 GW of installed capacity by 2030 and raising the renewable hydrogen target to 1.9 GWeq by 2030, and setting new targets for electric mobility (more than 1,000 charging stations by 2022 and fast charging points every 50 km).

It has also published a new ***integrated sustainable financing strategy*** to accompany the energy transition process, thus offering flexibility and transparency in the issuance of financial instruments linked to environmental and social performance.

Key figures and indicators

Financial indicators[1][2]	2021	2020
Results		
EBITDA	8,170	2,730
Operating income	4,372	1,135
Adjusted net income	2,454	600
Net income	2,499	(3,289)
Earnings per share (€/share)	1.64	(2.13)
ROACE (%)	8.2	(10.3)
Cash and liquidity		
Cash flow from operations	5,453	3,197
Free cash flow	2,839	1,979
Cash generation	1,293	811
Liquidity	10,606	9,195
Operating investment	2,994	2,308
Available capital and debt		
Capital employed (CE)	28,556	27,317
Net debt (ND)	5,762	6,778
ND / CE (%)	20.2	24.8
Shareholders remuneration		
Shareholder remuneration (€/share)	0.588	0.916

Sustainability indicators[3]	2021	2020
People		
No. of employees	24,134	24,125
New employees	2,982	1,733
Total turnover rate (%)	17	18
Investment in training (€ million)	8.4	7.5
Safety		
Tier 1 process safety events	3	5
Tier 2 process safety events	6	16
Total Recordable Injury Rate (TRIR)	0.89	1.11
Environment		
Direct CO2e emissions (Mt)	19.4	22.4
Annual CO2e emissions reduction (Mt)	0.56	0.44
No. of spills [4]	11	23
Taxes paid (€ million)	**11,455**	**8,207**

Stock market indicators	2021	2020
Share price at year-end (€/share)	10.44	8.25
Average share price (€/share)	10.20	8.44
Market capitalization at year-end (million €)	15,940	12,193

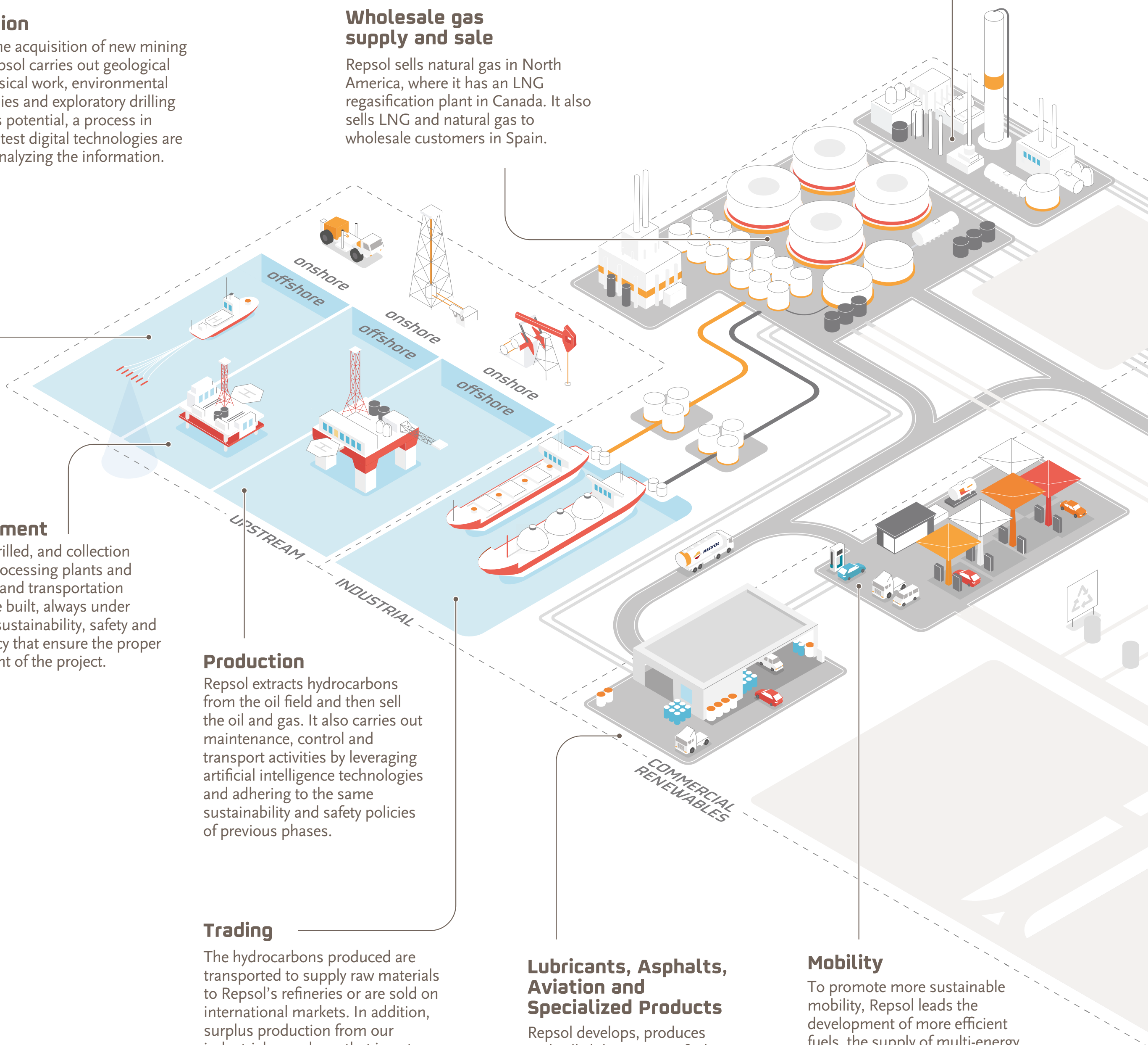
Our business performance[1]	2021	2020
Upstream		
Proven reserves[5] (Mboe)	1,916	1,852
Proven reserves replacement ratio (%)	130	(21)
Liquids production (kbbl/d)	206	217
Gas production (kboe/d)	366	432
Hydrocarbon production (kboe/d)	572	648
Crude oil realization price ($/bbl)	62.7	37.7
Gas realization price ($/bep)	4.6	2.3
EBITDA	4,429	2,090
Adjusted net income	1,687	195
Cash flow from operations	3,355	1,736
Investments	1,223	948
Industrial		
Refining capacity (kbbl/d)	1,013	1,013
Crude oil processed (Mt)	38.1	35.9
Conversion utilization Spanish refinery (%)	83.4	86.0
Distillation utilization Spanish refinery (%)	76	74
Refining margin indicator in Spain ($/Bbl)	2.4	2.2
Sales of petrochemical products (kt)	2,819	2,729
EBITDA	2,654	(161)
Adjusted net income	606	297
Cash flow from operations	1,031	783
Investments	859	565
Commercial and Renewables		
Service stations (No.)[6]	4,689	4,966
Marketing own network sales (kt)	21,091	19,039
LPG sales (kt)	1,266	1,162
Electricity generation (GWh)	5,283	5,940
Electricity generation capacity in operation (MW)	3,737	3,295
EBITDA	1,219	970
Adjusted net income	542	485
Cash flow from operations	1,288	703
Investments	829	739

Macroeconomic environment	2021	2020
Brent ($/bbl) average	70.9	41.8
WTI ($/bbl) average	68.1	39.3
Henry Hub ($/MBtu) average	3.9	2.1
Electricity Pool – OMIE (€/MWh) [7]	111.4	34.0
Exchange rate ($/€) average	1.18	1.14
CO2 (€/Tn)	53.3	24.8

(1) In millions of euros, where applicable.
(2) For more information, see section 4. and Appendix II. Alternative performance measures.
(3) Figures and indicators calculated in accordance with the Group's management policies and guidelines. For more information, see section 5. of the 2021 Integrated Management Report.
(4) Number of hydrocarbon spills exceeding 1 bbl to have reached the environment.
(5) To estimate proved and unproved oil and gas reserves, Repsol relies on the criteria established by the "SPE/WPC/AAPG/SPEE/SEG/SPWLA/EAGE Petroleum Resources Management System", commonly referred to by its acronym of SPE-PRMS (SPE standing for Society of Petroleum Engineers).
(6) The number of service stations includes those controlled and licensed.
(7) Iberian Energy Market Operator.

2. Our company

2.1 Value chain and business segments



Exploration

Following the acquisition of new mining acreage, Repsol carries out geological and geophysical work, environmental impact studies and exploratory drilling to assess its potential, a process in which the latest digital technologies are applied in analyzing the information.

Wholesale gas supply and sale

Repsol sells natural gas in North America, where it has an LNG regasification plant in Canada. It also sells LNG and natural gas to wholesale customers in Spain.

Refining

Repsol transforms crude oil and various alternative raw materials (urban, forestry, agricultural and agri-food industry waste) into value-added products, such as fuels, sustainable biofuels (hydro biodiesel, biogas, biojet, etc.) and carbon-neutral materials.

Development

Wells are drilled, and collection systems, processing plants and evacuation and transportation systems are built, always under policies of sustainability, safety and transparency that ensure the proper development of the project.

Production

Repsol extracts hydrocarbons from the oil field and then sell the oil and gas. It also carries out maintenance, control and transport activities by leveraging artificial intelligence technologies and adhering to the same sustainability and safety policies of previous phases.

Trading

The hydrocarbons produced are transported to supply raw materials to Repsol's refineries or are sold on international markets. In addition, surplus production from our industrial complexes that is not consumed in the domestic market is exported.

Lubricants, Asphalts, Aviation and Specialized Products

Repsol develops, produces and sells lubricants, jet fuel, asphalt bitumen and oil-based specialized products in more than 90 countries.

Mobility

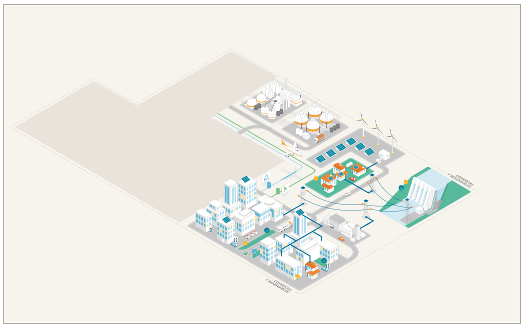
To promote more sustainable mobility, Repsol leads the development of more efficient fuels, the supply of multi-energy solutions such as AutoGas or Gas Natural Vehicular, and the commitment to electric charging and shared mobility through Wible, all while seeking to provide unrivaled levels of customer service and support through the Waylet app.

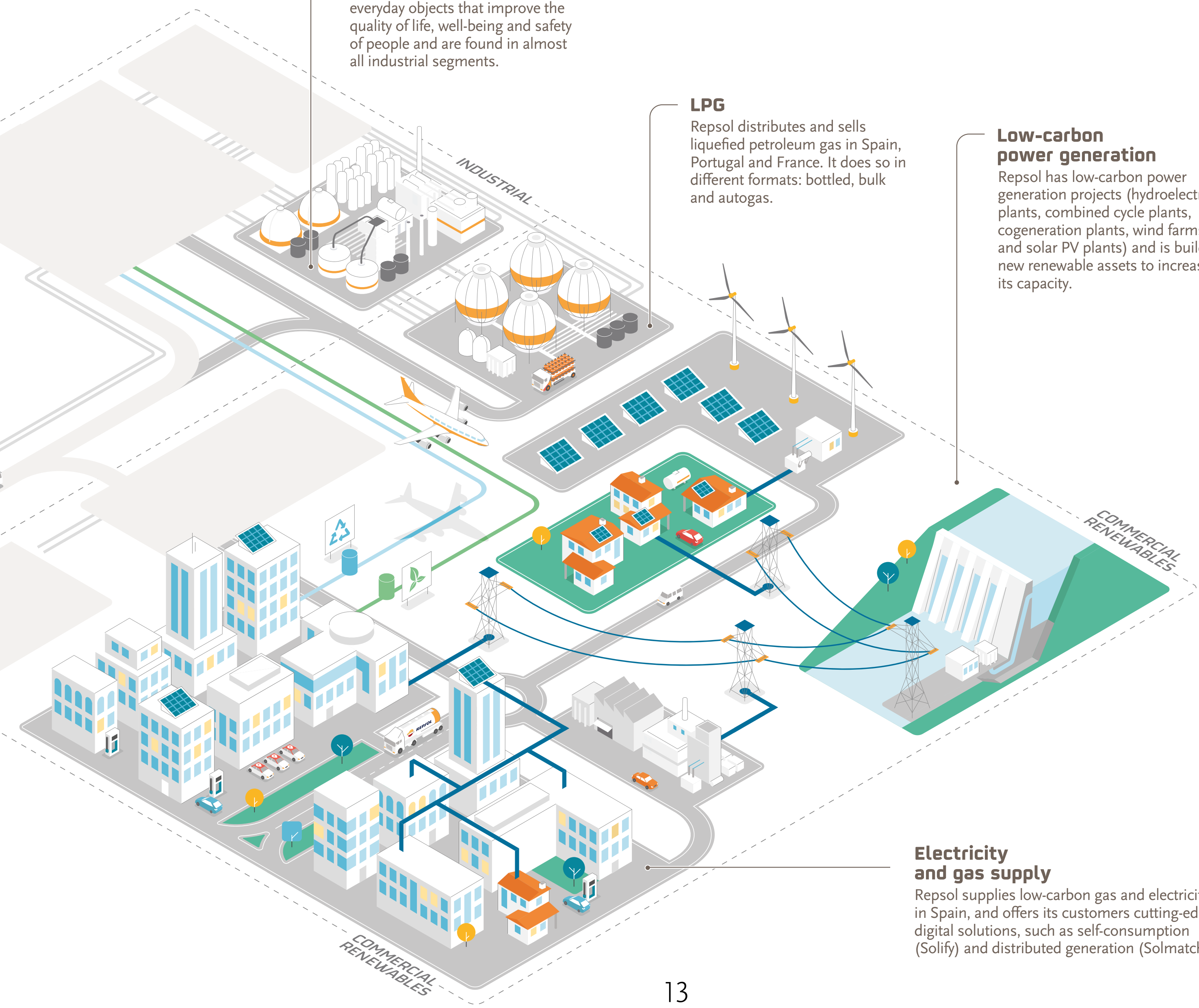
Value chain and business segments

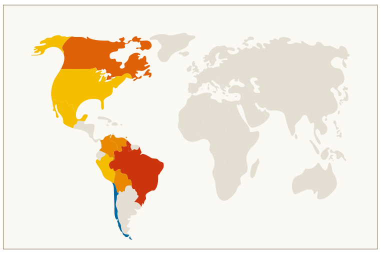
Repsol's activities are structured into three business segments:

- *Exploration and Production (Upstream/E&P):* activities for the exploration, development and production of crude oil and natural gas reserves;
- *Industrial:* mainly activities related to (i) refining, (ii) petrochemicals, (iii) trading and transportation of crude oil and oil products, and (iv) sale, transportation and regasification of natural gas and liquefied natural gas (LNG);
- *Commercial and Renewables:* mainly businesses involved in (i) low-carbon power generation and renewable sources, (ii) sale of electricity and gas, (iii) mobility and sale of oil products, and (iv) LPG.

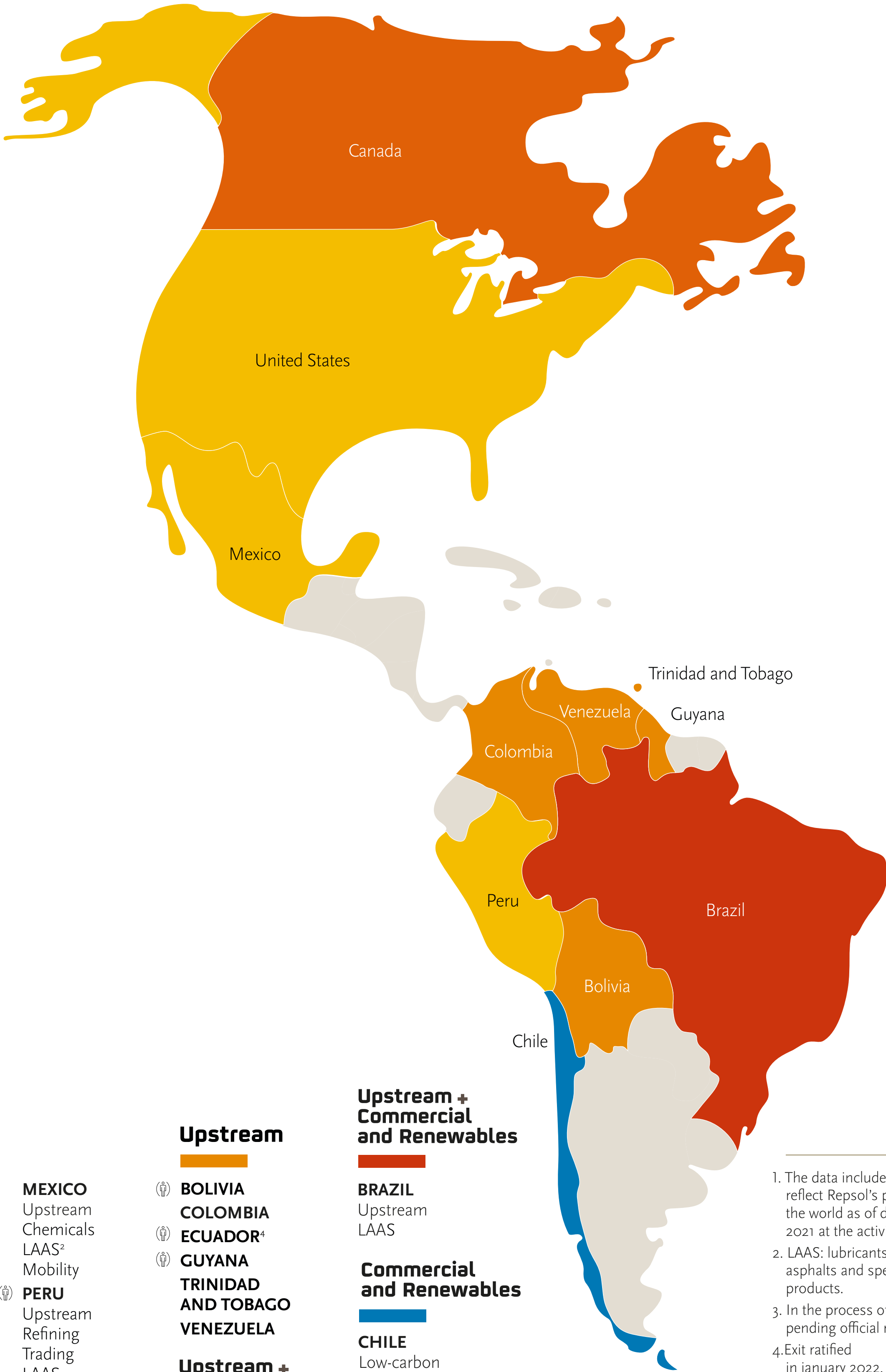
For more information on business segments, *see section 5. Our businesses.*







2.2 Repsol around the world[1]



All

UNITED STATES
Upstream
Chemicals
Trading
Wholesale
and Gas Trading
Low-carbon
generation

MEXICO
Upstream
Chemicals
LAAS[2]
Mobility

PERU
Upstream
Refining
Trading
LAAS
Mobility

Upstream

BOLIVIA
COLOMBIA
ECUADOR[4]
GUYANA
TRINIDAD
AND TOBAGO
VENEZUELA

Upstream + Industrial

CANADA
Upstream
Trading
Wholesale
and Gas Trading

Upstream + Commercial and Renewables

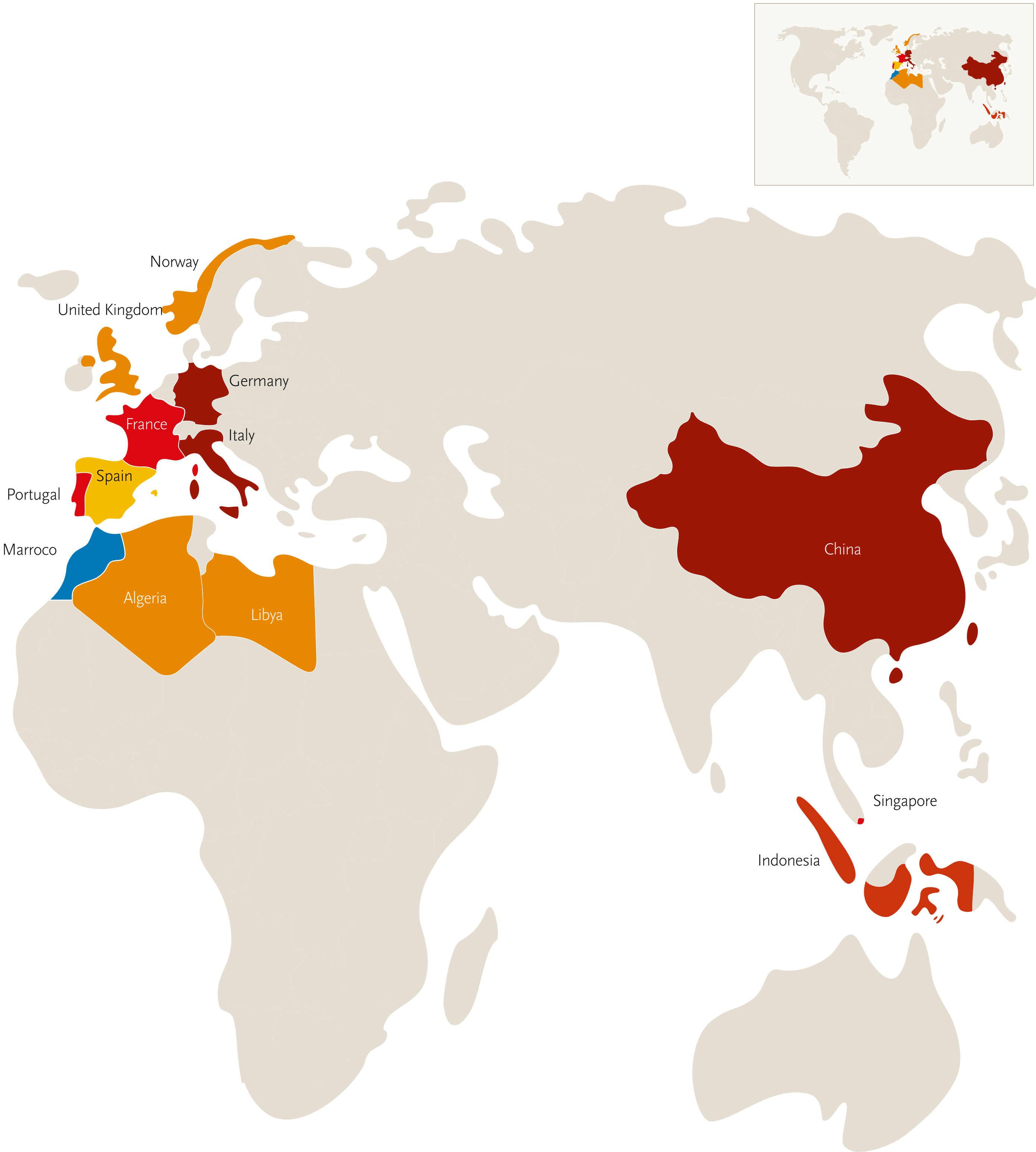
BRAZIL
Upstream
LAAS

Commercial and Renewables

CHILE
Low-carbon
generation

1. The data included in this map reflect Repsol's presence in the world as of december 31, 2021 at the activity level.
2. LAAS: lubricants, aviation, asphalts and specialized products.
3. In the process of exiting pending official ratification.
4. Exit ratified in january 2022.

Presence of indigenous communities in areas of activity.



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2. LAAS: lubricants, aviation, asphalts and specialized products.
3. In the process of exiting pending official ratification.
4. Exit ratified in january 2022.

Presence of indigenous communities in areas of activity.

All

SPAIN
Refining
Chemicals
Trading
Wholesale and Gas Trading
LAAS[2]
Mobility
LPG
Retail Electricity and Gas
Low-carbon generation
Geothermal (upstream)

Upstream

ALGERIA
AUSTRALIA[3]
GREECE[4]
IRAQ[3]
LIBYA
MALASIA[4]
NORWAY
UNITED KINGDOM
RUSSIA[4]
VIETNAM[3]

Upstream + Commercial and Renewables

INDONESIA
Upstream
LAAS

Commercial and Renewables

MOROCCO
LAAS

Industrial

GERMANY
Chemicals
CHINA
Chemicals
ITALY
Chemicals

Industrial + Commercial and Renewables

FRANCE
Chemicals
LAAS
LPG
PORTUGAL
Chemicals
LAAS
Mobility
LPG
SINGAPORE
Trading
LAAS

Corporate structure adapted to the decarbonization strategy

2.3 Corporate structure

The Repsol Group, whose parent company is Repsol, S.A., is made up of more than 300 companies across more than 36 countries[1]. The **corporate structure** of the Repsol Group is shown below, in the form of the main companies making up the Group:

(1) Corporate organization chart at December 31, 2021. The percentages expressed are total stakes in the Group.
(2) Indirect stakes.

2.4 Corporate Governance

Repsol's system of corporate governance, which was established in accordance with best national and international practice and standards, guides the structure, organization, and operation of corporate bodies in the interests of the Company and of its shareholders, and is based on the principles of transparency, independence and responsibility.

The **governance structure** adequately differentiates governance and management functions from oversight, control, and strategic definition functions.

Board Remuneration

Directors receive fixed remuneration for fulfilling their supervisory and decision-making duties. Aside from the remuneration payable to the Chairman of the Board of Directors, remuneration is calculated by assigning points for seats held on the Board or its various committees, or for holding specific positions on those bodies. Each point has a remuneration equivalence, meaning there is no difference in remuneration by gender.

Detailed information regarding the application of the Remuneration Policy for Directors is set out in Repsol's Annual Report on Directors' Remuneration available at www.repsol.com.

For further information on the remuneration of the Board and Senior Management, see Note 29 to the 2021 consolidated Financial Statements.

1 For more information, see Appendix I to the consolidated financial statements.

Shareholder Annual Meeting

Board of Directors[1]

C
Antonio Brufau Niubó
Chairman - Non-Executive Director

Josu Jon Imaz San Miguel
Chief Executive Officer – Executive Director

J. Robinson West
Independent Director

Manuel Manrique Cecilia
Deputy Chairman - Proprietary Director (Sacyr S.A.)

C
Isabel Torremocha Ferrezuelo
Independent Director

C
Mariano Marzo Carpio
Independent Director Coordinator

Henri Philippe Reichstul
Non-Executive Director

Aurora Catá Sala
Independent Director

Ignacio Martín San Vicente
Independent Director

Arantza Estefanía Larrañaga
Independent Director

Emiliano López Achurra
Non-Executive Director

C C
Carmina Ganyet i Cirera
Independent Director

Teresa García-Milá Lloveras
Independent Director

Independient
57.1%

Proprietary
7.1%

Executive
7.1%

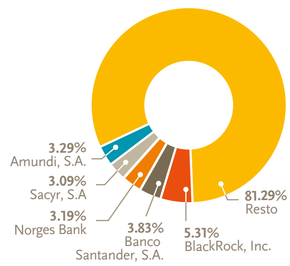
Other non-executive
28.6%

Luis Suárez De Lezo Mantilla
Non-Executive Director – Director Secretary

Audit and Control Committee
Remuneration Committee
Delegate Committee
Sustainability Committee
Appointments Committee

1. Composition at the date of preparation of this document. For further information, *see Section A.3 of the Annual Corporate Governance Report.*
2. C: Chairman of the Committee.

Shareholder structure



1. % of voting rights at the date of this report, based on latest available information. For more information, see Note 6.1 of the 2021 *consolidated Financial Statements and section 2.1. of the 2021 Annual Corporate Governance Report.*

Additional information on the Shareholder Annual Meeting and the composition, powers and functioning of the Board and its Committees. See sections B.2 and B.3 of the Annual Corporate Governance Report, respectively.

2.5 Strategy

New objectives to accelerate the energy transition

In December 2019, Repsol was the first energy firm to announce its commitment to become a net zero emissions company by 2050, thus starting a strategic change of course.

The Strategic Plan 2021-2025 (SP 21-25 or the Plan) seeks to bring about the Company's transformation and sets the tone for accelerating the energy transition, following a cost-effective and realistic path and ensuring profitability, future success and maximum value for shareholders.

The Plan envisions two distinct periods: the first (2021-2022) is focused on ensuring financial robustness by prioritizing efficiency, investment reduction and capital optimization, while developing projects to lead the energy transition; the second (2023-2025), once the impact of the COVID-19 crisis is behind us, will focus on accelerating transformation and growth.

New targets were announced in 2021 to accelerate the transformation and decarbonization of the businesses:

- New ***decarbonization pathway*** to become carbon neutral by 2050, upgrading the previous target envisioned in the Strategic Plan. As a result, the carbon intensity indicator reduction target is now 15% by 2025, 28% by 2030 and 55% by 2040, compared with the previous targets of 12%, 25% and 50%, respectively.
- Increased ***investment*** over the 2021-2025 horizon to 19.3 billion euros, with an additional 1 billion euros earmarked for low-emission projects (amounting to around 35% —6.5 billion euros— of the total investment for the period, and 45% of the capital employed in these platforms in 2030).
- ***Renewable generation*** target raised by 60% to 20 GW of installed capacity by 2030, with an interim target of 6 GW by 2025.
- ***Renewable hydrogen*** target raised by 60% to 1.9 GWeq by 2030, with an interim target of 550 MWeq by 2025.
- New ***electric mobility*** targets in the Iberian Peninsula, to reach more than 1,000 charging points by 2022 and to deploy rapid charging stations every 50 km.
- Increase in the ***internal carbon price*** that will apply to all new investments in the EU and worldwide.
- More ambitious targets to reduce ***methane emissions intensity*** to 0.20% by 2025, representing an 85% reduction from the previous target of 25%.
- New ***absolute emissions*** reduction target, with the Group now committed to reducing emissions from its operated assets by 55% (scope 1 and scope 2) and 30% of net emissions (scope 1, 2 and 3) by 2030.

35% of planned investment for 2021-25 to be channeled into low emissions projects

It is also worth noting that the improvement in the price environment and the recovery in operating and financial performance have enabled Repsol to upgrade its shareholder remuneration expectations for 2022 compared to those initially announced in the Strategic Plan. For more information, see Section 4.4. Shareholder remuneration.

3. Environment

3.1 Macroeconomic environment

Recent economic trends

In 2020, the global economy encountered a huge shock in the form of the COVID-19 pandemic, which forced countries from around the world to impose lockdown measures to protect public health. The magnitude and speed of the collapse in economic activity was unprecedented and in the second quarter of 2020 the economic crunch was three times greater than during the worst moment of the global financial crisis. However, strong economic policy support protected household income and led to a subsequent rebound as the lockdown measures were eased. In 2021, the progress made toward vaccination has allowed us to plot out a clearer economic recovery and led to expectations of relatively low structural damage in the wake of this crisis, although the emergence of new strains has tethered the recovery process to some extent.

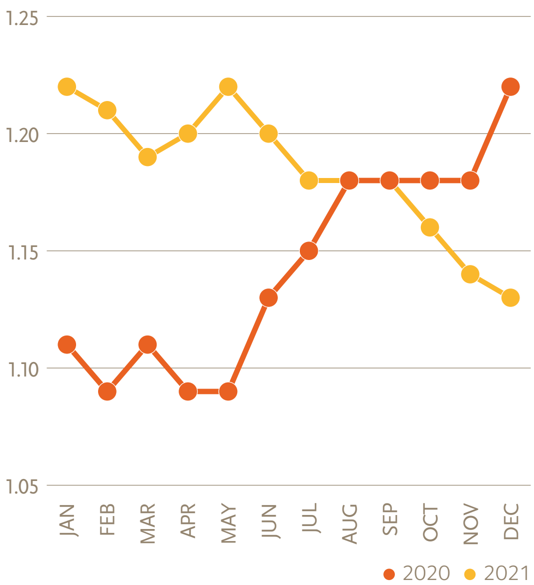
Recent macroeconomic developments have been shaped by various factors: i) developments surrounding the pandemic; ii) its impact on global supply chains, causing unanticipated supply delays and pushing up inflation; iii) the release of excess savings accumulated during the initial phase of the pandemic and the progressive normalization of consumption patterns.

According to the latest forecasts of the International Monetary Fund (IMF, World Economic Outlook January 2022), after global GDP contracted by 3.1% in 2020 —more than it did during the 2008-2009 financial crisis— it looks set to have grown by 5.9% in 2021 and is expected to grow by 4.4% in 2022. For more information, see section 7.1. Outlook.

For developed economies it is estimated that GDP grew by 5.0% in 2021, with the recovery in the United States being particularly strong (+5.6%). Growth in the Eurozone and Spain looks to have been around 5%, although in the case of Spain it is still only a partial recovery considering the extent of the economic contraction in 2020 (-10.8%).

For the emerging block, growth is estimated to reach 6.5% in 2021, although the pandemic will likely leave more long-term scars. In addition, China's economy has recently fallen short of expectations in the face of its tightening residential market and the need for cuts to energy supplies in order to meet emissions targets.

EUR/USD exchange evolution (monthly average)



Source: *Bloomberg & Repsol Research Unit*

As for the exchange rate, the environment of high uncertainty and high liquidity needs during the first months of the pandemic intensified the appreciation of the dollar to reach 1.078 euro/dollar in early April 2020. Since then, however, the dollar has tended to depreciate, especially against the euro. The reason for this was the reduction in risk aversion, which made interest rate spreads and fundamentals more relevant in shaping the exchange rate. Indeed, the decision reached by the U.S. Federal Reserve to lower the benchmark interest rates to zero —a level at which the European Central Bank had already been holding them— coupled with increased financing needs in the United States due to its high fiscal and external deficit, made for a weaker dollar. In the last quarter of 2021, further progress toward the full recovery of the US economy, coupled with greater upside risks to inflation, are raising expectations of imminent rate hikes in the country. This has led to a further appreciation of the dollar against the euro, which has recently intensified; the average exchange rate in January 2022 stands at 1.13 euros/dollar.

Expected global growth in 2021

+5.9%

Increase in Brent in 2021

+70%

3.2 Energy landscape

Crude oil - Brent

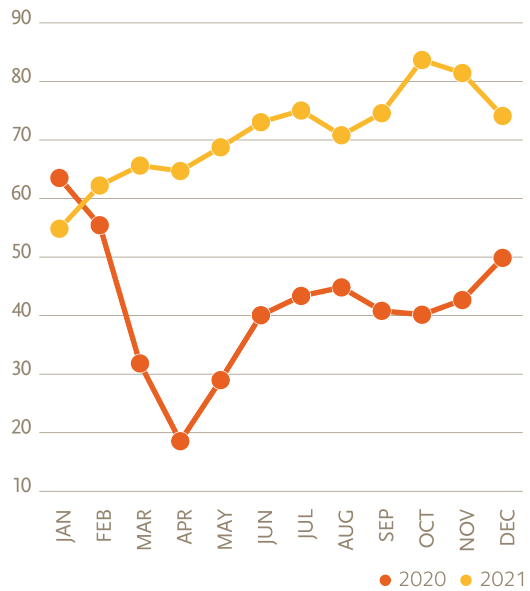
Benchmark Brent crude oil has gone from trading at $50/bbl in early 2021 to levels not seen since November 2014, at above $86/bbl at the end of October. The annual average in 2021 was $70.9/bbl (up 70% in the year).

The gradual return to normal in people's lifestyles —thanks to vaccination processes that have significantly reduced hospitalizations and above all deaths— has led to a recovery of mobility, both in terms of leisure and real activity. Throughout 2020 and early 2021 the effect of the pandemic on consumption was intermittent, depending on waves of the pandemic and the ensuing lockdown periods. For the remainder of 2021, the market appears to have become somewhat more, though not entirely, determined by the prevailing pre-pandemic dynamics of growing demand and OPEC+ controlled short-term supply and with medium/long-term supply determined by the low investment seen in recent years.

However, as we mentioned earlier, the return to pre-pandemic dynamics is not complete, and the market is still sensitive to how the pandemic will pan out and the resurgence of indicators that may lead to further lockdowns. For now, vaccinations have proven to be the key to exiting this crisis, though this process is proving to be different from one country to another and therein lies the complexity of predicting how global demand will fare, especially if mass vaccinations are limited to the population of certain regions or if the threshold of vaccinated people to the total population necessary for "herd immunity" is not reached. Global demand will certainly find it more difficult to grow steadily if only a handful of countries have vaccinated their citizens. In fact, even vaccination processes in rich countries are no guarantee of immunity, due to the weight of the anti-vaxxer population preventing the nation from reaching the herd-immunity threshold. It is also important to factor in the potential support for demand that can be achieved if emerging countries manage to keep up with developed countries in their vaccination campaigns.

On the supply side, the involvement of OPEC+ in maintaining the balance between supply and demand was clearly evident throughout the year. The de facto leaders of the group, namely Saudi Arabia and Russia, upheld their assurances of defending oil prices —whose target level seems to be in the range of 70-80 $/bbl— by honoring their agreed production cuts.

Brent crude price evolution (USD/bbl)



Source: *Bloomberg & Repsol Research Unit*

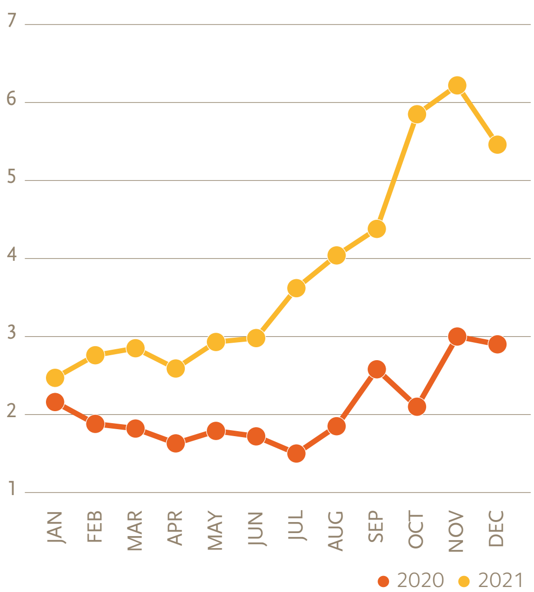
There is also uncertainty about how quickly US shale production will recover. The pandemic had a major impact on production in this region and led to a near complete cessation of drilling activity, which even before the pandemic had been suffering from a lack of investment as a result of the financial orthodoxy of the companies operating within the sector. In principle, this dynamic will depend on the price level and will also be influenced by the cost of reducing methane emissions at the wellhead, as proposed by President Joe Biden. For now, drilling activity appears to be recovering along with oil prices and is only 30% below end-2019 levels.

The price recovery is not exclusive to oil, but extends to most commodities, which could be leading to a new commodities cycle. The economic recovery in response to intensive pandemic control through vaccination processes, together with the support of monetary and fiscal policies, has triggered a sharp increase in demand for goods and services in general. Moreover, depleted inventories of goods in 2020 due to the lack of production during the lockdown periods must now be replenished. Meanwhile, the cessation of maintenance activity and cancellation of projects during the pandemic across a wide range of sectors is slowing the supply side response, creating bottlenecks in almost all value chains and leading to higher prices across the board.

Natural Gas - Henry Hub

The US Henry Hub natural gas price averaged $3.9/MBtu in 2021, trading around $1.8 above the 2020 average. This increase in gas prices was not only driven by an uptick in domestic market, but also by heavy demand from the global market, which was far higher than expected, while the supply side was affected by recurrent supply disruptions. Within the domestic market, the main price driver came from demand, which turned in a solid performance during the year, although its upturn was caused by the high export rate, which, despite some fluctuations due to technical interruptions, remained very high throughout the year, at levels close to 11 Bcf/d and even exceeding 12 Bcf/d at certain times. Liquefied natural gas (LNG) from the United States was in high demand in the Asian market, which was willing to pay high prices to secure supplies, and later also in Latin America and Europe. On the supply side, weather-related production cuts (polar vortex in February, heavy fog banks and early start of the hurricane season), which significantly slowed production growth rates in the first half of the year, now seem to be in the rear mirror. With prices recovering, production is outperforming expectations and closed the year at levels close to 93 Bcf/d, above the 91 Bcf/d previously expected.

Henry Hub price evolution (USD/MBtu)



Source: *Bloomberg & Repsol Research Unit*

Increase in the Henry Hub in 2021

+86%

Electricity prices

The average electricity price in the pool in Spain in 2021 was €111.4/MWh, much higher than in 2020 (€34.0/MWh), as a result of higher natural gas prices and rising CO2 prices. Despite the price containment measures put in place, prices continued to set daily record highs, reaching €383.7/MWh on 23 December and breaking the all-time record hourly price that same day by reaching €409.0/MWh.

Turning to generation in Spain, increases were recorded versus 2020 in solar photovoltaic (+37%), wind (+10%) and coal-fired generation (+3%), offset by slight decreases in nuclear, hydro and combined cycle generation. Total generation was 3.1% higher than the previous year, while demand was up 2.3%. The increase is lower than would be expected because high electricity prices are already having an impact on demand.

Electricity Pool average 2021

111.4 €/MWh

CO_2 emissions

The price of CO2 emissions underwent a structural change in 2020, firstly due to the toughening of the emissions targets set by the European Union (raised to 55%), and secondly because the carbon market has become a financial product used for speculative investment, much like other commodities. This shift continued through 2021, with prices averaging close to €53.3/t during the year, compared with €24.8/t in 2020.

In 2021, the European emissions market was influenced by other factors, such as the start-up of the UK emissions market, or the calculation of the new figures of the stability reserve, which will again withdraw allowances over the coming period, which could continue to push up the price of allowances. However, these factors have generated a one-off effect, without altering the broader upward price trend.

CO_2 2021

53.3 €/t

4. Financial performance and shareholder remuneration

4.1 Results

Million euros	2021	2020	Δ
Upstream	1,687	195	1,492
Industrial	606	297	309
Commercial and Renewables	542	485	57
Corporate and others	(381)	(377)	(4)
Adjusted net income	**2,454**	**600**	**1,854**
Inventory effect	797	(978)	1,775
Special items	(752)	(2,911)	2,159
Net income	**2,499**	**(3,289)**	**5,788**

Solid results in a recovery scenario

Results in 2021 responded well to the gradual recovery of the global economy. The opportunities arising from the improvement in the business environment (higher crude oil and gas prices, improvement in the Petrochemical international margin indicator —at historical levels—, progressive recovery of fuel demand due to the easing of mobility restrictions) have been adequately exploited thanks to the measures put in place by the company at the beginning of the pandemic to cope with the difficulties of COVID-19 and the change in strategy due to expectations of an exit from the crisis.

Adjusted net income at pre-pandemic levels

Adjusted net income for the year amounted to 2,454 million euros, up 309% on the previous year and even managing to surpass the figure reported in the same period of 2019 (2,042 million euros); the last full year before the COVID-19 crisis struck. This improvement is down to the outstanding performance of Upstream (price increases, efficiency measures captured and contribution made by Libya), Chemicals (exceptionally high margins) and Mobility and Aviation (sales recovery), coupled with an improved contribution from Renewables and Low Carbon Generation. Further boosted by the favorable effect of key commodity prices on the valuation of inventories (797 million euros, reflected in the so-called inventory effect), **net income** amounted to 2,499 million euros.

Recovering prices at the Upstream and Industrial segments, coupled with increased sales at the commercial businesses, combined to push up **EBITDA** for the period (8,170 million euros vs. 2,730 million euros in 2020).

EBITDA *(MIllion euros)*	2021	2020
Upstream	4,429	2,090
Industrial	2,654	(161)
Commercial and Renewables	1,219	970
Corporate and others	(132)	(169)
TOTAL	**8,170**	**2,730**

Upstream

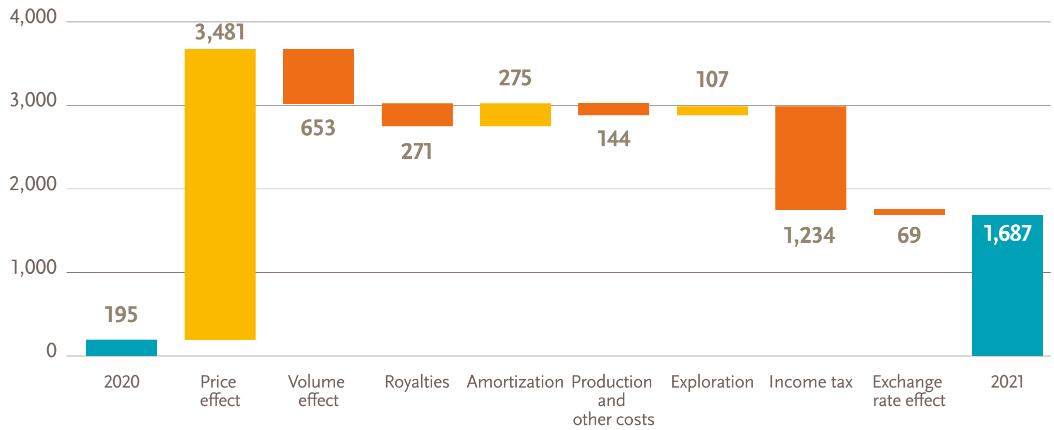
Average ***production*** for the period came to 572 Kboe/d, down -12% on the same period of 2020, while ***exploratory activity*** saw a notable reduction. For more information on the activities of the Upstream segment, see section 5.1 Upstream.

Adjusted net income at Upstream amounted to 1,687 million euros, up 1,492 million on 2020, as shown in the following diagram, due to:

- increased realisation prices for crude oil (+66%) and gas (+100%), notably driving results in the United States, Trinidad and Tobago, Norway, Peru, Brazil, the United Kingdom and Canada;
- lower sales volumes, largely due to lower production, in turn mainly due to scheduled and unscheduled maintenance activities (Trinidad and Tobago, UK, Peru, etc.), natural decline of wells (United States, Trinidad and Tobago, Canada and Norway), divestment of producing assets (Algeria and Russia) and the expiry of the Piedemonte licence in Colombia; factors that were partially offset by the resumption of production in Libya from 11 October 2020 and higher volumes in Bolivia;
- higher production taxes and oil and gas royalties, in response to rising prices;
- lower exploration costs, mainly because Repsol is now focusing on priority geographic areas and is paring back its exploration intensity;
- lower depreciation and amortization costs due to the impact of the impairment recognized in 2020 and quieter levels of production;

Upstream adjusted net income variation

Million euros



Higher crude oil and gas realization prices

- higher costs due to the start-up of strategic projects (Yme in Norway and Matapal in Trinidad and Tobago), contractual penalties in Trinidad and Tobago, and the increase in the cost of CO_2 allowances (United Kingdom), among other contributing factors; and
- higher corporation tax following an increase in operating income (effective tax rate of 45%).

Operating **investments** (1,223 million euros) were up on 2020 (+29%) due to the inorganic investment at Marcellus —following the acquisition of Rockadale Marcellus LLC.—, as Repsol continues to focus on priority geographical areas and pares back its exploration intensity. Investment activity centered on assets in production and/or under development in the United States, Norway, Trinidad and Tobago, the United Kingdom and Brazil. Exploratory investment took place mainly in the Gulf of Mexico (both United States and Mexico), Indonesia and Bolivia.

Industrial

Adjusted net income in 2021 amounted to 606 million euros, compared to 297 million euros in 2020.

The main reasons for this change are as follows:

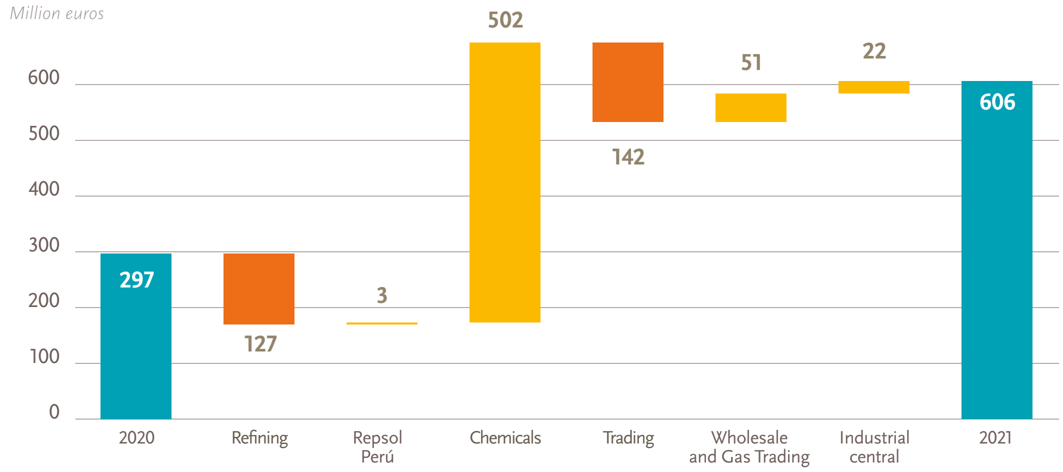
- At Refining, the drop in results due to international profit margins which, while certainly recovering, remain weak, coupled with low levels of demand (also steadily rising). These factors were partially offset by the production and logistics adjustment measures put in place at the refineries.
- Improved results at Chemicals, which reflect the extraordinary international margins (reactivation of demand and higher product prices) with sales slightly higher than in 2020. Further highlights include the results obtained by the cogeneration companies amid a propitious electricity pool price environment and revenues from the sale of technology licenses.
- At Trading, results were down across almost all lines, particularly Bios and Middle Distillates.
- At Wholesale and Gas Trading, the improved results mainly in the Gas & Trading business in North America, due to a higher valuation of the derivatives arranged to cover fluctuations in gas prices, together with lower transportation and storage costs.

Operating **investment** at Industrial in 2021 amounted to 859 million euros, up 52% on 2020 largely due to the acquisition of a 25% stake in Saint John LNG, as well as increased investment at petrochemical complexes and refineries. The investments were largely aimed at maintaining and improving levels of activity at industrial complexes, while major investments and decarbonization projects are rolled out. For further information on the activities of the Industrial segment, see section 5.2 Industrial.

Gradual recovery of Refining margins

Extraordinary margins at Chemicals

Industrial adjusted net income variation



Commercial and Renewables

Recovery in demand at Mobility and Aviation

Adjusted net income in 2021 came to 542 million euros, compared to 485 million euros in 2020.

- At **Mobility**, there were improved results due to an increase in volumes sold at Service Stations and Direct Sales, following the gradual easing of mobility restrictions and the positive impact of increased sales of non-oil products.
- At **Lubricants, Aviation, Asphalts and Specialized Products**, results were up due to an increase in volumes sold and lower provisions for credit risk at Aviation, partially offset by the increased costs of raw materials for Asphalts and Lubricants.
- At **LPG**, the drop in results was a result of lower margins on price-regulated operations in Spain, despite higher volumes sold following the recovery seen in the catering, hospitality, services and automotive industries.
- In relation to the **Electricity and Gas commercialization**, the impact of high electricity and gas pool prices (see section 3.2) and higher costs was partially offset by an increase in sales, especially gas. The number of customers increased by 15% to exceed 1.3 million.
- At **Renewables and Low Carbon Generation**, results were up on 2020, mainly due to the favorable price environment and increased levels of production — for both hydro power and energy from new projects in the renewables portfolio (Delta I wind farm and Kappa and Valdesolar solar photovoltaic plants). All this was partially offset by lower production at combined cycles due to prevailing market conditions.

Investment boost to new renewable projects

Operating **investments** in 2021 amounted to 829 million euros (up 12% on 2020). The biggest investments were the acquisition of a 40% stake in US company Hecate Energy Group, LLC and a 100% stake in the Jicarilla solar photovoltaic plant in the United States, as well as the development and commercial start-up of new renewable energy projects in Spain and Chile. For further information on the activities of the Commercial and Renewables segment, see section 5.3 Commercial and Renewables.

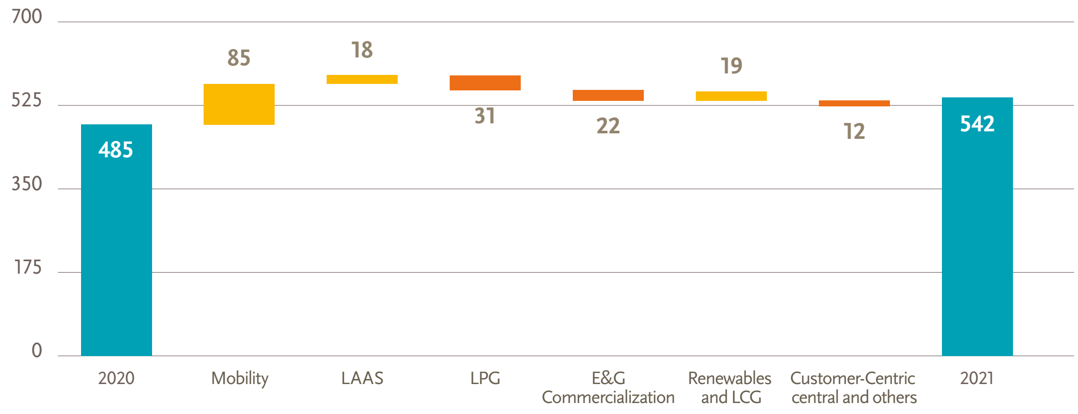
Corporate and others

Results for 2021 amounted -381 million euros (vs. -377 million euros in 2020). Finance income worsened during the period, mainly due to lower results from foreign exchange positions, partially mitigated by a lower cost of debt and the higher valuation of derivatives on treasury share positions.

Meanwhile, Repsol has continued its efforts to reduce corporate costs, in line with the objectives envisaged in the 21-25 Strategic Plan, while continuing to promote digitalization and technology initiatives.

Commercial and Renewables adjusted net income variation

Million euros



Net income

Adjusted net income is affected by the following factors:

- Positive **inventory effect** of 797 million euros, following the sustained recovery in the price of crude oil and other oil products throughout 2021, compared with the -978 million euros reported in 2020, when prices and demand plummeted following the rapid spread of COVID-19.
- **Special items** amounted to -752 million euros in 2021 and relate mainly to impairment of exploration and production assets at the Upstream segment and tax credits in Canada and Spain, updated provisions, credit risk in Venezuela, divestments and workforce restructuring.

(Million euros)

Special items	2021	2020
Divestments	13	174
Indemnities and workforce restructuring	(93)	(124)
Impairment of assets	(699)	(2,812)
Provisions and others(1)	27	(149)
TOTAL	**(752)**	**(2,911)**

(1) Mainly shows provisions for credit risk, legal and tax litigation and extraordinary exchange rate gains/losses on tax positions.

Following significant impairment in 2020 and 2019 due to the downward trend in price paths in energy transition scenarios, impairment in 2021 was confined to certain assets at the Upstream segment in North America (following a review of technical cases, operating plans and increased costs) and to tax credits (in Canada, due to new business scenarios; and in Spain, due to changes in tax regulations). For further information, see Notes 21 and 23 of the 2021 consolidated Financial Statements.

The absence of significant impairment of the assets at the Industrial and Commercial and Renewables segments demonstrates their quality and ability to adapt to the requirements of the decarbonization of business models and the less favorable cost environment (CO_2, electricity pool, etc.).

As a result of all these factors, the Group's **net income** in 2021 amounted to 2,499 million euros, compared with -3,289 million euros reported in 2020, and with a significant improvement in profitability indicators and earnings per share versus the previous year:

Profitability indicators	2021	2020
ROACE- Return on average capital employed (%)	8.2	(10.3)
Earnings per share (€/share)	1.64	(2.13)

2021 ROACE: 8.2%

Notable improvement in cash flow from operations

4.2 Cash generation

Cash flows *(Million euros)*	2021	2020
EBITDA	8,170	2,730
Changes in working capital	(1,371)	692
Income taxes received/(paid)	(1,014)	84
Other collections/(payments)	(369)	(342)
Dividends received	37	33
I. Cash flow from operations	**5,453**	**3,197**
Payments on investments	(2,868)	(2,377)
Proceeds from investments	254	1,159
II. Cash flow from investing activities	**(2,614)**	**(1,218)**
Free cash flow (I + II)	**2,839**	**1,979**
Dividends and other[1]	(425)	(346)
Net interests and leases	(399)	(444)
Treasury shares	(722)	(378)
Cash generation	**1,293**	**811**

(1) Other mainly includes the remuneration on other equity instruments (perpetual bonds) and transactions with non-controlling interests (notably the sale of Delta I in 2021).

Cash flow from operations (5,453 million euros) was much higher than the figure reported in 2020, following a significant increase in EBITDA across all businesses. This positive impact was partially countered by the effect of higher cost of inventories on working capital (price of inventories at the industrial businesses) and an increase in taxes paid.

Higher investments and lower cash inflows from divestments compared to the previous year led to a reduction in **cash flow from investing activities** (-2,614 million euros). Notable investments in 2021 include those made at Renewables (development of projects in Chile and Spain, acquisition of 40% of the company Hecate and 100% of the Jicarillas solar photovoltaic plant in the United States); at Industrial (shutdown of petrochemical complexes and purchase of 25% of Saint John LNG from Irving); and, to a lesser extent, at Upstream (where the reduction in exploration intensity was offset by increased investments in the United States and the Gulf of Mexico). It should also be noted that in 2020 cash from divestments was higher due to the inclusion of the proceeds obtained from the sale of Naturgy in previous years and the proceeds from the divestment in Vietnam.

Free cash flow amounted to 2,839 million euros, comfortably clear of the 1,979 million euros reported in 2020.

As a result of all the factors described above, and after honoring shareholder remuneration (increased cash dividend, replacing the traditional Scrip Dividend) and holders of perpetual bonds (-625 million euros), the acquisition of treasury shares (-722 million euros, which include Repurchase Plans for stock redemption) and payment of financing costs and leases (-399 mmillion euros), and considering also the cash obtained from the dilution of 49% —operation with non-controlling interests— in the stake held in the Delta I wind farm (245 million euros obtained from the sale), the **cash generation** amounted to 1,293 million euros; well above the level reported in 2020.

Robust financial structure

4.3 Financial overview

In 2021, a new comprehensive sustainable financing strategy was released to accompany the energy transition process, offering flexibility and transparency in the issuance of financial instruments.

Steps were also taken during the period to protect the balance sheet, including the issuance and buyback of subordinated hybrid bonds, thus enabling Repsol to lower its net debt and maintain its investment grade rating. In line with the policy of financial prudence and commitment to maintaining a high degree of liquidity, the liquid funds held by the Group at year-end (in the form of cash and available credit facilities) cover debt maturities up to the second quarter of 2029, without the need to refinance.

New sustainable financing strategy

The new integrated sustainable financing strategy to accompany the energy transition process takes the form of a framework ("Framework", available at www.repsol.com), through which the Group can issue:

- Bonds of special purpose financing instruments: i) green bonds to be used to finance eligible projects as per the Taxonomy of the European Union (renewable energy and renewable hydrogen, among others); and ii) transition bonds to be assigned to further activities and projects that will play a positive role in helping to mitigate climate change and will therefore promote Repsol's strategic energy transition objectives.
- Bonds or financial instruments the economic conditions of which are linked to the attainment of the key sustainability targets of Repsol as a company. These bonds (Sustainability-Linked Bonds, or SLBs) have as their verifiable indicator

the Carbon Intensity Indicator defined by Repsol, which measures the CO2e emissions for every unit of energy that the Company delivers to society (g CO2e/MJ). The first issue of these bonds was completed in July (see “Main financing operations” below).

Repsol's new sustainable financing framework, in line with the principles of transparency and best practices, has been verified and certified by rating agency ISS.

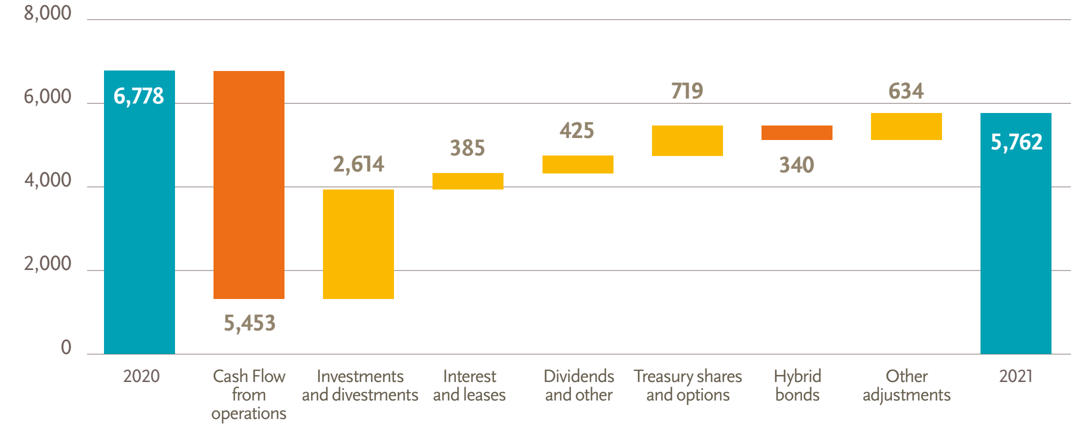
Indebtedness

Net debt (5,762 million euros) was down on the figure for 2020, mainly due to increased cash flow from operations (driven by a significant improvement in EBITDA), proceeds from divestments carried out during the period and the net funds obtained from issuances and buybacks of equity instruments (perpetual subordinated bonds) worth 340 million euros.

Reduction in net debt to 5,762 million euros

Net debt variation

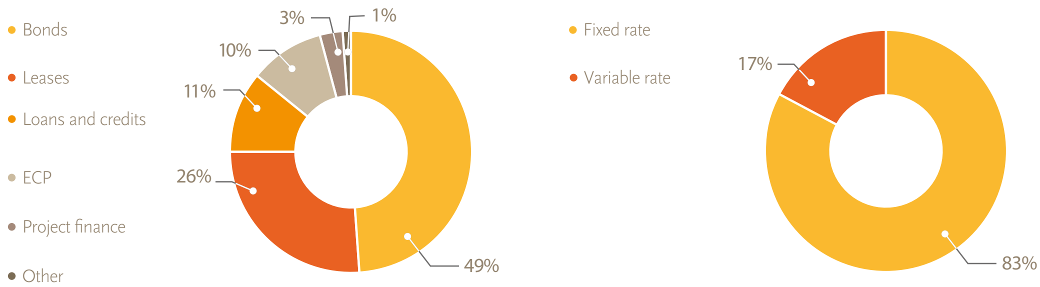
Million euros



The **leverage** ratio (20.2%) remains below the industry average and below December 2020 levels (24.8%).

Gross debt stood at 14,314 million euros, which composition and maturities at 31 December 2021 were as follows:

Gross debt



	2022	2023	2024	2025	2026	2027 and beyond	TOTAL
Bonds[1]	500	302	847	1,746	499	3,190	7,084
Leases	645	360	315	282	260	1,847	3,709
Loans and credits	964	60	54	257	56	165	1,556
ECP	1,418	—	—	—	—	—	1,418
Project finance	31	32	34	36	36	319	488
Other[2]	36	(87)	—	4	4	103	60

Note: the amounts shown in the table are the acounting balances recognized in the balance sheet.
(1) The maturity of the subordinated bonds is presented as occurring on the first call date.
(2) Includes mainly institutional financing and interest, derivatives and others.

First sustainable bond issue (SLB)

High liquidity and debt coverage

Investment grade mantained

Main financing transactions

The main financing operations arranged in 2021 were as follows:

- In March, Repsol International Finance, B.V. (RIF) issued subordinated perpetual bonds (guaranteed by Repsol, S.A.) for a total amount of 750 million euros. The bonds are admitted to trading on the Luxembourg Stock Exchange and pay a fixed coupon of 2,500% through to the first review date in March 2027.
- Also in March, RIF redeemed the remaining balance of the subordinated bond issue "€1,000,000,000 6 *Year Non-Call Perpetual Securities*" issued in March 2015 at their nominal value plus accrued and unpaid interest up to the redemption date for a total of 422 million euros.
- In May, RIF placed an issuance of Eurobonds (guaranteed by Repsol, S.A.) worth a total of 300 million euros, admitted for trading on the Luxembourg stock exchange, paying a variable coupon equivalent to the 3-month EURIBOR + 70 bp and maturing in May 2023.
- In July, Repsol Europe Finance, S.à.r.l. (REF) completed an issuance of Eurobonds (guaranteed by Repsol, S.A.) linked to sustainability targets (SLB) for a total of 1,250 million euros. A 650 million-euro tranche at an issue price of 99,077%, paying an annual fixed coupon of 0,375% maturing in July 2029; and another 600 million-euro tranche at an issue price of 99,108%, paying an annual fixed coupon of 0,875% and maturing in July 2033.
- In October, a RIF bond issue for a nominal amount of 1,000 million euros and paying a fixed annual coupon of 3,625% was redeemed at maturity.

For further information, see Notes 6.4 and 7.2 of the 2021 consolidated Financial Statements.

Liquidity

Group liquidity, including committed and undrawn credit facilities, stood at 10,606 million euros at December 31, 2021, which is enough to cover its short-term debt maturities by a factor of 2.95. Repsol had undrawn credit facilities amounting to 2,675 million euros and 3,436 million euros at December 31, 2021 and 2020, respectively.

Credit ratings

The credit ratings assigned to Repsol, S.A. by the various ratings agencies are currently as follows:

	Standard & Poor's	Moody's	Fitch
Term	**Repsol, S.A.**	**Repsol, S.A.**	**Repsol, S.A.**
Long-term	BBB	Baa2	BBB
Short-term	A-2	P-2	F-2
Outlook	stable	stable	stable
Date of latest modification	03/25/2020	06/16/2021	04/02/2020

4.4 Shareholder remuneration

Repsol does not have a formal policy on dividends, and the Company's decisions on shareholder remuneration depend on several factors, including the performance of its businesses and its operating results.

Total remuneration received by shareholders in 2021[1] amounted to 0,588 euros/share and included:

- under the "Repsol Flexible Dividend" program, the amount of 102 million euros (0,288 euros, gross, per right) paid to shareholders in January and the delivery of 40,494,510 new shares, for an amount equivalent to 338 million euros, to those who opted to receive new shares in the company.
- cash dividend of 447[2] million euros (0.30 euros, gross, per share) paid in June out of 2020 earnings.

In April 2021, a capital reduction was carried out through the redemption of 40,494,510 treasury shares against the share premium reserve, as approved at the 2021 Annual General Meeting held on March 26, 2021. The aim of the reduction was to offset the dilutive effect of the bonus share issue carried out in January under the "Repsol Flexible Dividend" program.

Shareholders at the 2021 Annual General Meeting also approved the distribution of a further cash dividend of 0.30 euros, gross, per share out of unrestricted reserves. This dividend was paid on January 11, 2022 out of unrestricted reserves comprising unappropriated profits, for a gross total of 4392 million euros.

On October 27, 2021, the Company's Board of Directors agreed to lay the following motions before shareholders at the Annual General Meeting:

- The payment in 2022 of further shareholder remuneration of 0.33 euros gross per share (5% above the amount envisioned in the strategic plan), which would be on top of the remuneration of 0.30 euros, gross, per share paid out in January 2022 and which, at the date of preparation of this Management Report, the Board has agreed to propose to be paid out of 2021 earnings.
- A capital reduction through the redemption of 75,000,000 treasury shares, each with a par value of one euro and representing approximately 4.91% of Repsol's share capital at December 31.

In November, a share repurchase program was initiated as part of the proposed capital reduction. All the shares owned by the company at year-end, together with those expected to be obtained through the settlement of the derivatives arranged (at an average price of €9.47/share)[3], would be enough to cover 70% of the capital reductions envisioned in the Strategic Plan for the 2022-2025 horizon.

At December 31, 2021, a total of 64.1 million shares were held in treasury, representing 4.2% of share capital[4].

Shareholder remuneration: €0.588/share in 2021

Our share price

The energy sector has been positively affected by the recovery in demand as risks surrounding the COVID-19 pandemic continue to subside. The first half of the year saw increased confidence in the recovery of economic activity and mobility, which fueled an increase in demand and prices for raw materials and commodities. In mid-2021, the publication of various national and European legislative packages ("Fit for 55") had a negative impact on the energy sector. The share price reached an annual high in October, driven by high benchmark Brent and North American gas (Henry Hub) prices. The emergence of the Omicron variant in late November prompted some countries to introduce further mobility restrictions, generating doubts about the strength of the recovery in economic activity. However, this uncertainty had virtually dissipated by the end of the year.

1 For further information on total shareholder remuneration, see the section "*Share capital*" in Note 6 "*Equity*" to the 2021 consolidated Financial Statements. Shareholder remuneration in 2020 amounted to €0.916/share.

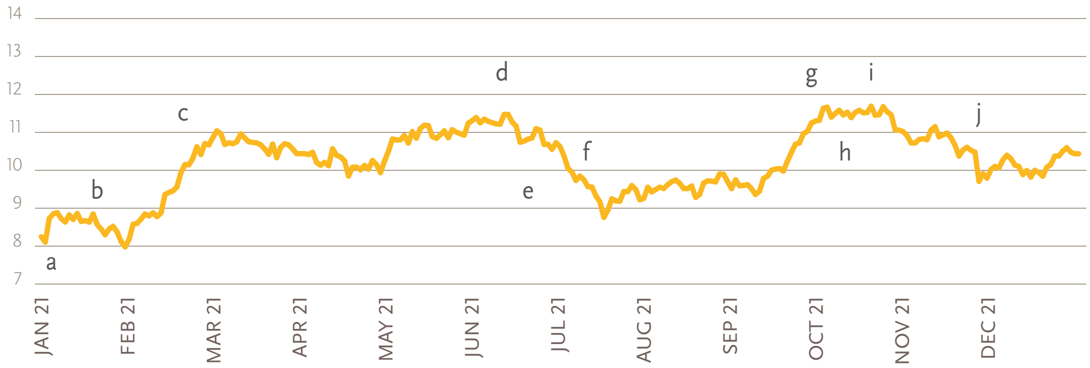
2 Remuneration paid on outstanding shares of Repsol, S.A. that confer the right to receive the dividend.

3 The Group has arranged call options on its shares for a nominal 50 million shares, along with put options for a nominal 25 million shares and other derivative instruments relating to its treasury shares. For further information, see Note 9 to the 2021 consolidated Financial Statements.

4 Treasury shares: For more information, see Note 6.2 to the 2021 consolidated Financial Statements.

Average share price up 21% on 2020

Share price over time



a) January 4 (€8.106): annual low closing price of Brent ($51.06/barrel).
b) January 22 (€8.452): annual low closing price of American Henry Hub gas ($2.446/MBtu).
c) February 22 (€10.15): worldwide low of COVID-19 infections (end of first wave 2021).
d) June 1 (€11.24): the Council of Ministers approves the draft Law on the National Fund for Sustainability of the Electricity System.
e) June 21 (€10.768): worldwide low of COVID-19 infections (end of second wave 2021).
f) July 14 (€9.559): the European Commission publishes the "Fit for 55" legislative package (emissions reduction program)
g) October 5 (€11.662): annual high closing price of American Henry Hub gas ($6.312/MBtu).
h) October 17 (€11.516): worldwide low of COVID-19 infections (end of third wave 2021).
i) October 26 (€11.54): annual high closing price of Brent ($86.4/barrel).
j) November 26 (€9.708): new Omicrom variant of Covid-19

The Group's main stock market indicators in 2021 and 2020 were as follows:

Main stock market indicators	2021	2020
Shareholder remuneration(1) (€/share)	0.588	0.920
Share price at end of period(2) (euros)	10.44	8.25
Period average share price (euros)	10.20	8.44
Period high (euros)	11.69	14.36
Period low (euros)	7.98	5.23
Number of shares outstanding at end of the period (million)	1,527	1,527
Market capitalization at end of period(3) (million euros)	15,940	12,601
Dividend yield(4) (%)	7.1	6.6

(1) See previous section.
(2) Share price at year-end in the continuous market of the Spanish stock exchanges.
(3) Year-end closing market price per share, times the number of outstanding shares.
(4) Remuneration per share for each year / Share price at end of previous year.

5. Performance of our businesses

5.1 Upstream

Our activities

- **New areas:** identification and entry into new projects (organic or inorganic growth).
- **Exploration:** geology, geophysics and exploratory drilling activities in the search for hydrocarbon resources.
- **Evaluation:** drilling of appraisal boreholes, definition of the volumes discovered and determination of their commercial viability.
- **Development:** drilling of production wells, construction of collection systems, processing plants and evacuation and transportation systems for production of reserves. Sustainability, safety and transparency policies are uniformly applied to all operations to ensure the project is duly implemented.
- **Production:** commercial operation of hydrocarbons.
- **Decommissioning:** abandonment and reconditioning of all facilities to leave the area in the same environmental condition as prior to the start of Upstream operations.

1,916 Mboe
proven reserves

572 Kboe/d
net production

3,086
employees

Main operating figures	2021	2020
Net undeveloped acreage (km²)	98,944	147,230
Net developed acreage (km²)	5,933	6,576
Reserves of crude oil, condensate and LPG (Mbbl)	570	577
Natural gas reserves (Mboe)	1,346	1,275
Proven reserves replacement ratio (%) [1]	130	(21)
Net production of liquids (kbbl/d)	206	217
Net production of gas (kboe/d)	366	432
Net hydrocarbon production (kboe/d)	572	648
Crude oil realization price ($/bbl)	62.7	37.7
Gas realization price ($/boe)	4.6	2.3

(1) Proven reserves replacement ratio: (quotient between total additions of proven reserves in the period and production in the period)

Our performance in 2021	2021	2020	Δ
Operating income	3,027	351	2,676
Income tax	(1,348)	(167)	(1,181)
Investees and non-controlling interests	8	11	(3)
Adjusted Net Income	**1,687**	**195**	**1,492**
Special Items	(590)	(2,610)	2,020
Net income	**1,097**	**(2,415)**	**3,512**
Effective tax rate (%)	(45)	(48)	4
EBITDA	**4,430**	**2,090**	**2,340**
Investments	**1,223**	**948**	**275**

Coinciding with the release of this Management Report, Repsol posts “Information on oil and gas exploration and production activities” on www.repsol.com, which provides detailed information on acreage, exploration and development activity, net proven reserves, future cash flows, production, etc.

$62.7 /Bbl
average realization price in 2021

Main events of the period

Average production

Average production at Upstream reached 572 Kboe/d in 2021, 12% down in terms of Kboe/d on 2020. This was largely a result of natural decline at the Eagle Ford and Marcellus fields (United States) and in Trinidad and Tobago and Canada, the expiration of the Piedemonte license (Colombia), the sale of production assets in Russia and Algeria, maintenance activities and unscheduled shutdowns in Peru, Trinidad and Tobago and the United Kingdom. All of this was partially offset by the resumption of production in Libya from October 11, 2020 onward, as well as increased volumes in Bolivia.

Exploration campaign

In 2021, the drilling of four exploratory wells (two positive in Bolivia and the United States and two negative in Mexico and Norway) and two appraisal wells (both positive in Indonesia and Mexico) was completed. At December 31, one exploratory well in Bolivia and one appraisal well in the United States were still in the process of being drilled.

Management of the asset portfolio

In line with the commitment to prioritize value over volume as set out in the Strategic Plan, in 2021 Repsol completed the sale of assets in AR Oil&Gas -AROG- (joint venture with production assets in Russia); in Tin Fouyet Tabenkor -TFT- (22.62% of the gas and liquefied petroleum gas production assets located in Algeria); in Brage (33.84% of the non-operated production assets in Norway); and the divestment (exit from the country pending official ratification in 2022) in Vietnam (with the sale of 70% of Block 46-CN). In 2022, divestments were completed in Malaysia (35% interest in PM3 CAA; 60% interest in Kinabalu; 60% interest in PM305/314), Russia (exploratory activities -Karabashsky- through the partnership with Gazprom Neft) and Ecuador (sale of 35% of blocks 16 and 67).

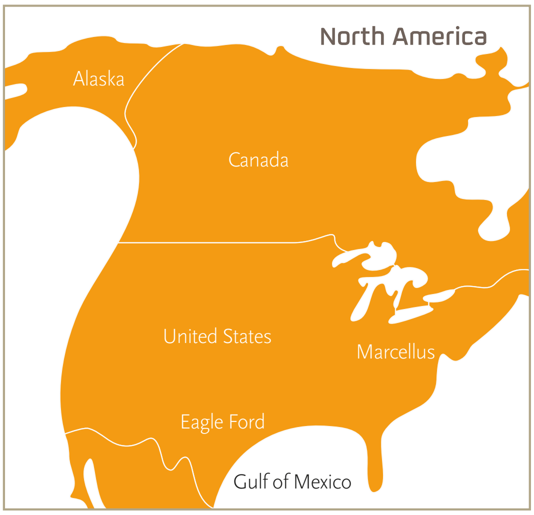
Also, in order to focus on priority geographic areas, an additional investment was made in Marcellus through the assets acquired from Rockdale Marcellus LLC.

Acreage

In the United States, eight blocks were awarded in the Gulf of Mexico (five in the Walker Ridge area and three in Keathly Canyon). Meanwhile, exploratory blocks in Peru (Block 103), Greece (Aitoloakarnania Block), Bulgaria (Block 1-14 Khan-Kubrat, marking Repsol's exit from the country), Morocco (Tanfit I-IV Concession, marking Repsol's from the country) expired or were returned before their expiry date. Elsewhere, in Greece, the stake held in the 60% W.I. Ioannina exploration blocks was sold to Energean in October and the 50% W.I. in the Ionian block was sold to Hellenic in January 2022, effectively marking Repsol's exit from the country.

Focus in strategics areas

Strategic areas



Value ahead of volume

In summary, and following the Group's strategy of concentrating its presence in countries with strategic assets, Repsol exited Bulgaria, Morocco and Ireland in 2021 and will be leaving Greece, Ecuador, Russia and Malaysia in January 2022.

Reserves

A total of 272 Mboe in proven reserves was added in 2021, mainly a result of extensions, discoveries and reviews. The total reserve replacement ratio was 130% in 2021 (-21% in 2020).

21-25 Strategic Plan: 2021-2025 priorities

1 Prioritizing Free Cash Flow (leading FCF breakeven)

- FCF breakeven of <$40/barrel
- Low capital intensity and flexibility
- Generating €4.5 billion of FCF at $50/barrel and HH of $2.5
- Reducing OPEX by 15%

2 Delivering resilient value

- Leading profitability by project
- Short-term returns
- Digital program
- Achieving a 30% reduction in overheads and administrative costs

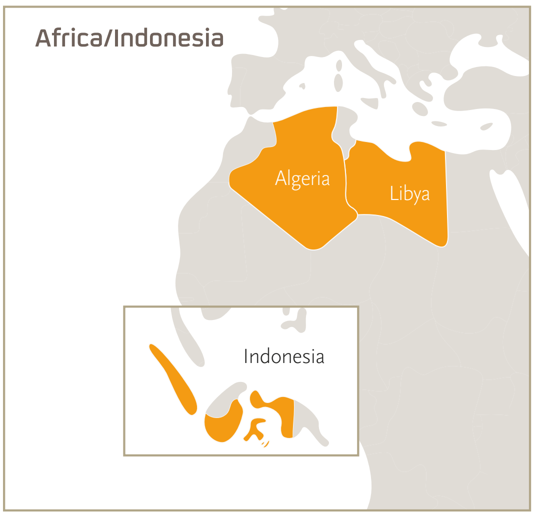
3 Focused portfolio

- Value over volume
  - Flexible production level (~650 thousand boe/d in 2021-25)
  - <14 countries
- Exploration scaled back and more focused

4 Level one in CO_2 emissions

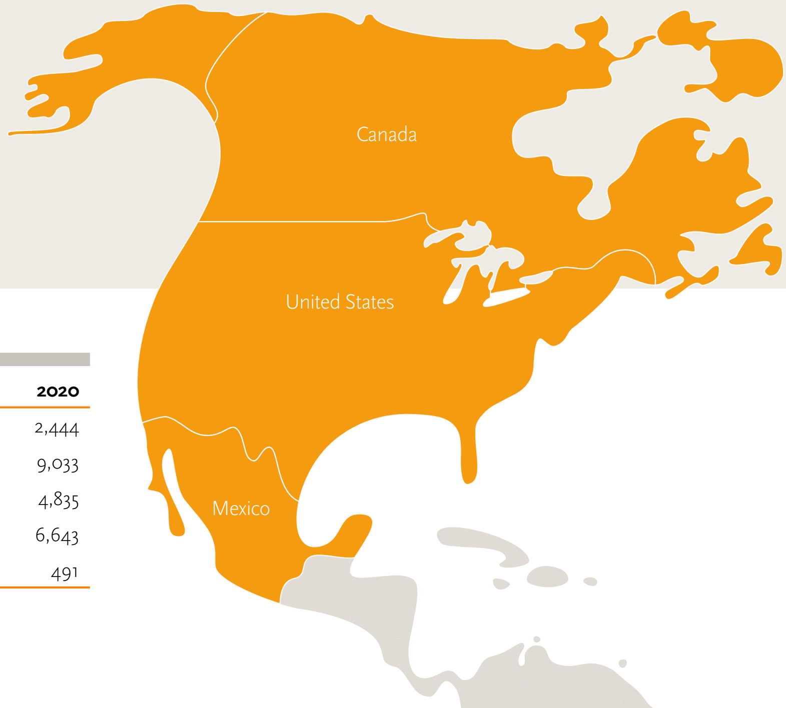
- 75% reduction in emissions intensity
- Streamlining and scaling back the Upstream portfolio
- Scaling back/exiting carbon-intensive and non-strategic assets

Dynamic management of the asset portfolio



North America

Exploration intensity in the Gulf of Mexico



Main figures	2021	2020
Net developed acreage (Km²)	2,414	2,444
Net undeveloped acreage (Km²)	8,815	9,033
Net development acreage (Km²)	4,550	4,835
Net exploration acreage (Km²)	6,679	6,643
Net proven reserves (Mboe)	715	491

Countries	Main assets (1)	% Repsol	P/D/E (2)	L/G (2)	Description
United States	Shenzi	28.00%	P	L-G	Deep waters of the Gulf of Mexico south east of Louisiana
United States	Eagle Ford	81.60%	P	L-G	Unconventional onshore gas assets with associated liquids to the south of the state of Texas
United States	Marcellus	83.74%	P	G	Unconventional shale gas in the states of Pennsylvania, New York and West Virginia, mainly
United States	Buckskin	22.50%	P	L-G	Deep waters of the Gulf of Mexico southwest of Louisiana
United States	North Slope - Pikka	49%	E	L	Area with discoveries in development phase
United States	North Slope - Horseshoe	49%	E	L	Exploratory area comprising the Horseshoe discovery in northern Alaska
United States	North Slope - Placer	49%	E	L	Exploratory area, mainly onshore, in the north of Alaska
United States	León	50.00%	E	L-G	Deep-sea exploratory asset in the Gulf of Mexico southwest of Louisiana State
Canada	Edson & Wild River	Average 65.14%	P	L-G	Productive area in the heart of the state of Alberta. Unconventional
Canada	Chauvin	Average 66.25%	P	L-G	Heavy crude oil located in Alberta/Saskatchewan. Unconventional
Canada	South Duvernay	100%	P	L-G	An area in the development phase, with oil and gas production, in the central Alberta region. Unconventional

(1) Further information in Appendix Ic of the consolidated financial statements
(2) P: Production / D: Development / E: Exploration / L: Liquids / G: Gas

Main events of the period

• United States: Development progress in Alaska and Gulf of Mexico.

In February, the FEED (front-end engineering and design) process got under way for phase one of the Pikka project at the North Slope development in Alaska, which envisions the drilling of 43 wells and the construction of a plant capable of producing 80,000 barrels/day. The final investment decision is expected in 2022 and the start of production is slated for 2025.

In May, the local unit reached production figures of 20 Mboe

6,679 km² net acreage

715 Mboe net proven reserves

56 Mboe net production

at Buckskin, in deep waters off the Gulf of Mexico, within the space of two years and moreover with only two wells producing oil (together they produce 42 kboe/d, gross; 8.275 kboe/d for Repsol).

The Eagle Ford drilling campaign began in August. Phase one consists of 20 wells and two drilling rigs. The platform is targeting the Lower Eagle Ford reservoir, with a total measured depth of 20,000 feet.

In October, the final investment decision (FID) was taken on the Shenzi North project, one of the 14 key assets of the Strategic Plan. This decision will increase the long-term potential of the asset and utilize the existing infrastructure. Repsol's stake in this project is 28%, while the operator, BHP, owns the rest. First production is expected to be achieved in early 2024.

In November the Blacktip North well was completed with a positive result in the Shell-operated Alaminos Canyon 336 license. The discovery is located in the western part of the U.S. Gulf of Mexico.

In December, the Bankruptcy Court for the Western District of Pennsylvania approved the sale of Rockdale Marcellus to Repsol Oil & Gas USA for 222 million dollars at auction held on December 16. The sale was completed in January 2022. Rockdale Marcellus, LLC is the fifteenth largest natural gas producer in Pennsylvania and has approximately 174 net km2, producing ~110 Mscf/d through 66 wells, plus 100 future drilling locations.

- Mexico: Successful completion of a deepwater delineation well.

In September, drilling of the delineation well at the Salina Basin (deep water) in Mexico was completed, with a positive result (key milestone for approval to the development phase). Repsol thus becomes the first international company to conduct such a test in Mexico's deep waters.

Sustainability performance	2021	2020
Number of employees	855	945
% of women	32	33
% of women in leadership positions	6	24
Oil spills reaching the environment (t)[1]	1.69	10.27
CO2e emissions (Mt) (Scope 1 + 2)[2][3]	1.4	1.7
TRIR	1.30	1.05
No. of Tier 1 process incidents	—	2
No. of Tier 2 process incidents	2	8
Voluntary social investment (thousands of €)	441	1,103

[1] Oil spills of more than one barrel to have reached the environment.
[2] The data published in the 2020 Integrated Management Report has been updated to include the Eagle Ford (USA) asset.
[3] The Company's direct and indirect emissions (Scope 1 and Scope 2) will be subject to additional verification according to EU-ETS and international standard ISO 14064-1. Once verified, the data will be updated in the next edition of the Integrated Management Report.

Operations performance	2021	2020
Net production of liquids (Mbbl)	16	20
Net production of natural gas (bcf)	224	294
Net hydrocarbon production (Mboe)	56	72
Crude oil realization price ($/bbl)	63.5	35.7
Gas realization price ($/boe)	3.5	1.8
Oil production wells	1,852	1,943
Gas production wells	1,975	2,228
Development wells completed:	**19**	**18**
Positives	19	18
Negatives	—	—
Under evaluation	—	—
Completed and ongoing exploration wells[1]:	**2**	**6**
Positives	1	5
Negatives	1	1
Under evaluation	—	—
Ongoing	—	—

(1) Does not include appraisal wells: one completed with a positive result in 2021 and one that was in progress at the end of 2021 and one completed in 2020, also with a positive result

Latin America

New projects in Trinidad and Tobago and Brazil and discovery in Bolivia

Main figures	2021	2020
Net developed acreage (Km^2)	704	704
Net undeveloped acreage (Km^2)	28,500	30,805
Net development acreage (Km^2)	4,531	4,528
Net exploration acreage (Km^2)	24,673	26,981
Net proven reserves (Mboe)	941	1,056

Countries	Main assets[1]	% Repsol	P/D/E [2]	L/G [2]	Description
Trinidad and Tobago	BP TT	30.00%	P	L-G	Columbus offshore basin
Brazil	BM-S-9 (Sapinhoá)	15.00%	P	L-G	Ultra-deep waters in the pre-salt of the Santos basin
Brazil	BM-S-9A (Lapa)	15.00%	P / D	L	Ultra-deep waters in the pre-salt of the Santos basin
Brazil	BM-S-50 (Sagitario)	12.00%	E	L-G	Ultra-deep waters in the pre-salt of the Santos basin
Brazil	BM-C-33 (C-M-539)	21.00%	D	L-G	Ultra-deep waters in the pre-salt of the Campos basin
Brazil	Albacora Leste	6.00%	P	L-G	Deep Waters in the Campos Basin
Bolivia	Margarita - Huacaya (Caipipendi)	37.50%	P	L-G	Southern Sub-Andean Basin to the south of the country
Bolivia	Sábalo	24.17%	P	L-G	Southern Sub-Andean Basin to the south of the country
Bolivia	San Alberto	24.17%	P	L-G	Southern Sub-Andean Basin to the south of the country
Colombia	CPO-9 Akacias	45.00%	P / D	L	Llanos basin in the center of the country
Colombia	Cravo Norte	5.63%	P	L	Llanos Basin next to the border with Venezuela
Peru	Camisea (Bloques 56 y 88)	10.00%	P	L-G	Ucayali basin, in the Andean region
Peru	Bloque 57 (Kinteroni & Sagari)	53.84%	P / D	L-G	Madre de Dios basin (Andean region)

(1) Further information in Appendix Ic of the consolidated financial statements
(2) P: Production / D: Development / E: Exploration / L: Liquids / G: Gas

Main events of the period

- **Trinidad and Tobago: Start-up of a new project.**

In September, the Matapal project achieved safe start-up of gas production. The project consists of three wells connected to Juniper's existing platform, thus helping to minimize development costs and the associated carbon footprint. It is located approximately 80 km off the southeast coast of Trinidad and approximately 8 km east of Juniper, at a depth of 163 meters. Matapal will deliver gas to the Trinidad and Tobago market from resources discovered by the Savannah exploration well drilled in 2017. Initial production from this development is expected to be between 250-350 Mscf/d, once all wells are producing at full capacity.

- **Brazil: Approved development concept at BM-C-33 and new CO_2 capture technology.**

In March, Repsol and its partners Equinor and Petrobras approved the Development Concept for the BM-C-33 block, a gas and condensate field located within the Campos basin in Brazil's pre-salt layer.

In May, Repsol embarked on a project to develop CO_2 capture

24,673 km² net acreage

941 Mboe reserves net proven

97 Mboe net production

technologies for the production of green hydrocarbons and chemicals (environmentally friendly diesel and gasoline, or even special kerosene waxes) through industrial processes that do not emit greenhouse gases.

- Bolivia: Discovery at Caipipendi and improved performance at Margarita.

In January 2021, the first production tests run by the Boicobo Sur X1 exploratory well (located in the Luis Calvo province of the department of Chuquisaca) confirmed the finding of new gas volumes at the Caipipendi contract area. The discovery is tentatively estimated as being around 1 TCF (trillion cubic feet) of reserves and prospective resources. Repsol is the operator of the Caipipendi contract area with a 37.5% stake, in partnership with Shell, Pan American Energy and Yacimientos Petrolíferos Fiscales Bolivianos.

In April and May, the Margarita block announced the commissioning of a new water treatment plant capable of processing 6,800 barrels of water per day and a new compression plant, which has helped increase recoverable reserves and gas deliveries to the market.

- Peru: Return of block 103.

In February, Repsol returned exploratory block 103, at which operations had been suspended due to a force majeure event declared in 2008.

- Venezuela: Complex environment.

Political instability and economic recession continued to be a threat, and new international sanctions were adopted. For further information, see Note 21.3 to the 2021 consolidated Financial Statements.

- Ecuador: Authorization to sell production blocks.

In November, the government of Ecuador authorized the sale of Repsol's 35% operating interest in heavy oil blocks 16 and 67 located in Orellana province (31% to Taiwan's state-owned CPC and 34% to Chinese state-owned Sinochem and Sinopec) to New Stratus Energy. The blocks currently produce a total of 15,800 bbls/d of 15° API crude oil. These assets are classified as held for sale in the Group's Financial Statements (see Note 16 to the consolidated Financial Statements for 2021) and in January 2022 the operation was completed, thus marking an end to Repsol's production activity in the country.

Sustainability performance	2021	2020
Number of employees	976	1,028
% of women	26	25
% of women in leadership positions	25	23
Oil spills reaching the environment (t) (1)	3.66	—
CO_2e emissions (Mt) (Scopes 1 + 2) (2)	0.7	0.8
TRIR	0.28	1.80
No. of Tier 1 process incidents	1	—
No. of Tier 2 process incidents	1	2
Voluntary social investment (thousands of €)	3,939	3,168

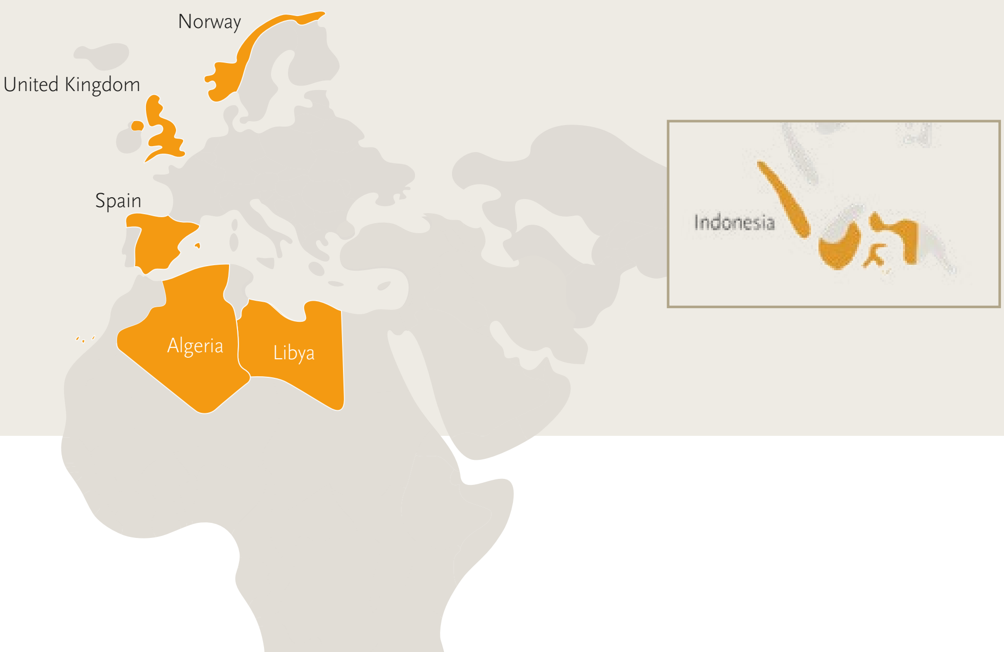
(1) Oil spills of more than one barrel to have reached the environment.
(2) The Company's direct and indirect emissions (Scope 1 and Scope 2) will be subject to additional verification according to EU-ETS and international standard ISO 14064-1. Once verified, the data will be updated in the next edition of the Integrated Management Report.

Operations performance	2021	2020
Net production of liquids (Mbbl)	29	30
Net production of natural gas (bcf)	382	440
Net hydrocarbon production (Mboe)	97	108
Crude oil realization price ($/bbl)	58.1	36.0
Gas realization price ($/boe)	3.8	1.9
Oil production wells	717	741
Gas production wells	207	207
Development wells completed:	**15**	**17**
Positives	12	15
Negatives	—	1
Under evaluation	3	1
Completed and ongoing exploration wells (1):	**2**	**2**
Positives	1	1
Negatives	—	—
Under evaluation	—	—
In progress	1	1

(1) Does not include appraisal wells: No activity in 2021 and one in 2020 under appraisal.

Europe, Africa and rest of the world

Start of production at Yme and dynamic management of the asset portfolio



Main figures	Europe		Africa		Rest of the world	
	2021	2020	2021	2020	2021	2020
Net developed acreage (Km²)	499	594	763	1,095	1,553	1,738
Net undeveloped acreage (Km²)	4,773	11,922	4,696	8,355	52,160	87,116
Net development acreage (Km²)	1,092	1,841	2,326	2,605	1,983	2,362
Net exploration acreage (Km²)	4,180	10,675	3,132	6,845	51,730	86,492
Net proven reserves (Mboe)	69	81	124	141	67	82

Countries	Main assets(1)	% Repsol	P/D/E(2)	L/G(2)	Description
Norway	Operated assets (Varg, Yme, etc.)	Average 65.58%	P	L-G	Offshore assets located in the North Sea to the south of the country
Norway	Non-operated assets (Visund, Gudren, Mikkel, etc.)	Average 24.61%	P	L-G	Offshore assets located in the North Sea to the south of the country
United Kingdom	RSRUK operated assets (Beatrice, Claymore, Orion, Piper, etc.)	Average 40.37%	P	L-G	Offshore assets located mainly in the Central North Sea basin
United Kingdom	RSRUK non-operated assets (Balmoral, Cawdor, etc.)	Average 4.37%	P	L-G	Offshore assets located mainly in the Central North Sea basin
Algeria	Reggane Nord	29.25%	P / D	G	Gas assets in the center of the country in the Reggane basin
Algeria	Greater MLN/ Menzel Ledjmet Sud-Est	35.00%	P	L	Assets located in the Ghadames/Berkine basin, east of the country
Libya	NC-115	20.00%	P	L	Asset located in the Murzuk basin in the southwest of the country
Libya	NC-186	16.00%	P	L	Asset located in the Murzuk basin in the southwest of the country
Indonesia	Corridor	36.00%	P	L-G	Onshore asset in the South Sumatra basin
Indonesia	Sakakemang	45.00%	E	G	Onshore asset operated in the South Sumatra basin

(1) Further information in Appendix Ic of the consolidated financial statements
(2) P: Production / D: Development / E: Exploration / L: Liquids / G: Gas

Europe	**4,180** km² net acreage	**69** Mboe net proven reserves	**16** Mboe net production
Africa	**3,132** km² net acreage	**124** Mboe net proven reserves	**20** Mboe net production

Sustainability performance	Europe		Africa		Rest of the world	
	2021	2020	2021	2020	2021	2020
Number of employees	694	736	107	112	454	532
% of women	32	32	13	15	33	34
% of women in leadership positions	28	27	—	3	26	21
Oil spills reaching the environment (t)[1]	—	—	—	—	—	—
CO2e emissions (Mt) (Scopes 1 + 2) [2]	0.06	0.02	—	—	5.3	7.4
TRIR	1.46	2.73	—	—	0.55	0.73
No. of Tier 1 process incidents	—	—	—	—	—	—
No. of Tier 2 process incidents	—	—	—	—	2	3
Voluntary social investment (thousands of €)	418	323	1,720	1,176	331	550

[1] Oil spills of more than one barrel to have reached the environment.
[2] The Company's direct and indirect emissions (Scope 1 and Scope 2) will undergo additional verification in accordance with EU-ETS and international standard ISO 14064-1. Once verified, the data will be updated in the following edition of the Integrated Management Report.

Operations performance	Europe		Africa		Rest of the world	
	2021	2020	2021	2020	2021	2020
Net production of liquids (Mbbl)	10	14	15	7	5	9
Net production of natural gas (bcf)	30	29	26	34	87	90
Net hydrocarbon production (Mboe)	16	19	20	13	20	25
Crude oil realization price ($/bbl)	70.1	41.0	67.9	41.7	64.6	38.8
Gas realization price ($/boe)	16.5	3.0	4.3	3.5	7.2	5.3
Oil production wells	187	230	377	387	84	669
Gas production wells	15	11	22	93	62	61
Development wells completed:	**9**	**4**	**—**	**6**	**4**	**13**
Positives	8	4	—	6	3	12
Negatives	—	—	—	—	—	1
Under evaluation	1	—	—	—	1	—
Completed and ongoing exploration wells [1]:	**1**	**—**	**—**	**—**	**—**	**—**
Positives	—	—	—	—	—	—
Negatives	1	—	—	—	—	—
Under evaluation	—	—	—	—	—	—
In progress	—	—	—	—	—	—

(1) Europe: Does not include appraisal wells: No activity in 2021 or 2020.
Africa: Does not include appraisal wells: No activity in 2021 or 2020.
Rest of the world: Does not include appraisal wells: one with a positive result ending in 2021 that was in progress as at 12.31.2020.

Main events of the period:

- Norway: YME production start-up

In January, the Mærsk Inspirer mobile offshore drilling and production unit was successfully installed at the YME field. In May, Repsol agreed with Maersk Drilling to take over the operation of the platform, thus generating further operational and contractual synergies for the YME license. In October, the YME field in the Egersund basin (approximately 130 km offshore) began producing oil. YME is a brownfield development, which involves both the reuse of existing facilities and infrastructure and the design and construction of new installations. Repsol has therefore relied on technology and innovation to successfully turn a decommissioning project into a productive asset that will generate employment and value for society for many years to come.

In December, Repsol's 33.84% stake in the Brage field was sold to Singapore-based company Lime Petroleum. There are five licenses involved in the operation (PL 053B, PL 055, PL 055B, PL 055D and PL 185), all of which expire in April 2030.

- Libya: Stable production throughout the year

Following the joint ceasefire declaration agreed between the officially established UN-backed Government of Tripoli (GNA) and the Libyan National Army (LNA), with the endorsement of the international community in September 2020, production was resumed on October 11, 2020. Production continued without interruption throughout 2021 at the El Sharara Field until December 20, when it had to be halted due to further security concerns. Production was subsequently resumed on January 10, 2022. For more information, see Note 21.3 to the 2021 consolidated Financial Statements.

- Spain: Cessation of hydrocarbon production and start of geothermal activity

In January, Repsol informed the Ministry for the Ecological Transition and the Demographic Challenge that it was withdrawing from four oil wells: Casablanca-11, Casablanca-12 and Rodaballo-1 at the Casablanca platform off the coast of Tarragona and at Albatros off the coast of Vizcaya.

In June, Cessation of Production (CoP) went ahead at the Casablanca platform in Tarragona following 40 years of operation.

In November, Repsol secured the exploration permit titled "GC-01 Lisa" for the search of geothermal resources on the island of Gran Canaria. This is the first permit obtained by Repsol to search for geothermal resources and is therefore an important step in the company's strategy to lead energy transition.

- Algeria: Transfer of TFT stake complete

In June, Repsol completed the transfer of its stake in the Tin Fouyet Tabenkor (TFT) production asset. Repsol had held a 22.62% stake in the gas and liquefied petroleum gas (LPG) producing asset.

- Indonesia: Authorization to start phase I field development in Sumatra, with a positive result at one delineation well

In January, Repsol received clearance from local regulator SSK Migas to proceed with phase I development of the Kali Berau Dalam field at the Sakakemang block in South Sumatra. The aim under Phase I of the development plan is to produce gas reserves in the order of 445.10 billion cubic feet (BCF).

In April, the Kali Berau Dalam-3X appraisal well at the Sakakemang block was completed with positive results.

- Malaysia and Vietnam: Exit process from both countries

In June, Repsol agreed to sell its interests at the PM3 CAA, Kinabalu, PM305/314 assets in Malaysia and block 46 CN in Vietnam (an asset connected to the PM3 CAA production facilities) to a subsidiary of Hibiscus Petroleum, a listed company based in Kuala Lumpur. This sale became effective in January 2022, resulting in Repsol's effective exit from Malaysia. Meanwhile, Repsol sold blocks 15/02 and 16/1 in Vietnam to Hibiscus Petroleum in December. Lastly, Repsol has agreed — pending official ratification at the date of formulation of this Management Report — to transfer its interest in exploratory blocks 133, 134 and 156-159 to PetroVietnam, which will mark Repsol's effective exit from Vietnam in 2022.

- Russia: Withdrawal from the country

In May, Repsol sold its 49% WI in AR Oil & Gas (AROG), its joint venture with Alliance Oil (51%), thus marking an end to Repsol's oil production activity in Russia. AR Oil & Gas (AROG) is the owner of Saneco and Tatneftteotdacha, two small producers with oil assets in the Samara region and the Republic of Tatarstan. In January 2022 it sold its stake in exploratory activities through its partnership with Gazprom Neft, thus officially ending its presence in the country.

- Other: Cessation of exploration activity and exit from Greece, Bulgaria, Morocco and Ireland

In Greece, Repsol completed its exit from the country after giving up the Aitoloakarnania block in March, selling its 60% W.I. stake in the Ioannina block to Energean and in October and selling its 50% W.I. stake in the Ionian block to Hellenic in January of 2022. In Morocco, Repsol returned the Tanfit I-VI exploration concession at the Missour Basin, where it was the operator and held a 37.5% W.I., thus ending its presence in the country. In Bulgaria, the contract for the exploration and eventual exploitation of Block 1-14 Khan-Kubrat in Bulgaria was terminated in July, marking Repsol's effective exit from this country. In Ireland the regulator approved Repsol's exit from the FEL 3/04 (Dunquin) license, thus ending Repsol's presence in that country.

5.2 Industrial

1,013 kbbl/d
refining capacity

9,784
employees

Our activities

- **Refining:** production of fuel, sustainable biofuels and carbon-neutral materials.
- **Chemicals:** production and marketing of a wide range of products. Includes basic and derivative petrochemicals.
- **Trading:** transport and supply of crude oil, gas and products to the refining system, marketing of crude oil, products outside the proprietary system.
- **Wholesale and gas trading:** LNG/natural gas supply and trading, including LNG regasification and marketing to customers in North America and Spain.

Main operating figures	2021	2020
Refining capacity (kbbl/d)	**1,013**	**1,013**
Europe	896	896
Rest of the world	117	117
Conversion rate in Spain (%)	**63**	**63**
Conversion utilization Spanish Refining (%)	**83**	**86**
Distillation utilization Spanish Refining (%)	**76**	**74**
Crude oil processed (millions of t)	**38.1**	**35.9**
Europe	34.0	33.1
Rest of the world	4.1	2.8
Refining margin indicator ($/Bbl)		
Spain	2.4	2.2
Peru	6.3	2.7
Petrochemical production capacity (kt)		
Basic petrochemicals	2,656	2,603
Petrochemical derivatives	2,243	2,235
Sales of petrochemical products (kt)	**2,819**	**2,729**
Gas sales in North America (Tbtu)	**736**	**717**

Our performance in 2021

Million euros	2021	2020	Δ
Operating income	792	369	423
Income tax	(197)	(74)	(123)
Investees and noncontrolling interests	11	2	9
Adjusted Net Income	**606**	**297**	**309**
Inventory effect	746	(961)	1,707
Special Items	(300)	(22)	(278)
Net income	**1,052**	**(686)**	**1,738**
Effective tax rate (%)	(25)	(20)	(5)
EBITDA	**2,654**	**(161)**	**2,815**
Investments	**859**	**565**	**294**

Sustainability performance	2021	2020
No. of employees	9,784	9,882
% of women	30	30
% of women in leadership positions	29	27

Main events of the period

The COVID-19 pandemic continued to generate disruption throughout the year and impacted global demand and the Refining margin. However, throughout the second half of the year we witnessed a smooth and gradual recovery in demand and margins thanks to the progress made toward vaccinating population and the recovery of mobility. Against this backdrop, industrial businesses have adapted their production, logistics and commercial schemes to the changing situation, thus managing to maintain levels of utilization of industrial complexes above international averages and having experienced record high international margins in Chemicals. The slump in demand has also meant a decrease in Trading activity (chartered vessels and time-charter voyages), while Wholesale and Gas Trading has been affected by unprecedented levels of volatility as gas prices continue to rise, especially in Europe, though also North America.

Further highlights include the progress made toward decarbonization. Here, Repsol has announced that investments will be made at the industrial complexes of Tarragona, A Coruña and Puertollano for circular economy projects; in Cartagena for the construction of an advanced biofuels plant; and in Sines (Portugal) for the construction of two plants for 100% recyclable polymeric materials. Repsol is also promoting various consortiums to develop renewable hydrogen across the Iberian Peninsula.

2021-2025 Strategic Plan

	Refining	Chemicals	Trading
Returns Cash generation in a complex environment	• Net cash margin in the first quarter Solomon and Wood Mackenzie • **Preferred position** • Improved **competitiveness** and **operating performance**	• **Differentiation** with high value products • **Growth** in new opportunities • **Flexibility** in raw materials 60% of liquefied petroleum gas in crackers vs. 25% average for the European Union	• **Maximizing integration** and value of assets • **Growth** in **key products and markets**
Digitalization Industry 4.0. with a boost to integration and improved decision making	• **Optimization** of units through **automation** and the use of real-time data • **Improved asset availability** to maximize performance and optimize maintenance costs (-5% by 2025) • **Integration of supply chain management** through planning models based on artificial intelligence and machine learning • Use of **smart energy optimizers** to reduce consumption and greenhouse gas emissions (-0.1 Mt CO_2)		
New platforms	• Leadership in new **low-carbon businesses** (hydrogen, waste revaluation, etc.).	• **Circular economy platforms** (recycling and chemicals from waste)	• **Growth in low-carbon business** (biogas/biofuels, CO_2, etc.)

5.2.1. Refining

2.40$/bbl
refining margin indicator in Spain

Main assets

The Repsol Group owns and operates 6 refineries: 5 in Spain (Cartagena, A Coruña, Bilbao, Puertollano and Tarragona), with a total distillation capacity of 896 thousand barrels of oil/day (including the stake in Asfaltos Españoles S.A. in Tarragona), and one in Peru, where it owns a 99.2% stake, with an installed capacity of 117 thousand barrels of oil per day.

	Primary distillation	Conversion rate [2]	Lubricants
Refining capacity	**Thousands of bbl/d)**	**(%)**	**(Thousands of t/d)**
Cartagena	220	76	155
A Coruña	120	66	—
Puertollano	150	66	110
Tarragona[1]	186	44	—
Bilbao	220	63	—
Repsol Total (Spain)	**896**	**63**	**265**
La Pampilla (Peru)	117	24	—
TOTAL	**1,013**	**59**	**265**

(1) Includes 50% of the capacity of Asfaltos Españoles S.A. (ASESA), a company 50% owned by Repsol and CEPSA.
(2) Ratio of equivalent Fluid Catalytic Cracking ("FCC") capacity to primary distillation capacity.

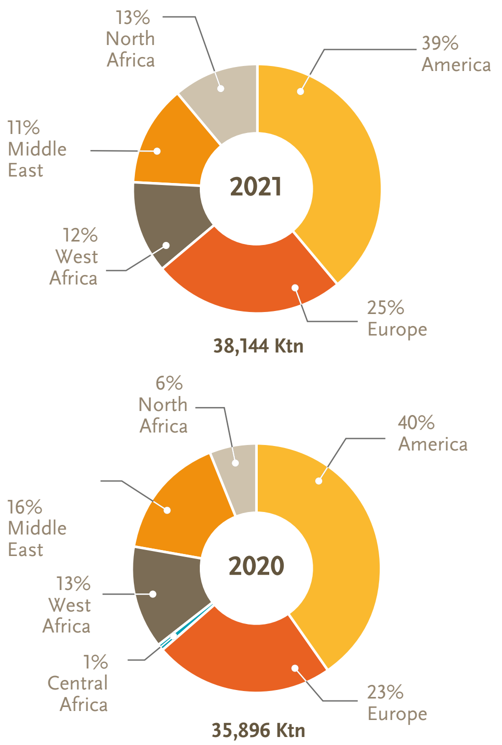
Performance: activity recovery and development of leading decarbonization projects.

During the COVID-19 crisis, utilization of the refining system has fallen short of the levels reported in 2019 but is above not only the 2020 level, but also the world and European average, thus illustrating its competitive strength.

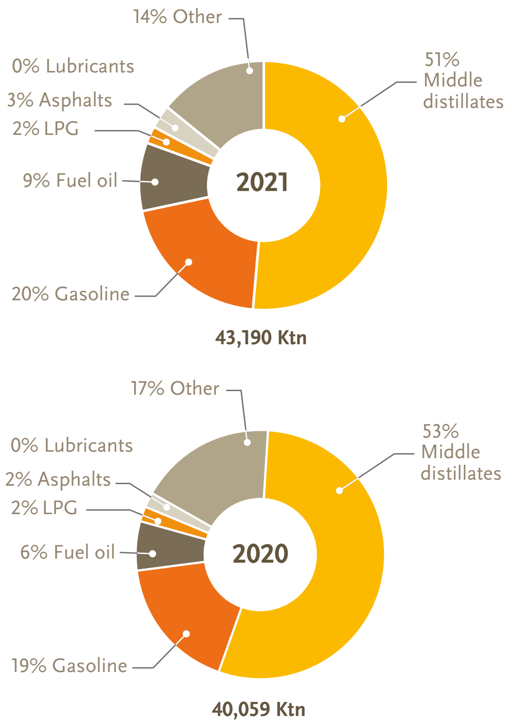
During the year, the refineries proved they were able to adapt their production scheme to the needs of the market and showed considerable flexibility in terms of both logistics and storage, thus allowing for the continuous supply of essential products and enabling Repsol to temporarily shut down certain units at the industrial complexes (mainly crude distillation units), while continuing to run those processes that generate higher margins, such as the deep conversion units (hydrocrackers and cokers). Repsol has filed Temporary Labor Force Adjustment Plans (ERTE) on the grounds of production at the industrial complexes of Bilbao, Puertollano and Coruña as a result of the drop in demand for oil products. The plans could be ended during the third quarter as demand recovered.

In this international context of slow recovery and weak demand, the refining margin indicator in Spain in 2021 stood at 2.4 dollars per barrel, slightly higher than in 2020 (5.0 dollars in 2019).

Source of crude oil processed



Refining production



Meanwhile, average utilization of distillation was 76% in Spain compared to 74% in the previous year (88% in 2019).

As for Peru, the refining margin indicator stood at 6.3 dollars per barrel, up from 2.7 dollars per barrel in 2020 as a result of efficiencies in crude purchases, low sulfur fuel oil production and pricing mechanisms in the country. The level of distillation was also higher than in 2020, climbing from 65% to 96% in 2021 (above 2019 levels).

The Group's refineries in Spain processed 34 million metric tons of crude oil during the period, up 3% on the volume processed in 2020.

Activity recovery and new decarbonization projects

The Group's industrial complexes are continuing to launch a number of significant investment and industrial projects to demonstrate how decarbonization, approached from a technology-neutral perspective, can guarantee the future and profitability of these facilities while ensuring employment and promoting wealth for local communities. Repsol has announced the development in Spain of several significant ***projects*** aimed at reducing greenhouse gas emissions and achieving the goal of becoming a company with zero net emissions by 2050:

- Calípolis was unveiled during the period, comprising a total of 11 projects in a bid to secure 259.5 million euros in European funding. It is promoted by the Port of Tarragona, the local council of Vila-seca and Repsol. The initiatives presented include the extension of the port facilities in Tarragona and the elimination of the current single-berth, located in the open sea, by making it possible to berth large vessels on its jetty. The estimated investment, over a period of four to six years, is estimated at 1.4 billion euros in energy transition projects at the Tarragona refinery.
- Petronor and engineering company Sener signed a memorandum of understanding to begin the feasibility study for the first electrolyzer factory in Spain, with an investment of 120 million euros. Phase one of the project could be up and running by the end of 2022. The initiative is part of one of the 34 projects planned for the Basque Hydrogen Corridor (BH2C), which is a product of Repsol's strategic decision to invest in the Basque Country in projects to advance toward the energy transition. It will lead to a reduction of more than 1.5 Mt/year of CO_2. Repsol is also promoting, alongside other companies, the Hydrogen Valley of Catalonia (H2Va-lleyCat) and the Green Hydrogen Valley of the Region of Murcia.
- The first three batches of biojet in Spain have now been produced at the Puertollano, Tarragona and

Bilbao refineries. In Puertollano and Tarragona the biojet was produced from sustainable biomass, while in Bilbao it was the first batch in Spain to be generated from waste and has resulted in a reduction of 1.4 metric tons of CO_2 emissions into the atmosphere.

- The A Coruña refinery has now processed the first batch of frying oil for the production of sustainable HVO, thus joining the Bilbao and Puertollano refineries in being able to process this type of raw material.

Repsol also completed construction of the new Polymer Grade Propylene (PGP) plant at the A Coruña refinery, which will increase propylene production at the refinery and raise its quality to polymer grade, from which polypropylene will be obtained for subsequent use in sanitary materials, stationery, the textile industry, containers and packaging, among other applications.

(Thousand metric tons)

Processed raw material	2021	2020
Crude oil	38,144	35,896
Other raw materials	7,980	7,386
TOTAL	**46,124**	**43,282**

Sustainability performance	2021	2020
Oil spills (>1bbl) reaching the environment (t)	0.28	1.53
CO_2e emissions (Mt) (Scopes 1 + 2)[1]	7.8	7.6
TRIR	1.21	1.20
No. of Tier 1 process incidents	1	2
No. of Tier 2 process incidents	1	3
Voluntary social investment (thousands of €)	1,447	1,366

(1) The Company's direct and indirect emissions (Scope 1 and Scope 2) will be subject to additional verification according to EU-ETS and international standard ISO 14064-1. Once verified, the data will be updated in the next edition of the Integrated Management Report.

2,819 Mt
sales of petrochemical products in 2021

5.2.2. Chemicals

Assets

Production at Repsol's Chemicals business is concentrated in three petrochemical complexes, located in Spain (Puertollano, Tarragona) and Portugal (Sines), in which there is a high level of integration between basic chemicals and derived chemicals, as well as with the Group's refining activities in the case of the Spanish complexes. Repsol owns subsidiaries and affiliates through which it operates plants that manufacture polyolefin compounds, synthetic rubber and specialty chemicals, the latter through Dynasol, a 50% alliance with the Mexican group KUO, with plants in Spain, Mexico and China, alongside local partners.

Production capacity	*(Thousand tons)*
Basic petrochemicals	**2,656**
Ethylene	1,222
Propylene	909
Butadiene	185
Benzene	290
Methyl tert-butyl ether / Ethyl tert-butyl ether	50
Derivative petrochemicals	**2,243**
Polyolefins	
Polyethylene(1)	793
Polypropylene	513
Intermediate products	
Propylene oxide, polyols, glycols and styrene monomer	937

(1) Includes ethylene vinyl acetate (EVA) and ethylene butyl acrylate (EBA) copolymers.

Performance: developments in circular economy and wider product differentiation

The Chemicals business performed excellently throughout 2021, driven by solid demand and strong international margins, which reached record highs for the year, especially in the second quarter. In tandem, it continued its commitment to efficient chemistry, with more sustainable, high value-added products focused on the circular economy.

Globally, demand remained at reasonable levels. This circumstance, coupled with supply-side restrictions, meant that plant usage in the year exceeded the level reported a year earlier, which was impacted by the multi-year scheduled shutdown of the Tarragona complex.

In 2021, sales to third parties amounted to 2.8 million metric tons, exceeding the 2020 figure.

Thousand metric tons

Sales by product	2021	2020
Basic petrochemicals	889	817
Derivative petrochemicals [1]	1,930	1,912
Total	**2,819**	**2,729**
Sales by market		
Europe	2,270	2,083
Rest of the world	549	646
Total	**2,819**	**2,729**

(1) Includes ethylene vinyl acetate (EVA) and ethylene butyl acrylate (EBA) copolymers.

In terms of investments, these were mainly aimed at improving and optimizing assets, boosting efficiency, reducing costs, boosting differentiation, widening the product range, and improving quality, safety and environmental standards.

In 2021, in line with the division's focus on innovation, the highlights were:

- Repsol announced the construction of two plants at the Sines Complex, one for linear polyethylene and the other for polypropylene, each able to produce 300,000 metric tons per year and with an estimated total investment of 657 million euros. The new materials to be produced at the plants can be used for highly specialized applications aligned with the energy transition in the pharmaceutical, automotive and food industries. The facilities will be operational in 2025 and will make the Sines Complex one of the most advanced in Europe due to its flexibility, high degree of integration and competitiveness. The Portuguese government considers this investment to be of Potential National Interest.
- Repsol has joined the Ecoplanta project alongside Enerkem and Agbar to build a waste recovery plant in Tarragona with the capacity to convert some 400,000 metric tons of non-recyclable municipal solid waste into 220,000 metric tons of methanol per year, with subsequent transformation into circular plastics or advanced biofuels, thus reducing waste that would otherwise end up in landfill. The project has been shortlisted among more than 300 projects for its contribution to the fight against climate change by the European Innovation Fund (a fund that supports highly innovative technologies and flagship projects in Europe to achieve significant emission reductions).
- Repsol has announced the upcoming construction of the first chemical recycling plant for polyurethane foam in Spain at the Puertollano Complex. The plant will be able to treat some 2,000 metric tons of this waste per year. This is an estimated investment of 12 million euros and is expected to be operational by the end of 2022. In addition, Repsol has reached an exclusive agreement throughout Europe to develop and build recycled flexible polyols with RAMPF Eco Solutions technology.
- An agreement to sell technology licenses has been signed with a Chinese company for the construction of a propylene oxide and styrene monomer co-production plant, as well as two flexible polyols and polymeric plants in Jiangsu province (China).
- Repsol has announced that it has made considerable progress on a project to build a new ultra-high molecular weight polyethylene (UHMWPE) plant in Puertollano. Repsol already has a technology license agreement with DSM to build the first plant on the Iberian Peninsula capable of manufacturing this product, which will have an annual production capacity of 15,000 metric tons. The final decision on the project is expected in 2022.

Sustainability performance	**2021**	**2020**
Oil spills (>1bbl) reaching the environment (t)	—	—
CO2e emissions (Mt) (Scopes 1 + 2)[(1)]	3.4	3.3
TRIR	0.53	1.32
No. of Tier 1 process incidents	1	—
No. of Tier 2 process incidents	—	—
Voluntary social investment (thousands of €)	299	232

(1) The Company's direct and indirect emissions (Scope 1 and Scope 2) will be subject to additional verification according to EU-ETS and international standard ISO 14064-1. Once verified, the data will be updated in the next edition of the Integrated Management Report.

5.2.3. Trading

The main function of Trading is to optimize the supply and marketing of the Group's positions in international markets for crude oil and petroleum products (integrated supply chain) and its activity consists of i) the supply of crude oil and products for Refining systems and other Group needs, ii) the marketing of crude oil and associated products from its own production, iii) the maritime transport of crude oil and derivative products associated with these activities, and iv) the management of crude oil and product hedges in the financial derivative markets.

Performance: decline in activity and technological development

In 2021, a total of 1,413 vessels were chartered (1,518 in 2020) and 397 voyages were made through the fleet in Time Charter (369 in 2020).

In 2021 Repsol remained firmly committed to the technological transition as it focused on improving the management of risks and environmental data related to its activities:

- When it comes to the management of environmental data, technological tools have been identified to monitor greenhouse gas emissions of both the time charter and spot fleets. This will enable Repsol, as a charterer, to monitor the fleet's environmental performance in compliance with new international and European regulations. This this is not a legal

Acquisition of 70% of Gana Energía

requirement, but a voluntary undertaking by the Group to embrace best practices within the industry and make them part of its maritime activity.

- Repsol has reinforced and brought its management systems certifications and ISCC EU standard (biofuel sustainability) in line with the raw material and biofuel traceability and sustainability requirements set out in Directive (EU) 2018/2001 on the promotion of the use of energy from renewable sources.
- To continue with its expansion into new markets and to unlock new business opportunities, Repsol has renewed its certifications in the Italian National System for verifying the sustainability of biofuels and bioliquids and ISCC PLUS in the realm of circular economy. It has also extended the ISCC EU certification of Repsol Trading Singapore to include the new storage facilities in Asia for the generation of waste and raw materials used to manufacture advanced biofuels.

5.2.4. Wholesale and Gas Trading

Assets and operations

At 31 December 2021, the Group had regasification and transport assets in its North American marketing businesses, including the Saint John LNG regasification plant (formerly known as Canaport) and gas pipelines in Canada and the United States. In November, it raised its interest in Saint John LNG from 75% to 100% with the aim of increasing its value by developing new business opportunities and benefiting from greater flexibility that will allow it to unlock synergies with its other assets in North America and its LNG Marketing business.

In the North East United States, where natural gas supply is usually restricted, cold weather scenarios can cause significant spikes in the area's reference prices. The Company's activity in this area focuses on optimizing the margin from the marketing and sale of regasified LNG from Saint John LNG and natural gas acquired on the market. Repsol also markets and trades natural gas in North America from its own production in the United States (Marcellus) and Canada (Alberta), and acquisitions from third parties.

Wholesale and Gas Trading also ensures the efficient supply of the Repsol Group's gas demands and markets and trades gas within the Spanish gas system and in the international liquefied natural gas (LNG) market.

Performance: highly volatile environment and steep gas prices

	2021	2020
LNG regasified (TBtu) at St. John LNG (100%)	23	30
Gas sales in North America (TBtu)	736	717
NG and LNG for supply and marketing in Spain and International (TBtu)	290	303

In 2021, commercial activity in the United States took place amid high price volatility and extreme temperatures during the winter across various parts of the country. The month of February was characterized by prolonged cold weather that affected gas production by freezing facilities while at the same time pushing up demand, leading to record high and extremely volatile gas prices in the North Central, Gulf of Mexico and Western regions. The company's storage capacity management processes enabled it to increase its margins above previous years. Once the winter was over, the slow recovery of natural gas production coupled with an increase in demand for domestic consumption and LNG exports prevented inventories from being replenished across most of the United States and triggered a rebound in gas prices, though not to the extent seen in Europe and Asia. In this environment, the company has been clever in its strategic positioning, enabling it to capture more value than in previous years despite the complex environment.

LNG activity and natural gas marketing and trading in Spain were also impacted by the extreme volatility and gas prices for gas and LNG across all markets, especially in Spain and Europe. Notably, the efforts made in Spain during Storm Filomena meant that Repsol could continue running its business without affecting supplies. Long-term contracts and sound management of optimizations allowed the Group to ensure the supply of gas and offer a gas price that is both competitive and stable when compared to the market. The optimization of the gas and LNG portfolio has been carried out through swap operations with third parties, along with logistic optimizations and trading in the gas system. The unit also heavily increased its presence in the international LNG market, where transactions were up thanks to a broader base of customers and destinations. In this year, Repsol has begun commercializing biogas and has carried out the first bunkering operation with emissions offsetting, in line with the Company's Strategic Plan of zero net emissions.

5.3 Commercial and Renewables

3,738 MW of installed power

generation capacity

Our activities

- **Mobility:** marketing and sales of oil and other products at service stations and directly (Direct Sales), offering a differentiated value to industries such as shipping, heavy industries and end consumers.
- **Lubricants, aviation, asphalts and specialties:** production and sale of lubricants, bases for lubricants, bitumen for asphalts, jet fuel, extender oils, sulfur, paraffins and propellant gases.
- **LPG:** production, distribution and sale of wholesale and retail liquefied petroleum gases.
- **Retail electricity and gas:** retail supply (residential and businesses) of electricity and gas in Spain.
- **Renewables and low-carbon generation:** low-emission power generation and development of renewable energy generation projects.

Repsol has an attractive and integrated range of products and services that includes cutting-edge digital solutions, 100% low-emission certified electricity, exclusive customer benefits and discounts at our service stations, basic energy management service, LPG supply and the opportunity to have self-consumption facilities installed, such as *Solify* and *Solmatch*, the first large solar community in Spain.

Main events of the period

Activity at the Mobility businesses steadily increased as the markets recovered, albeit with ups and downs in response to successive waves of the pandemic. The Group also sought to develop and expand its network of electric mobility charging stations, reaching more than 550 public charging points by the end of 2021.

The Aviation business began to show signs of recovery toward the middle of the year, following the lifting of mobility restrictions and the progress made towards vaccinating the population. Even so, kerosene sales during 2021 were heavily impacted by the low levels of international traffic resulting from the restrictions. At the Lubricants business, tensions all along the supply chain triggered a record increase in raw material prices, shortages and a crisis within the global shipping industry, thus resulting in tighter profit margins. However, active commercial management enabled us to protect our earnings.

In Electricity and Gas, Repsol made further improvements to its multi-energy range of products and services focused on the customer, with highlights in the period including the acquisition of 70% of Gana Energía and also managed to increase its portfolio (> 1.3 million customers at the end of the period).

Repsol Más Energías was launched in 2021, the first transversal loyalty program to offer promotions and rewards across the entire commercial range of energies and services offered by Repsol, thus providing a global vision of the customer in all its relations with Repsol. In addition, the new portal www.repsol.es has evolved from being a corporate information portal to a commercial channel that responds to the energy needs of users.

Main operating figures	2021	2020
Own marketing sales (kt)	**21,091**	**19,039**
Number of service stations	**4,689**	**4,966**
Europe	3,821	4,122
Rest of the world	868	844
Sales of lubricants, aviation, asphalts and specialized products (kt)	**5,941**	**6,329**
Europe	4,278	5,650
Rest of the world	1,664	679
LPG Sales (kt)	**1,266**	**1,162**
Europe	1,240	1,141
Rest of the world	26	21
Electricity generation capacity (MW)	**3,738**	**3,295**
Electricity generation (GWh)[1]	**5,283**	**5,940**

(1) Does not include electricity generated by cogeneration plants

9,058

employees

Our performance in 2021			
Million euros	**2021**	**2020**	**Δ**
Operating income	761	650	111
Income tax	(188)	(157)	(31)
Investees and non-controlling interests	(31)	(8)	(23)
Adjusted net income	**542**	**485**	**57**
Inventory effect	51	(17)	68
Special items	(7)	(8)	1
Net income	**586**	**460**	**126**
Effective tax rate (%)	(25)	(24)	(1)
EBITDA	**1,219**	**970**	**249**
Operating investment	**829**	**739**	**90**

Sustainability performance	**2021**	**2020**
Number of employees	9,058	8,665
% of women	46	44
% of women in leadership position	28	28

5.3.1. Mobility

Assets

At December 31, 2021, Repsol had 4,689 service stations, with the following geographical distribution:

Country	**No. of points of sale**
Spain	3,313
Portugal	508
Mexico	264
Peru	604
Total	**4,689**

Performance: activity recovery and customer focus.

Repsol's challenge is to continue leading the sector in Spain by offering the very best service to its customers, committing to more sustainable mobility through digitalization and putting the customer at the center of its decisions. The business model has proven to be resilient despite the recovery in demand being affected by mobility restrictions and the general downturn in economic activity in the wake of the pandemic.

At service stations in Spain, fuel sales were up 11% compared to 2020, although still 14% down on 2019, while Direct Sales (gasoline + automotive diesel) were up 9% (6% down on 2019). In international mobility (Portugal, Mexico, among others), service stations and direct sales alike turned in similar performances. The recovery in demand has been coupled with cost optimization measures aimed at higher value-added products.

Additionally, in 2021, the following initiatives are to be highlighted:

- The sale of the fuel business in Italy to Tamoil has now been completed. The transaction includes Repsol's 275 service stations in Italy and the direct fuel sales business in the country.
- Repsol put into operation the first ultra-fast charging station (150 kW) for electric vehicles in Portugal, which provides the most powerful electric vehicles with a range of 250 kilometers in just 15 minutes of charging.
- Construction of more than 300 charging stations, with more than 550 charging stations available to the public at the end of the year. On this point, agreements to further develop the public charging network were reached with both public and private entities.
- The first electric vehicle station to feature energy storage was developed during the period. This type of project simplifies the process of installing 50 KW charging stations in locations that do not have sufficient electrical power or where the investment cost is high.
- A total of 88 Stop&Go franchises were opened to bring the total to 502 stores at the end of the year.
- The acquisition in 2020 of a 100% stake in Klikin, the startup behind Waylet, has enabled Repsol to develop its digital customer growth strategy and consolidate Waylet as the leading mobile payment app, ending 2021 with some three million registered users.
- WiBLE and Cabify signed a collaboration agreement whereby WiBLE services will also be available on the Cabify app as a further sustainable mobility option.

Sustainability performance	**2021**	**2020**
Oil spill (>1bbl) reaching the environment (t)	0.50	2.38
CO_2e emissions (Mt) (Scopes 1 + 2) (1)	0.01	0.02
TRIR	0.49	0.62
% of contracts with human rights, environmental and anti-corruption clauses	100	100
Voluntary social investment (thousands of €)	—	14

(1) The Company's direct and indirect emissions (Scope 1 and Scope 2) will be subject to additional verification according to EU-ETS and international standard ISO 14064-1. Once verified, the data will be updated in the next edition of the Integrated Management Report.

5.3.2. Lubricants, Aviation, Asphalts and Specialized Products

Assets and operations

Production of Lubricants, Asphalts and Specialized Products is mainly concentrated in Spain, although in the case of Lubricants there are two additional manufacturing hubs: Mexico, through the joint venture with Bardahl, which covers the Americas; and Indonesia and Singapore, through the joint venture with United Oil, which covers Southeast Asia. Both cover areas where the lubricants market is expected to grow the most on average over the coming years. The commercial division has a strong international component, with deliveries in more than 90 countries around the world.

Repsol markets and sells aviation fuel in various locations, most notably in Spain, Portugal and Peru.

Performance: new products ranges and recovery at Aviation

Sales of Aviation fuels started to recover in the second half of the year and were around 43% below the 2019 level at the end of the year. At Lubricants, Asphalts and Specialized Products, tensions all along the supply chain led to a unprecedented increase in raw material prices, shortages and the global shipping crisis, all resulting in tighter margins. However, active commercial management managed to counter this and protect the Group's earnings.

Sales in the period by geographical destination are presented below.

Gradual lifting of mobility restrictions and increase in activity

Thousand metric tons

Country	Lubricants	Asphalts	Specialized products(1)	Aviation	Total 2021	Total 2020
Spain	66	396	1,205	1,304	2,971	5,095
Europe	32	205	842	226	1,305	555
Africa	2	—	1,049	—	1,051	320
Americas	56	—	28	360	444	287
Asia and Oceania	57	13	99	—	169	72
TOTAL	**213**	**614**	**3,223**	**1,890**	**5,941**	**6,329**

(1) Includes mainly lubricant base, extensor oils, sulfur, paraffin and propellant gases

Further highlights of 2021 included:

- The new range of lubricants to be produced at the Puertollano, Singapore, Indonesia and Mexico plants was launched on the market.
- Repsol launched EV-FLUIDS, a new range of lubricants exclusively for electric vehicles and motorbikes, thus cementing its leadership in lubricants in the Iberian Peninsula.
- Collaboration agreements were signed with Iberia and Vueling to further strengthen the role of the three companies as key players in the energy transition, by establishing a general framework for collaboration to help decarbonize the aviation sector.

Sustainability performance	2021	2020
Spilled hydrocarbons (>1bbl) to have reached the environment (t)	—	—
CO_2e emissions (Mt) (Scopes 1 + 2) (1)	0.01	0.01
TRIR	0.42	0.89
No. of Tier 1 process incidents	—	—
No. of Tier 2 process incidents	—	—
% of contracts with human rights, environmental and anti-corruption clauses	100	100

(1) The Company's direct and indirect emissions (Scope 1 and Scope 2) will be subject to additional verification according to EU-ETS and international standard ISO 14064-1. Once verified, the data will be updated in the next edition of the Integrated Management Report.

LPG Recovering sales at Aviation

New product ranges
Increase in LPG sales +9%

5.3.3 LGP

Assets and operations

Repsol is the leading retail distribution company of LPG[1] in Spain. It is also one of the leading companies in Portugal (third largest operator) and has been operating in the French market since 2019.

Thousand metric tons

LPG sales volume by geographical area	2021	2020
Europe	**1,240**	**1,141**
Spain	1,149	1,053
Portugal	90	88
France	1	—
Latin America	**26**	**21**
Peru	26	21
TOTAL	**1,266**	**1,162**

In Spain, Repsol distributes bottled LPG, bulk LPG and AutoGas, with around four million active customers, and it also supplies other operators. In Portugal, Repsol distributes bottled LPG, bulk LPG and AutoGas to the end consumer and also supplies other operators. In Peru, it supplies AutoGas.

3.5% retail market share for electricity and gas in Spain

Thousand metric tons

LPG sales volume by product	2021	2020
Bottled	645	625
Bulk, piped and others [1]	621	537
TOTAL	**1,266**	**1,162**

(1) Includes AutoGas sales, LPG operations and other.

Performance: digitalization and alternative solutions for the energy transition

LPG is a viable alternative for making immediate progress toward decarbonization objectives, without losing competitiveness in the process and paying due regard to the different geographic and demographic realities that exist throughout the world. As the recovery takes hold —with sales up 9%— Repsol has continued to focus on the development of digital tools that allow for greater personalization of products and services and enables the company to deploy a customer-centric strategy. Highlights in 2021:

Increase in gas volume marketed +22%

1 In Spain, prices continue to be regulated for piped LPG and LPG bottles of between 8 and 20 kg with a tare weight above 9 kg, excluding bottled mixtures for using LPG as fuel. For further information on the applicable legal framework in Spain, *see Appendix IV of the 2021 consolidated Financial Statements.*

- P15Y marking on I350 cylinders began at the Algeciras factory and at approved workshops. The marking increases the useful life of the products by a further five years.
- Repsol sold the last 4,230 piped propane supply points to Redexis. This deal follows the agreement reached in 2015, through which Redexis acquired 70,000 points.
- Repsol launched the new QueroGás platform, which allows orders to be placed for Repsol Gas cylinders in Portugal.

Sustainability performance	2021	2020
Oil spills (>1bbl) reaching the environment (t)	—	—
CO_2e emissions (Mt) (Scopes 1 + 2) [1]	0.004	0.005
TRIR	2.72	1.86
No. of Tier 1 process incidents	—	1
No. of Tier 2 process incidents	—	—
% of contracts with human rights, environmental and anti-corruption clauses	100	100

(1) The Company's direct and indirect emissions (Scope 1 and Scope 2) will be subject to additional verification according to EU-ETS and international standard ISO 14064-1. Once verified, the data will be updated in the next edition of the Integrated Management Report.

5.3.4. Retail Electricity and Gas

Following the recent strategic reorientation, the commercialization of gas and electricity has been integrated into the multi-energy offer of a customer-centric business. Repsol sells electricity and gas in the retail sector with a base of more than 1.3 million customers (15% more than in 2020, to reach a total market share of 3.5%) throughout all of Spain.

Performance: new digital projects and strategic agreements

The performance of the business in 2021 was shaped by an exceedingly complex market environment, which saw energy prices reach unprecedented highs. The total volume marketed amounted to 3,964 GWh of electricity (3,911 GWh in 2020) and 1,586 GWh of gas (1,298 GWh in 2020).

Notable milestones in 2021:

- Repsol secured the highest level of assurance —the A label— for the second straight year, for its environmentally friendly sourcing of the electricity it supplies, according to the National Markets and Competition Commission (CNMC). Repsol is the only major retail marketer in Spain, in terms of customers supplied, that guarantees 100% renewable electricity.
- Repsol acquired a 70% stake of electricity and gas retail supplier Gana Energía, founded in 2015

in Valencia, which operates online and offers 100% renewable energy. At the time of the acquisition, the company had approximately 36 thousand customers, 55 employees and turnover of 25 million euros.

- Repsol, together with Krean (Mondragon Corporation), has launched Ekiluz to promote citizen cooperatives for renewable power generation; an initiative that aims to transform the relationship between consumer and energy by getting users genuinely involved and invested in its management. This type of energy community, aligned with European climate regulations, facilitates greater citizen involvement in renewable generation and will enable widespread access to photovoltaic electricity. A dozen projects are already well underway in the Basque Country, Murcia, Andalusia, Valencia, Cantabria and Galicia.
- Repsol launched Vivit, a mobile app for customers in the home that aims to personalize the relationship with our customers through individualized management of energy consumption, thus providing users with simple tools to help them make more efficient use of energy.
- Solmatch had more than 230 active communities by the end of 2021, meaning that more than 18,000 households now have the option to consume 100% renewable electricity. All these solar communities will help cut annual CO2 emissions by more than 2,650 metric tons. Repsol was the winner in the "*Renewable Energy*" category of the Enertic 2020 Awards and in the "Green Generation" category of the Retina Eco Awards.
- Self-consumption was further promoted at the Group's facilities, including the 1.7 MWp project in Techlab (in two phases) and the 600 kWp project in Puertollano. Along similar lines, photovoltaic technology was installed at 127 service stations, covering 30% of their usual electricity consumption, and nearly 2.1 MWp were sold or are in the execution phase at more than 100 installations to customers of other business units. A particular highlight here are the five rooftop self-consumption projects for a total of 1 MWp for the company Nevaluz in Andalusia.
- Repsol continues to make progress in signing multi-energy agreements with its customers, such as with the restaurant Cenador de Amós for the launch of the first solar community in the gastronomy sector; with Huerta Carabaña to convert the restaurant into a sustainable multi-energy project; and with MADBIT in Madrid, to accelerate the decarbonization of this technology district by developing photovoltaic solar energy projects, promoting self-consumption and solar communities and installing electric vehicle charging stations.

New self-consumption and digital projects

5.3.5. Low-carbon generation and renewables

Assets

Repsol is a major player in the Spanish electricity generation market, with a total installed capacity **in operation** of 3,738 MW and capacity under development of 2,323 MW as at December 31, 2021.

INSTALLED CAPACITY - 2021	(MW)
Oviedo – Navia	193
Picos de Europa – Picos	113
Aguilar – Aguayo Aguilar	387
Hydroelectric and pumping plants(1)	**693**
Zaragoza – Escatrón	804
Algeciras – Bahía de Algeciras	821
Combined cycle plants	**1,625**
Cogeneration plants	**600**
Wind(2)	**430**
Solar photovoltaic	**390**
TOTAL generation capacity in operation(3)	**3,738**
Wind projects	1,362
Photovoltaic solar projects	961
TOTAL generation capacity under development (3)	**2,323**

(1) Hydroelectric plants are a renewable and efficient source of electricity and serve to store usable electricity at times when there is a shortfall in other renewable sources.
(2) Includes the capacity pertaining to Repsol's stake in the joint venture with the Ibereólica Renovables Group in Chile.
(3) Does not include the Windfloat Atlantic floating wind farm off the north coast of Portugal, with a total installed capacity of 25 MW (3.4 MW in Repsol's %).

Increase in operating capacity +13%

Repsol has hydroelectric power plants in operation with an installed capacity of 693 MW, located in the north of Spain and offering enormous potential for further organic growth, as it is planned to expand the capacity of the current Aguayo facility located in San Miguel de Aguayo in Cantabria with a second reversible pumping plant (Aguayo II), by leveraging the existing lower and upper reservoirs, with the aim of adding four generation unit of 250 MW each to achieve a total capacity of 1,361 MW.

Furthermore, the division has two gas combined cycle plants, in Algeciras (Cadiz) and Escatrón (Zaragoza), with a combined capacity of 1,625 MW, and cogeneration plants located at the Group's industrial complexes in Tarragona, Santander and

Sale of 49% of Delta I to Pontegadea

Acquisition of 40% of Hecate and Jicarilla 2 in the United States

5,283 GWh electricity production in 2021

Cartagena within its Chemical and Refining activity, with a combined capacity of 600 MW.

Wind power generation capacity in operation amounts to 430 MW, corresponding to the Delta I project, comprising eight wind farms located in Aragon, for a total of 89 wind turbines and 335 megawatts (MW). In Chile, Repsol is part of a joint venture with the Ibereólica Renovables group for the commercial operation of the two phases of the Cabo Leones III wind farm, with a joint capacity of 188 MW (94 MW pertaining to Repsol).

Solar photovoltaic generation capacity amounts to 390 MW, corresponding to the Kappa photovoltaic project, with 127 MW of installed capacity, and the Valdesolar project, with 264 MW, both of which were put into production in 2021.

The wind and solar projects that Repsol is **developing** in Spain include the Pi wind project, which straddles the boundaries of Palencia and Valladolid and will have a total installed capacity of 175 MW; the Sigma solar photovoltaic facility in Cadiz, with 204 MW; and the Delta II project, which will have a total capacity of 865 MW, spread across 26 wind farms located in the three provinces of Aragon (Zaragoza, Huesca and Teruel), of which the first 60 MW have already been fully completed and will be commissioned in early February 2022. In Chile, several projects are being developed, of which Atacama (83 MW in relation to Repsol's interest) is the most advanced. In the United States, the Group is developing a solar photovoltaic project in the state of New Mexico (Jicarilla 2). With 62.5 MW of installed capacity, plant energization is scheduled to begin in February 2022.

Further highlights in 2021:

- boost to ***international expansion*** in the United States with the acquisition of 100% of Jicarilla 2 and 40% of Hecate Energy Group, LLC, a US company specializing in the development of photovoltaic and battery projects for energy storage. Hecate Energy Group has a portfolio of over 40 GW of renewable and storage projects under development. Of this number, 16.8 GW relate to advanced photovoltaic projects and 4.3 GW to battery projects. The vast majority of Hecate Energy Group's assets are located in US electricity markets.
- in line with the ***asset rotation*** strategy, an agreement was reached with the Pontegadea Group in November to sell the 49% stake in the Delta I wind farm (in operation since 2020) located in Zaragoza, with an installed capacity of 335 MW.
- the 2030 installed capacity ***targets*** in relation to renewable electricity generation (hydro, solar and wind) were upgraded to 20 GW, an increase of 60% compared to the previous target. By 2025, installed capacity will increase to 6 GW, up from the 1.5 GW with which Repsol ended the year.
- several long-term **renewable *power purchase agreements*** (PPAs) for the energy produced at our solar and wind facilities were reached with large corporate groups, including those signed with Amazon under the strategic agreement with Amazon Web Services (AWS) and with Microsoft for its operations in Europe (including Spain).

Performance

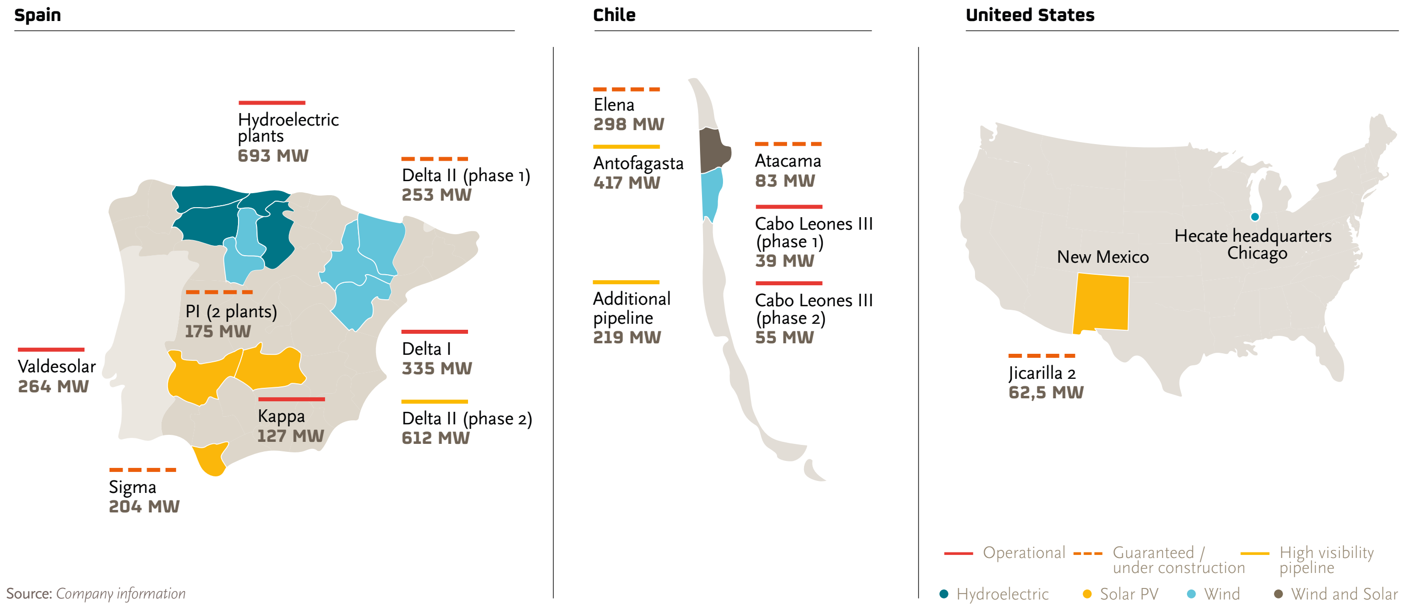
In 2021 electricity production totaled 5,283 GWh, compared with 5,940 GWh in 2020 (excluding generation at the cogeneration plants[2]). The increased contribution made by solar and wind power generation (following the entry into production of Delta I, Kappa and Valdesolar in Spain and Cabo Leones III in Chile) and higher hydro output were not enough to offset the lower output of combined cycle plants amid the negative gas price environment.

Sustainability performance	2021	2020
CO2e emissions (Mt) (Scopes 1 + 2) (1)	1.2	2.0
TRIR	3.21	1.45
Voluntary social investment (thousands of €)	111	1.5

(1) The Company's direct and indirect emissions (Scope 1 and Scope 2) will be subject to additional verification according to EU-ETS and international standard ISO 14064-1. Once verified, the data will be updated in the next edition of the Integrated Management Report.

2 Production at cogeneration plants amounted to 3,995 GWh in 2021.

Geographical position of Repsol Renewables



Source: *Company information*

5.4 COVID-19 impacts and subsequent events

COVID-19: main impacts

The international COVID-19 pandemic unleashed an unprecedented health, social and economic crisis in 2020. The development and mass deployment of vaccines and the positive impact of public policies allowed for a gradual recovery of economic activity that gained momentum throughout 2021. The scale of the recovery has varied significantly across countries, depending on the progress they each make toward vaccinating the population, the effectiveness of support policies and the structural state of each country upon entering the COVID-19 era. Meanwhile, new strains of the virus complicate matters further.

In this context, Repsol's businesses are naturally affected by the impact that the pandemic has had on the general state of the economy (reduced activity, inflation, public financing needs, etc.) and, more specifically, by the reduction in mobility. In 2021, the negative impacts of the pandemic on our business gradually eased, as described below.

At Upstream, the recovery in oil and gas prices —driven by the recovery in demand— has allowed results to return to pre-pandemic levels.

At the Refining industrial businesses, the drop in global demand has prompted the temporary shut-down of refineries across the globe, including Europe. Repsol's refining system in Spain, despite having to lower its distillation utilization rate (76%), managed to maintain reasonable levels of activity by balancing production, sales and storage capacity, albeit at levels well below those of 2019 (around 88%). In spite of all this, Repsol was forced to implement furlough schemes in the first half of the year affecting workers at the industrial complexes in A Coruña, Puertollano and Bilbao. All of these schemes were ended in the third quarter as demand for oil products recovered.

Chemicals margins reached record highs in 2021, driven by an increase in demand coinciding with supply constraints due to scheduled and unscheduled shutdowns in Europe, storm incidents in the United States and logistical constraints.

Turning to the commercial businesses, the divisions most affected by the pandemic were Mobility and Aviation.

In terms of Mobility, the markets had to contend with a third wave of the pandemic in early 2021, along with the effects of Storm Filomena in Spain. Since then, and especially since May 11 (end of the state of alarm), we have witnessed a steady recovery in service station activity to surpass the levels reported in 2020 (+11%), though still below the level achieved in the same period of 2019 (-14%).

Aviation kerosene sales (-43% vs. 2019) have been hit hard, with the aviation sector all but shut down until mid-2021. The lifting of mobility restrictions as well as the progress made toward vaccination plans helped improve sales, especially in the third quarter of the year with the improvement in international traffic. However, in the last quarter of the year with the emergence of the Omicron variant, international traffic once again suffered as the authorities imposed further mobility restrictions.

Sales at the LPG business were up year on year across all sectors, particularly in industry, hospitality and catering, which returned to pre-pandemic levels.

It is hard to predict to what extent and for how long the pandemic will affect Repsol's businesses in future. The reduced global demand for crude oil, gas and oil products in response to the slump in economic activity, especially the mobility restrictions in place, may adversely affect prices and the level of production and sales of our businesses. Meanwhile, the deterioration in global financial conditions may also affect the cost of financing, available liquidity or the solvency of our clients and partners under joint ventures, among other possible impacts. The course of the pandemic, vaccine development and roll-out plans, the containment measures used by the health authorities and the policies put in place to mitigate the social and economic impact of the crisis will all shape the scope and duration of both the crisis and the subsequent recovery.

Key events in 2022

The following key events have taken place so far in 2022, prior to the publication of this report:

- Sales were completed in Malaysia (PM3 CAA, Kinabalu and PM305/314), Vietman (block 46-CN), Ecuador (blocks 16 and 67) and Russia (exploratory assets of the Eurotek-Yugra and ASB Geo joint ventures) at the Upstream segment.
- As a further show of its commitment to transform its industrial business, Repsol has created the SHYNE multi-sector consortium with the participation of 30 Spanish companies (Iberia, Talgo, Enagás, Alsa, Bosch, Scania, among others) to promote the use of renewable hydrogen across all segments of transport. This will be achieved by producing fuels and creating a broad infrastructure of at least 12 hydrogen plants. The project, which aims to reach an installed capacity of 500 megawatts by 2025 and 2,000 megawatts by 2030, will entail an investment of 3.23 billion euros.
- Repsol, as a retail supplier of electricity and gas, has acquired Capital Energy's portfolio of 25,000 residential and SME electricity customers, thus reinforcing its strategy of pursuing a multi-energy customer-centric approach.
- On January 15, an oil spill occurred at the Multiboyas Terminal No. 2 facilities of the Pampilla Refinery while crude oil was being unloaded from the vessel Mare Doricum. The spill has had an impact on populations and the natural environment, as well as on marine species off the Peruvian coast.

  After analyzing the technical information available, it is estimated that the amount of oil spilled is approximately 10,396 barrels, which is being recovered through intensive cleanup of the sea and the affected beaches. Repsol reiterates its pledge to continue mitigating and remediating the effects of the spill, while working with the authorities and the affected communities and disclosing transparent information to the public in the most effective way.

  - For more information on the proceedings being heard by Central Examining Court no. 6 of the Audiencia Nacional in relation to the services arranged with Cenyt, S.A., see Note 32 to the 2021 consolidated Financial Statements.

6. Sustainability[1]

Sustainability model

Repsol's Sustainability Policy, in accordance with its mission to provide energy to society in an efficient and sustainable manner, sets a goal of meeting the growing demand for energy and products, while contributing to sustainable development. Its business practices seek to create both short- and long-term value by maximizing positive impacts and minimizing possible negative impacts on society and the environment across the value chain, achieved through ethical and transparent behavior. This policy is implemented through the Sustainability Model, in line with best practices in ethical, environmental and social matters, and structured into six pillars: climate change, environment, innovation and technology, safe and secure operation, people, and ethics and transparency.

Sustainability objectives, organized into plans, are defined each year around this model. The 2021 Global Sustainability Plan (GSP) sets out 48 medium-term objectives built around the six pillars of the model, includes commitments to move towards net zero emissions and, for the first time, includes cybersecurity and health objectives. These are public commitments that the Company is accountable for year after year, and are in line with the 2030 Agenda of the United Nations and its 17 Sustainable Development Goals (SDGs).

Based on the GSP, Local Sustainability Plans (LSPs) are implemented in countries and operating centers, incorporating annual initiatives that respond to the Company's objectives and the needs of local stakeholders. In 2021, Repsol had a total of 20 local plans in place: 14 across its countries (Algeria, Bolivia, Brazil, Canada, Colombia, Ecuador, United States, Indonesia, Malaysia, Mexico, Norway, Peru, United Kingdom, 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 2,500 initiatives aimed at creating value since 2014, thus maximizing the contribution to the 2030 Agenda and its Sustainable Development Goals.

Further information on the GSP and LSPs can be found at www.repsol.com (Sustainability - Reports, indicators and partnerships - Sustainability plans).

Repsol and the Sustainable Development Goals

Repsol has supported the 2030 Agenda of the United Nations since its approval in 2015 and works to implement it at all its organizational and business levels. Since 2018 the main efforts have been focused on SDGs 7, 8 and 13, due to their relationship with access to energy, contribution to social and economic development and to combat climate change; SDGs 6, 9 and 12, prioritizing innovation, sustainable management and efficient use of resources in its operations; and SDG 17, establishing partnerships with other stakeholders and actively participating in industry associations such as IPIECA[2], OGCI[3], IOGP[4], CONCAWE[5], FUELS EUROPE, CEFIC[6], Global Compact, and EITI[7], etc.

In 2021, as a further show of its commitment to the 2030 Agenda of the United Nations, the Company published its *SDG 2020 Report* for the second year in a row, which includes numerous indicators, projects and testimonials showing its contribution at global and local levels[8].

Aware of the importance of disseminating the 2030 Agenda, Repsol has made *online* training available to its employees and its value chain — through online training pills with a social network format — that allows them to learn about each SDG and the Company's contribution.

An important milestone in 2021 was the publication of the *SDG Roadmap* for the oil and gas sector, developed by IPIECA and the World Business Council for Sustainable Development (WBCSD). 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. Repsol has played a leading role in this publication by steering the working group that drew up the document.

1 Safety, environmental and social data relating to Canaport (100% interest in this asset acquired in November 2021) are not included, as the integration process to make this information available is in progress.

2 International Petroleum Industry Environmental Conservation Association.
3 Oil & Gas Climate Initiative.
4 International Association of Oil and Gas Producers.
5 Association of European Oil Companies for Environment, Health and Safety.
6 European Chemical Industry Council.
7 Extractive Industries Transparency Initiative.
8 The SDG reports are available at www.repsol.com (Sustainability - Sustainability strategy - Our contribution to the SDGs)

Repsol and the Sustainable Development Goals

24,134
employees

38%
women

4,506
telecommuters

77
nationalities

475
differently-abled

4,235
suppliers

€19.3 M
voluntary social investment in **355 proyect**

3,010
evaluations of **1,125 suppliers**

€11,455 M
paid in taxes

Decent work and economic growth

Clean and affordable energy

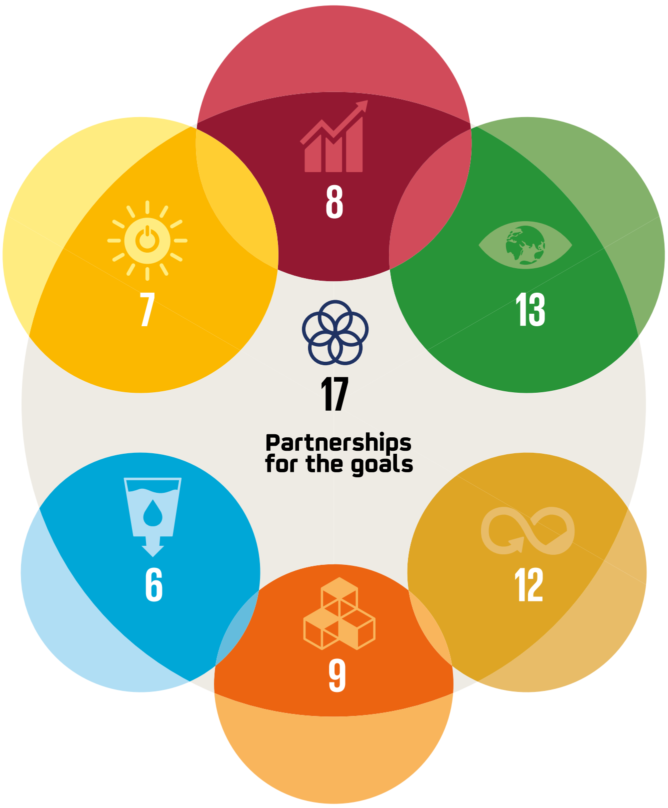
1.3 millon
electricity customers

427 M€
renewables investment in 2021

3,740 MW
total low-emission installed capacity

230
solar communities connect

18,000 households
with the possibility of consuming **100% renewable** energy



Climate action

558 kt
reduction in CO_2e in 2021

5%
reduction in CII compared to 2016 baseline

Goal
0
net emissions by 2050

22% CO_2e
reduction in absolute Scope 1+2 emissions compared to base year 2016

Clean water and sanitation

101%
increase in water reused vs. 2015

25%
water reused of total water used in the Company's operations[1]

Industry, innovation and infrastructure

+370
digital initiatives

9
new patents

€64 M
R&D investment

Responsible production and consumption

+270
initiatives included in the circular economy catalog

+220
partnerships

62%
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.

As a next step, the Company is preparing an SDG Contribution Plan, the key aspect of which is to go further with regard to measurement in order to maximize Repsol's positive impacts.

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. Among other functions, it oversees and guides the policy, objectives and guidelines in the environmental, social and governance domains. In 2021, the committee held a total of four meetings and addressed the following matters, among others:

- Accident rate scorecard.
- Sustainability goals: year-end 2020 and goals set for 2021.
- Global Sustainability Plan: for year-end 2020 and proposed plan for 2021.
- Information on sustainability for 2020 (Management Report).
- Digitalization and sustainability.
- Report on emerging risks and climate change.
- Partial reform of the good governance code for listed companies.
- The Sustainability Committee's Activities Report for 2020.
- Qualification of investments to ensure they are in line with the energy transition.
- Environmental, Social and Governance (ESG) reporting framework strategy.
- Progress made on safety culture.
- Sustainability risk map.
- Progress regarding CO_2e emissions in Spain.
- EU Sustainable Finance Taxonomy: impact in the non-financial reporting.
- Report titled *Net Zero by 2050: A Roadmap for the Global Energy Sector,* by the International Energy Agency (IEA).
- Monitoring the sustainability objectives.
- Progress made on strategic safety and environmental projects.
- Sustainability round table with labor union representatives.
- Progress made by the Human Rights Expert Group.
- Greenhouse gas emissions map for 2020.
- Decarbonization pathway of Repsol: metrics and objectives.
- Main implications of the COP26 agreements on the Strategic Plan.
- Materiality analysis for 2021.
- Progress made on the plan to promote the Sustainable Development Goals (SDGs)
- Progress towards a circular economy and biodiversity.
- Results of ESG analyst valuations.
- Progress made on the roadmap for non-financial reporting.

Repsol maintains ongoing dialog on environmental, social and governance (ESG) matters with various stakeholders (including investors, associations, representatives of local communities and financial institutions, analysts and proxy advisors) to learn first-hand their opinion on these matters and explain the Company's practices. The management team also conducts specific ESG roadshows, some of which are led by the CEO himself.

Thanks to the commitments assumed by Repsol and its responsible management approach, the Company ranks highly within its sector in the ESG performance assessments conducted by the most renowned rating agencies operating within the market (MSCI, Vigeo-Eiris, Sustainalytics, CDP, etc.).

The conclusions, messages and feedback obtained from the roadshows and other ESG events, including the Low Carbon Day held on October 5, 2021, are periodically presented to the Board of Directors. During the period, the Board heard about the most ambitious decarbonization objectives and the progress made in developing the low-carbon businesses, such as hydrogen, advanced biofuels, renewable generation and CO_2 capture.

As for ethics and transparency, the Board's 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.

ESG Awards

Leadership and talent

Merco Líderes Ranking
Antonio Brufau and Josu Jon Imaz are among the top 100 executives with the best reputation according to this ranking.

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

Technology and digitization

Repsol Data School
It has been recognized with the ABB Ability Digital Award for best digitalization practices in developing digital talent.

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.
This certification takes into account, among other aspects, energy efficiency, use of alternative energies and efficiency in water use.

Communication and corporate reputation

Repsol, with 72.5/100 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 5 in corporate reputation** among Spanish companies, according to the Merco study.

ESG 2021 indexes and ratings

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

MSCI
Score of AA (on an AAA-CCC scale), which places Repsol above the average for the Oil & Gas sector.

Sustainalytics
Repsol is among the best in its sector, with a rating of 24/100 (Medium Risk)

S&P ESG Evaluation
Score of 68/100. The sustainability strategy is highlighted as the most advanced in the sector.

Ecovadis
Gold medal status. Within the top 2% of companies with the best valuation in the sector.

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

Repsol is one of the **120 European and euro zone companies** with the best performance in corporate responsibility, according to the **Euronext Vigeo Eiris sustainability indexes**

40% of institutional shareholders are ESG investors

Repsol, a company recognized for its commitment to sustainability

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 employees attached the Company's various businesses in 2021, up to 25% of the CEO's annual variable compensation. Additionally, a long-term incentive has been defined for the 2021-2024 period, where 40% of the targets are linked to sustainability. This incentive applies to all senior management, including the CEO, and to other employees.

6.1 Climate change[1,2,3]

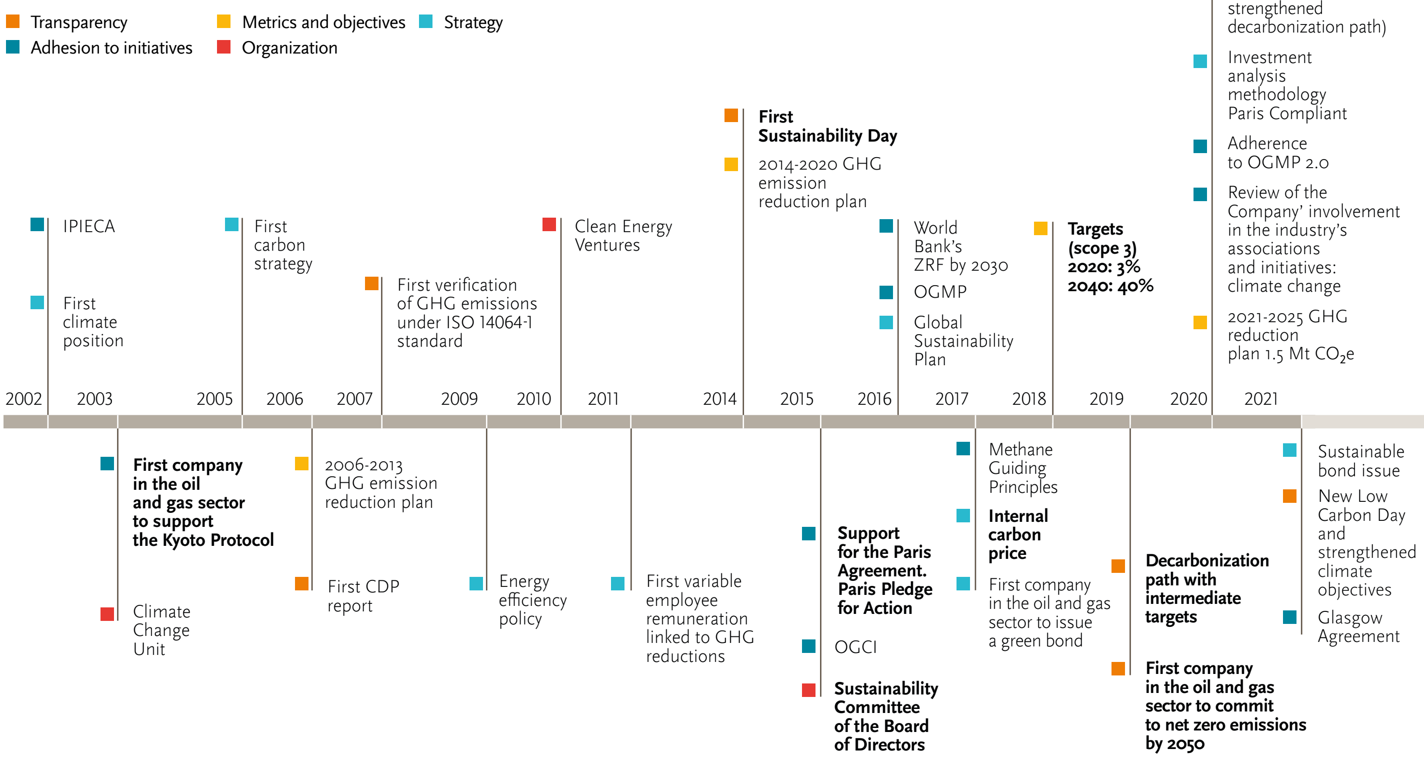
Over the past 20 years, Repsol has built a leadership position in relation to climate change in the global oil and gas industry. It was the first company to support the Kyoto Protocol and to set the ambitious goal and a strategy of becoming a **net zero emissions company by 2050**, in line with the objective of limiting global warming to 1.5°C above pre-industrial levels.

Repsol wants to be an active part of the solution to climate change while supplying the energy that society needs in a reliable, sustainable and efficient manner. Its commitment to the energy transition is in line with the objectives of the Paris and Glasgow summits and the United Nations Sustainable Development Goals.

Repsol is also aware of the importance of collaboration in climate matters, and has joined initiatives related to the energy transition and climate change — such as the Oil & Gas Climate Initiative (OGCI) —, actively participates in forums for debate and standardization, and maintains a close relationship with stakeholders, particularly investors and financial institutions.

Sustainability and decarbonization goals
Up to 40% of variable remuneration under the 2021-2024 Long-Term Incentive Program

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 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 - Climate change - Our commitment]).

Repsol is committed to accessible, affordable and low-carbon energy

7 AFFORDABLE AND CLEAN ENERGY

13 CLIMATE ACTION

Roadmap for the energy transition

ANALYSIS OF REFERENCE CLIMATE SCENARIOS
adapted to the company context

IDENTIFICATION OF RISKS AND OPPORTUNITIES

- Changes in the primary energy basket, which involve a reduction in the use of hydrocarbons.
- Changes in energy end-uses leading to a reduction in demand for the products sold and the development of "non-traditional" renewable generation businesses and production of low-carbon fuels.
- Regulatory changes that affect operations or future investments.
- Inefficient or late adoption of new practices, processes or novel or less mature technologies.
- Changes that promote efficiency in the use of natural resources, including the reduction, reuse and recycling of non-energy products.
- Potential difficulty or limitation of the Group to raise funds.
- Harm to the reputation of the Company or the industry.
- Technological developments or innovations that can lead to significant alterations in the Group's businesses.

SCOPE OF THE DECARBONIZATION ROADMAP

- Emission reductions in traditional businesses through efficiency measures and portfolio optimization.
- Industrial transformation for the production of low carbon fuels.
- Low carbon electricity generation.
- Carbon capture, use and storage (CCUS).

2021-2030 OBJECTIVES AND COMMITMENTS
28% reduction in the CII

- 30% reduction in Scope 1+2+3 emissions vs. 2016
- 55% reduction in Scope 1+2 emissions vs. 2016
- 2021-2025 emission reduction plan: 1.5 Mt CO_2e
- Reach 0.2% in CH_4 emissions intensity by 2025
- Reduce routine flaring by 50% by 2025 and minimize it in line with the Zero Routine Flaring initiative by 2030.
- Reduce carbon intensity by 75% by 2025 for the E&P business (Scope 1+2 per barrel)

- Sustainable biofuels production capacity 2 Mt/year
- Renewable hydrogen generation capacity of 1,9 GWe
- Recycling the equivalent of 20% of polyolefin production

- Renewable electricity generation capacity of 20 GW

- Sakakemang CCS Project (Indonesia)

INVESTMENT

- 35% of 2021-2025 investment in low-carbon businesses
- 45% of capital employed in low-carbon businesses

2031-2050 OBJECTIVES AND COMMITMENTS
100% reduction in the CII

FORECASTS[1]

- New emission reduction plans

- Reduction in hydrocarbon production
- Transformation of the Refining business to produce low-carbon fuels
- Circularity: use of recycled materials as raw materials
- Increase in renewable electricity generation capacity

- Increase in renewable electricity generation capacity

- Development of new CCUS projects

INVESTMENT

- 65%-90% of capital employed in low-carbon business for 2041-2050

2050 NET ZERO EMISSIONS

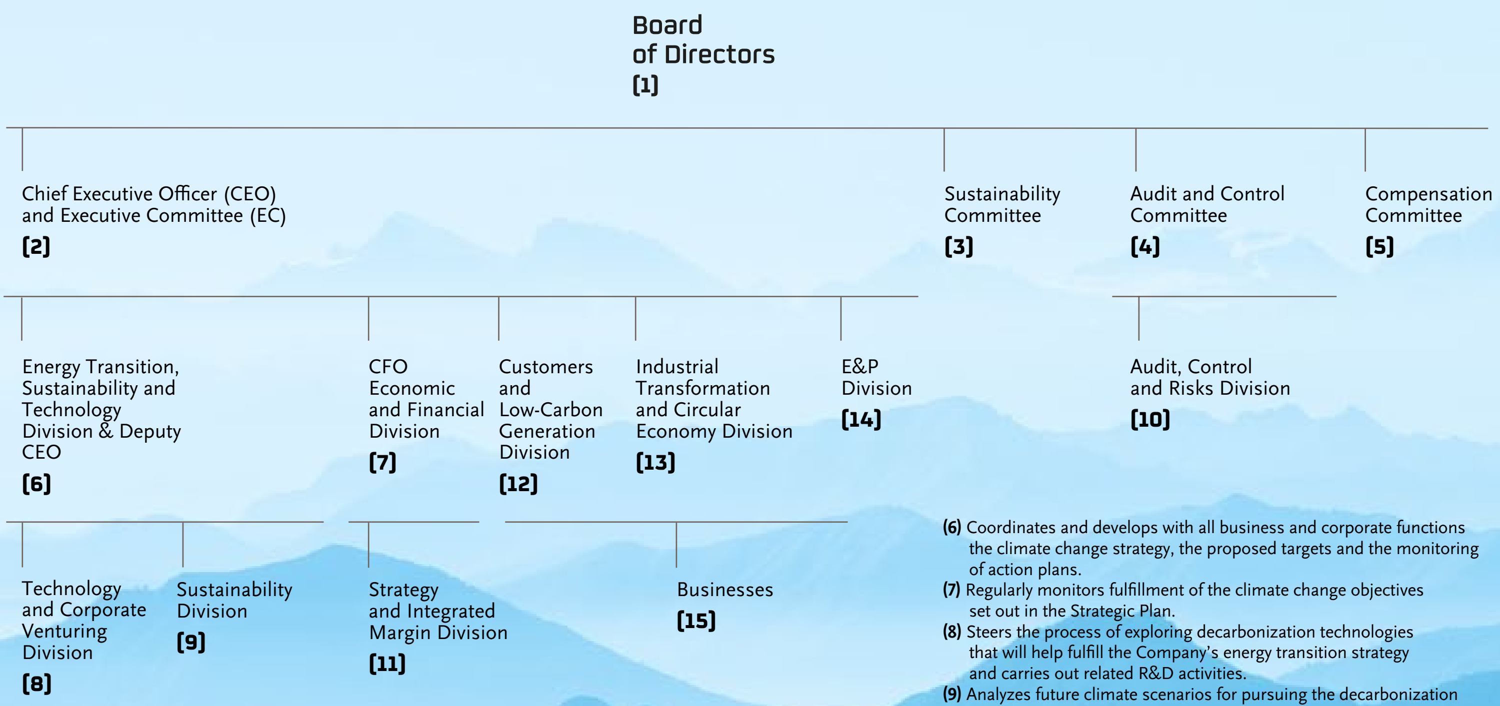
Repsol is a member of this climate action initiative for sharing best practices and technological solutions.

OGCI OIL AND GAS CLIMATE INITIATIVE

www.oilandgasclimateinitiative.com

(1) For more information see "From scenario analysis to the path of net zero emissions. Resilience of the strategy"

Climate change governance



(1) Approves the decarbonization strategy and climate change policy.
(2) Propose the climate change strategy and objectives. Regularly oversee implementation of the strategy and review GHG emissions and the Carbon Intensity Indicator and the fulfillment of climate change mitigation targets.
(3) Supervises and regularly monitors the decarbonization roadmap and compliance with related plans and objectives.
(4) Supervises the effectiveness of the risk management system and internal control at the Company as a whole. Annually supervises emerging and climate change risks, as part of the review of Repsol's risk map.
(5) Proposes to the Board of Directors the remuneration for the CEO and senior management linked to the attainment of energy and climate change targets.
(6) Coordinates and develops with all business and corporate functions the climate change strategy, the proposed targets and the monitoring of action plans.
(7) Regularly monitors fulfillment of the climate change objectives set out in the Strategic Plan.
(8) Steers the process of exploring decarbonization technologies that will help fulfill the Company's energy transition strategy and carries out related R&D activities.
(9) Analyzes future climate scenarios for pursuing the decarbonization strategy and provides technical support to the businesses to ensure the sound deployment of the strategy. Develops and and monitors short-, medium- and long-term targets and goals linked to the decarbonization strategy.
(10) The Risks Unit is tasked with governing and coordinating the process of identifying and assessing the climate change risks to which the Company is exposed in the short, medium and long term. It also lends support to the Audit and Control Committee in carrying out its functions.
(11) Draws up the strategy for steering the Company through the energy transition and submits it to the Executive Committee.
(12,13,14) Monitor implementation of the strategy by reviewing commitments assumed by the businesses. Validate the budgets, business and investment plans and submit them to the EC.
(15) Implement the decarbonization strategy. Propose annual budgets, and any business and investments plans necessary to make progress on the decarbonization strategy.

6.1.1. Governance

Repsol has a governance structure for managing matters related to climate change led by the Board of Directors. The Board of Directors approves the decarbonization strategy that forms part of the Company's strategy and oversees its compliance by monitoring sustainability and energy transition targets and indicators. This includes monitoring performance metrics, emissions reduction and low carbon energy generation targets, investment plans, technological developments and applications, as well as the compatibility of investment proposals with energy transition targets.On September 29, 2021, as part of the process of updating the Company's decarbonization strategy, the Board of Directors decided to submit the climate strategy and objectives to the advisory vote of the General Meeting of Shareholders to be held in 2022.

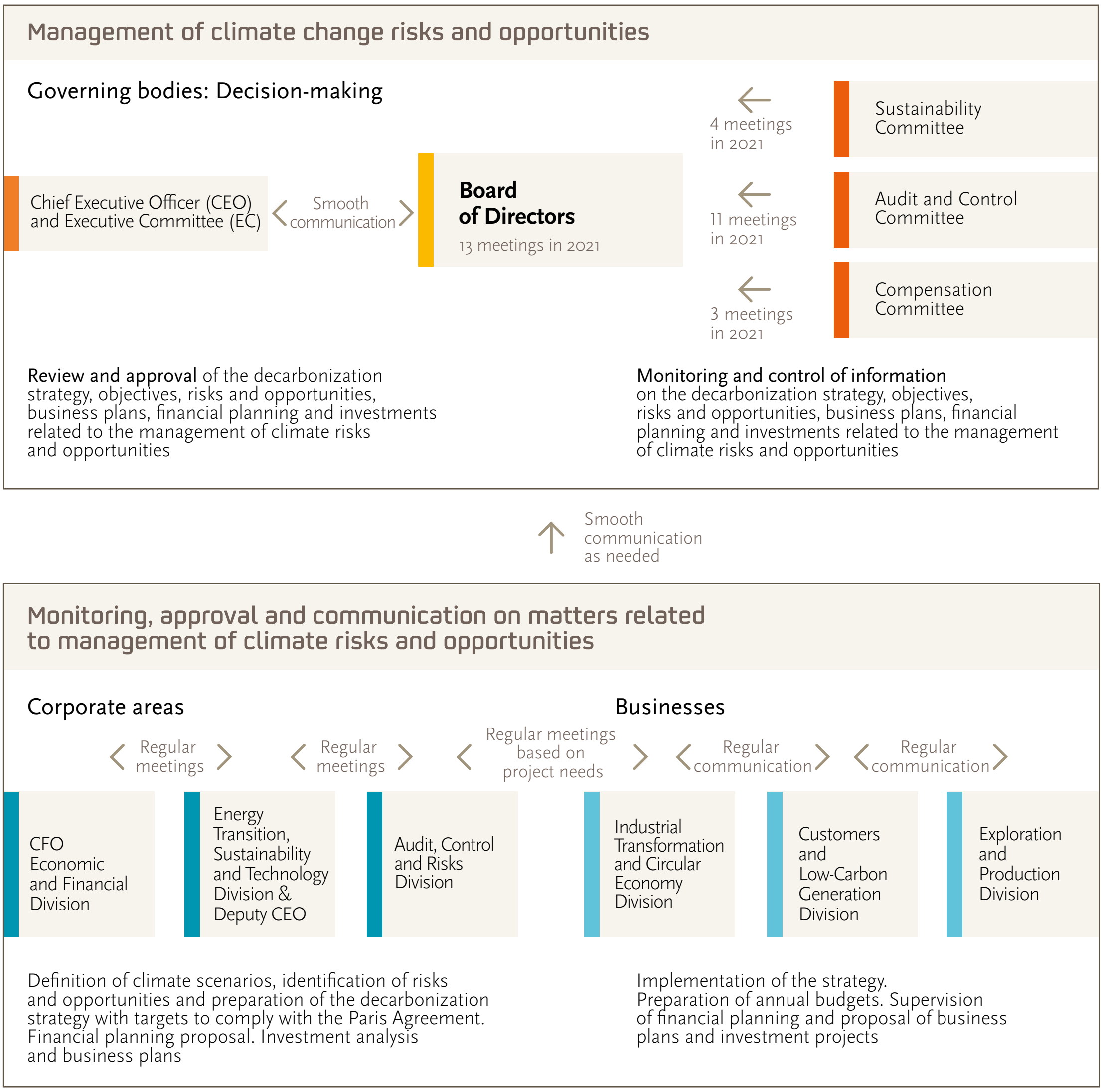
The Executive Committee is directly responsibility for managing matters related to climate change:

- It oversees and proposes to the Board of Directors the medium- and long-term energy transition strategy, including lines of action for the businesses, capital expenditures and potential acquisitions and sales of assets.

- It approves the objectives, budgets and annual investment plans related to the low carbon economy transition plan proposed by the various corporate and business areas.
- It evaluates investments to be undertaken to achieve the target of becoming a net zero emissions company by 2050: performance in terms of greenhouse gas (GHG) emissions, Carbon Intensity Indicator (CII) and other climate change mitigation targets.
- It oversees the risk management policies and the emerging risks and climate change map periodically presented by the Audit, Control and Risk Department.

The Executive Committee, together with the Sustainability Committee and the Audit and Control Committee of the Board, holds quarterly meetings to monitor the information on the implementation of the climate change strategy, as well as the management of and progress regarding compliance with the CII[4].

Climate risk governance model



4 See Section 6.1.4, 'Objectives and metrics'.

More precisely, in 2021 the Sustainability Committee reviewed, among others, the Company's sustainability plan and objectives, the sustainability risk map, the emerging risks and climate change map (2021-2050), the procedure of assessing investments to ensure they are in line with the energy transition, the progress regarding CO_2 emissions in Spain, the GHG emissions map for 2020, the progress made on strategic safety and environmental projects, and the non-financial reporting frameworks and the EU taxonomy.

Meanwhile, the Audit and Control Committee reviewed the non-financial information disclosed by the Company in its Management Report and the non-financial[5] risk control and management systems.

The general business departments and divisions with the most significant impact on climate change collaborate and hold regular coordination meetings. They oversee projects related to managing climate change risks and opportunities, and rely on specialized teams dedicated to climate-related issues. More than 60 full-time employees work on climate and energy transition issues, distributed across various corporate functions (sustainability, legal, risk management, strategy, technology, investor relations, communication, institutional relations, etc.) and business units. They provide advice on issues related to energy efficiency, GHG emissions management, or low carbon energy generation, among other drivers of the energy transition.

The Company's climate change targets have a direct impact on employees' variable remuneration.

- Short-term variable remuneration is defined and reviewed on an annual basis. 25% of this remuneration is based on sustainability commitments, linked to the decarbonization pathway, which focus on the reduction of CO_2 emissions and megawatts of renewable energy in operation.
- Repsol also has a long-term incentive in place for the 2021-2024 horizon. 30% of this incentive is linked to compliance with the CII reduction goal and 10% to compliance with renewable generation targets. This long-term variable remuneration applies to all executives and members of senior management, including the CEO, as well as a certain percentage of senior leaders.

In addition, specific training and information sessions were held for Board members on issues related to energy transition and climate change, such as the Capital Markets Day, Low Carbon Day and developments regarding the decarbonization strategy, the hydrogen strategy, carbon capture, use and storage (CCUS) technologies, and electric mobility, the macro view of the market and the dynamics of the energy transition after COVID-19.

6.1.2. Strategy

Repsol's strategy is inspired by a vision of the energy transition that is in line with the goal of limiting global warming to 1.5°C and achieving GHG emissions neutrality. It is a vision based on technological neutrality and the use of available and emerging technologies as a result of analyzing the current situation at any given time and its foreseeable progression in the medium and long term. The identification of risks and opportunities associated with climate change ultimately gives rise to a strategy that combines ambitious decarbonization objectives and the development of profitable businesses and projects.

The strategy is implemented through in specific plans for this decade, in which business objectives can be set out more clearly, together with an analysis of possible long-term scenarios (2031-2050) that take into account the uncertainty associated with factors such as the pace of technological development, regulation or consumers' energy needs. All of this is compatible with the Company's goal of achieving emissions neutrality by 2050.

Scenario analysis

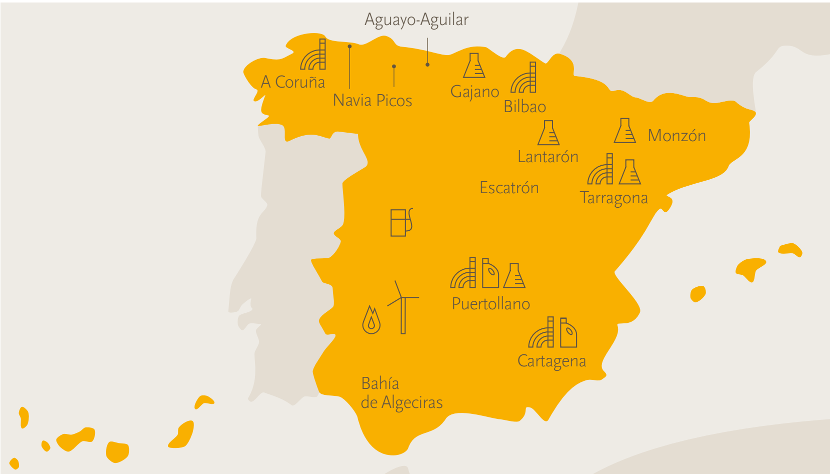
Scenario analysis is particularly important in preparing the long-term strategy. Through this process, business scenarios are developed, based on assumptions about the energy context over different time horizons (demand for oil and gas, growth of renewables, changes in technologies and regulation, etc.), with plans that adapt the businesses' development to the conditions of the environment, without compromising the decarbonization objectives. To do so, Repsol starts from its current position, its business segments and its markets.

Repsol is a global company, with a presence in more than 35 countries. It engages in traditional businesses, such as hydrocarbon exploration

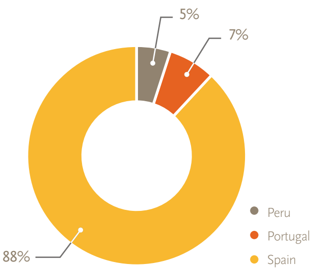
5 Further information in the annual reports of the Audit and Control Committee and the Sustainability Committee.

6 See sections 2. Our Company and 5. Our businesses of this document.

Repsol in Spain



Scope 1 + 2 CO_2e emissions industrial business



and production, and industrial and commercial operations, as well as new renewable electricity businesses in which it is already present[6]. Each business must adapt and evolve depending on the environments in which it operates, where regulation and the pace of decarbonization may have different dynamics:

- The ***hydrocarbon exploration and production*** business has a global scope as it responds to the global dynamics of changes in supply and demand.
- The ***industrial*** (refining and petrochemicals) business must rapidly adapt to local or regional demand trends and regulations.

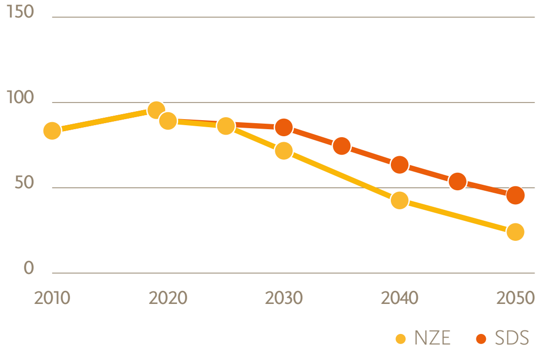
  Repsol's industrial operations are mainly located on the Iberian Peninsula, where the energy regulations established by the European Union have a significant influence on demand trends. It is worth pointing out the recent publication by the European Commission of the Fit for 55 legislative package, which aims to reduce GHG emissions by 55% by 2030 compared to 1990, as an intermediate step towards achieving emissions neutrality throughout the European Union by 2050 (European Green Deal). This legislative package focuses on transportation, and attaches particular importance to the electrification of road transport.
- Lastly, the **renewable electricity generation** business has a global asset portfolio, and operates in various regions of the world, each with different expectations regarding demand growth and other environmental conditions.

With all this in mind, long term business scenarios are developed for the Company under the environmental conditions that affect the businesses in the geographical areas described. For the Exploration and Production and Renewable Electricity Generation businesses, the Company decided to use as a reference the macro conditions for the changes in demand for crude oil and natural gas and renewable electricity generation envisioned in the Sustainable Development Scenario (SDS) and Net Zero Emissions (NZE) scenario of the International Energy Agency (IEA). For the Industrial (Refining and Chemicals) and Customer (fuel, gas and electricity sales) businesses, the Group developed a single macro scenario that is considered to be compatible with environmental conditions that will be heavily influenced by the European Green Deal and the Fit for 55 package.

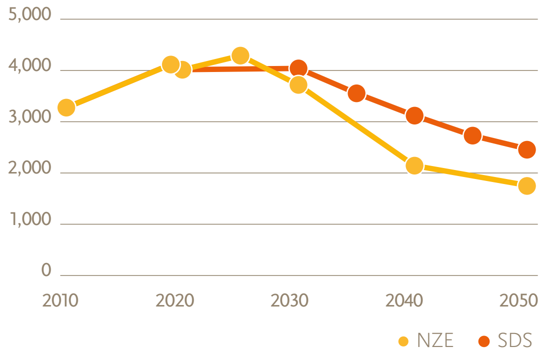
Under these macro conditions relating to demand, the Company has developed scenarios based on certain assumptions about the progress of technologies (renewable electrification, fuels with a low carbon footprint, carbon sinks) that will allow for the gradual decarbonization of its energy portfolio until ultimately achieves the goal of net zero emissions by 2050. Following this methodology, Repsol envisions the following scenarios:

- **In this decade through to 2030**, it has defined a single deterministic central scenario, built from the specific business objectives set out in the Strategic Plan unveiled in November 2020 and various enhanced objectives decided upon at the Low Carbon Day held in October 2021. The aim is therefore to achieve a renewable power generation capacity of 6 GW by 2025 and 20 GW by 2030; biofuel production of 1.3 Mt/y by 2025 and 2.0 Mt/y by 2030; and renewable hydrogen equivalent production of 0.55 GWe by 2025 and 1.9 GWe by 2030.
  Hydrocarbon production in this period amounts to 600-630 kboed, compared with maximum production of 709 kboed in 2019, due to the fact that the decline expected to take place toward the end of the decade will be accompanied by a drop in demand. 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. Refinery activity remains at current levels, with a reduction in crude processing toward the end of the decade of around 10% from 2019 values, while low carbon fuel volumes will increase. In addition, with a conservative view of its role in the short term, only CO_2 capture and storage (CCUS) has been included in the Sakakemang project (Indonesia), although new opportunities are being explored for this decade.

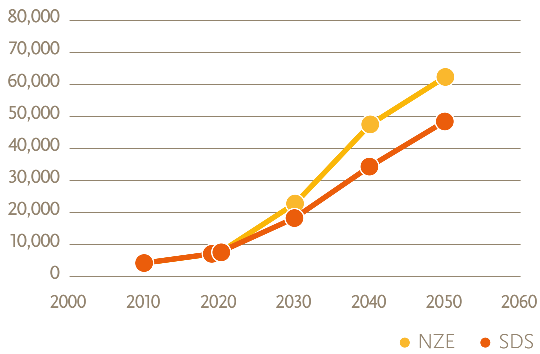
Global oil production (mb/d)



Global gas production (bcm)



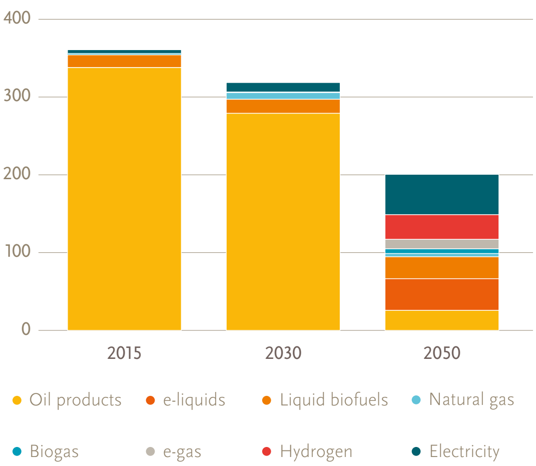
Global renewable electricity generation (TWh)



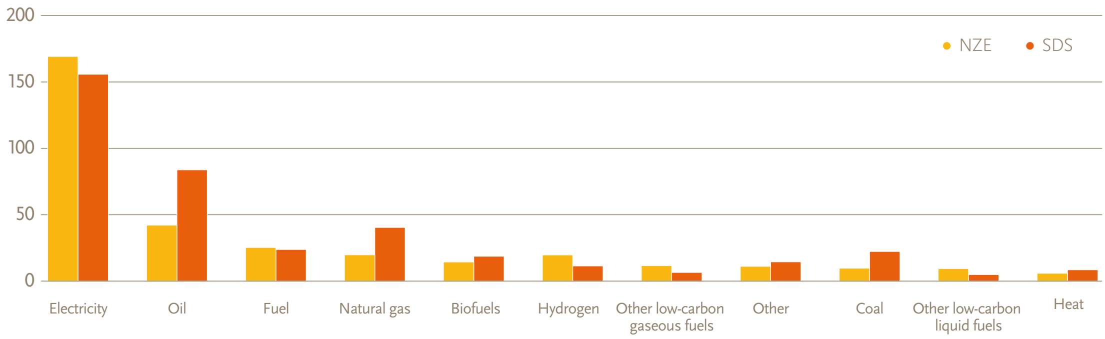
- **In the long term (2031-2050 horizon)** two central scenarios have been developed under the macro conditions set out in the SDS and NZE reference scenarios of the IEA for the Upstream and Renewable Electricity Generation businesses, maintaining a single macro environment for the Industrial and Customer segments determined by the European Green Deal.

At the Refining business, activity is heavily dependent on prevailing levels of demand within the transportation sector. Based on the projections of the EU's European Green Deal scenario for transport fuel consumption, a significant drop in demand for petroleum products is expected over the 2030-2050 horizon, with electricity set to replace them in the light road transport segment. In the other transport segments (aviation, maritime and heavy road transport), they will be replaced by low-carbon fuels, including e-fuels, advanced biofuels and renewable hydrogen). Thus, by 2050, EU transportation demand will be met by conventional fuel (15%), electric mobility (25%) and low-carbon fuels (60%) (which include e-fuels and hydrogen, mostly from renewable electricity).

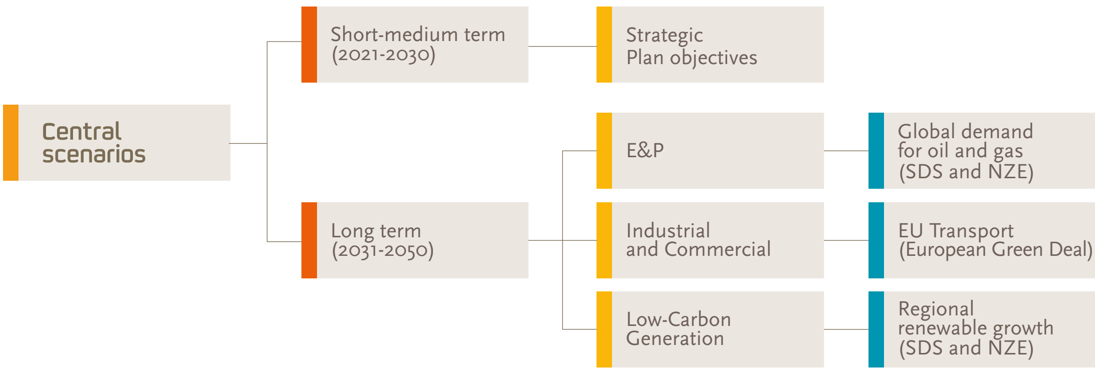
Fuel consumption in the transport sector by 2050 (Mtoe) EU Green Deal Scenario



Total global consumption 2050 (EJ)



Scenario analysis

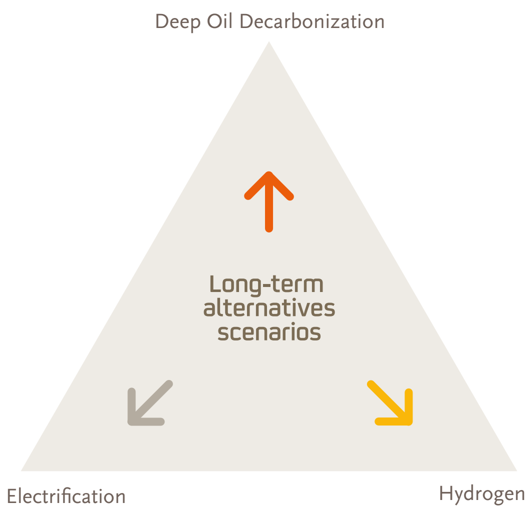


Thus, for the long-term scenario, two central business scenarios have been drawn up for Repsol: one consistent with SDS (SDS for E&P, SDS for Renewables and European Green Deal for Refining and Customer) and another consistent with NZE (NZE for E&P, NZE for Renewables and European Green Deal for Refining and Customer).

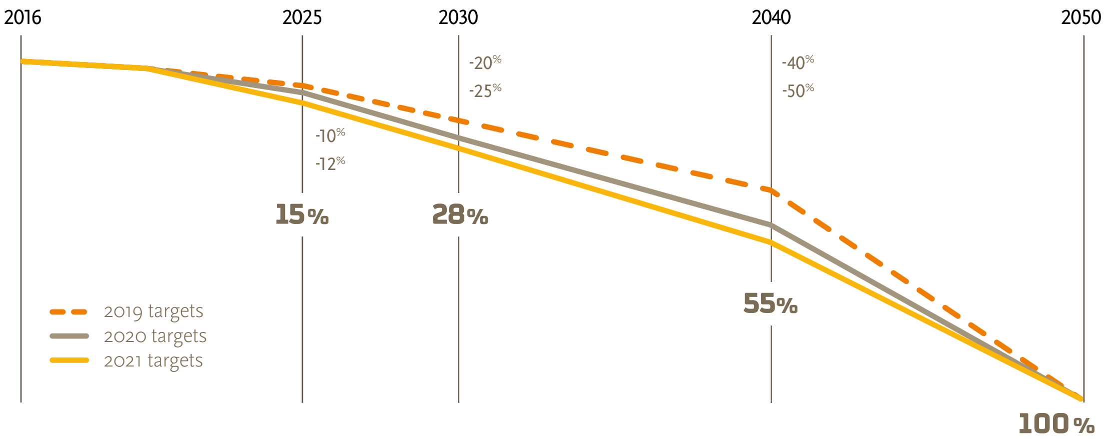
Given the uncertainty in the very long term (2031-2050) regarding the development of technologies that enable decarbonization and, in particular, regarding the assumptions made on transportation under the EU Green Deal scenario, three alternative scenarios to the central scenarios have been developed in which certain technologies develop more rapidly and offer greater decarbonization potential.

- **Deep Oil Decarbonization (Low Carbon Fuels).** In this scenario, heavy transport, shipping and aviation are fully covered by low-carbon liquid fuels, while electrification is limited to light transport.
  - While significant progress is being made toward electrification, the energy density of the batteries and their weight make them unsuitable for heavy, maritime and air transport.
  - Sustainable biofuels are developed to the fullest extent permitted by the availability of raw materials, thus meeting the demand for heavy road, maritime and part of air transport.
  - The rest of the air transport demand is met with synthetic fuels (e-fuels).
- **Hydrogen.** This scenario is a variant of the previous one and envisions a greater penetration of this energy vector in transport and for industrial end-uses, partially displacing natural gas.
  - Under the assumption that the fuel cell also penetrates light transport, hydrogen displaces part of the electrification of this segment.
  - Synthetic fuels (e-fuels) undergo a significant degree of development for air transport due to the CO_2 capture for use as a raw material, and previous developments in hydrogen plants, which will have scaled up substantially in the current decade.
  - Advanced biofuels supplement e-fuels in those transport segments where electrification is difficult.
- **Electrification.** This scenario envisions even greater penetration of the electrification of light transport linked to the development of batteries. Road transport is also electrified for heavy vehicles. Advanced biofuels and synthetic fuels meet the demand of maritime and air transport.

Alternatives scenarios



Carbon Intensity Indicator (CII) Reduction targets



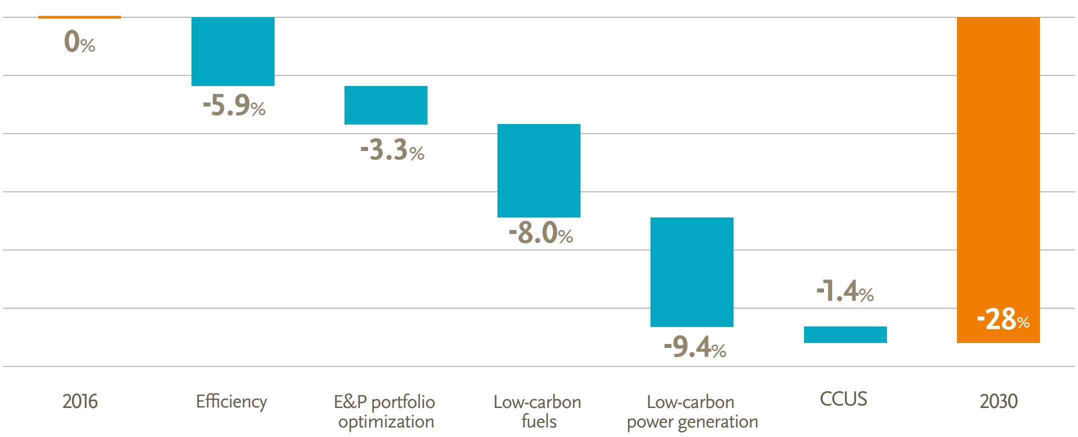
From scenario analysis to the path of net zero emissions. Resilience of the strategy

The reduction in the Carbon Intensity Indicator (CII)[7] is the metric used by the Company to monitor and set interim targets for decarbonization toward becoming carbon neutral by 2050. It is the result of consolidating the impacts on the CII of the changes in the businesses described for the central scenarios.

Since the announcement of the first decarbonization pathway in December 2019, Repsol has raised these intermediate targets twice. Therefore, the intermediate CII reduction targets have now been established as follows: 15% by 2025, 28% by 2030 and 55% by 2040.

It should be noted that during this decade the CII reduction target of 28% by 2030 is achieved by applying a wide range of technologies and solutions — in line with Repsol's vision of the energy transition —, in which renewable electrification, low carbon fuels and carbon sinks will allow it to achieve this objective, together with the reduction in the carbon intensity of traditional operations during the transition.

Breakdown of IIC reduction by lever (%)



7 Section 6.1.4, 'Objectives and metrics'.

1. **Emissions reduction at the traditional businesses through efficiency measures and portfolio optimization**
    - **Efficiency** is the basis for the decarbonization of scope 1 and 2 emissions from operated assets. It entails searching for opportunities in technology, design, and operation and maintenance procedures, such as:
    - Energy efficiency and electrification.
    - Reducing methane emissions and routine flare emissions.
    - **Optimization of the E&P portfolio** to prioritize assets and projects under development that have a shorter life cycle and are less carbon intensive.
2. **Transformation of the Industrial business.** Advanced biofuels, biogas from organic waste, renewable hydrogen and, in the longer term, synthetic fuels are key to decarbonization in the many energy uses where renewable electricity cannot be used efficiently. The circular economy also plays a key role in decarbonization and the transformation of industrial complexes so that they are adapted to use different types of waste as raw materials.
3. **Renewable electricity generation.** In a relatively short period of time, Repsol has incorporated technical and management capabilities and developed a portfolio of projects in Spain, Chile and the United States that has enabled it to set the ambitious renewable capacity targets for 2025 and 2030[8] already mentioned.
4. **CCUS.** The first CO2 capture and storage project at Sakakemang (Indonesia) is expected to have an impact through to 2030.

In terms of capital allocation, Repsol will allocate a total of 6.5 billion euros over the 2021-2025 horizon to low carbon investments, representing 35% of total investment for the period. By 2030 Repsol's ambition is to achieve a capital employed of 45% in low-carbon businesses.

In the **longer term** (2031-2050), the decarbonization pathway toward the goal of net zero emissions by 2050 is consistent with the analysis of the scenarios described above. This allows the Company to test the resilience of its strategy against changes in the global energy mix that are compatible with the SDS and NZE macro scenarios of the IEA, and the trend in transport within the European Union and also against various assumptions regarding the development of decarbonization technologies.

The changes in the various business segments for the central scenarios over the 2031-2050 horizon are described below.

- **E&P.** A more severe drop in production at the Company from 2030 onwards than the worldwide decline envisaged in the IEA scenarios has been taken into consideration due to a greater contribution of lower-cost hydrocarbons in the hands of national companies in producing countries. This will also make it easier to reach the decarbonization targets of 250-300 kboed (SDS scenario) and 30-80 kboed (NZE scenario) by 2050. In the second case, the low production is due to the decline resulting from the depletion of operating assets in 2030, considering that no new developments will be undertaken at that time given the sharp reduction in global demand.
- **Industrial (Refining and Chemical)**. Future fuel production is in line with changes in demand compatible with the European Green Deal. Under this scenario, distillation of crude oil will drop by 80-90%[9] by 2050, compensated by an increase in the production of low-carbon fuels (biofuels, synthetic fuels and hydrogen), which will constitute some 70% of the energy product mix by 2050. Repsol 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 IEA's macro scenarios. Circular economy projects (waste as raw material, mechanical and chemical recycling) will be the main growth vectors. By 2050, Repsol expects to be able to recycle the equivalent of 50% of its total production of polyolefins, which will be used in applications with a long-life cycle.
- **Renewable electricity generation**. This will 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.
- **Customer**. The strategy for this segment goes beyond that initiated in the 2021-2030 decade, in which customers are offered a multi-energy package of low carbon products and services for mobility and for the residential and business sectors, with customized offers leveraging digital channels and high levels of energy efficiency that go hand in hand with applications based on data analytics and artificial intelligence.

Special mention should go to the contribution that carbon sinks can make toward the decarbonization,

8 For more information, see Section 5.3.

9 Percentage expressed in energy terms

pathway. The capture, use and storage of CO_2 (CCUS) on the one hand and natural climate solutions (NCS) on the other:

- The Company's central scenarios estimate a reduction of CO_2 emissions of 10-15 Mt/year through CCUS by 2050 (the highest value under the NZE scenario). CCUS technologies include not only conventional capture and storage technologies, but also BECCS and DAC[10].
- NCSs are used in the decarbonization pathway as a last resort in the long term to ensure compliance with the goal of achieving zero net emissions by 2050. Repsol prioritizes the decarbonization of energy production, so no contribution from NCSs has been considered until 2030. In the SDS scenario, a 90% reduction in the CII is expected to be achieved through energy solutions, with the remaining 10% to be achieved through NCS if the technology is not developed as fast as expected. The greater potential of the technologies is shown through the alternative scenarios, where the CII can be reduced by 95% under a macro environment that is consistent with the SDS scenario, which is greater than the reduction that could be achieved under the corresponding central scenario.

Although its impact on reducing the CII has not been accounted for from 2030 onward, Repsol recognizes the necessary role of NCS in achieving global emissions neutrality targets, both in the short and long term. The Repsol Foundation has launched reforestation and forest recovery initiatives also aimed at creating employment in rural areas of Spain, and the Customer business segment offers the possibility of offsetting the emissions derived from the use of the products it supplies.

Motor Verde project by Repsol Foundation
Repsol Foundation, alongside its subsidiary Sylvestris, has launched Motor Verde, the largest reforestation project to offset emissions in Spain by planting new forests with native species. The aim is to reach 70,000 ha of forest to absorb 16 million metric tons of CO_2.
It also generates local and inclusive employment in rural Spain and boosts the economy by promoting the creation of new businesses linked to the forestry sector, and innovation, with the use of the latest satellite control technologies, artificial intelligence or big data for monitoring forest cover.

The various decarbonization levers make the following contribution to reducing the CII over the 2031-2050 horizon under the central SDS:

- Transformation of the oil and gas portfolio with lower hydrocarbon production, 23%
- Industrial transformation for the production of low carbon fuels, 18%
- Renewable electricity generation, 15%
- CCUS, 6%

These percentages, once added to the 28% cumulative reduction by 2030 and the 10% attributed to NCS, effectively achieve the 100% reduction in the CII (net zero emissions) by 2050.

Under the NZE central scenario, lower hydrocarbon production accelerates the Company's decarbonization, leading to net zero emissions by 2050 without the need for NCS.

Lastly, we present the allocation of capital to low carbon businesses[11] during the 2031-2050 period, expressed as a percentage of total investment by the Company.

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

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

In short, Repsol's strategy is inspired by the vision of a progressively decarbonized energy future with the help of renewable electrification, low or zero carbon footprint fuels and carbon sinks, and also by a firm commitment to achieve emissions neutrality by 2050. The decarbonization pathway, represented by the reduction of the Carbon Intensity Indicator (CII), is built from business plans and projections, so that the contribution of each decarbonization lever to the interim or final CII reduction target can be properly mapped.

10 BECCS: Bioenergy with CCS. DAC: Direct Air Capture.

11 Low-carbon businesses: Low carbon electricity generation and storage, production and sale of biofuels, renewable hydrogen production and sale, production and sale of synthetic fuels, sale of electricity and gas, distributed generation and other value-added services, electric mobility, CCUS.

The scenario analysis presents an initial 2021-2030 period that will be deterministic, in which the 28% reduction in the CII corresponds to the specific plans established for each of the Company's businesses. In the second period (2030-2050), given the uncertainty regarding environmental conditions, the development of technologies and regulation, two central scenarios have been developed for the Company that are in line with the SDS and NZE macro scenarios of the IEA, and also with the European Green Deal in terms of energy product demand within the EU. Three alternative scenarios have also been developed in which different decarbonization levers become more relevant in the future energy portfolio, in particular for transport.

This scenario analysis looks at the Company's **resilience** in the face of climate-related risks, since in all the scenarios analyzed the performance of the businesses allows it to achieve the goal of net zero emissions (100% reduction in CII) by 2050 under technologically and economically viable conditions by taking unlocking opportunities for transformation of traditional businesses and growth in new energies.

Incentive mechanisms for decarbonization

Repsol has various internal mechanisms in place to promote the allocation of capital to low carbon investments, such as the 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, 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 of such investments.

Repsol has recently updated the internal carbon price[12], differentiating between the EU and the rest of the world with regard to the scope of application. Thus, new investments in the EU are assessed on the basis of $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.

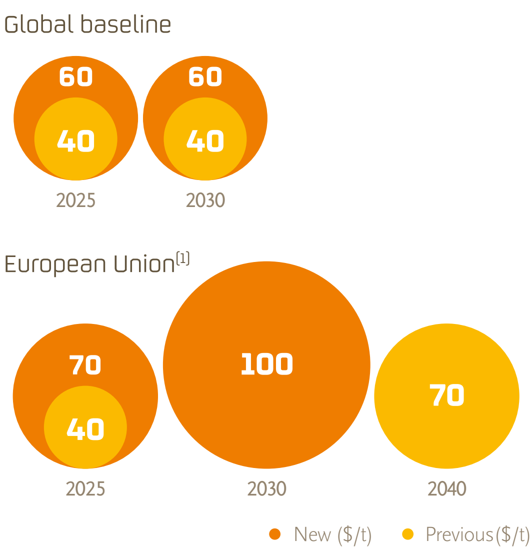
Furthermore, in 2021 Repsol developed its own methodology to assess whether an investment is in line and compatible with its path towards decarbonization.

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 the impact of the investment 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 1% that can be offset by other initiatives. Additional conditions are also imposed on exploration and production investments (limited life of exploitable

Internal carbon price (Carbon incentive for new investments)



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

12 Prices expressed in nominal terms.

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.

Review of Repsol's involvement in initiatives and associations within the industry: climate change
In line with its commitment to be part of the solution to climate change, 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. Repsol has posted a report on its website listing 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.

6.1.3. Risks and opportunities

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

Repsol identifies and assesses the long-term risks associated with climate change by using its own analysis methodology that follows the medium-term risk analysis approach envisioned in the Enterprise Risk Management System[13] with the aim of extending its scope to 2050 in the context of its commitment to net zero emissions and intermediate targets. This supplements the Group's general risk map, (five-year horizon) looking forward to 2030, 2040 and 2050 for emerging risks and climate change.

- The risk analysis is based on the IEA's Stated Policies Scenario (STEPS), Sustainable Development Scenario (SDS) and Net Zero Emissions (NZE). The probabilistic analysis uses the most recent academic or research studies published by prestigious institutions as a reference. 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 emerging and climate change risks for the Company have been identified. A risk taxonomy has therefore been drawn up — using risk classifications such as those of the World Economic Forum (The Global Risks Report), the TCFD or the Climate Disclosure Project (CDP) as a reference —, broken down into climate change and sustainable development risks, socio-political risks, operational risks, reputational risks and technological risks. This taxonomy includes 20 risks classified based on their nature. Of these risks, the 10 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, technology and sustainability, and they reach a consensus through the use of the Delphi technique.
- The importance of each of the risks identified is determined by estimating their economic impact on each of the business lines and geographical areas. Each risk is considered to represent a factor of uncertainty that may cause the Company to miss its emission reduction targets and lead to higher or lower emissions in respect of its targets for 2030, 2040 and 2050.

On the 2030 horizon, the risk analysis reveals that the probability of suffering negative impacts from the energy transition is 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 in relation to 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.

13 See Section 9, 'Risks', and Appendix II, 'Alternative Performance Measures'.

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 opportunities can be exploited. However, Repsol's firm commitment to becoming a net zero emissions company by 2050 and its response to different energy transition scenarios some way to mitigating these risks and demonstrate the Company's resilience.

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) are as follows:

Climate change risks

Upstream	Refining	Chemicals	LPG	Mobility	Gas and Electricity	LAAE	
High	Low	Low	Low	Low	Low		Changes in the basket of primary energy sources towards other less carbon-intense sources, which involve a reduction in the use of hydrocarbons. Risk with greater exposure in all geographical areas: Europe, North America, Asia and Rest of the World.
High	Medium	Low	Low	Low			Changes in energy end-uses leading to a reduction in demand for products sold, whether as a result of natural market dynamics or induced by regulation (e.g., electrification of the automobile fleet, user preference for innovative forms of mobility, etc.). In terms of exposure, it ranks second in all geographical areas.
High	Medium	Low		Low	Medium		Regulatory changes that affect operations or future investments, understood as those directly affecting the Company's results, either derived from the obligation to adopt measures to mitigate climate change (in line with the international commitments acquired by each of the countries in terms of decarbonization), or of an environmental or tax nature, etc., of special relevance within the European Union, where it ranks third in terms of exposure, compared to other geographical areas. (See Appendix IV to the 2021 Consolidated Financial Statements)
Medium	High	Low	Low	Medium	High		Inefficient or late adoption of new practices, processes or or novel or less mature technologies to date, aimed at energy production (including renewable energies), distribution and storage, which eventually take hold in the market or, conversely, the premature adoption of technologies that ultimately turn out to be "non-winners". With regard to exposure, this risk is the third largest in North America, Asia and the Rest of the World.
Medium	High	High	Low	Low	Medium	Medium	Changes that promote efficiency in the use of natural resources including the reduction, reuse and recycling of non-energy products, such as those derived from the analysis of the life cycle of products and services, the implementation of circular economy measures, limitations in the use of plastics or regulations associated with compostable and biodegradable plastics.
High	Low	Low		Low	Low		Potential difficulty or limitation in raising the necessary funds to meet its obligations or to carry out its activities or those associated with a possible decrease in the credit rating that impacts the Group's financing capacity in the markets.
High	Low	Low		Low	Low	Low	Harm to the reputation of the Company or the industry caused by social disapproval, whether or not justified, of its performance in relation to sustainable development initiatives.
High	Medium	Low		Low	Low		Technological advances or innovation related to new processes or production methods that could lead to significant alterations in the operations of the Group's businesses. This risk includes technologies such as: CCS, CCU or the inclusion of waste or carbon-based discharges such as CO2 or urban waste as raw materials in the production process (circular economy).

Impact[(1)]: ● High ● Medium ● Low

Upstream · Chemicals · Gas and Electricity · LAAE · Refining · LPG · Mobility

(1) Three impact ranges have been defined based on the relative contribution of each business to the total economic impact of each of the risks. The economic impact on which the ranges have been defined corresponds to the 5% probability scenario in 2050.

The taxonomy of emerging and climate change risks also includes two types of physical risks: acute and chronic. Due to the nature and location of the Company's activities, the team of experts reached a consensus that these are low risk factors. However, and as a result of the public disclosure obligations arising the European Union regulation that establishes the framework to facilitate sustainable investment, Repsol is developing a methodology to analyze in detail the physical risks of climate change in all new facilities that it includes in its portfolio, taking into consideration the different locations and for different global warming scenarios with the same time horizon as for transition risks. The

GSP 20 21

2050 target: To achieve net-zero emissions by 2050.

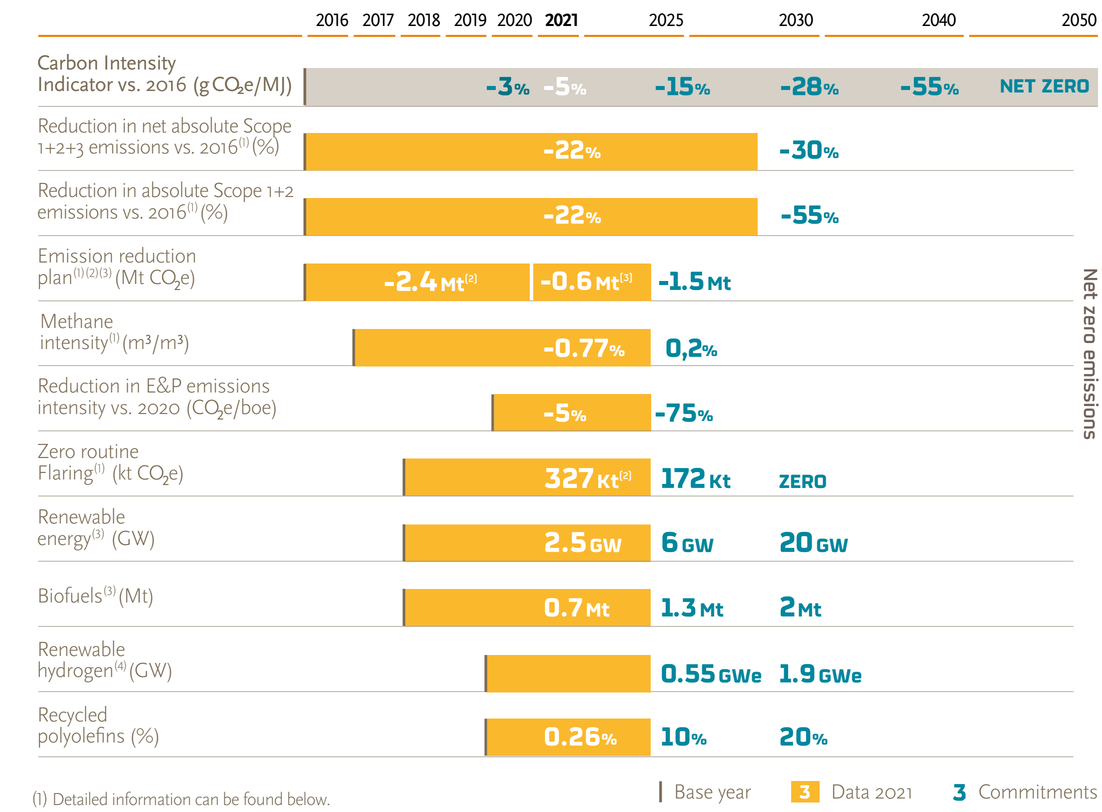
climate projections being used for this purpose are, among others, those of the Copernicus services (the EU's Earth observation program coordinated and managed by the European Commission). For the time being, the work carried out to examine these physical risks does not point to conclusions that differ significantly from those reached by the team of experts.

In conclusion, Repsol is more exposed to transitional risks than to physical risks. However, the Company 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 Group is exposed[14]. 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 2050, 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.

6.1.4. Metrics and targets

Objectives for the transition



(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) Gradually replaced by advanced fuels, at least 65% by 2030.
(4) Installed capacity for renewable hydrogen production. First commissioning scheduled for December 2022.

14 See Appendix V or Section 7.4 – Risks.

Direct and indirect emissions and energy consumption

		2021	2020[6]	2019	2018	2017	2016
Emissions Scope[1]	Total GHGs (Mt CO2e)	19.4	22.4	24.7	22.0	23.0	24.9
	Total CO2 (Mt CO2e)	17	19	20.1	17.9	18.4	19.7
	Total CH4 (Mt CO2e)	2.3	3.3	4.5	4.1	4.3	5.0
	Total N2O (Mt CO2e)	0.10	0.07	0.08	0.04	0.02	0.24
	Breakdown by source						
	Flaring	0.9	1.0	0.8	0.9	0.8	1.2
	Combustion	12.1	12.9	13.7	11.5	12.3	12.8
	Venting	4.2	6.2	7.6	6.8	7.1	7.8
	Fugitive emissions	0.2	0.3	0.4	0.3	0.6	0.7
	Process	2.0	2.0	2.2	2.5	2.3	2.4
	Breakdown by business						
	Refining[2]	7.6	7.5	8.6	8.9	8.9	8.8
	Chemicals	3.3	3.2	3.2	3.0	3.5	3.5
	E&P [3]	7.3	9.8	10.9	10.1	10.6	12.6
	Low Carbon Generation	1.1	1.9	2.0	n/a	n/a	n/a
	Other[4]	0.01	0.01	0.01	0.01	0.02	0.02
	Allocation of emissions to Repsol facilities subject to carbon market regulations (Mt CO2)	7.6	7.7				
Scope 2 Emissions [1]	Total GHGs (Mt CO2e)	0.4	0.5	0.5	0.4	0.4	0.5
Intensity of scope 1 + 2 emissions	E&P emissions intensity (t CO2e/thousand boe produced)	53	56	66	61	63	66
	Refining emissions intensity (t CO2e/t crude processed)	0.2	0.2	0.2	0.2	0.2	0.2
	Intensity of power generation emissions (t CO2/MW)	387					
Scope 3 emissions	Total GHGs (Mt CO2e)	157	157	189	194	193	183
	Use of products, refinery gate (Mt CO2e) [5]	151	151	180	186	185	175
	Use of products, base primary energy (Mt CO2e) (5 BIS)	69	79	88	89	87	86
	Raw materials: crude (Mt CO2e)	5.5	5.4	7.6	7.5	7.2	6.9
	Raw materials: hydrogen (Mt CO2e)	0.6	0.6	0.7	0.6	0.7	0.6
Energy (Scopes 1 + 2)	Total (million GJ)	246	265	278	242	239	245
	Chemical energy (Scope 1 + 2) (million GJ)	61	60				
	% of the power grid	2%	3%				
	of which renewable (%)	47%	44%				
	Total electricity generated by Repsol (millions GJ)	3.0	4.3				
Energy intensity	E&P energy intensity (GJ/boe produced)	0.3	0.3	0.3	0.3	0.3	0.4
	Refining energy intensity (GJ/t crude processed)	2.8	3.2	2.9	2.8	2.7	2.6
Energy (Scope 3)	Total (millons of TJ)	2.3	2.3	2.8	2.9	2.8	2.7
	Use of products, base sales (millions of TJ)	2.3	2.3	2.7	2.8	2.7	2.6
	Raw materials, crude + hydrogen (millions of TJ)	0.07	0.06	0.08	0.08	0.07	0.07
Total flared hydrocarbon (Mt)		0.37	0.43	0.32	0.38	0.27	0.45
Hydrocarbon vented (Mt)		0.10	0.15	0.19	0.19	0.18	0.22

(1) The Company's direct and indirect emissions (Scope 1 and Scope 2) will be subject to additional verification under EU-ETS and international standard ISO 14064-1. Once the verification process has been completed, the data will be available at www.repsol.com and will be updated accordingly in the next edition of the Integrated Management Report.
(2) The steam cracker plant is included in the Chemicals business.
(3)The breakdown by source for the Upstream business is as follows: 2.4 Mt CO2e for fuels; 0.5 Mt CO2e for flaring; 0.2 Mt CO2e for fugitive emissions; and 4.2 Mt CO2e for venting.
(4) Includes LPG, lubricants, asphalts and specialized products, mobility and asset management.
(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.
(5bis) Scope 3: use of primary energy base products based on Upstream production. These emissions have been calculated on the basis of sales of natural gas, plus sales of LPG, naphtha, gasoline, kerosene, gas oils, fuel oils and petroleum coke at refineries, all associated with the production of oil at the Upstream business.
(6) The data published in the 2020 Integrated Management Report for energy consumption and Scope 1 and 2 emissions have been updated to include the Eagle Ford (USA) asset, as well as all associated metrics and targets.

Reduction in the Carbon Intensity Indicator

Repsol has devised a CII measured 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. To help monitor this process, the Company has set intermediate reduction targets of 15% by 2025, 28% by 2030 and 55% by 2040 (compared to base year 2016).

By 2050, Repsol estimates that at least 90% of the CII reduction can be achieved through the technological progress currently envisioned for the future. It is committed to applying the best technologies available at that time to raise this figure, and, if this falls short, it will offset emissions through reforestation and other natural climate solutions.

Carbon intensity	2021	2016
g CO2e/MJ	74	78

In 2021, a 5.0% reduction was achieved with respect to the baseline year (2016). This value was the same as in the previous year, despite the business recovery at the industrial businesses, due to the implementation of energy efficiency plans, management of methane emissions at operated Upstream assets and the growth of installed renewable capacity, both domestically and internationally.

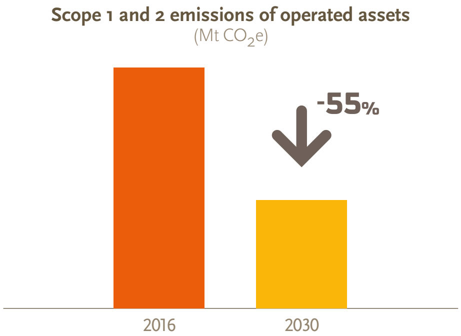
The numerator of the CII shows the emissions generated by the Company's activities (direct and indirect emissions derived from E&P, Refining and Chemicals, and from electricity generation), as well as emissions generated by the use of fuel products derived from primary energy production (oil and natural gas). 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 sources[15].

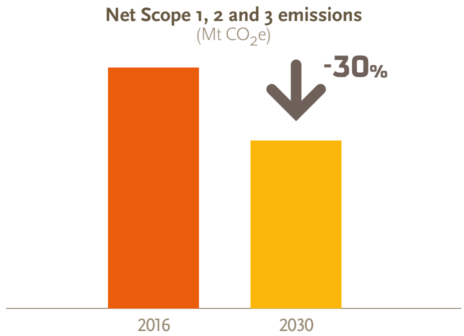
Carbon Intensity Indicator

$$\text{CII} = \frac{\text{Scope 1 + 2 operational} + \text{Scope 3 O\&P Upstream base} - \text{Displacement of low-carbon emissions} - \text{Carbon sinks}}{\text{Power from energy products} + \text{Power from non-energy products} + \text{Power from low-carbon sources}}$$

After meeting the targets established for the CII, 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, under Scope 1+2 under Scope 1+2+3:

Reduction in absolute emissions (%)





15 For more information, go to www.repsol.com (Sustainability - Climate change - Net zero emissions by 2050)

Reduction in absolute Scope 1+2 emissions

The Company assumed the commitment to reduce Scope 1 and 2 emissions from operated assets by 55% by 2030 compared to the baseline year (2016).

During all these years, the Company has worked hard to improve the efficiency of its operations, focusing not only on implementing energy efficiency actions at all facilities, but also on reducing methane emissions and reducing flare gas volumes at the E&P business. It is worth noting, with respect to the baseline year of 2016, that the entry into the portfolio of the Low Carbon Generation business of two combined cycle plants leads to an increase in the Company's overall emissions, as shown in the metrics table titled 'Direct and indirect emissions and energy consumption'. In 2021, emissions fell in response to lower levels of activity, especially at the E&P business compared to 2016.

Absolute Scope 1+2 emissions	2021	2016
Mt CO2e	19.8	25.4

Reduction of net absolute Scope 1+2+3 emissions

To ensure that the goal of becoming a net zero emissions company by 2050 is achieved not only by increasing the energy included in the denominator of the Carbon Intensity Indicator but also through a reduction in absolute emissions, the Company has set itself a new target of reducing the emissions in the numerator of the CII by 30% by 2030 compared to the base year of 2016.

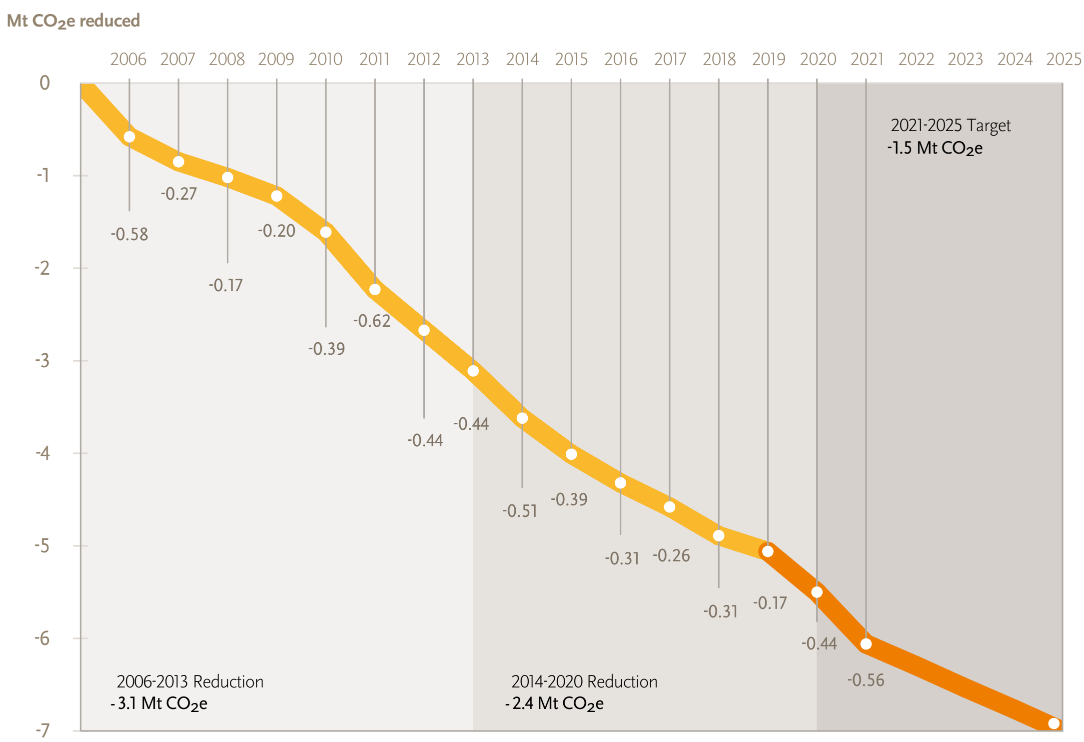
In 2021, a 22% reduction was achieved. One third corresponds to the reduction of Scope 1+2 emissions through the levers explained above, while the rest has been achieved through a reduction in Scope 3 emissions, impacted by a drop in E&P production partly due to the ongoing pandemic.

Net absolute Scope 1 + 2 + 3 emissions	2021	2016
Mt CO2e	87.1	111.70

Emission reduction plans CO2e

Repsol has 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. Repsol has initiated a new plan for the 2021-2025 horizon in order to achieve a further reduction of 1.5 Mt of CO2 by 2025. This will include, among other measures, electrification projects, energy integration of units, process optimization, efficient operation of plants and facilities and reduction of methane emissions. In 2021, Repsol achieved a reduction of 0.56 Mt CO2e. In energy terms, this is equivalent to a reduction of 9 million GJ.

CO_2e emission reduction (millions of tons)



Reduction of methane emissions intensity

Given that natural gas plays an important role in the energy transition, it is essential to minimize methane emissions. Therefore, Repsol announced its new objective in October 2021: to reach a methane intensity of 0.20% by 2025 for its operated assets at E&P, a value recognized as near zero for the oil and gas sector by international organizations such as the UNEP, and which is consistent with the commitment recently announced by the Oil and Gas Climate Initiative (OGCI), of which Repsol is a member.

Methane intensity[1]	2021	2017
CH_4 emissions/gas produced (%)	0.77	1.34

(1) Calculation based on volume.

Since 2017, Repsol has worked not only on improving the quantification and monitoring of methane emissions, but also on undertaking reduction actions at its operated assets, including campaigns to detect and quantify fugitive emissions. In 2021, the methane intensity value was particularly low, mainly because quieter levels of activity impacted operations.

Repsol gets the Gold standard at OGMP 2.0

Repsol joined the CCAC-OGMP initiative in 2016, led by UNEP, whose objective is to reduce methane emissions in the oil and gas sector. Repsol participated in the launch of the OGMP 2.0 Reporting Framework and signed its endorsement in October 2020. OGMP 2.0 is the reference reporting framework that will improve the accuracy and transparency of methane emissions reporting by companies in the oil and gas sector. This endorsement will help Repsol to improve the methane reduction strategy and achieve more ambitious goals, in line with the net zero emissions strategy by 2050. In October 2021, the first report of the International Methane Emissions Observatory (IMEO) was published, before the launch of COP26, and Repsol achieved Gold Standard status with the presentation of its implementation plan.. The plan, which includes the combination of different technologies to improve the monitoring and quantification of methane emissions, aims to drive Repsol to achieve Gold Standard reporting in all its assets in the coming years.

Repsol supports regulations that seeks to bring about a reduction in methane emissions

In November 2021 the EU and the US launched the Global Methane Pledge initiative at the COP26 event held in Glasgow (UK). The participating countries pledged to reduce global methane emissions collectively by at least 30% by 2030 from 2020 levels. They also agreed to move toward the use of best available methodologies to quantify methane emissions, focusing especially on super-emitters. Meeting this commitment on a global scale would reduce warming by at least 0.2°C by 2050. So far, more than one hundred countries have joined the initiative. Repsol firmly supports all measures that promote global emissions reductions and improvements in emissions measurement and monitoring, in line with recent EU and US recommendations.

Reduction of routine flaring

In June 2016, Repsol joined the Zero Routine Flaring by 2030 initiative of the World Bank, in the pursuit of technically and economically feasible solutions to minimize routine flaring as soon as possible and by no later than 2030 at its E&P facilities.

Since then, work has been carried out each year to improve the inventory of emissions due to gas flaring, segregating this inventory into routine and non-routine flaring, as per the definitions of the Global Gas Flaring Reduction Partnership of the World Bank and standardizing criteria among OGCI companies.

Repsol also set a target of achieving a 50% reduction in CO_2e emissions from routine gas flaring activity by 2025 in relation to E&P operated assets and with 2018 as the baseline year, along with specific action plans.

In 2021, routine flaring emissions were roughly 40% down on 2020, largely due to quieter levels of activity. Overall, this represented a reduction of 5% in respect of the baseline year (2018).

Routine gas flaring	2021	2018
Routine flaring at Upstream (kt CO_2e)	327	344

6.2. Environment[1,2]

Repsol is committed to protecting the environment and takes the necessary actions to adequately prevent and minimize the possible impacts of its operations and of the products and services it offers its customers. For years the Company has been taking actions to protect biodiversity, optimizing the use of resources and water management, minimizing air emissions and putting into practice the principles of the waste management hierarchy, reducing waste or, when this is not possible, giving it a second life as part of its own processes or those of third parties.

The conservation of natural capital and the implementation of circular economy principles are also key aspects taken into account when carrying out its activities.

Repsol implements certification, verification and assurance processes through internal audits to ensure proper compliance with current regulations and good industry practices.

6.2.1. Air quality

Repsol is aware of the importance of protecting air quality and applies the best available technologies and the most demanding standards in order to minimize emissions from its processes and products.

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 (SO_2), nitrogen oxide (NO_x), particulate matter and volatile organic compounds (VOCs).

To control air emissions, the Company 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.

Minimization of emissions from operations

Emissions from processes are continuously minimized through the implementation of the best technologies available. This includes low NO_x 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. For example, in 2021 the industrial complex in Sines (Portugal) was equipped with *software* to continuously monitor atmospheric emissions from the stack of the thermoelectric power plant. It includes a backup system, which ensures greater reliability of data on which to base decisions.

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, biofuels, LPG, *ad-blue*, Autogas, LNG or specific gas oils for state-of-the-art boilers, among many others.

Air quality observatory at Camp de Tarragona

Repsol is leading this initiative with the aim of responding to social and institutional concerns about air quality in the environment.

The Directorate General for Environmental Quality attached to the regional government of Catalonia created the Taula de la Qualitat de l'Aire (air quality round table) to reach a consensus on how best to study air quality in the area affected by the north and south industrial park.

The study developed a methodology agreed with the Environmental Protection Agency (EPA) and published in the journal *Science of the Total Environment*, based on which it proposed building a relevant tool, developing a participatory model, collaborating with reference institutions and promoting knowledge.

Thanks to the study, continuous immission measurements have been carried out for the first time in the area surrounding the petrochemical site, which allows us to have annual cumulative data.

1 More information in www.repsol.com (Sustainability - Environment)

2 The figures and indicators in this section have been calculated in accordance with the corporate standards that set out the criteria and common methodology applicable to safety and environmental matters. In general, the environmental and safety information includes 100% of the data relating to the companies in which the Company has a majority shareholding or control of operations.

6.2.2. Natural capital and biodiversity

Repsol and natural capital

Natural capital encompasses natural resources that contribute to the well-being of people, the development of society and the advancement of the global economy. This contribution is made through the ecosystem and abiotic services they provide, in the form of energy, materials, cultural aspects, etc. Companies like Repsol depend on natural capital, which at the same time is affected by its operations. Therefore, conservation and protection is a key factor in achieving sustainable development and ensuring that the benefits provided by these ecosystems, and specifically biodiversity, are safeguarded for present and future generations.

The natural capital approach taken by the Company makes it possible to quantify and economically value the services provided by ecosystems in general, and biodiversity in particular, which makes it easier to include them in management decision-making. A methodology has therefore been developed known as the Global Environmental Management Index (GEMI), together with a related digital application known as READS[3], which allows for a comprehensive appraisal of the environmental impacts and dependencies of projects and operations at a global level.

This methodology was recognized in 2020 by experts at the Capitals Coalition[4] and the UN Environment Programme World Conservation Monitoring Centre[5] (UNEP-WCMC) thanks to its scientific robustness and because it is in line with the Natural Capital Protocol and the accompanying Biodiversity Guidance. The application of this methodology is a sign of Repsol's commitment to the principles established in the Natural Capital Protocol for measuring and assessing the impacts and dependencies of its operations.

Furthermore, 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.

Repsol strongly believes that valorization of natural capital allows for:

- A better understanding of which impacts — both positive and negative — and dependencies are most significant in terms of economic value for society and for companies and financial institutions.
- Developments from measurement in biophysical terms to economic valuation, which is fundamental to understanding the extent of the risks and exposure to them, and is an opportunity to improve decision-making in an efficient manner.
- An improvement in environmental management, making progress towards minimizing the impact on nature and optimizing investments in sustainability.

The Company has been conducting studies into natural capital at its main operations since 2019. In 2021 new functionalities were implemented and added to READS, thereby providing an application with potential for use in the energy industry: exploration and production operations, refining and chemical plants, conventional and renewable power generation, etc.

Biodiversity protection and conservation in all our activities

Biodiversity is one of the main assets of natural capital. It is a far-reaching concept that encompasses not only ecosystems and their living components, but also the ecological processes that sustain them and the valuable services that they provide and on which we all depend.

READS: tool for assessing natural capital

Reads Capitals Valuation

Repsol has developed READS, a digital solution that improves the management of natural capital in organizations as it enables a comprehensive assessment to be performed on the impacts of projects and operations on biodiversity, climate, water and social well-being. The tool covers all activities of energy companies and also allows investment funds to include natural capital impact assessment in their investment decisions, at a time when sustainability criteria are gaining weight. In December 2021, the Company reached an agreement with Minsait [Indra], a technology partner during the project, to market the tool.

3 For more information, visit www.repsol.com (Sustainability – Environment)
4 www.capitalscoalition.org.
5 www.unep-wcmc.org.

As stated in the Kunming Declaration adopted at the High-Level Segment of the UN Biodiversity Conference (COP-15) in October 2021, integrated action is needed to shape a future pathway in which biodiversity halts its current decline in all regions of the world and is conserved. It is therefore essential to ensure the development, adoption and implementation of an effective post-2020 global biodiversity framework that includes provision of the necessary means of implementation and takes into account the role played by different sectors of the economy and all parts of society.

As an energy company committed to a sustainable world, Repsol works to conserve and protect biodiversity, and to mitigate the impacts[6] that could arise when planning and carrying out its projects and operations, no matter where they are located.

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. For this reason, the Company's management practices focus on:

- **Holistic view**. Making natural capital, biodiversity and the protection of ecosystem services part of its decision-making processes.
- **Collaboration with stakeholders**. Engaging with local communities and other stakeholders, and understanding their expectations regarding biodiversity.
- **Assessment of impacts and dependencies**. Analyzing the impacts and dependencies associated with the ecosystem services provided by biodiversity and other components of natural capital.
- **Application of the mitigation hierarchy throughout the project life cycle**. Preventing and minimizing impacts on biodiversity and natural capital, while restoring the environment in which its activities are carried out, especially in sensitive, biologically diverse or protected natural areas. Offsetting residual impacts when necessary.
- **Performance monitoring**. Developing indicators to measure performance and optimize management efforts.
- **Involvement in research, biodiversity conservation, education and awareness projects**.

Repsol has a set of internal environmental management regulations, which include conducting environmental, social and health impact assessments (ESHIAs) for all new operations or facilities, even when not required by local laws. These studies ensure that all potential impacts are identified as early as possible in the project life cycle and are taken into account in the project design to prevent and mitigate any negative effects.

These regulations include the obligation to determine the sensitivity of the area of operational influence and to assess, on a project-by-project basis, whether work should continue in the case of sensitive areas. Therefore, the risks and impacts on biodiversity are assessed from the design phase through to decommissioning, taking into account the pre-existing environmental baseline and determining the appropriate mitigation measures. In addition, advanced assessment and monitoring procedures are developed in regions where biodiversity is particularly sensitive.

All 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. They usually form part of the management plans resulting from ESHIA processes or environmental management systems.

Described below are the main protection and restoration activities[7] and projects, along with other biodiversity management actions carried out by Repsol in 2021. In all cases, the standards and methodologies employed were supervised by independent legal authorities.

6 For more information on the potential impact of operations on biodiversity, see Appendix V – Further information on sustainability.

7For more information, see Appendix V – Further information on sustainability.

Repsol and its commitment to biodiversity

Kappa photovoltaic project (Ciudad Real, Sapin)

The following management measures have been implemented (all actions have been agreed and approved by the competent environmental authorities):

- Installation of 12 stone cairns. Placement of nesting boxes/houses for owls in 4 of them.
- Installation of 3 owl reproduction platforms.
- Installation of 30 nesting boxes/houses for lesser kestrels in the facilities of the control building.
- Integration of 46 additional hectares to improve the habitat of steppic species.
- Reforestation of the Manzanares track (Ciudad Real).
- Use of sheep to improve soil management.

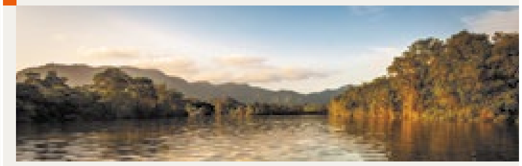
Biodiversity management actions (Gaià reservoir, Spain)

Various actions have been implemented to manage the biodiversity of the properties owned by Repsol around the Gaià reservoir for other species and habitats.

In February 2021 maintenance work was performed on an area already cleared in previous years in order to move the habitat towards a stable environment of dry meadows and thyme plants, and the thinning of adjacent white pine forests. This action has had an impact on 4.55 treated hectares and has allowed for the development of very significant orchid populations, basically the *Ophrys fusca / passionis* species, which implies a consolidation of typical plant formations of the habitat of interest.

The actions were carried out within the framework of the Biodiversity Action Plan (BAP) and have been implemented together with experts in environmental consulting.

Ecological restoration (Mapi LX and Mashira GX areas, Peru)



In 2021, in coordination with the executor of the contract for the administration of the Asháninka Communal Reserve (ECO-ASHÁNINKA), work has been carried out on a control and health monitoring protocol to avoid infection during ecosystem restoration maintenance activities on both platforms. Thanks to this collaboration, the work program was developed and carried out in September while maintaining the safety indicators and without affecting the health of the workers. In total 1.35 hectares of tropical rain forest were reforested. Actions consisted of replacing dead plants, maintaining drainage channels, eradicating Kudzu and fertilizing seedlings.

During this period the overall survival rate was 63% in Mashira GX and 90% in Mapi LX, which is considered to be much higher than expected after the shutdown caused by the pandemic. For Mapi-Mashira (Lot 57), besides the agreement reached with the executors of the contract for the administration of the Asháninka Communal Reserve (ECO-ASHÁNINKA), there is also an agreement with the native communities through the State Natural Protected Areas Service (SERNANP). All measures were approved in the Abandonment Plan by the regulator.

6.2.3. Water

Water, an essential resource for all

Repsol considers water to be a key resource for society and, therefore, carries out sustainable management that ensures the reduction of consumption, responsible use and preservation of the quality of the receiving environment.

Water is used in a number of processes at industrial facilities, factories, service stations and in exploration and production activities. To ensure the sustainability and resilience of operating activities, water must be managed as a strategic resource. This ensures supply in terms of accessibility and quality, with greater efficiency and in collaboration with local stakeholders, and contributes to the Sustainable Development Goals.

Interaction with water

Most of the water withdrawn comes from the ocean (67%) and is used for cooling. The remaining water sources are production and flowback water (16%); water from third parties (11%) — mainly public water network suppliers —; water from surface sources (5%); and groundwater (1%). Therefore, most of the water withdrawn (84%) and used in operations is non-fresh water from the sea. Only 0.7% of the total fresh water withdrawn comes from regions with high or extremely high stress levels.

Aside from once-through cooling, water is most commonly used for steam generation, as an input for industrial processes, drilling activities and other minor uses, such as fire-fighting system water or water to supply sanitary or cleaning services.

In terms of water discharge, the main destination is the ocean (94%). Other destinations used to a lesser extent include surface water bodies (4%) and delivery to third parties for treatment or final disposal (2%).

Reused water is important to operations. In 2021 a total of 17.6 million cubic meters of water were regenerated and reused internally, representing 25% of the total that enters operations, excluding the production water withdrawn and injected and the once-through cooling water used in our combined cycle power plants. This made it possible to reduce consumption and dependence on water that comes directly from the environment.

Sustainable water management

In terms of water management, Repsol has several courses of action in place through to 2025 based on analyzing the risks, developing and implementing actions to minimize impacts, including its real value in decision-making processes, and promoting a water culture at the Company.

These lines of action through to 2025 are deployed at the different business areas in the form of specific plans and actions that, when necessary, have targets associated with each facility or asset.

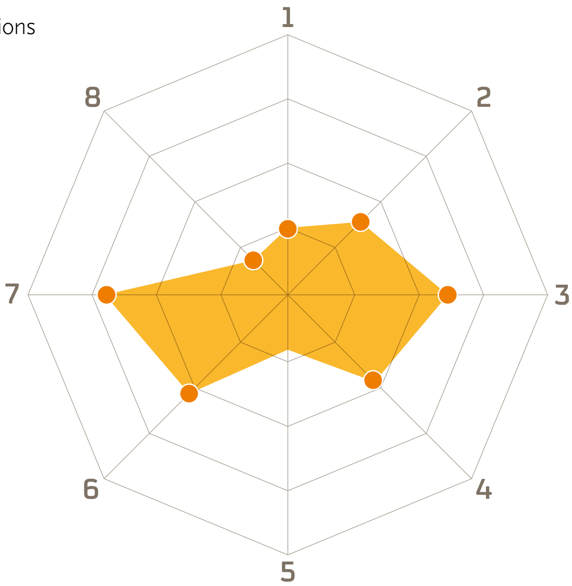
Risk analysis and the Repsol Water Tool

The main potential impacts associated with the use and consumption of water in operations are related to water withdrawal and the consequent reduction of its availability for ecosystems, and to the discharge and possible decline in the quality in receiving bodies.

Since 2013, Repsol has been using a tool developed in-house, the Repsol Water Tool (RWT), to analyze the exposure of its operations to water-related risks.

The analyses carried out with the RWT make it possible to identify those key facilities or assets where greater effort must be made with regard to water management and prioritizing actions.

Repsol's water risk analysis



1. Measurement
Assessment of the quality in the balances that determine the different water uses and consumption

2. Water use
Determination of inflow and outflow volumes, as well as internal water uses

3. Water quality
Analysis of treatment technologies available at the site and possible discrepancies with discharge quality requirements

4. Water sources
Assessment of the water bodies from which the Company draws water (availability, water stress, quality)

5. Water receiving bodies
Analysis of the water bodies receiving the discharges (availability, quality, associated ecosystems)

6. Regulation
Analysis of potential risks associated with changes in legal requirements

7. Future availability
Assessment of the potential risk of restrictions related to water accessibility or quality

8. Reputation
Study of the exposure to different stakeholders regarding water-related issues that may affect normal business operations

GSP 2021

2025 target

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

Until 2020, the RWT has been used at refineries, chemical plants, and upstream assets. In 2021, the tool was scaled up and improved to include new sources of information, such as the Aqueduct Water Risk Atlas developed by the World Resources Institute[8] or the Water Risk Monetizer from Ecolab[9]. In addition, the risk analyses have been adapted to the Company's new businesses and operations.

Collaborative approach to water management

For Repsol, a collaborative approach to water management is important, whereby it establishes relationships with stakeholders and regulators to take into account their needs and interests. This approach leads to more effective management strategies to help prevent risks and mitigate impacts in each river basin.

Notable examples of collaboration with stakeholders include:

- Participation in sector-wide water working groups at associations such as IPIECA, CONCAWE, AOP, CEFIC and FEIQUE. In the case of IPIECA, 2021 was a busy year in which we worked specifically on:
  - a) The publication of the new version of the water management framework, which is a process of ongoing improvement based on risk management that can be applied in any local water, environmental, socioeconomic and regulatory environment. It facilitates an integrated approach to managing water resources by serving as a communication tool with external stakeholders on how the industry is managing and protecting water resources.
  - b) The development of a guide to review the existing tools for analyzing exposure to droughts and floods.
- Establishment of permanent dialog channels between society and the Company, such as public advisory panels at the various industrial complexes, which allow us to become aware of and convey the concerns of neighbors regarding safety, health and the environment, including water.

Minimization of impacts

The identification and monitoring of water-related impacts relies on the use of specific tools, including:

- Environmental, social and health impact assessments, which are conducted in accordance with regulatory requirements in the countries where the Company operates or following internal standards, and complying with the requirements of inspecting and monitoring each facility or asset on a regular basis as agreed upon with the environmental authorities.
- Analysis of impacts and dependencies with a natural capital approach in accordance with the internal GEMI methodology, which assesses water management as a key component.
- Analysis of the life cycle of the products, including the water vector.
- Water footprint studies and other detailed technical analyses, such as water studies or environmental risk analyses carried out at LPG plants.

Impact management takes into account the legal requirements that affect the Company or the internal standards drawn up in line with international best practices established by IOGP, IPIECA or other industry associations to which Repsol belongs.

8 See www.wri.org/aqueduct
9 See about.smartwaternavigator.com/

Some examples of the main measures implemented in 2021 in line with the courses of action regarding water through to 2025:

Water. Diagram of the lines of action up to 2025

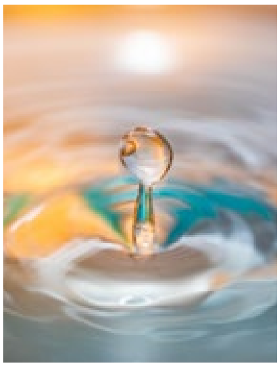
External reuse of water

The Company encourages the use of alternative sources of water that do not come directly from the environment.

The Tarragona industrial complex uses reused water from a public wastewater treatment plant (WWTP), thereby reducing the use of water taken directly from the environment. In 2021, 12% of the total water withdrawn at the industrial complex (refinery and chemical plant) came from the public WWTP.
At the Marcellus E&P operations in the US, agreements have been reached with other operators in the area to exchange and reuse surplus produced water to avoid water withdrawal from the environment. In 2021, 20% of the total water withdrawn was from alternative sources.

Efficient use of water

The Company works to reduce and optimize water consumption in the different activities it carries out.



Efficient use of water at the Cartagena refinery (Spain) positions the Company as a European benchmark in the sector, with a water withdrawal ratio that is 26% lower than the average of other refineries.
These excellent results, that are based on data from the The oil companies' European organization for environment, health and safety (Concawe), have been achieved thanks to the implementation of specific measures included in the water plan for the industrial complex.

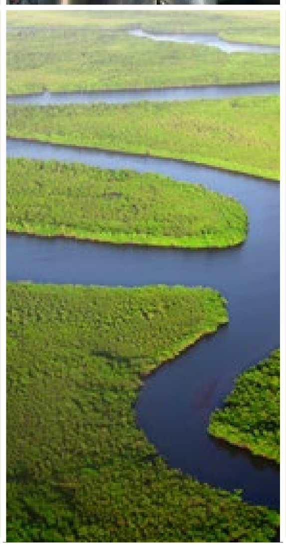
Internal reuse of water

Repsol uses the most advanced treatment technologies to obtain high-quality treated water for reuse in its operations.
Repsol therefore increased its reused water by 101% between 2015 and 2021. In 2021, reused water accounted for 25% of total water used in the Company's operations, not including produced water withdrawn and injected. If the produced water is included, reused water accounts for 38%. The calculations do not include water from once-through cooling processes in combined cycles power plants.

At Industrial area facilities, the water reused internally in 2021 accounted for 24% of the total water that entered operating processes.
A project was launched in 2021 at the La Pampilla Refinery (Peru) to recover effluent water by adding additives to the osmosis reject water to improve its quality and be able to reuse it in the firefighting system. This allowed the percentage of reused water to be increased by 5% compared to the average values in 2020.
This is clear evidence of Repsol's commitment to finding new uses for water.

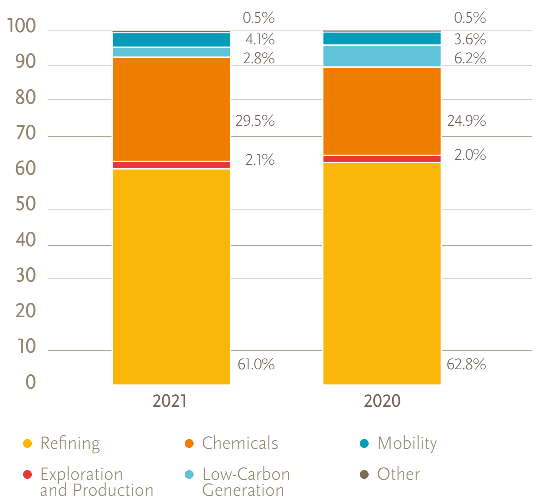
Reducing the impact of discharges

In 2021, a total of 38.4 million m3 of water has been discharged, without counting once-through cooling processes in combined cycles power plants. This made for a reduction of 24% compared to 2015.



An initiative has been implemented at the Escatrón combined cycle power plant (Spain) to improve the quality of the water discharged by optimizing operating parameters. The amount of sludge generated at the water treatment plant has been significantly reduced, from 14 t to 12 t in 2019 and 2020, to not requiring removal in 2021. The COD, BOD and pH level in the discharge have also been stabilized.
In the Puertollano industrial complex, a pilot project has been carried out at the chemical plant using of MEDFILTER's METland technology. This is a treatment using electrogenic bacteria to remove specific contaminants in the water. Its application improves the performance of the wastewater treatment plant and has advantages over advanced oxidation chemical treatments: it does not require energy consumption, minimizes the amount of additives and does not generate waste.
A new water treatment plant has been installed in Margarita (Bolivia), providing the block with the capacity to process 6,800 barrels of water per day. The new plant allows for sufficient processing capacity in the event of increased formation water volumes, ensuring quality specifications for injected water.

Fresh water withdrawal by activity



Water management	2021	2020
Fresh water withdrawn (thousands of m3)	50,519	53,969
Water reused (thousands of m3)	17,691	16,470
Water discharged (thousands of m3) (1)	251,294	303,763
Hydrocarbons in water discharged (tons)	158	145

(1) The variations in the 2020 data with respect to the data published in the 2020 Integrated Management Report are due to the in-depth review carried out on all assets following the implementation of the GRI-303 Water and Effluents standard, which establishes a new classification system.

The circular economy at Chemicals: Repsol, a pioneer in Europe in recycling polyurethane foam

Repsol will build Spain's first plant for the chemical recycling of polyurethane foam with a capacity to treat around 2,000 tons per year, the equivalent of 200,000 mattresses, which, when placed one on top of the other, would reach 380 kilometers in length, almost the distance between Madrid and Valencia. This recycled material will be used to produce 5,000 tons of Repsol Reciclex® circular polyols, produced from post-consumer polyurethane foam from mattresses. This polyol can then form part of the usual processes of new foam production, thus closing the cycle of the circular economy for this material. The plant, located in the Puertollano industrial complex, will be operational by the end of 2022 and will require an investment of 12 million euros.

In 2021, fresh water withdrawal was down 6% as a result of lower production activity at Low Carbon Generation, plus an increase in water reuse and maintenance shutdowns at Refining.

6.2.4. Circular economy[10]

To ensure sustainable growth over time, today's society must make optimal use of natural resources. Linear models of economic growth, based on the take-make-dispose model and which promote accelerated rates of consumption, are not sustainable for the planet in the long term. The circular economy emerges as a new model of production and consumption that maintains a balance between the conservation of the planet and economic development.

Repsol has been working to drive the circular economy in its value chain and in all the countries in which it operates since 2016. It therefore has the support of Repsol Technology Lab and works in close collaboration with partners, suppliers and customers, generating synergies that accelerate the implementation of the projects.

The circular economy is one of the key levers, together with decarbonization, of the 2021-2025 Strategic Plan, which sets out a roadmap with intermediate goals that will enable the industrial transformation necessary to achieve the commitment to net zero emissions by 2050, and to do so by reducing the consumption of natural resources.

To succeed in this task, Repsol is looking for circular raw materials that will allow it to progressively reduce its reliance on fossil fuels: municipal solid waste, organic waste, residual plastics, biogas, renewable hydrogen, CO_2, etc. By 2030, Repsol will process 3 million tons of waste per year. Under the framework of the strategic objectives defined for 2021-2025:

- It will reach low carbon biofuel production of 1.3 Mt by 2025 and more than 2 million metric tons by 2030.
- It will recycle the equivalent of 20% of its polyolefin production by 2030, incorporating waste plastic material into the manufacture of new polymers.

The most notable advances made in 2021 toward the circular economy include the following:

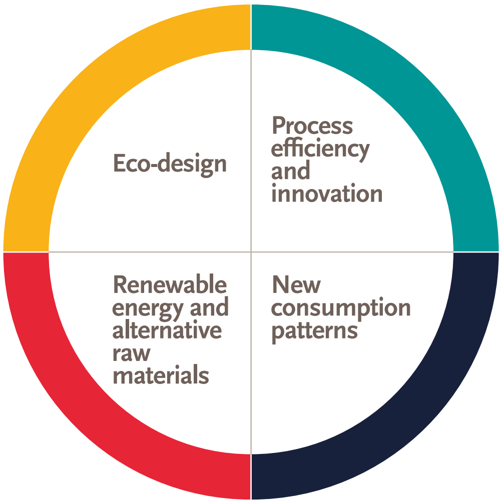
- More than 270 circular projects across 14

10 Learn more about the circular economy and Repsol's commitment at www.repsol.com (Sustainability – Circular Economy)

Circular economy at Repsol

Product design
From the product design phase, criteria are incorporated to minimize the consumption of raw materials in their production, extend their useful life and increase the recycling of their components.

Resource Optimization
Resources and processes are optimized so that waste has a new use, both in our production processes and in those of third parties.



Product manufacturing
Renewable energy sources and alternative raw materials of residual origin are used in the manufacturing of our products.

Sustainable consumption
Initiatives that prioritize renting over purchase of products are encouraged to promote more sustainable consumption.

+270 circular initiatives in 14 countries

+220 strategic alliances

+40 types of waste and technologies under analysis

Repsol prioritizes efficient management of resources, focusing on the circular economy.

countries, many of which are carried out jointly with up to 220 strategic partners, bodies and institutions.

- Search for and assessment of more than 40 different types of waste and technologies to ensure the production of advanced biofuels and circular petrochemical materials.
- Review of the Company's circular economy strategy and alignment with the 1st Circular Economy Action Plan for 2021-2023 launched by the Spanish Government.
- Collaboration with CEOE (the Spanish Confederation of Business Organizations) in disseminating circular projects and initiatives through its catalog of best practices.
- Presentation of 30 projects for more than 6 billion euros, primarily in the field of decarbonization and circular economy, within the framework of the Spanish Government's Recovery, Transformation and Resilience Plan.

GSP 2021

2025 target

Develop cross-cutting circular economy projects in cooperation with external institutions, working with all businesses across the Company.

Repsol's commitment to the circular economy

- Internal milestones
- External milestones

2015

- United Nations presents the Sustainable Development Goals
- European Commission launches first circular economy package

2016

- Internal dissemination of the new production and consumption model in businesses to identify circular projects
- Launch of Repsol's circular economy strategy

2017

- One of the first companies to adhere to the Spanish Government's Pact for a circular economy
- More than 100 circular projects in collaboration with strategic partners

2018

- Creation of a specific circular economy committee
- Definition of circular economy indicators

2019

- The European Union launched the Green Deal with the goal of achieving a climate-neutral European Union by 2050
- First company in the sector to commit to net zero CO_2 emissions by 2050
- Launch of Repsol's 2019-2022 Circular Economy Plan

2020

- Joined the EC's UNE-ISO CTN 323 standardization committee to develop guidelines, guides and support tools in the field of circular economy
- Revision of the Company's circular strategy to bring it into line with the guidelines of the European Green Deal and the 2030 Spanish Circular strategy
- Presentation of the 2021-2025 Strategic Plan, with the circular economy as a key lever in the Company's decarbonization process

2021

- Publication by MITERD of the 1st and 2nd Catalog of Good Circular Economy Practices, which includes 5 of Repsol's projects
- Participation in the CEOE's Catalog of Circular Economy Projects

Circular Economy

+3

million tons in waste used as raw materials by 2030

In addition, this year Repsol has positioned itself as a pioneer in Spain in:

- Production of renewable hydrogen from municipal solid waste.
- Manufacturing the first batch of biojet from waste products for the aviation sector.
- Participating, together with Enerkem and Agbar, in the Ecoplanta Molecular Recycling Solutions joint venture, which will build the first methanol production plant from non-recyclable municipal solid waste in the Iberian Peninsula.
- Constructing in Puertollano the first polyurethane foam recycling production plant in Spain.
- Commencing construction on Spain's first advanced biofuel plant in Cartagena.

The circular economy at Refining: production of hydrogen from biomethane

Repsol has produced renewable hydrogen for the first time using biomethane as a raw material. This renewable hydrogen (produced from biomethane generated from municipal solid waste) has been used to make fuels with a low carbon footprint such as gasoline, diesel and aviation kerosene. This milestone was reached at the Cartagena refinery, where 10 metric tons of renewable hydrogen were produced from 500 MWh of biomethane, thus avoiding the emission into the atmosphere of some 90 metric tons of CO_2. Repsol is therefore taking a first step towards replacing conventional natural gas with biomethane of sustainable origin to produce renewable hydrogen at its industrial complexes and to decarbonize processes and products. It therefore continues to drive the circular economy and state-of-the-art technologies to transform waste into products with high added value and a low carbon footprint.

6.3. Technology for decarbonization[1]

Technological innovation is an essential driver for building more sustainable energy models and meeting the challenge of decarbonization in industrial production and transportation. Repsol Technology Lab is one of the most cutting-edge private R&D models in Spain. 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 technologies focused on:

- 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 advanced biofuels and renewable fuels of non-biological origins (RFNBO) from waste, and development of synthetic fuels from CO_2 and renewable hydrogen to support an accelerated transformation toward low-emission transportation.
- Circular economy as one of the pillars for transforming its industrial centers into large multi-energy hubs, capable of using different types of waste and converting them into carbon-neutral products.
- Production of circular polymers and use of technologies for transforming municipal solid waste and biomass associated with the transformation of Chemicals.
- Development of cutting-edge technological products for the energy transition, such as the Energy Management System (EMS), which optimizes the energy consumed, generated and stored by customers, strengthening them and making them key players in the electricity market.

1 The figures and indicators in this section have been calculated in accordance with corporate standards that set out the criteria and methodology applicable. Investment in R&D includes the figure corresponding to joint ventures in Brazil.

Production of renewable hydrogen at refineries and petrochemical plants

Repsol has recently announced an ambitious **strategy for developing renewable hydrogen, with targets of 550 MWeq by 2025 and 1,900 MWeq by 2030**. To succeed, more mature electrolysis technologies that allow for early development and disruptive ones to improve the efficiency of this process in the mid run will be needed. Repsol Technology Lab is working on both time horizons.

With regard to more mature technologies, such as alkaline electrolysis and Proton Exchange Membrane (PEM), R&D efforts in 2021 have focused on selecting the most suitable technologies and their use in industrial applications, as well as coupling renewable electricity generation with consumption by the electrolyzer. This has allowed the supply of electricity for the electrolyzer planned in Cartagena to be used as a prototype for industrial use selected by the European Clean Hydrogen Alliance as a pilot study for Europe.

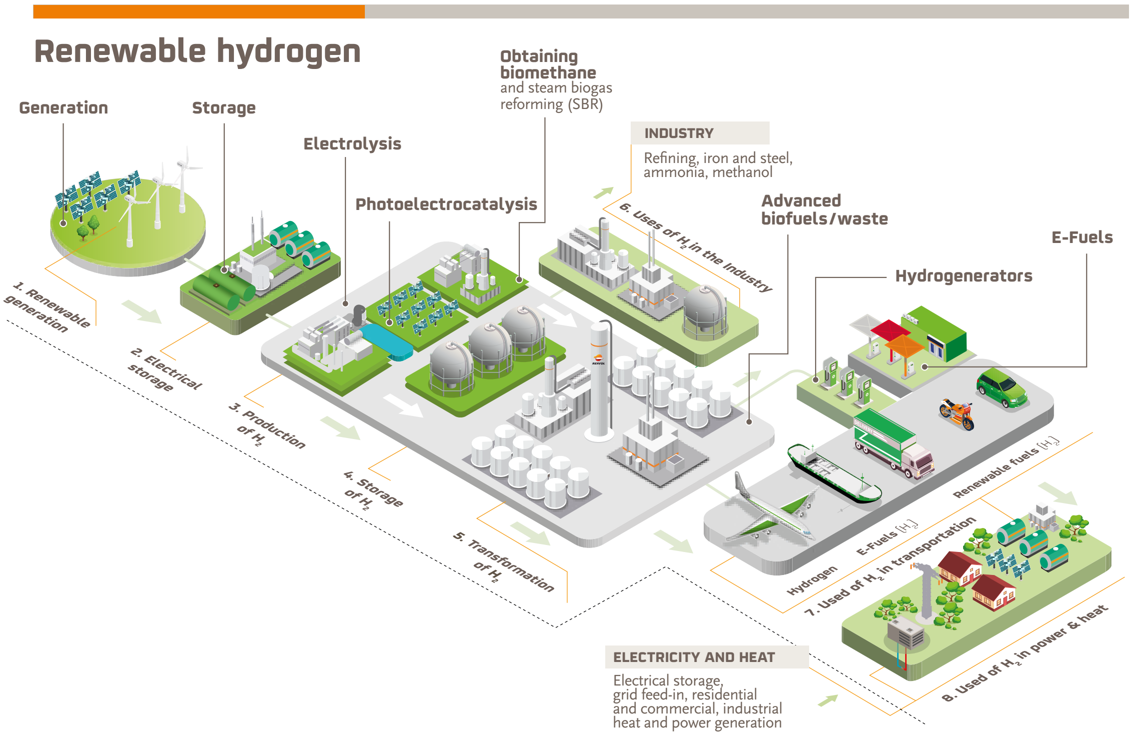
Furthermore, two initiatives have been launched to develop disruptive electrolysis technologies based on solid oxides and that are capable of improving efficiency of the process. One initiative has taken the form of a **consortium of Spanish companies for the development and scale-up of SOEC** (Solid Oxide Electrolysis Cells) technology. The second initiative, based on photoelectrocatalysis technology, has been channeled through the Sunrgyze spin-off. Both will be developed over the next few years, in which the technology will have to be demonstrated, scaled up and optimized to become an operational reality.

The plan drawn up for all these technological initiatives calls for their incorporation into the hydrogen valleys — where there is high demand for renewable hydrogen with different requirements depending on users' demand — promoted by Repsol throughout Spain. These valleys should, on the one hand, help to give rise to new development needs that adapt hydrogen production to its different uses and, on the other, act as real use cases that allow the technological solutions developed to be tested and implemented on a mass scale.

GSP 2021

2025 target

Reach a sustainable biofuel production capacity of 1.3 million tons by 2025



Development of fuels with a low carbon footprint for mobility, including race cars

Repsol is working to seek out new low carbon circular fuels for road, air and maritime transport. In 2021 the following activities were carried out:

- **First pilot project in the field with Hydrotreated Vegetable Oil (HVO), a 100% renewable fuel with net zero emissions**. Twelve buses of the Alsa fleet participated in this project, which provided service around the city of Bilbao for 4 months. The buses used 120,000 liters of fuel produced from waste and supplied by Repsol Technology Lab. This resulted in a reduction of approximately 300 metric tons of CO2 emissions over the course of the pilot project.
- **Collaboration agreement signed between Repsol and Iberia to move towards more sustainable mobility**. Coprocessing-based jet fuel was supplied as a preliminary stage to the supply of jet fuel based on advanced and synthetic biofuels to be produced at Repsol's industrial complexes. The partnership will also enable propulsion alternatives to be explored for land vehicles using electricity or hydrogen and the supply of low-emission fuels for road transport. All of this can lead to a significant reduction in the carbon footprint of operations.
- Development of a new fuel for race cars with a low carbon footprint, using 50% biofuel while maintaining optimum performance. This fuel was created specifically for the Toyota Hilux of driver Isidre Esteve, who tested it in the Morocco Rally with excellent results.

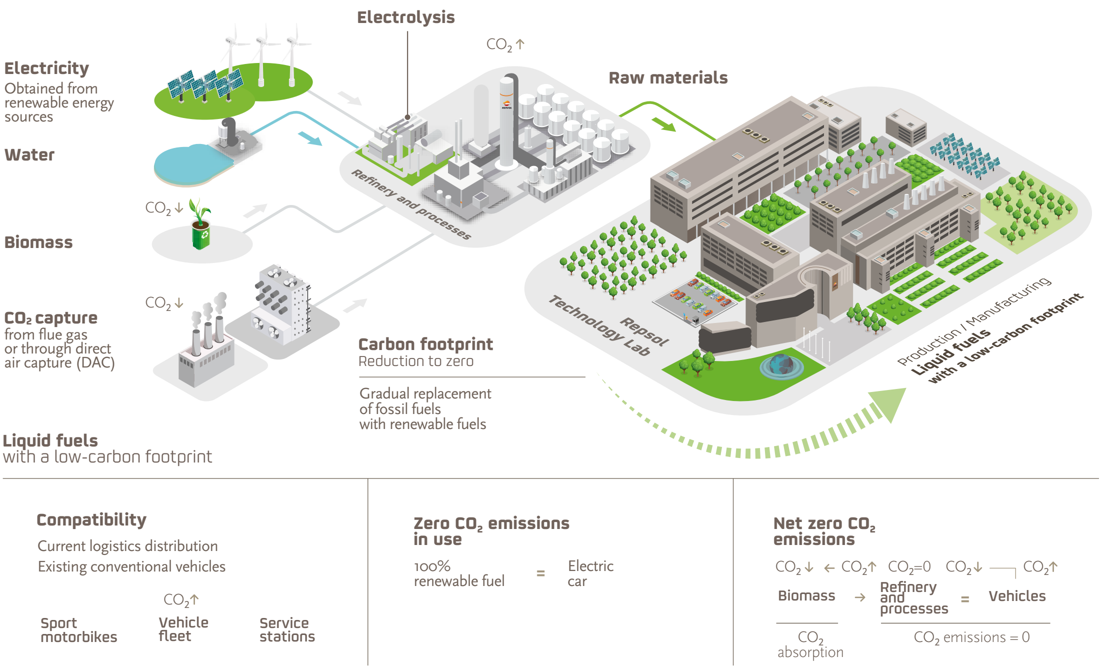
Production of synthetic fuels from renewable hydrogen and CO2 captured at the refinery itself

In 2021, Repsol completed the conceptual engineering phase to build one of the world's largest plants for demonstrating synthetic fuels with net zero emissions from renewable hydrogen. The facility will be built at the port of Bilbao (Spain), near the Petronor refinery. These new fuels will be produced from water (hydrogen precursor) and CO2 captured at the Petronor refinery as the only raw materials. The direct use of hydrogen as a fuel for transportation will also be tested.

Accelerated decarbonization of refineries and petrochemical plants and their products through circular processes

Repsol is working to transform its facilities into large industrial technology hubs, with circular economy processes that make it possible to use

Low-carbon fuels



different types of organic waste and convert this waste into carbon-neutral products. In 2021 the following initiative were implemented:

- **Construction of the first plant on the Iberian Peninsula to transform waste into chemically-derived products**, in collaboration with Enerkem and Agbar. The plant will be able to convert around 400,000 tons of non-recyclable municipal solid waste into approximately 220,000 tons of methanol per year, which can be transformed into renewable plastics or advanced biofuels, thereby reducing net CO2 emissions by approximately 200,000 metric tons per year.
- **Development and patenting of a process to purify the products resulting from the pyrolysis of plastic waste that allows for their chemical recycling.** The process ensures the supply of circular chemicals to the market and has been developed in state-of-the-art pilot plants at Repsol Technology Lab, in collaboration with Axens and IFPEN.
- **Development and optimization of waste recovery through the Perseo Biotechnology spin-off, which is owned by Repsol.** Created in 2020, Repsol owns Perseo Bioethanol®, a patented technology that enables the cost-effective transformation of organic municipal solid waste into advanced bioethanol. It is based on the hydrolysis and fermentation of the raw material in a single step, and its development and optimization represents a qualitative leap in the recovery of municipal solid waste. Other advantages include high performance compared to alternative options, modularity and complementarity with existing facilities.
- **Repsol is part of the Cracker of the Future consortium,** through Repsol Technology Lab and alongside companies such as Total, Versalis and Borealis. This consortium aims to develop an electric steam cracker that would significantly reduce — compared to using a conventional steam cracker — the carbon footprint of converting naphtha or natural gas into building blocks for making polymers. In addition, it could convert bio naphtha and pyrolysis oil obtained from waste plastics, thus avoiding using landfills and enabling key process routes for the circular economy.
- **Strategic agreement between Repsol and Técnicas Reunidas to develop new decarbonization technologies and drive the circular economy.** This collaboration aims to develop proprietary technology to manufacture — from waste and recycled materials — high value-added products with low or zero carbon footprint, and to optimize industrial processes. Both companies will also be able to offer their knowledge and experience through technological

GSP
2021

2022 target
40% of the investment in R&D projects in line with the pillars of the Sustainability Model.

consulting services in emissions reduction aimed especially at SMEs, in order to promote the energy transition throughout the industrial fabric.

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 Fund[2]. The OCGI brings together 12 major companies in the oil and gas sector, and its fund invests in decarbonization technologies. In 2021, the fund invested in four new companies.

Repsol is also appraising CCUS opportunities at its Upstream assets with the scientific support of the Repsol Technology Lab. One of these is the Sakakemang project in Indonesia, a pioneering initiative in the capture and storage of CO2, with a potential of 1.6 Mt/year.

The captured CO2 can be stored underground or used as a raw material for various applications and a wide range of products. In this regard, Repsol Technology Lab is collaborating in the AGGREGACO2 project to build an aggregates plant in the area surrounding the Petronor refinery to manufacture products from CO2. The project has been recognized by the EU Innovation Funds for Small Scale Projects, which will finance 60% of the investment.

Geothermal

Repsol is analyzing geothermal energy development opportunities in various parts of the world. The TORUS product, developed by Repsol Technology Lab, is a tool to accelerate the technical analysis of opportunities based on feasibility studies, and is being implemented in business workflows.

Intelligent systems for energy management and flexibility

Repsol is working to develop technologies to incorporate integrated solutions based on advanced artificial intelligence algorithms and complex optimization.

EMS is an energy management system that allows the energy consumption of customers and their assets (photovoltaic panels, batteries or electric vehicles) to be managed remotely and independently. For example, it optimizes the consumption associated with air conditioning and the cold chain for commercial customers, which results in savings in electricity bills of up to 20% in air conditioning and 40% in the cold chain, while reducing CO2 emissions. The EMS is a proprietary technology based on artificial intelligence algorithms, physical asset modeling and advanced optimization.

It is being tested in actual environments through collaboration agreements such as the following:

- Dynamic control of the air conditioning of two office buildings at La Vega business park (Madrid, 12,000 m2 and 150,000 kWh).
- Control of the air conditioning system of the museum and restaurant at the San Mamés stadium of Athletic Club of Bilbao (1,300 m2 and about 80,000 kWh/year).
- Dynamic temperature control at fish farms of 8 m3 for breeding turbot for the Nueva Pescanova Group.
- Dynamic temperature control in industrial refrigeration chambers for the García Carrión Group.

It is also being used at Repsol's facilities and assets, such as the Repsol Technology Lab and Talent Lab buildings, and at the Móstoles Service Station.

Expected savings with real users range from 10% to 30% on the cost of the energy managed.

Open innovation model

Repsol is based on open innovation and networking, in collaboration with technology centers, companies and universities around the world, and its innovation model is consistent with the 2021-2027 Spanish Strategy for Science, Technology and Innovation (EECTI).

In November 2021, the European Commission granted the HR Excellence in Research award to Repsol Technology Lab, the first research center of a private company to have received this accolade. The award recognizes the open, transparent and merit-based recruitment of researchers in accordance with the principles set out in the European Charter for Researchers and the Code of Conduct for the Recruitment of Researchers.

Also noteworthy of mention is Leadership in Madrid + Circular, a new technology consortium that relies on the support of the Community of Madrid, that aims to encourage public-private partnerships and drive the circular economy.

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

Repsol Corporate Venturing[3,4]

Repsol accelerates the introduction of innovative technologies and business models, through an investment fund that seeks to acquire stakes in start-ups that offer solutions in three key realms of action: decarbonization and circular economy, advanced mobility and renewable energies, and digital technology and asset optimization.

In collaboration with the start-ups, Repsol plans to carry out proof-of-concept testing and technological developments in the Company's operations, in order to promote the use of technologies and maximize the probability of success of its investment.

It currently holds interests in 18 companies and in 2021 it invested 12.8 million euros in eight start-ups, 80% of which are involved in developing low carbon technologies. Highlights:

- New capital contributions in the following investees: Belmont, Finboot, Rocsole, Sunrgyze, Ezzing, Begas and Ampere.
- Stake acquired in the Spanish company Alerion to develop an ATEX (explosive atmosphere) drone for automated inspection of infrastructure in energy sector industries; a technology that is already widely implemented in the wind energy sector.

In addition, after seven years as a shareholder and as part of the natural venture capital cycle, the Company has divested its interest in Scutum-Silence, a Spanish company that manufactures and markets electric motorcycles.

GSP 2021

Ambition

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

Repsol Technology Lab

Own **R&D** + **Corporate Venturing** Fund = **Innovation** results

Own R&D

233 experts of **17** nationalities

+64 million euros invested in 2021

Skills in multiple fields such as;

- # Advanced mobility
- # Bio-energy and low emissions
- # Advanced mathematics
- # Geophysics
- # Process design

Corporate Venturing Fund

Funded with **€ 85 million** for investment in start-ups

Investments in **18 start-ups** with disruptive technologies

Open Innovation
Our open door to innovation in the energy sector

Innovation results

9 new groups of **patents** registered in 2021

We are working on **70 technology projects**

We offer more than **180 technology solutions**

+200 partnerships with collaborators and organizations around the world to **transform the energy sector**

+50.000 m² dedicated to innovation all over the world

+20 specialized laboratories and **35** pilot plants

3 For more information, visit www.repsol.com (Energy and innovation – Open innovation)
4 See ventures.repsol.com

6.4. Digitalization

GSP 2021

2022 target

Champion new digital solutions that will contribute toward efficient and sustainable energy generation.

Five years ago, Repsol anticipated the potential of digitalization in the value chain and so in 2017 it launched the Digital Program with cross-cutting, tangible and ambitious objectives to transform the Company, notably:

- Obtaining economic benefits along the entire value chain through the implementation of digital tools.
- Promoting the transformation of work methods and develop employees' digital capabilities.
- Making a positive contribution to achieving net zero emissions by 2050 through digitalization.

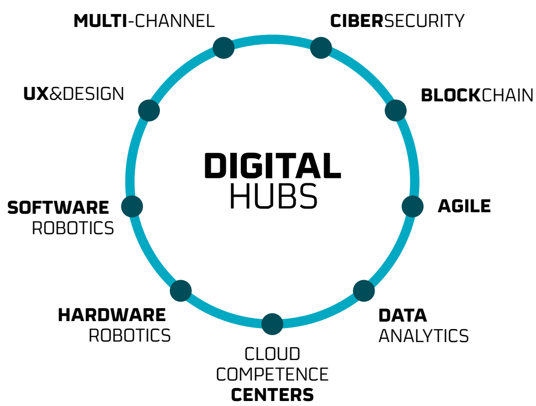
In line with these objectives, digital technologies are applied to respond to the digital challenges and needs determined by each of the businesses and associated with 9 technological trends. In this regard, Repsol has nine technology hubs — integrated throughout the Company — that specialize in these technologies, thus ensuring that the necessary talent is available to be at the forefront in each of them. To this end, cross-cutting platforms are being developed to promote their implementation and identify, together with the different business areas, new digitalization opportunities, taking advantage of the latest digitalization trends in the sector.

The program, which is present across all businesses, on four continents and in more than 20 countries, already has more than 370 digital cases, which will continue to evolve to reach the **target** of having an impact of **800 million euros by 2022**, with an impact of 596 million euros by the end of 2021.

The digital transformation contributes to increased efficiency, data-based decision making and closer interaction with customers and employees. There are numerous examples of digital initiatives that strengthen the Company's competitive position and drive the energy transition.

Juan José Casado, Best Chief Data Officer 2021 at the 3rd edition of the Best CDO and Data Strategies Awards 2021.

Technologies for digitalization



Valero Marín, awarded best CIO of the year at the R&D Innovation Awards 2021.

Statistics por Capacities

Impact

€596 M — Impacto capturado en 2021

€800 M — Target impact by the end of 2022

Statistics

+1,200 **people** involved — **4** continents, **+20** countries

9 Technology **HUBS** — **+150** new hires in two years

Including: Data Analytics, Multi-channel, RPA, User Experience

Data School — **3** editions held, **90** employees trained, **25** editions, **810** employees in 2023

Along this line, the program has already proven to be an important lever to respond to Repsol's Sustainable Development Goals. More than 45% of the digital initiatives launched made a positive contribution to these goals.

In relation to **SDG 7 – Affordable and clean energy**, Repsol, as a leading multi-energy supplier, has a key role to play, especially within the Customer and Low Carbon Generation businesses. The following initiatives are noteworthy:

- **Vivit**. A product that integrates all energy consumption data in the home. Among other things, it allows customers to select the facility to obtain 100% renewable energy and offset the gas emissions arising from their consumption. Already used by some 240,000 customers.
- **Solmatch**. This is the first large solar community in Spain. It allows users to consume 100% renewable energy supplied by nearby communities or to form new ones. There are currently 230 solar communities in Solmatch. The number of households with the possibility of consuming 100% renewable electricity has now reached 18,000, which implies a savings of 2,650 metric tons of CO_2 per year.

With regard to **SDG 8, Decent work and economic growth**, the following stand out:

- Repsol Data School promotes **actions to foster the development of skills and knowledge associated with digitization and new technologies**. In 2020, an agreement was signed with ISDI (Higher Institute for the Development of Internet) and providers such as Telefónica to support learning programs related to data science knowledge. The aim is to be able to drive change in corporate culture and in the way we work. By 2023, some 800 employees are expected to have taken part in Repsol Data School.
- At Upstream, digitization helps to improve the **management of physical and logical barriers** to prevent accidents, and to optimize the management of work permits through the **e-Permit-to-work** project, which was recently implemented at all operated assets.
- With regard to Industrial Transformation and Circular Economy, **numerous mobile apps** have been developed to form part of a common space (GesPT, Guided Aid, Contractor Portal, etc.) and that allow workers to perform periodic inspection tasks more efficiently and safely. In another case, **e-Vision** allows work permits to be managed through the use of artificial intelligence and predictive analytics.
- The My Digital Services experience is being promoted at corporate level. Chatbots such as MyMAR and MySAE have been developed to handle the queries of more than 14,000 employees by leveraging artificial intelligence and natural language processing. Also noteworthy are the intelligent software robots, based on Robotic Process Automation (RPA) technology, which since their inception have performed more than 100,000 routine operations previously performed by employees, allowing these employees to perform higher value-added tasks.

There are many examples of how the Digital Program is enabling all businesses to reduce energy consumption and emissions, which is actively contributing to **SDG 13, Climate action**:

- At Upstream, **GHG Measurement and Reporting** was implemented in 2021, which is a standardized model for calculating greenhouse gas emissions at all operated assets. The plan is to extend the system to include non-GHG emissions in 2022. It is expected A further highlight of mention is **Methane Detection**, which uses satellite imagery and public meteorological data to quantify methane emissions that exceed permitted thresholds. Also noteworthy is **READS**, which allows the impact of operations on natural capital to become part of decision making[1].
- At Industrial Transformation and Circular Economy, highlights include the Smart Energy Management initiatives, such as **Matrix** or **Heat X**, which rely on simulations and machine learning to find the plant's optimal operating point in terms of energy and thus reduce costs and GHG emissions.

Recognition of Repsol's Digital Program

In its 2021 *benchmark*, Bloomberg compared the digitalization strategies of the major global oil and gas players (Saudi Aramco, Chevron, Shell, BP, Total, etc.) and ranked Repsol as the company with the most ambitious digital program, recognizing it as a key lever to achieve the goal of net zero emissions by 2050.

External recognition

The Vivit app, the digital solution with which Repsol makes its renewable energy parks available to its customers, was recognized at the 9th edition of the enerTIC Awards, in the Energy Transition & Sustainability category

REPSOL vivit

External recognition

Solmatch received the Green Generation Award, which recognizes innovative and technology-based initiatives linked to the generation of clean and renewable energies at the Retina ECO Awards

REPSOL Solmatch

1 See Section 6.2.2 – Natural capital and biodiversity.

Digital initiatives with an impact on Sustainability

Affordable and clean energy

READS
Allows the impact on natural capital to be included in the decision-making process

Solmatch
100% sustainable energy model through solar communities in urban areas

Vivit and Origin of your energy
The customer as a key player, connected and committed to the efficient management of their home's energy

Decent work and economic growth

Repsol workplace
Inclusive working environment

Repsol Digital Girl
Fostering female talent in STEM disciplines

TIEC mobile apps
20 integrated apps that allow quick reference to procedures as a guide in performing tasks

My Digital Services
Use of artificial intelligence and natural language processing to streamline the resolution of employee queries through chatbots

Climate action

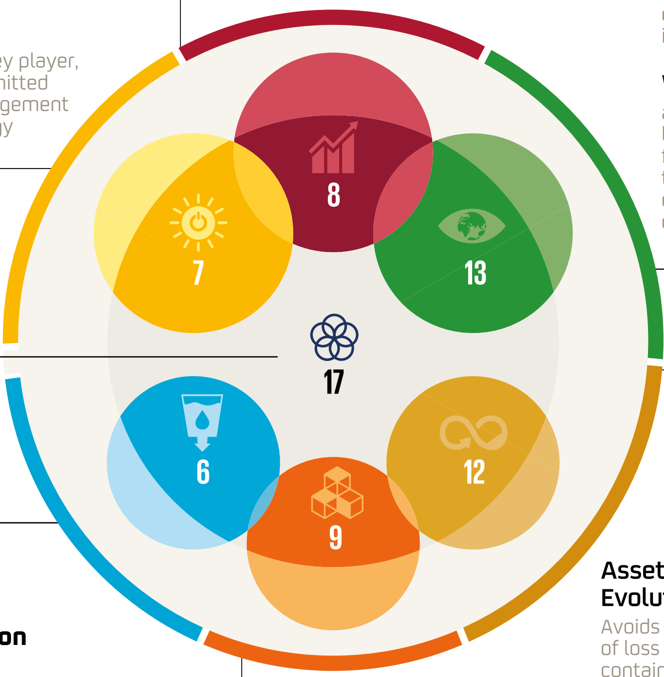
SMART Energy Management
End-to-end optimization of energy use

ELIoT
Sensorization of elements of service stations to optimize asset management and user experience

GHG Measurent and Reporting
Standardized model for calculating emissions in operated assets

Methane Detection
Mathematical models to identify and quantify methane gas emissions

Waylet
a payment and loyalty application for customers to offset the CO_2 emissions of fuel consumption



Partnerships for the goals

INDESIA
Creation of consortiums

Clean water and sanitation

Vetting
Integrated vetting management system to verify regulatory compliance for each voyage that a ship makes

Shipping Emissions Monitoring
Monitoring emissions from shipping vessels

Emergency Response Process
Automation of ship incident management, which streamlines decision making in response to any threat to safety and the environment.

Industry, innovation and infrastructure

ARIA
Repsol's platform enabling the use of big data and artificial intelligence

Celonis
Use of machine learning to reconstruct the process from procurement to payment (Center for Process Bionics)

Responsible production and consumption

Asset Health Evolution
Avoids the risk of loss and containment, based on heat mapping, corrosion and the health of the assets

Crude Oil Blending and Agile Scheduling Tool
Optimization and scenario management to select crude oil and schedule products in response to prevailing demand

wible | IBIL
Enhanced user experience to promote sustainable mobility

Inwel.ia
Real-time prescriptive tool for field personnel based on artificial intelligence and a combination of machine learning, statistics and state-of-the-art physical models

Diesel and Gasoline Blending Optimizacion
Blending optimizer for DMC systems to reduce consumption

Autonomous plant
Automation and optimization of operations through real-time data interpretation

- At Customers and Low Carbon Generation, highlights include **Waylet**, which offers the possibility of offsetting the CO2 emissions for refueling at service stations. It is also a highly intuitive payment method. It already has some three million users.
- Last but not least, at corporate level highlights included the process of migrating the data centers to a **hybrid multi-cloud**, whereby **more than 2,500 servers** have already been migrated to the cloud, thus reducing energy consumption for data storage and processing.

In addition, the Digital Program has **initiatives with a positive impact on SDGs 6, 9, 12 and 17**. Examples here include:

- **SDG 6 – Clean water and sanitation**. At Trading, highlights include Shipping Emissions Monitoring (S-Insight), a tool for analyzing and minimizing pollutant emissions in maritime transport.
- **SDG 9 – Industry, innovation and infrastructure**. Repsol's **ARIA** platform houses most of the data and analytical models of the Digital Program. Thanks to its success and usefulness, is now being marketed to third parties through Accenture. At the corporate center, the **Celonis** platform was implemented Celonis, which uses machine learning to reconstruct the source-to-pay process (from purchase to payment).
- **SDG 12 – Responsible production and consumption**. At Industrial transformation and Circular Economy, the Digital Program has made it possible to improve asset reliability and prevent unplanned downtime due to equipment failure through initiatives such as **Asset Health** and **Asset Management**. At Upstream, a key highlight is **InWell**; a digital system that monitors drilling operations in real time. It includes a tool based on artificial intelligence to determine the best drilling method for each underground section, thus reducing the environmental impact and increasing the efficiency of operations. We would also be remiss not to mention the **Autonomous Plant**, which seeks to automate and optimize operations by interpreting data in real time. In this regard, Repsol has established a partnership with Microsoft to develop a tool for **managing transition periods at the crude oil unit**, which reduces the changeover time in the feed and therefore increases the efficiency of crude oil changeovers.
- **SDG 17 – Partnerships for the goals**. Repsol is a founding partner — along with five other large companies — of **IndesIA**, **Spain's first industrial consortium for the development of artificial intelligence initiatives**. It also participates in **AMETIC**, an association of more than 3,000 Spanish companies that seeks to promote the digitalization of the entire industrial fabric.

In 2022, the current cases will continue to be developed and new opportunities and technologies will be explored that will enable Repsol to move forward with its digital transformation, generate positive impacts and contribute to the Company's goal of net zero emissions by 2050.

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 this risk has increased with the international pandemic due to the mass use of telecommuting and remote connections. However, in 2021 Repsol did not encounter any relevant incident for which it was necessary to trigger the crisis management model for cyber-attacks or business continuity due to massive unavailability of information systems.

To mitigate these risks, there is a Strategic Plan and a Cybersecurity Operating Model in place that promotes 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 reinforce 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 function.
- 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 Company's senior management.

External recognition

Repsol's digital payment solution has been recognized by ESIC Business & Marketing School with the ASTER 2021 Award in the digital innovation category

In **2021, more than 370** digital initiatives, with **over** 45% **of them directly impacting sustainability**

External recognition

ARiA, Repsol's data analytics platform that will facilitate the use of big data and artificial intelligence in combating climate change, received the AMETIC Artificial Intelligence Summit 2021 award in the category of use and applications of artificial intelligence at organizations.

- 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 main national and international forums on this subject.
- 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 (table top, 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.

6.5 People

Through its people management policy, Repsol promotes a work environment based on equal opportunities, diversity and inclusion.

6.4.1. Human capital

Repsol relies on the Strategic Plan to face the challenge of accelerating the energy transition in an efficient and sustainable manner, while guaranteeing growth. All employees are key to transformation and progression, talent management, people development, digitalization and new ways of working and flexible organization are the levers that will help along in this transition.

The Company continues to work every day with a firm commitment to manage people in a responsible and sustainable manner by offering employees a value proposition based on the following principles:

- A stable working environment, within the context and in accordance with its strategic priorities, but ensuring operations and maintaining staff costs.
- Equal opportunities and the non-discrimination policy, which distinguish Repsol as diverse and inclusive.
- Respect for labor rights, maintaining an open dialog with employee representatives, promoting freedom of association and collective bargaining, and always ensuring people's health.
- A consolidated process of active listening to employees through the culture survey and various perception polls on specific topics.
- A total compensation model based on fair remuneration and components that contribute to well-being.
- Stimulating work, driving collaboration and innovation and aimed at efficiency, through the implementation of new ways of working, digitalization and a continuous process of organizational development.
- Best practices in attracting and retaining talent, deploying initiatives and action plans for attracting, identifying and developing key talent.
- A continuous effort to support the learning and growth of employees through training and mentoring programs, always promoting internal mobility, leadership development programs and ad-hoc support to develop their skills and commitment.

Sustainable employment

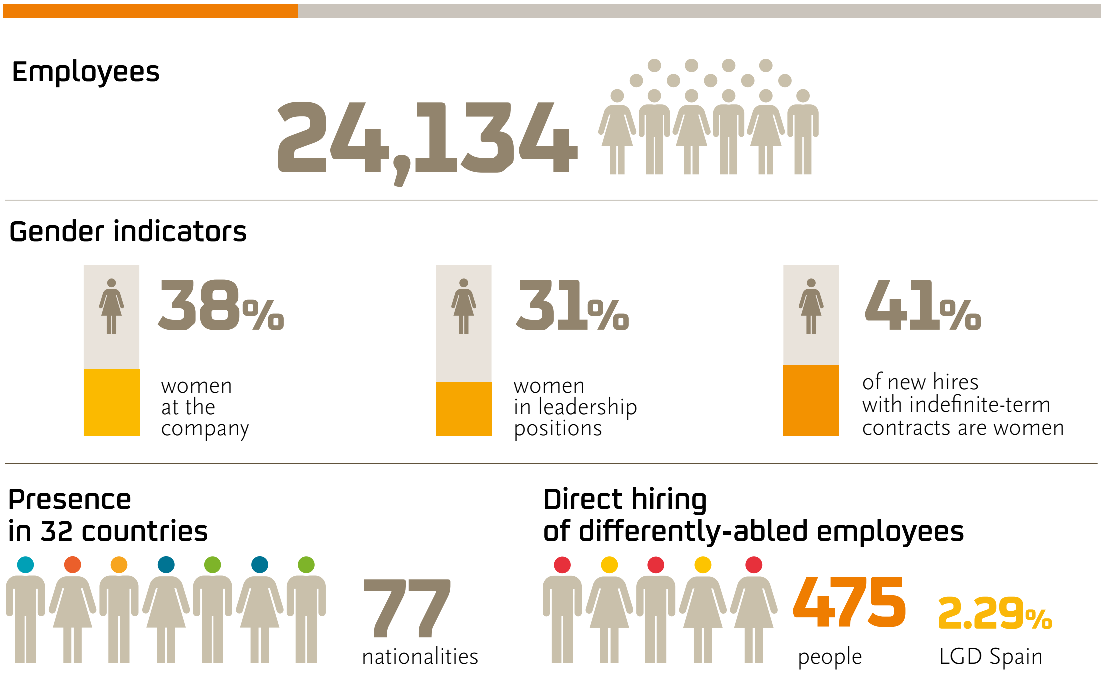
Repsol is firmly committed to employment stability, as reflected, for example, in the Repsol Group's Framework Agreement, applicable in Spain and negotiated with the largest trade unions. A total of over 24,000 employees worldwide form a diverse, skilled and committed team that is one of the Company's greatest strengths.

In 2021, against an economic backdrop of immense pressure within the industry — further aggravated by the uncertainty of the energy transition and the pandemic —, Repsol remained firmly committed to protecting jobs across the globe.

The number of active employees at the end of 2021 remained stable compared to the end of 2020 (24,134 in 2021 and 24,125 in 2020). Of note was the growth seen in temporary contracts during the year, as business at the commercial divisions returned to levels similar to those seen in 2019. This growth impacted employee turnover and hiring rates.

In addition, a total of 804 permanent contracts were signed in 2021, of which 328 were for women and 476 for men, equivalent to 41% and 59%, respectively.

The average cost per employee came to 69.8 thousand euros in 2021 (69.9 thousand euros



GSP 2021

2025 target

Achieve a 35% increase of women in leadership positions.

in 2020). Total staff costs were 118.3 thousand euros (103.6 thousand euros in 2020), of which 81% took the form of healthcare and pension fund contributions[1]. Social Security payments in 2021 amounted to 258 million euros, while global investment in training totaled 8.4 million euros.

Equal opportunity and diversity

As stated in its Code of Ethics and Conduct, Repsol is firmly committed to equal opportunities and to diversity and inclusion as differentiating elements on the path to becoming more competitive. These principles will be the product of mutual learning experiences based on the principle of equality and non-discrimination. The Diversity and Work-Life Balance Committee, comprising the Company's top executives and representatives from different areas and countries, promotes inclusive diversity whereby employees can unlock their full individual potential.

Repsol has continued to work towards its target of 35% of women in leadership positions by 2025 and will continue to do so. In 2021, the percentage was 31.4%, up 0.5% on 2020.

For Repsol, it is extremely important for its initiatives to have a gender perspective, and so the contents of the leadership and mentoring programs have been reviewed and updated.

Repsol has been included for the third consecutive year in the international indicator on gender equality Bloomberg Gender-Equality Index. The assessment highlighted the inclusive culture, equal pay and equal opportunities. The Company has renewed its external commitment by participating in the WPC and BCG Untapped Reserves survey and in communication initiatives on gender equality.

In 2021 Repsol maintained its commitment to ensure the inclusion of people with disabilities into the labor market, and to promote the inclusion of the LGTBI group[2].

1 The difference in 2021 compared to 2020 is largely due to an increase in the Norway pension plan.

2 For more details on these initiatives, see the Global Sustainability Plan.

GSP 2021

2025 target

Go beyond the legal requirements in terms of professional opportunities for people with disabilities.

The commitment to people with different abilities and their inclusion has a key lever: managing workplace accessibility. The central offices are 100% accessible. Following the study conducted in 2018 with the aim of diagnosing the level of accessibility of the environment, services and management — a new project for Campus Accessibility, which is still being implemented — was designed for 2019-2021. The center is designed to ensure the comfortable and autonomous mobility of any person, guaranteeing the safety of the routes, the connection between different environments and facilitating access to areas and services without barriers.

Right to collective bargaining

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. The Company places significant importance on maintaining social dialog and the quality of this interaction.

Collective bargaining in Spain, where 70% of the group's employees are based, is best exemplified by the Framework Agreement. This collective bargaining agreement was signed with the main trade unions and includes cross-cutting labor issues that are then included in the collective bargaining agreements of each of the companies included in its scope of application, in order to ensure more uniform working conditions for employees. The Group's Framework Agreement, together with the collective bargaining agreements (nine company collective bargaining agreements, six sectoral agreements and five company agreements), provide the basis for a framework of sustainability and trust underpinning the mutual interests of Company and employees.

As regards the legal representation of workers in Spain, in 2021 Repsol had 747 workers' representatives at the 15 companies included in the Framework Agreement, belonging to 10 different trade union organizations, and of whom 31 representatives were outside the scope of that Framework Agreement.

Since 1997, Repsol has had a European Works Council — a body for information, consultation and communication to achieve an atmosphere of free and responsible debate on issues that may affect the group in general and which focuses on key issues affecting the Company on a European scale. This committee includes employee representatives from eligible countries such as Norway, Portugal and Spain.

At the international level, Repsol:

- Wherever it operates, it recognizes the principles of freedom of association, protection of the rights to organize and collective bargaining.
- It respects freedom of thought and the right of employees to form and join unions without fear of reprisal.
- When instigated by employees, it establishes a constructive and regular dialog with employee representatives, negotiates with them in good faith and involves them in important decisions affecting the workforce.

Repsol has employees covered by collective bargaining agreements in Spain, Peru, Portugal, Brazil, Indonesia, France, Italy and Norway. They are represented by an internal body or by the sectoral trade union. Of the total number of employees from these countries, nearly 85% of them were covered by a collective bargaining agreement in 2021, representing more than 76% of the Group's total workforce.

Satisfied and committed people

In line with the objective of having a team of committed people, the remuneration policy promotes fair compensation, recognizes the contribution of employees to the Company's results and offers additional benefits to ensure the well-being and physical and psychosocial health of all the people who work at Repsol.

Repsol's compensation strategy aims to offer a competitive and attractive system in terms of total compensation, resulting in an appropriate package of monetary remuneration and various benefits.

In general, total compensation includes the base salary, short- and long-term variable remuneration, and a set of benefits (pension plans, health care, life and disability insurance, among others). In addition, a Stock Purchase Plan was launched worldwide in 2020, which, on a voluntary basis, offered employees the possibility of becoming shareholders under advantageous terms.

Remuneration is reviewed on an annual basis to ensure internal equity and outward competitiveness at each location, and therefore efficiently meet the requirements of each country.

In accordance with Law 11/2018 and the new requirements in Spain under RDL 6/2019, RD 901/2020 and RD 902/2020, employee remuneration is analyzed on an annual basis, including the adjusted salary gap in each country with significant operations, to determine the factors that underpin the differences in salary between men and women, such as professional role, type of work day, age range, business, etc.

Flexible **compensation** mechanisms

- Medical **insurance**
- **Pension** plans
- Support **services**
- **Loans**
- **Employee** benefits

There is a wide range of mechanisms and measures in place to promote employee well-being. Numerous employee benefits[3] and a range of flexibility and work-life balance measures are included in the different countries, with the teleworking program being one of the most popular initiatives among employees. In 2021, there was a 17.13% increase in the number of employees who applied for telework, rising to 4,506 (3,847 in 2020).

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 Canada, the United States, Spain, Portugal, Indonesia and Norway, among others. In addition, many countries have adapted their work schedules during the week so that their employees have Friday afternoons off.

Further work-life balance measures in place at the Group include additional days of vacation or paid and unpaid leave. In Spain, for example, employees can take unpaid leave for personal reasons or additional days of paid leave and vacation time. In Canada, the law provides for various kinds of unpaid leave, though Repsol still chooses to pay the workers part of their wages while on leave. In Peru, the company provides additional leave, such as for marriage, relocation or bereavement. And in Brazil, maternity and paternity leave days have been extended. Repsol also applies minimum standards of leave worldwide to ensure a proper work-life balance. These standards are more generous than the leave provided for by law and relate to maternity, breastfeeding, paternity, marriage or death of a family member.

The Company continuously promotes initiatives and information campaigns to raise awareness and foster a culture that promotes work-life balance. In this sense, it fosters more efficient agenda and time management and the all-important right to disconnect: the Repsol Group launched its *right to disconnect protocol in 2019*, with guidelines and recommendations on how best to limit the use of communication technologies and thus ensure the utmost respect of employee rest time, leave and vacation leave outside of the working hours prescribed by law or collective bargaining agreement.

3 The employee benefits differ in the agreement in each case and are applicable to the extent determined in each one.

Health and well-being

Repsol has designed and implemented the strategic framework for occupational health and wellness across all countries, with the main objective of sharing good practices and ensuring a common, Group-wide approach, while also providing employees with resources and tools to accompany them in improving and maintaining their health and wellness: personalized medical advice, promotion of telemedicine and prevention and health promotion campaigns.

Sound management of the COVID-19 pandemic remained a key concern throughout 2021. During the period, Repsol continued to provide the technical advice needed to maintain operations and productivity, but with the safety and health of employees as its overriding priority.

Strategic lines of the occupational health and wellness framework

Line 1
Sedentary lifestyle / physically inactive (ergonomics)

Line 2
Nutrition

Line 3
Emotional management (stress, anxiety, sleeping habits, etc.)

Line 4
Dependencies (tobacco, alcohol, drugs, new technologies, and work)

In Ecuador, with government authorization to purchase vaccines, all of Repsol's employees – including their family members – and contractors were vaccinated against COVID-19 in 2021.

Agile organization and new ways of working

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.

Two complementary lines of work have been set up to achieve these objectives, acting at different levels of the organization, the Company, teams and individuals: organizational streamlining and the adoption of new ways of working.

Organizational streamlining

In May 2021, a new organizational structure was implemented, leading to a change in the composition of the Executive Committee, with the aim of creating a simpler and leaner organization, with a greater capacity to put the customer at the center of the business, drive digital development and facilitate the goal to be leaders in decarbonization.

A roadmap, to be steered by the Executive Committee, was also deployed in 2021, with cross-cutting and strategic initiatives to evolve and deploy the organization in priority areas.

The organizational streamlining has led to an improvement in the management team reduction indicators featured in the Strategic Plan. As a result, a 15% reduction in the management team and a 9% reduction in leaders in corporate and transversal functions had been achieved by December 2021. The ratio of employees per manager also improved during the period to reach 5.9.

Adoption of new ways of working

The new ways of working at Repsol are a product of the organizational streamlining process and the transformation of operating models and the Digital Workplace.

In 2021 Repsol completed the deployment of technology and spaces for the Digital Workplace,

4 Employee Experience Index: experience metric based on the dimensions of communication, collaboration, mobility, meetings and teamwork.

New ways of working

1 • **Clear and aligned vision**

Allowing teams and individuals to know and understand the objectives and priorities at all times and feel a sense of commitment to contribute

2 • **Simpler and leaner organization**

Enabling teams to be goal-oriented, efficiently organized and easily adaptable to change

3 • **Digital working environment**

Enabling efficient work and collaboration from any location and device connected to talent wherever they are

4 • **Mindset and agile & lean practices**

Adopting a mindset and management practices that help us to be more agile and efficient, and promote innovation

Recognition
Actualidad Económica award for the Multiskilling program developed by the Commercial Businesses

a program to transform the workplace focused on providing new possibilities for teamwork and collaboration. From January to December 2021, the employee experience index improved[4] by 11 points.

Inspirational and enterprising leadership

Repsol fosters talent and leadership as strategic drivers, favoring an inspirational and enterprising style of leadership that involves motivational and proactive people management to accompany the transformation.

This transformation is supported by the development of career opportunities, through training and mobility plans, matching employee profiles to the Company's needs and investing in programs to retain and engage employees.

Along these lines, LEAD was launched in 2021, an experiential learning program that aims to develop leaders' communication and engagement skills to support and transform the Company by driving innovation, efficiency and agility. In 2021, upwards of 300 people underwent LEAD (36% of the target group of leaders) and the process is all set to continue throughout 2022. In addition, coaching and mentoring programs were implemented to support leaders and professionals in the accelerated development of the skills needed to successfully bring about the Company's cultural transformation.

Active talent management

Repsol is committed to new ways of hiring young talent and incorporating digital and STEM profiles, such as doctoral students specializing in technology for cutting-edge projects at universities, such as MIT in the United States, hired by the Repsol Technology Lab.

In 2020, the pandemic led to a methodological and technological change of training processes. As a result, there was a more varied and adapted range of training on offer in 2021 in response to the new circumstances. Repsol continues to offer training in anti-corruption, crime prevention, ethics and conduct, health, safety, environment and leadership, and we continue to reinforce and update the upskilling and reskilling processes within the businesses.

Highlights included training in: (1) development of hydrogen as an energy vector that affects both Upstream and Industrial; (2) standardization of One Repsol Way processes at Upstream; (3) commercial development and excellence programs in customer experience that are being implemented for employees and collaborating companies in the customer business; (4) training of new profiles at the Low Carbon Generation business to develop new functions and ensure the replacement of key people; and (5) cross-cutting transformation of the businesses by developing and honing the digital and analytical skills of our employees.

6.5.2. Respect for human rights and community relations[5]

Respect for human rights is a key aspect of management in all of Repsol's activities. The cornerstones are as follows: governance and commitment at the highest level, and excellent social performance on a day-to-day basis.

The Company's purpose is to always operate with the acceptance of internal and external stakeholders, maintaining solid relationships with them based on recognition, trust, mutual respect and shared value.

5 For more information on human rights management and community relations, see www.repsol.com (Sustainability – Human rights and sustainability – Communities and shared value).

Repsol's policies and regulations are aligned with the United Nations Guiding Principles on Business and Human Rights.

Human rights due diligence is the management model used to identify, prevent, mitigate and remedy negative impacts and to maximize the positive consequences of its activities. The highest international standards are therefore applied in all operations, together with a conscientious process of continuous, participatory and transparent dialog.

In addition, the Group's grievance mechanisms allow for early detection, prevention and remediation of potential impacts on human rights.

Repsol's commitment to human rights

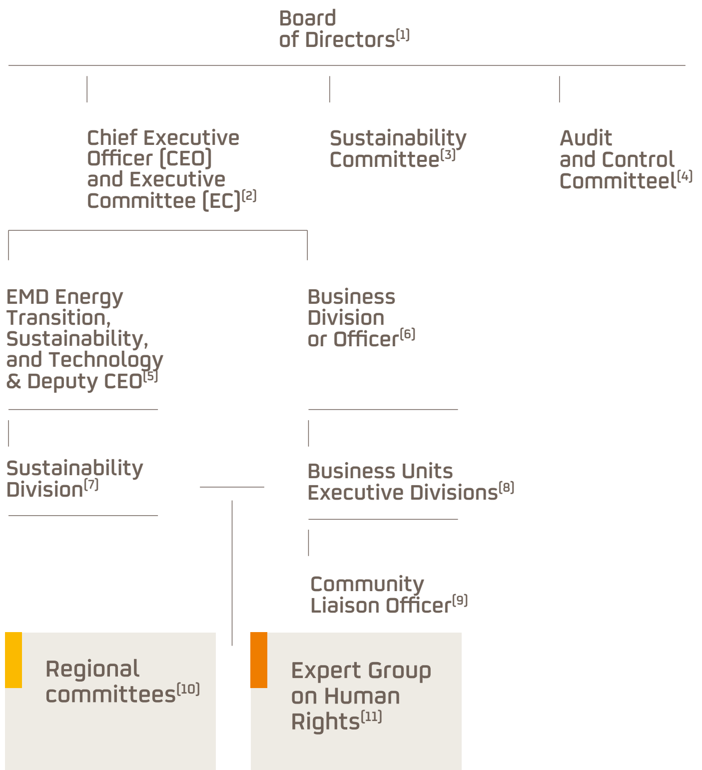
Since its approval in 2008, the Human Rights and Community Relations Policy has been adapted to comply with the highest international standards. It represents the formal commitment of senior management to steer the Company's endeavors in this area. This policy and the management of all its activities are fundamentally based on the United Nations *Guiding Principles on Business and Human Rights*.

Repsol is likewise committed to meeting other relevant standards: the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work and the eight fundamental conventions that develop it, the Organization for Economic Cooperation and Development (OECD) guidelines for multinational enterprises, the International Finance Corporation (IFC) performance standards and the 10 Principles of the United Nations Global Compact. In the specific case of indigenous communities, Convention 169 of the International Labor Organization (ILO) governs Repsol's actions in this field.

This commitment spans the entire life cycle of the Company's activities, from the design, construction and commissioning phases of the projects to execution and decommissioning. It also promotes compliance with the highest international standards among employees, contractors, suppliers and partners. Repsol actively takes part in industry-wide initiatives, in partnership with other companies from the sector. Examples here include IPIECA, in which Repsol is involved in various working groups, among them Social Responsibility and the Sustainable Development Goals.

In addition, in 2021 Repsol was the highest rated company in the first study on business and human rights analyzed by the Spanish IBEX 35. The report — drawn up by the Ecology and Development

Governance in human rights



1. Approves the Company's human rights strategy
2. Approve human rights policies and oversee the effective implementation of the strategy. They also manage critical claims as part of the Crisis Committee.
3. Regularly monitors the strategy and compliance with human rights action plans and objectives
4. Oversees the process of preparing and the integrity of financial and non-financial information (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, coordinates and provides technical support through the expert area of community relations and human rights
8. Deploy the strategy at each business unit
9. Link between the communities and the Company in its operations
10. Share good practices and address material issues in Repsol's operations
11. Coordinates the global strategy with the business and cross-cutting areas

Foundation (ECODES) and based on the Corporate Human Rights Benchmark (CHRB) methodology — recognizes the quality of the Company's management and policies, and its proactive anticipation of future European human rights due diligence legislation.

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. The Human Rights Expert Group was created in 2020, which coordinates the global strategy throughout the Company. In 2021, the first actions were taken in pursuit of the group's objectives: publication of the document titled *Human rights and Repsol* and launching the new *Course on human rights*. The Company is also ready for the future EU directive on human rights due diligence.

Key human rights issues for Repsol

As part of the due diligence process, each year Repsol sets human rights objectives at global and local levels. These objectives are included in the Global Sustainability Plan and in the 20 local sustainability plans, which include information on the degree of 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.
- Feedback received from the different countries with operations.

Due diligence management model

Repsol's management model takes an anticipatory approach that focuses on identifying, assessing and mitigating the risks and impacts associated with its activities and on seeking out new opportunities, with a commitment to prevention and ongoing and transparent dialog with all stakeholders. It is applied throughout all stages of the life cycle of the assets, from analysis to abandonment. This process involves all stakeholders: contractors, partners, employees, communities, etc., and is based on the main international standards.

The objective is to minimize the risks and any negative impact of the activities 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.
- 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 engagement strategies with local communities and other stakeholders in all operated projects. All of them contribute to the sustainable development of the communities that lie in the vicinity of our operations and help Repsol to obtain and maintain its social license to operate.

Activities are carried out in accordance with the environmental, social and health impact

GSP
20
21

Ambition:
Establish strong relations with communities in which the Company is present.

One of Repsol's priorities is to respond quickly and promptly to the complaints and concerns of its stakeholders

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, involving stakeholders. Before starting a new project or activity, the 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 or the right to preserve the identity and culture of communities. In addition, the Company has its own methodology for assessing human rights impacts since 2014.

All impact assessments conducted in 2021 (3 in Ecuador, Peru and Guyana) 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 those operations in which Repsol does not participate in the management of social aspects, such as non-operated 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 to them.

Grievance and remediation mechanisms

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 repair the impact caused by its activities or those of its partners or contractors. This allows it to be proactive, respond to minor incidents before they escalate and provide an early avenue 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 *UN 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 judicial or extra-judicial proceedings, and nor do they affect the legitimate and peaceful activities of human rights defenders.

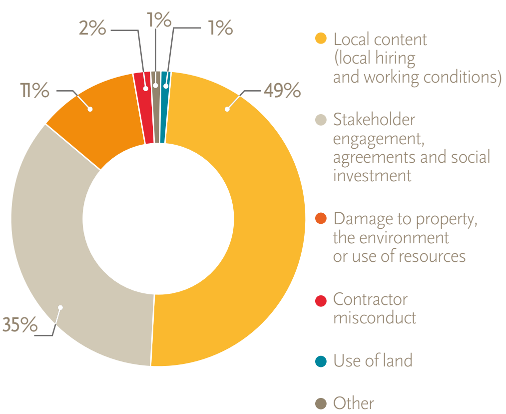
Relevant complaints are handled at the local level and forwarded to the communities and human rights expert team of the Sustainability Department

Publication of the Human Rights and Repsol report*

Coinciding with the tenth anniversary of the *United Nations Guiding Principles on Business and Human Rights*, Repsol published Human Rights and Repsol, a document that shows the progress made in respecting human rights and the challenges faced by the Company.
Repsol takes another step forward in its commitment to transparency by including in this document its key initiatives to comply with the highest international standards and anticipate new regulatory challenges. This work is the result of a collective and coordinated effort by many areas, and shows success stories, testimonials and challenges in social performance.

*See www.repsol.com (Sustainability – Human rights).

Types of social grievances received in 2021



to be escalated, if necessary, to the Executive Committee for review and possible management.

In 2021, 97% of the grievances received were resolved.

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. In any case, 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 (SDGs 6, 7, 8, 9, 12, 13 and 17).

The social investment management standard, aimed at ensuring transparency and optimizing positive impact, regulates these processes: Repsol assesses opportunities that generate positive impacts in each context and enhances the shared value when undertaking the projects, while avoiding future dependencies. Sustainable socio-economic development derived from planning based on dialog and consensus with local communities is a key priority and determines the scope of the investment.

In 2021, social investment amounted to 33 million euros[6], compared with 37.8 million euros the previous year.

The challenge of a just transition

Repsol is immersed in a process of energy transition to be a zero net emissions company by 2050. This goal will only be achieved if solutions focused on human rights are also incorporated to address the social and economic impacts on communities, employees and the value chain.

The energy transition must be in line with the objectives of the Paris Agreement and the 2030 Agenda of the United Nations, economically efficient, sustainable and fair for all, generating employment opportunities and business competitiveness and offering affordable, safe and environmentally-friendly energy products and services.

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.

It also maintains its commitment and know-how to minimize the impacts that the gradual reduction of more carbon-intensive activities could have on local societies, if and when this should occur. The Company continues to support and collaborate in local sustainable development projects in all assets where management ends, as it has been doing up to now.

Repsol, with its commitment to achieve net zero emissions by 2050, works to bring about a just and sustainable energy transition

Strategic alliances to promote sustainable development and recovery of the indigenous peoples of Megantoni against COVID-19

In collaboration with the United Nations Development Programme (UNDP), Repsol has been promoting and strengthening multi-stakeholder partnerships since 2019 through the project for the recovery and social protection of indigenous peoples. In the district of Megantoni (Cuzco, Peru), actions have been taken with local and regional entities, health sector authorities and indigenous federations to strengthen capacities and promote prevention, response and recovery from COVID-19 in the communities. The Respira Amazonía communication campaign was also launched, with the translation and broadcasting of 15 radio microprograms in the Machiguenga, Yine and Spanish languages for the prevention and treatment of COVID-19 in the communities. In addition, Comando Amazónico COVID-19 — a coalition made up of indigenous federations, health organizations, NGOs, and public and private institutions — has been reactivated to develop a regional plan focused on social protection, green development and full compliance with human rights.

6 See Appendix V for further information and examples of social investment projects.

GSP 2021

Ambition:

Guarantee people's security with full respect for human rights.

The Company recognizes the need to collaborate with key players from the public and private sectors and civil society to achieve a just transition. Repsol actively participates in different forums seeking the best roadmap for this challenge:

- At IPIECA, to share and support the efforts of the entire oil and gas sector.
- At the Council for Inclusive Capitalism with the Vatican, to establish a global framework and reference guide.

Security and human rights

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

Repsol contractually requires all security contractors to have their employees undergo training in human rights policies or procedures. Repsol offers corporate security courses on human rights to ensure that all contracted security personnel receive this training.

In 2021, the number of security personnel trained in human rights totaled 756. Of these, 544 were private, 173 were public security forces and 39 were Repsol employees. A total of seven contractors did not receive the training because they work in remote locations without a stable internet connection, and are subject to travel restrictions as a result of the pandemic. This means that 99% of the security personnel that provide services to the Group have received training in human rights policies or procedures.

Human rights	2021	2020
Number of employees trained in human rights	714	857
Number of training hours in human rights	714	753
Contracts with security firms that include human rights clauses (%)	100	100
Security providers evaluated according to human rights criteria (%)	100	100

New 100% accessible human rights course

Repsol considers training in human rights to be a key aspect in ensuring respect for human rights all along the value chain and has been running a specific training course since 2012. With the aim of continuing to raise employee awareness in this area, Repsol launched a new human rights training course in July 2021, available to all employees and featuring updated content and format. The course addresses issues directly related to human rights in a practical way, using potential examples from our employees' day-to-day work: labor rights, voluntary principles, equality and inclusion, human rights due diligence, grievance mechanisms, remediation, etc. This course is 100% accessible to anyone that is visually or hearing impaired and it is expected to be extended to contractors to continue influencing the value chain.

6.6. Safe operations[1]

Repsol is committed to carrying out its activities by considering essential values such as people's health, safety and environmental protection. This refers to each employee and contractor, regardless of their position or geographical location. Everyone is responsible for their own safety and for contributing to the health and safety of others.

6.6.1. Safety management system

Repsol's Health, Safety and Environment Policy includes the organizational structure, planning of activities, responsibilities, practices, processes and resources to guarantee the commitments established as fundamental values in carrying out all its activities and in all areas of management.

- **Leadership and culture**, promoting appropriate risk perception, transparency and trust in reporting, continuous learning and innovation.
- **Proactive risk management**, including health, safety and environmental criteria throughout the activity cycle.
- **Integrated management**, incorporating health, safety and the environment into business management.
- **Compliance with laws and internal regulations**, regardless of the geographical area in which it operates.
- **Continuous improvement**, systematically establishing improvement objectives and goals with regard to health, safety and the environment, assessing performance and making any corrections necessary, and defining verification, audit and control processes to ensure they are met.
- **Stakeholders**, maintaining channels of communication, working together with local communities and society, contributing their knowledge and reporting in a reliable and transparent manner.

These principles are deployed through a comprehensive safety management system that ensures compliance with requirements common to all operations while taking into account and paying

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 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. In particular, in the field of security, this includes data from contractors that provide services under a direct contract.

attention to the diversity of the business units, countries, activities, business relationship models, etc.[2]

The management system is structured around three pillars:

- **Internal regulations** in accordance with international best practices. This sets out the safety requirements for operations throughout their life cycle and supports standard safety and environmental risk management throughout the Group. This set of regulations comprises the Health, Safety and Environment Policy and specific regulations for each key aspect of safety management: risk management, safety of operations, asset integrity, incidents, crisis and emergency management, change management and secure product management, among others.
- **Implementation** of applicable regulations across all businesses and assets. This establishes the required characteristics given the nature of each activity (corporate requirements and additional requirements of the business, country, etc.). This process involves intensive dissemination, communication and training campaigns and specific IT tools. In 2021, the Upstream business developed and implemented its own safety and environmental management system (SEMS), in accordance with internal regulations and the best practices of international organizations.
- **Certification, verification and assurance processes** to ensure the effectiveness and efficiency of all the above. Repsol follows the three lines of defense approach, and implements these processes across all three lines with complementary objectives:
  - The first line of defense lies the closest to the operational side of the business and audits are carried out to ensure the quality of operational processes (e.g. work permits). This also includes external certifications[3] (ISO 14001, ISO 45001, etc.) and verification of the assets.
  - The second line of defense, located mainly at the head of the business, features specific assurance units that audit the degree of implementation and compliance with regulations and internal procedures.
  - The third line of defense, particularly the Internal Audit Department, conducts internal audits to ensure the efficiency and effectiveness of the entire system, as well as legal compliance. The reinsurers of the assets also conduct external assessments of the safety management system.

GSP
2021

Ambition:
Zero accidents, among both employees and contractors

Safety & Environmental Management System

S E M S

1 Commitment and accountability	3 Organization, resources and capabilities	5 Risk assessment and control	7 S&E plans and procedures	9 Monitoring, reporting and learning
2 Policies, standards and objectives	4 Stakeholders	6 Assets design and integrity	8 Execution and control of activities	10 Assurance, review and improvement

2 For further information, see Appendix V – Safe operation.

3 Repsol has a safety management system in place for all of its assets. In addition, all of Repsol's businesses are certified by outside parties, except for Upstream, where, due to its business strategy, only those assets required by law are certified.

6.6.2. Digitization and collaboration for improving safety

Safety is a fundamental part of Repsol's digital strategy and is considered an area to which special attention needs to be paid. The Company explores and incorporates technologies and tools that reduce people's exposure to risk environments, facilitate the use of mobile apps to support management, or enable extensive analysis of available data in operations. Some of the technologies are in the operational phase, such as InWell Center, which uses artificial intelligence and digital twin technology for drilling operations in remote areas; or Track & Trace, which geolocates the transportation of chemicals and LPG. In addition, new applications continue to be added, such as:

- Safety data lakes, enhanced on the ARIA platform. This is applied to analyze and use the information on incidents.
- SMApp, a mobile app aimed at notifying employees of the industrial business units of all aspects related to safety and the environment.

Various Repsol teams are involved in the main industry associations on safety matters, such as the International Process Safety Group (IPSG), where Repsol agreed to lead the 2022 international conference at the facilities of the A Coruña refinery; International Oil & Gas Producers (IOGP), where Repsol is vice-chair of the Human Factors subcommittee; and the Center for Chemical Process Safety (CCPS). These types of collaborations result in the development of sectoral best practice manuals and guides sponsored by the organizations and then applied across the industry as a whole.

6.6.3. Process safety

Repsol continues to make progress toward the key lines of action set out in the 2025 Safety and Environment Strategy (SES), with actions spanning all aspects of safety management: people, facilities and processes.

The Company considers operational excellence to be one of the cornerstones that will enable it to achieve the goals set out in the 2025 SMA with regard to process safety. To achieve this, the Company has been working to design, implement, manage and maintain safety barriers and critical processes to ensure the integrity of its facilities. International standards such as API, NFPA, ISO, EN, IEC, IOGP or CCPS are therefore applied.

The asset integrity standard establishes the obligations with regard to process safety, setting tolerable risk limits to ensure the continuity of operations. As a result of applying this standard, all businesses have developed internal regulations to respond to the requirements established in terms of identification, definition of performance and verification of safety barriers.

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 reduce the industrial accident rate at its assets.

In 2021, the total number of Tier 1 and Tier 2 process safety incidents was down 57% compared to 2020. Under the key lines of the HSE Strategy, projects to further improve process safety management through asset integrity and communication plans based on the IOGP process safety fundamentals are now being carried out.

Process safety indicators (1)	**2021**	**2020**
Number of Tier 1 process incidents	3	5
Number of Tier 2 process incidents	6	16

(1)A process safety accident is one in which the first line of control has been breached, with the following happening simultaneously: i) There is a process or a chemical involved ii) It occurs at a specific location, i.e. at a facility used for production, distribution, storage, auxiliary services utilities) or pilot plants related to the chemical process or product involved and iii) It gives rise to an unplanned or uncontrolled release of material, including non-toxic and non-flammable matter (e.g. steam, hot water, nitrogen, compressed CO_2 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.

6.6.4. Personnel accident rate

Repsol's ambition to achieve zero accidents focuses on the safety of people when carrying out their activities. The Company works alongside the most affected stakeholders in reducing personnel accident rates: employees, contractors and suppliers[4].

In addition, since 2014 it has set targets for reducing the Total Recordable Frequency (TRF), which measures the accident rate of employees and contractors. These targets are set based on

4 For further information, see Appendix Vb – Safe operation.

benchmarks of best performers in the sector and have an impact on employees' variable remuneration.

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 according to 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 inquiry 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.

In 2021, the TRIR was down 20% compared to 2020 (0.89 vs. 1.11), following a reduction in lost workday and not-list workday incidents. Meanwhile, the number of hours worked remained constant with respect to the previous year. At the industrial centers, the Company is continuing to strengthen safety leadership and preventive observation by enhancing safety systems, such as the projects In plant, Safety leadership for technicians, Workshops on preventive safety observations, and further training in personalized communication systems, on screens, informative applications on cell phones, talks, briefings or other elements depending on availability. Actions are also being carried out at drilling operations to further improve safety on aspects relating to the definition of roles and responsibilities, transfer of knowledge and learning, and review of practices at operational meetings.

Main personnel safety indicators [1]	2021	2020
Lost Time Injury Rate (LTIF)[2]	0.64	0.81
Lost Time Injury Rate for employees	0.56	0.71
Lost Time Injury Rate for contractors	0.73	0.92
Total Recordable Incident Rate (TRIR) [3]	0.89	1.11
TRIR for employees	0.74	0.85
TRIR for contractors	1.06	1.40
No. of employee fatalities	—	—
No. of contractor fatalities	—	—
Number of safety training hours	164,568	287,452

(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.

Occupational safety according to severity of consequences

	2021			2020		
Severity	**Men**	**Women**	**Total**	**Women**	**Men**	**Total**
Very serious	—	—	—	—	—	—
Serious	2	—	2	2	—	2
Moderate	40	6	46	57	11	68
Minor	21	3	24	20	3	23
Trivial	5	—	5	2	1	3
Total	**68**	**9**	**77**	**81**	**15**	**96**

6.6.5. Spill management

Spills	2021	2020
Number of oil spills (>1 bbl) reaching the environment	11	23
Volume of oil spills (>1 bbl) reaching the environment (t) (1)	6	16

(1) Oil spills of more than one barrel to have reached the environment.

In 2021, in Ecuador, a relevant spill (4 tons) occurred while transferring diesel to an underground tank used for vehicle fueling. The emergency plan and containment activities were immediately activated. A corrective and preventive action plan was also deployed to improve the installation, the process, the revision and updating of procedures and the training of personnel.

If a spill occurs in spite of all the preventive measures put in place, early detection and minimization of the impact on people and the environment becomes a priority. The Company has the necessary human and technical resources. Once the spill has been brought under control and the damage has been remedied, further preventive actions are put in place to avoid any recurrence. In the event of marine spills, and in addition to its own response resources, Repsol has contracts in effect with the world's leading companies to assure a swift response by external specialists and equipment (Oil Spills Response Limited – OSRL, including access to the Global Dispersants stockpile, Wild Well Control, Helix, etc.).

6.6.6. Safety culture

Continuous improvement in safety culture is a key aspect in preventing major accidents and in achieving the target of ensuring zero accidents. Repsol continues to work on deploying specific safety culture diagnostics across its assets and businesses. This allows the Company to obtain global aggregated information and at the same time implement specific improvement actions in the diagnosed asset or business. These findings can then be used to identify common weaknesses and improve the way they are managed.

Since the program's inception in 2015, more than 25 safety culture diagnostics have been carried out. In 2021 the diagnostics for Eagle Ford (USA) and Canada, both in the Upstream business were completed, along with Direct Sales and International Aviation and a fourth one at the LPG businesses in Spain.

Attributes of Repsol's safety culture model

Safety awareness training for contractors

Suppliers and contractors play a key role in the Company's sustainability performance and must carry out their activities in accordance with the laws in force in each country and internal regulations, notably the *Code of Ethics and Conduct for Suppliers*.

Repsol carries out various initiatives to raise awareness among contractors, such as the program developed in 2021 in relation to the construction of industrial complexes, wind farms and photovoltaic plants. The aim is to improve the culture of prevention among contractors, reinforce safe behaviors, and improve awareness and perception of risks. Specific talks have been given and walkthroughs have been conducted to monitor the behavior of workers. The joint implementation of SBTO (Step back, Breathe in, Take 2 minutes to observe, Operate with mindfulness) — the safe work ritual on site — was also promoted during the period to help individual reflection.

At the Mobility business, in 2021 a contractor action plan was implemented with inspections of safety controllers and meetings with engineering companies, controllers and safety coordinators, with the aim of identifying areas for improvement, standardizing criteria and improving coordination. In addition, high-risk work procedures were reviewed to improve the safety of operations.

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. In 2021 the foundations were laid and the conceptual framework was defined to enable the Company to continue making progress in this area over the coming years.

With regard to safety culture training, the Company continued to implement Safety Leap, a safety leadership program that received two gold medals at the Brandon Hill Excellence in Leadership Development Awards in 2021. In addition to the online version, which is available to all employees, this training is being provided by the industrial business in face-to-face or virtual sessions to the technical groups linked to its operations.

In the firm belief that collaboration accelerates the learning process, activities with various associations have been particularly intense this year:

- Organization of the IOGP Human Performance Summit, to determine a vision and principles shared by the industry, and to establish a roadmap to facilitate their inclusion into activities.
- Sponsorship of the JIP Toolbox, sponsored by the Energy Institute, as a key tool for lessons learned from incidents to be shared by operational teams.
- Participation in the 2nd Virtual Meeting of the IPSG with two presentations: The first, on process safety leadership. The second, the presentation of an actual case of hydrogen sulfide (H_2S) leakage at the industrial facilities. These lessons learned were also shared with the European Technical Committee of the CCPS.
- Participation in ACHEMA PULSE with the talk *Learning from managing process safety during COVID-19*.

6.6.7. Emergencies 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.

As an example of its steady progress, in 2021 the crisis and emergency management standard was updated, just two years after it was published. Improvements were included along with the lessons learned from managing the COVID-19 pandemic crisis. This regulatory support 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 2021, the crisis and emergency response drill was carried out around a hypothetical scenario at the Marcellus business unit (Pennsylvania, USA). 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).

Anniversary of the 10 Basic Safety Rules

The Company has 10 Basic Safety Rules to minimize the risks that may involve harm to people in carrying out the Group's activities. Not only are they mandatory for all employees and contractors, but they also imply a commitment to provide workers with the necessary means to reduce risk when performing their tasks.
Coinciding with the fifth anniversary of the publication of the 10 Basic Safety Rules and to continue expanding its knowledge and application, in 2021 the Company developed a reinforcement campaign, which included redesigning the entire graphic line and associated materials, modernizing the public website that houses all the content, and an ambitious communication campaign with the participation of ambassadors, i.e., internal key players in each of the rules.

6.7. Responsible tax policy

€11,455M

Taxes paid by Repsol in countries where it operates

Repsol is aware of its responsibility for the well-being and social and economic development of the countries where it operates, and it knows full well that the taxes it pays support both processes.

Therefore, Repsol has a tax policy that insists on responsible payment of taxes through good practices when managing its tax affairs, along with transparent action and cooperative relations with governments, while avoiding material risks and unnecessary disputes.

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.

Tax contribution and impact

Although business activity during 2021 was still affected by the COVID-19 crisis, Repsol paid a total of 11,455 million euros in taxes and similar public levies across more than 35 countries.

Details of payments by country, a summary of which is attached below, can be found in Appendix V to this report and at www.repsol.com:

Taxes paid in 2021[1]

	Taxes paid [2]		Tax burden				Taxes collected			Profit	
Million euros	**2021**	**2020**	**Total**	**Income tax**	**Other income tax**	**Total**	**VAT**	**Hidrocarbs tax(3)**	**Others**	**2021**	**2020**
Europe	**9,155**	6,867	**749**	202	547	**8,407**	2,897	5,092	418	**1,297**	**(854)**
Latam & Caribbean	**1,239**	689	**568**	143	425	**671**	366	271	33	**766**	**(362)**
Asia and Oceania	**299**	334	**278**	184	94	**21**	8	—	14	**91**	**(301)**
North America	**207**	161	**145**	15	130	**62**	11	—	51	**(7)**	**(1,723)**
África	**554**	156	**550**	498	52	**4**	—	—	4	**351**	**(48)**
TOTAL	**11,455**	8,207	**2,290**	1,042	1,248	**9,165**	3,282	5,363	520	**2,498**	**(3,289)**

[1] Information prepared in accordance with the Group's reporting model, as described in Note 4 – Segment information of the 2021 consolidated Financial Statements.
[2] The amount includes returns from previous years totaling 254 million euros in 2021, and 974 million euros in 2020.
[3] Hydrocarbon tax. Includes receipts from logistics operators where the Company is ultimately responsible for payment.

Repsol applies responsible tax policies and practices

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

17 PARTNERSHIPS FOR THE GOALS

Transparency: Publication of the Country by Country Report

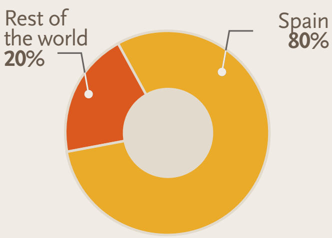
Repsol has been voluntarily publishing a Country by Country Report (CbCR) since 2018. The published CbCR not only shows the key economic figures related to Repsol's performance in the countries in which it is present, but also provides a description of its business model and value chain with contextual information on the business activities carried out in each country. This includes a list of companies operating in each jurisdiction, together with references to the requirements of substance and alignment with the Group's business needs. By publishing this report on a voluntary basis, Repsol is complying in advance, and even going beyond the scope of the European regulations that will require its publication as from 2024 onward (EU Directive 2021/2101).

Repsol also publishes a Tax Contribution Report, which provides detailed and complementary information to that included in this Integrated Management Report and in the CbCR on the different types of taxes paid and received by Repsol in the countries in which it operates.

Important tax contribution by Repsol when it comes to environmental protection[1]

€5,556 MN in 2021

€4,911 MN in 2020



(1) Includes both the tax burden borne by the company (taxes on electricity, contribution to the energy efficiency fund, hydro tax, taxes on electricity production in Spain —according to Eurostat criteria—, and the cost of CO2 emission allowances), as well as taxes collected from third parties (taxes on fuel consumption —according to Eurostat criteria—, some of which have a partial environmental component).

Good tax practices

Repsol is committed to complying with best practices of responsible taxation and tax governance through voluntary adherence to internationally accepted principles, guidelines and recommendations (B-Team, GRI 207, or the OECD standard for tax risk control). For more information, see Appendix V.

GRI 207-1
Approach to tax

GRI 207-2
Tax governance, control, and risk management

GRI 207-3
Stakeholder engagement and advocacy

GRI 207-4
Country-by-country reporting

B Team Responsible Tax Principles

GRI 207-1

- Responsibility and governance
- Corporate structure
- Transparency

- The Board of Directors approves the Tax Policy and supervises implementation of tax risk strategy and management.
- Corporate structure aligned with the business and adapted to legal requirements and corporate governance standards.
- Zero use of special purpose vehicles in non-cooperative jurisdictions.
- Publication of the Tax Policy and reporting on tax payments and presence in non-cooperative jurisdictions.
- The Global Sustainability Plan (GSP) includes tax objectives.

GRI 207-2

- Compliance
- Tax incentive

- Regulations and internal control processes to ensure compliance with tax obligations.
- Internal procedure for setting transfer prices aligned with the creation of value and the arm's length principle.
- Organizational structure and appropriate resources to ensure the proper performance of the tax function.
- Existence of a whistleblowing channel managed by an independent third party, available 24/7.
- Adhering to the spirit and letter of applicable tax law and regulations.
- Ensuring that the tax incentives applied are widely accessible to all economic agents.
- Supporting the publication of tax incentives in oil contracts.

GRI 207-3

- Support to effective tax system
- Stakeholder engagement

- Applying the Spanish Code of Good Tax Practices.
- Voluntary filing of the Tax Transparency Report to the Spanish tax authorities.
- Classified as an Authorized Economic Operator in the European Union and Peru.
- Founding member of the Extractive Industries Transparency Initiative and fully committed to its standards.
- Collaboration with international bodies (OECD, UN or EU), governments and NGOs.
- Involvement in international initiatives on responsible taxation and tax governance (B Team).

GRI 207-4

- Voluntary publication of the country-by-country report (CbCr), which is drawn up following OECD criteria and GRI-207.
- The published country-by-country report contains economic figures on the Group's performance and provides a description of its business model, with contextual information on the business activities it carries out in each country.
- The country-by-country report is published when it is submitted to the tax authorities (with a one-year time lag).

GRI 207

Accredited good tax practices

Repsol is compliant with GRI 207 (see Appendix V) and has achieved the highest rating when it comes to tax transparency among all IBEX 35 companies, according to Haz Fundación

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. More precisely, the revenues obtained over there do not account for even 0.01% of our turnover and there is only one active Group company that is resident in one of these territories, where it carries out hydrocarbon exploration and production activities.

As part of its commitment towards transparency, 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 lists[1].

GSP 2021

Objective 2023

Reduce presence in non-cooperative jurisdictions

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

6.8. Supply chain and customers

6.8.1. Supply chain[1]

The sustainability of Repsol's supply chain necessarily responds to the expectations of stakeholders and compliance with ethical, labor, environmental, safety and social standards. It also fosters employability and workers' rights among local communities and nurtures local economic development.

It is precisely this sustainable supply chain management that calls for greater transparency in the information disclosed in response to consumer demand, as well as the promotion of good practices among suppliers and contractors, who are required by the Company to comply with its Anti-Corruption Policy and human rights standards. To this end, in 2021 Repsol contacted its main suppliers to encourage them to participate jointly in a new space available on the Repsol website, called 'Sustainable Management along the Supply Chain', which features relevant content related to sustainability and the Company's 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.

Responsible supply chain management is also essential when it comes to risk prevention and mitigation. Suppliers and contractors must also observe prevailing law and regulations and the Group's good practices when working at Repsol work centers and facilities. To achieve this, Repsol has established control levels and put a system in place to ensure that suppliers and contractors behave in accordance with Repsol's commitments. This allows for continuity of operations, mitigates the risks associated with the process and ensures compliance with the principles enshrined in the Company's policies.

To this end, Repsol promotes and encourages knowledge and acceptance of the Code of Ethics and Conduct for Suppliers and calls on suppliers to act in accordance with the code. The code imposes obligations such as the rejection of child labor and forced labor, freedom of association and the right to collective bargaining. Repsol ensures the absolute integrity of its relationships with suppliers and insists that they are based on mutual respect and trust.

Repsol is acutely aware that the supply chain poses specific risks and is linked to the creation of jobs and local economic development in the communities where it operates, and as such it works hard to ensure that suppliers and contractors behave in accordance with their commitments.

It therefore promotes the utmost respect for human rights in its commercial relationships. The company is adapting selection, qualification and monitoring processes to identify and mitigate human rights risks at different stages of the business relationship. It 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. Iniatives and actions are also carried out to raise awareness of such matters among its counterparties.

Repsol has set itself the goal of developing and implementing agile and effective mechanisms whereby it can verify compliance with the clauses and take corrective action if deemed necessary, in order to improve the performance of the supply chain.

The process in place for efficient risk management along the supply chain is shown below.

Circular economy in the supply chain

Within the framework of the 2021-2025 Strategic Plan, Repsol is adapting its supply chain model to the circular economy with the aim not only of optimizing resources, but also of making the most of waste by keeping it as long as possible in the production cycles.

In 2021, Repsol carried out various initiatives with regard to the circular economy in collaboration with different areas of the Company, as well as its value chain and local communities, among which the following stand out:

- Manufacture of plastic pallets from LPG Comet containers that can no longer be repaired. This initiative, which promotes reverse logistics schemes, aims to find a new life for these containers, which cannot be repaired as they deteriorated but can be used as raw material by other industries.
- Development of a lubricant container that is manufactured using up to 30% plastic waste, while maintaining the same quality, consistency and functionality as conventional containers.
- Analysis, in collaboration with one of the Company's uniform suppliers, of the possibility of including in clothing rental contracts the use of Repsol Reciclex film, made from post-consumer plastic waste, for individual packaging of garments. Having completed the pilot project, Repsol is working on analyzing the film's performance with its heat sealers. This type of initiative generates synergies with the value chain and helps build a symbiotic elationship with the textile industry.

1 Information regarding all Repsol Group purchases is included, except exceptional or special items that are already governed by the areas or departments concerned: Trading purchases, transactions between Group companies and engagement of the external auditor.

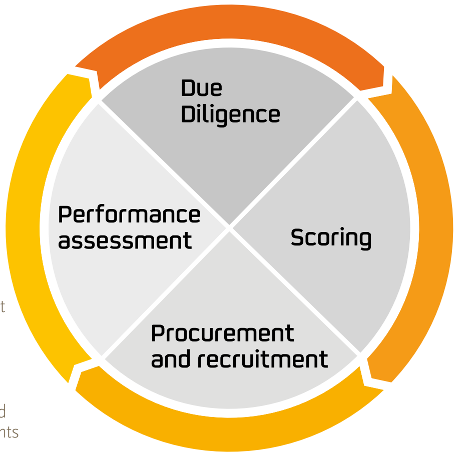
Supply chain risk management

Procurement and recruitment

- Registration of suppliers in procurement management systems.
- Conducting exhaustive analyses of sustainability-related aspects during new supplier selection processes.
- Insisting that suppliers expressly accept and comply with the Code of Ethics and Conduct for Suppliers.

Performance assessment

- Assessing performance in the management of human rights and environmental and safety concerns over the term of the contracts signed with suppliers and upon 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.



Scoring

- Registration of suppliers in procurement management systems.
- Conducting exhaustive analyses of sustainability-related aspects during new supplier selection processes.
- Insisting that suppliers expressly accept and comply with the Code of Ethics and Conduct for Suppliers.

Procurement and recruitment

- Relying more on safety and environmental criteria when appraising bids in relation to high-risk activities.
- Insisting that suppliers accept Repsol's general terms of contract, which cover human rights and sustainability aspects.
- Insisting that suppliers respect the International Bill of Human Rights and the principles relating to fundamental rights set forth in the Declaration of the International Labor Organization.

Environmental and social assessment of suppliers

In 2021, integrity, corruption and bribery aspects were assessed at 4,015 suppliers worldwide using the World Check One tool by Refinitiv. These assessments revealed material information on 21 companies 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. Based on the results obtained, the purchasing areas conduct due diligence processes through specific analyses defined in Repsol's internal regulations, in order to mitigate potential compliance risks.

Repsol also updated its classification model in 2021, in which the technical and safety and environmental qualification requirements are transferred to the tender, as they are specific to the material or service to be purchased or contracted. In the tender process, suppliers are assessed on the basis of a safety and environmental technical benchmark, with relevant issues and aspects for the new contract and relationship. In 2021, a total of five assessment audits were conducted at suppliers located in Spain and Portugal to analyze matters relating to quality, ethics and conduct, safety and the environment. Compliance and respect for human rights is also verified on site to ensure due levels of compliance and commitment in this regard. As a result, it was determined that the companies audited in Spain and Portugal present no relevant non-conformities: they are reliable and genuine companies with which a satisfactory business relationship can be established.

In addition, a total of 3,010 performance assessments were completed in 2021 at 1,125 suppliers and contractors, taking into consideration environmental, labor, social and integrity aspects.

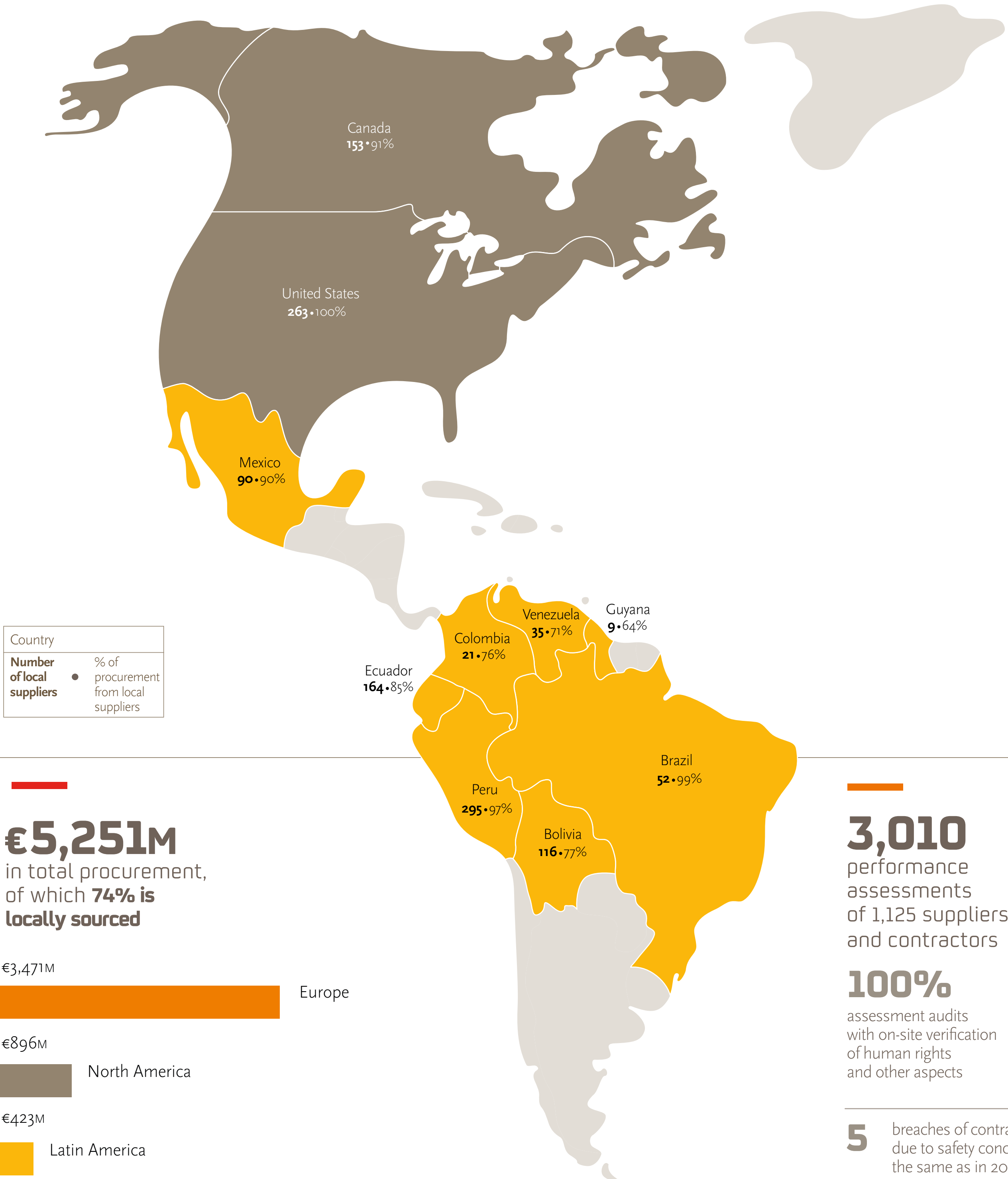
Indirect economic impact

Local suppliers have the advantage of geographical proximity in supplying the Company's operations, thus allowing for greater flexibility and a shorter response time for all needs that are identified. Repsol creates indirect job opportunities in construction projects for new plants or extensions of existing facilities, as well as during drilling campaigns and when shutting down industrial complexes. The percentage of local labor, goods and services procured accounted for 74% of total procurement in 2021. 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.

Average payment period to suppliers

The average period for payment[2] to suppliers of Spanish companies in 2021 was 30 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.

2 For further information, see Note 18 – Trade and other payables of the consolidated Financial Statements.



€5,251M
in total procurement, of which **74% is locally sourced**

€3,471M
Europe

€896M
North America

€423M
Latin America

€418M
Asia

€43M
Africa and Oceania

3,010
performance assessments of 1,125 suppliers and contractors

100%
assessment audits with on-site verification of human rights and other aspects

5 breaches of contract due to safety concerns; the same as in 2020

100%
of contracts include clauses on human rights, anti-corruption and the environment, the same as in 2020

0 breaches of contract due to safety concerns; the same as in 2020

Previous year's data

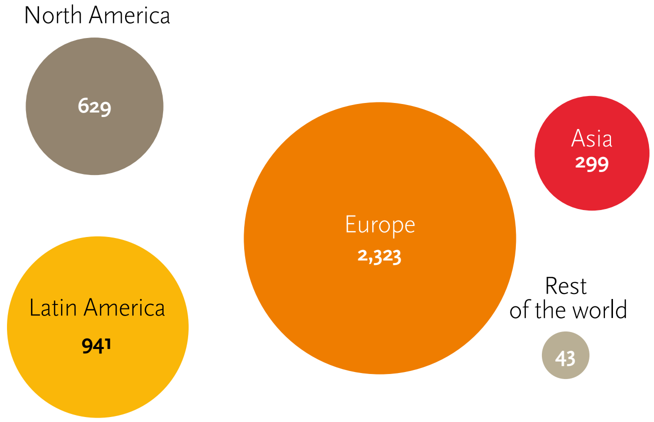
In 2020, a total of **5** assessment audits were carried out. A total of **2,007** performance assessments were conducted among **1,056** suppliers and contractors and **1,541** suppliers were scored. In 2020, total procurement came to **€4,433 billion** from **4,571** suppliers, **78%** of which were local, and **84%** of total expenditure went to local suppliers.

1,055
suppliers scored[1]

4,235
suppliers worldwide, of which **78% are local**[2]

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

Number of local suppliers



(1) In 2021, as was the case in 2020, 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) Includes suppliers with projects awarded during the year. 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.

6.8.2. 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.

Ensuring product safety involves ongoing monitoring to detect new or changing risks. Monitoring and control involves identifying, analyzing and planning new risks, as well as following up on those identified and also reanalyzing existing 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 mutagenic effects. The Company is also part of a project focused on expanding scientific knowledge of NLP polyols. This project, led by the main manufacturers of this type of products, will enable the extrapolation of data on which the grouping of polyols into categories is based, leading to a reduction in the number of toxicological studies.

Technological innovation also makes it possible to increase safety, optimize the use of raw materials, eliminate emissions and contribute to reducing the waste generated. In this regard, the risks of the different additives that are added to gasoline or diesel fuels to improve efficiency and the effects on the engine are assessed during the procurement phase to identify the conditions for safe use of the end product.

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.

Safety across the product life cycle

In 2021 a new tool was implemented 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 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.

Customer privacy[3]

Privacy and personal data protection is one of the most relevant issues for companies today, following the entry into force of the EU's General Data Protection Regulation (GDPR) and the Spanish Law on the protection of personal data and guarantee of digital rights, which require organizations to include functions that ensure compliance with the regulations.

Repsol aims to ensure the fundamental right to the protection of personal data of all individuals that have a relationship with the Group companies. It is therefore committed to protecting the privacy of its customers, employees and business partners, as well as the processing of their personal data. 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 Group 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.

The OneTrust tool was integrated throughout 2021 and the records of processing activities and risk analyses were uploaded, in addition to the impact assessments of Spanish companies. The same work was carried out in Portugal with an external data protection officer (DPO).

A method has also been implemented to follow up on recommendations from the Data Protection division using the corporate tool SACI.

No substantiated complaints regarding breaches of customer privacy and loss of customer data were received in 2021.

Substantiated complaints regarding breaches of customer privacy and loss of customer data

	2021	2020
Total number of substantiated complaints relating to breaches of customer privacy	—	3
Complaints received from third parties and substantiated by the organization	—	—
Claims raised by regulatory authorities	—	3
Total number of identified cases of leakage, theft or loss of customer data	3	3

Managing customer grievances

At Repsol, each of the areas that has commercial relations with customers has procedures in place for hearing and managing claims and queries so that they can be resolved in due course. Customers may be commercial (*business to business*) or household (*business to consumer*).

No matter the type of customer, claims or queries 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 through the various channels in place: Customer Service, Technical Support and Development (TSD) technicians, sales department, etc.
- Claims recorded and assigned to the area responsible for handling and following up on the claim.
- Management: request for information made to the customer, analysis of the root cause, proposal and start-up of control, corrective and improvement actions.
- Verification of the effectiveness of actions taken and closing the claim.

3 This includes information relating to breaches of customer privacy and loss of customer data at Group companies in Spain and Portugal.

6.9 Ethics and compliance[1]

Integrated Management at Repsol

Stages

Prevention
Anticipating risks

Through a risk identification and assessment methodology that enables us to prevent risks and roll out mitigation measures.

Monitoring
Overseeing the model

Ensuring its efficiency and proper functioning across all the different business processes and countries.

Correction
Reacting to non-compliances

By establishing and monitoring improvement plans and conducting investigations or audits.

Issues

- Anti-corruption
- Crime prevention
- Data protection
- Competition
- Sanctions and embargoes
- Anti-money laundering and counter terrorist financing

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 Conduct[2]

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. The 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.

In 2021, Repsol ran a new training program on the Code of Ethics and Conduct for all employees, focusing on anti-corruption, competition, criminal prevention and personal data protection. In addition, it has implemented a global training plan that raises awareness on ethics and compliance regulations with high-impact, innovative and disruptive initiatives, which has been very well received both internally and externally. These

[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

initiatives most notably include the People Compliance campaign — creation and coordination throughout the Company of a network of volunteer employees and executives to promote the culture of compliance through informal channels — and ongoing synchronous, online training for the most exposed groups with interactive formats: television series, escape room, microlearnings, etc.

The Company's Ethics and Compliance Committee is tasked with managing the system for monitoring and ensuring compliance with 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, Communication and Institutional Relations, 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[3] Channel 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. They can raise queries or report possible breaches of the Code of Ethics and Conduct and the Crime Prevention Model.

In 2021, 47 communications were received through the Ethics and Compliance Channel, of which 24 resulted in an investigation. At the end of the year, two minor cases of harassment had been confirmed, which, after the investigations carried out, were not proven, but rather considered to be conflicts between employees. No cases of discrimination, corruption or violation of human rights have been accredited.

The protocols that regulate the channel do not allow any type of retaliation against any person who in good faith reports a breach or raises questions about the code, internal regulations or legislation, or against anyone who collaborates in an investigation. In particular, this is guaranteed and regulated above all else by the principles of impartiality, confidentiality, professionalism and independence.

Ethics and Compliance	2021	2020
Number of participants in the Code of Ethics and Conduct training(1)	21,758	19,688
Number of communications received through the Ethics and Compliance Channel	47	59
Number of corruption mitigating controls (CMC)	588	438
Number of audit projects related to compliance with the Ethics and Conduct Code(2)	30	32
Number of ICFR controls to mitigate fraud	993	1,054

(1) Includes anti-corruption training.
(2) Includes those specific reviews of aspects of the Code of Ethics and Conduct in the realm of fraud and corruption (however, almost all internal audit projects review aspects related to compliance with the code).

Fight against corruption and bribery

In its anti-corruption policy, the Company commits to preventing corruption and bribery by conducting its affairs in accordance with prevailing laws and regulations in all respects and in all countries where it operates. Repsol rejects corruption in any form. 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's prevention framework and response mechanisms facing breaches of the Code of Ethics and Conduct or suspected or confirmed criminal offenses within the scope of the Repsol Crime Prevention Model are structured around its policies titled Crime Prevention Model Management and Internal Investigations by the Ethics and Compliance Committee.

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, which specifically focus on mitigating potential corruption risks. Repsol also has a Criminal Prevention Handbook to provide a clearer understanding of crime risks and explain the behavior expected of all employees,

3 Available at ethicscompliancechannel.repsol.com

as well as a global training plan that includes synchronous actions on the role of the leader or representative of Repsol for executives and directors. 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.

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. Therefore, this 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.

Furthermore, the Company has implemented training and awareness-raising activities, which includes preparing materials, developing a specific online course, microlearnings on anti-trust issues and synchronous training for the most sensitive groups. The Anti-trust Compliance Manual was published at the beginning of 2021, which aims to drive the implementation of these regulations, help all employees understand the fundamental principles governing anti-trust regulations and provide them with guidelines to identify potential risk situations for the Company.

Furthermore, the Company has an Ethics and Compliance Channel, among other resources, where any employee or third party can express their concerns or send any query regarding compliance with competition laws.

7. Outlook

7.1 Outlook for the energy sector

Macroeconomic outlook

After expanding strongly in the second quarter of 2021, global growth slowed sequentially in the third quarter following the sudden emergence of the Delta variant and supply chain supply issues. While high-frequency indicators such as the PMIs point to the fourth quarter regaining greater dynamism, it bears repeating that the spread of the Omicron variant has slowed activity recently.

Looking ahead to 2022 as a whole, the easier gains from the reopening of the market will eventually dry up and the exceptional monetary and fiscal policy support provided in 2020 and 2021 will be withdrawn. Yet at the same time, households are expected to eventually spend some of their accumulated excess savings, with private consumption taking a greater role as the engine of recovery.

On balance, the IMF's baseline scenario expects global GDP to grow by a robust 4.4% in 2022, following estimated growth of 5.9% in 2021. However, trends will vary considerably across countries and regions, as shown in the table below:

IMF macroeconomic forecast

	Real GDP growth (%)		Average inflation (%)	
	2022	**2021**	**2022**	**2021**
Global economy	4.4	5.9	4.6	4.5
Advanced countries	3.9	5.0	3.9	3.1
Spain	5.8	4.9	2.6	3.0
Emerging countries	4.8	6.5	5.9	5.7

Source: IMF (*World Economic Outlook* January 2022) and Repsol Research Unit.

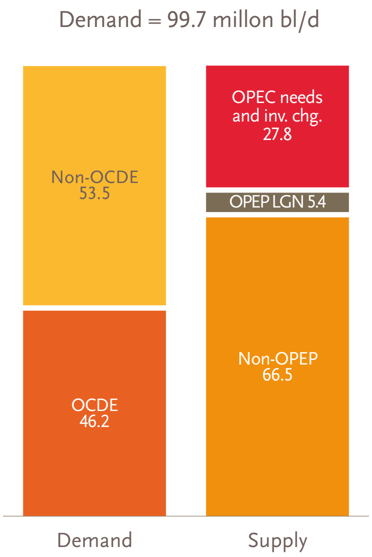
Against this backdrop, forecasts and projections will be fraught with uncertainty. And the risks to these growth forecasts are skewed to the downside.

Firstly, the emergence of Omicron is a timely reminder that the pandemic is not over and that new virus variants may emerge, carrying additional risks and possibly derailing the recovery process, either because they are highly infectious or otherwise able to evade the protection given by vaccines. Secondly, supply problems, coupled with the release of pent-up demand and the rebound in commodity prices, have caused a rapid rise in inflation, which could be more permanent than initially expected. Monetary policy will have to strike a delicate balance between addressing inflation and financial risks, and supporting economic recovery. A sudden reassessment of the monetary policy outlook, especially in the United States, could tighten financial conditions and slow the recovery.

Energy sector outlook

Short-term energy sector outlook

Global supply/demand balance in 2022



Source: *International Energy Agency (IEA) and Repsol Research Unit*

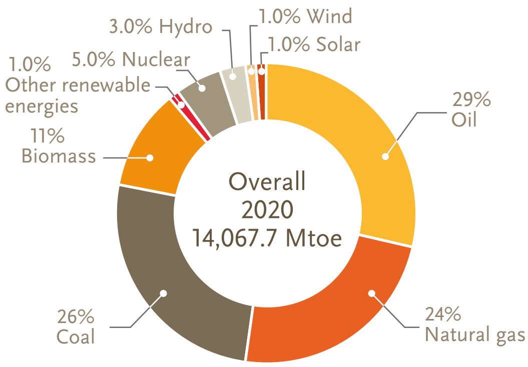
According to November estimates of the International Energy Agency (IEA), global demand should rise 3.3 Mbbl/d in 2022 to reach average demand in 2022 of 99.7 Mbbl/d. Consumption in non-OECD countries looks set to rise by 1.7 Mbbl/d, while in OECD countries it will likely gain 1.6 Mbbl/d. The IEA expects non-OPEC to increase production by nearly 2.8 Mbbl/d in 2022, with recovery concentrated mainly in the United States, Canada, Russia, Norway and Brazil. On the OPEC+ side, the market will be watching closely for compliance with the oil cut agreements, although the IEA expects OPEC's crude oil needs to increase by 324 kbbl/d in 2022, after increasing by 4.7 Mbbl/d in 2021. Another factor that is once again taking center stage in early 2022 — and that may be a determining factor in the balance and the market — is geopolitics. Geopolitical tensions involving two major oil producers, namely Russia and the United Arab Emirates, have increased in the period; Russia due to the conflict with Ukraine and the United Arab Emirates due to increased missile attacks by Yemen's Houthi movement.

Elsewhere, the Henry Hub natural gas market is expected to trade in 2022 at slightly more moderate averages than in 2021. In the short run, the price will be strongly influenced, firstly, by the expected higher production (associated gas) and secondly by LNG exports. Turning to production, a higher price environment is leading to growth in the number of drilling rigs, which would drive this increased production, mainly from Permian (associated gas) and Haynesville. On the domestic demand side, consumption is expected to perform well, except in the generation sector, which is expected to contract to some extent due to the prevailing high prices and competition with other generation sources. Moving to exports, the growing geopolitical tension between Russia and Ukraine and the uncertainty about Russian gas supplies to Europe only serves to widen the export window to the US, which is consolidating its position as a key supplier in Europe and taking advantage of the situation. The LNG capacity increases planned for 2022 will come at the right time and with a secure market, so exports are expected to continue to grow at a good pace. Beyond the fundamentals, the energy/climate policies pursued by the government and the severity of COVID flare-ups both inside and outside the United States will be crucial for the demand side, as will slower production growth compared to pre-pandemic rates.

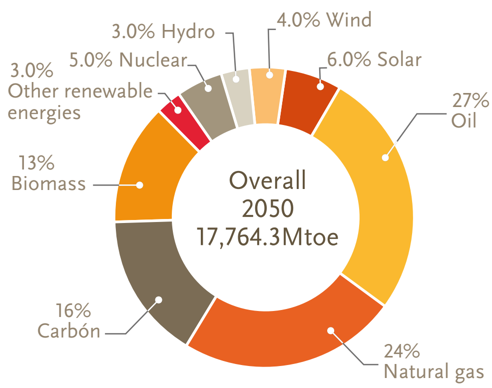
Long-term energy sector outlook

On a global scale, hydrocarbons account for over half of the primary energy consumed. Specifically, 29% of global primary energy consumption is derived from oil, which is the most commonly used energy source, followed by coal (26%) and natural gas (24%). Other renewable sources besides hydropower and biomass contribute barely 2%.

World primary energy matrix in the IEA's STEPS scenario



Source: *AIE* and Repsol Research Unit



Source: *AIE* and Repsol Research Unit

In the coming years, the world should move toward a more sustainable scenario in which all energies are involved in the global energy matrix, hand in hand with technology and innovation. The IEA, a benchmark institution in the energy sector when it comes to market analysis and outlook in the short, medium and long term, in its World Energy Outlook for 2021 presented a baseline stated policies scenario(STEPS scenario) in which primary energy demand would grow at an average rate of 0.8% per year between 2020 and 2050. In that year, oil would continue to be the most widely used energy source, accounting for 27% of the global matrix, followed by natural gas with 23%, coal with 16%, and other renewable sources other than hydro (3%) and biomass (10%) with 12%.

7.2 Outlook for our businesses

The Strategic Plan (the "Plan"), unveiled in late 2020, is steering the transformation of the Company and helping to accelerate the energy transition, ensuring profitability and maximum value creation for stockholders. The Plan clearly discriminates between two periods: the first (2021-2022) and the second (2023-2025), once the impact of the pandemic is behind us (see section 2.5). In 2022, while still within the resilience period, further progress will be made to accelerate the energy transition, drive the transformation and ensure attractive remuneration for shareholders, all while guaranteeing the sound profitability of the businesses and maintaining a prudent financial policy.

The Upstream segment will continue to focus on value generation focused on operational efficiency and safety, CO_2 emission reduction plans and cash generation.

At the Industrial businesses, Repsol will continue to pursue its decarbonization program in 2022 through plans to reduce CO_2 emissions and by championing the circular economy and generating renewable hydrogen and low-carbon products, such as sustainable biofuels, biogas and e-fuels. In tandem, we will focus on increasing plant reliability and flexibility, achieving high-value product differentiation, adopting energy efficient measures and seeking continuous improvement of margins.

The Commercial businesses will continue to place the customer at the center of their decision-making processes by offering them personalized experiences and accompanying them through the energy transition. In 2022, we will work to make Repsol their multi-energy supplier of choice and carving out a competitive position from which to serve society, thanks, among other things, to a broad range of digital solutions, an end-to-end differentiated value proposition and continuous improvement of operations.

The Low Carbon Generation business will remain a central pillar in the energy transition, as it seeks to increase renewable generation capacity by undertaking development projects in Spain, Chile and the United States, while also moving forward with new portfolio projects and continuing to expand internationally; and at the corporate center, in 2022 the focus will remain on efficiency by automating processes and contributing to the profitability of the entire organization.

Investment in 2022 is expected to be around 3.8 billion euros, with the aim of advancing the Company's transformation based on decarbonization and developing the the projects envisioned in the Strategic Plan.

In 2022, our shareholders will be offered an attractive level of remuneration in the form of through a cash dividend of 0.63 euros per share, to be submitted for approval before shareholders at the Annual General Meeting together with a capital reduction of 75 million shares, equivalent to 4.9% of share capital, under the terms of the Share Buyback Program launched in 2021.

Repsol expects that in 2022 it will be able to generate cash to finance its investment needs and reward its shareholders.

In 2022, Repsol will continue to focus heavily on its Digital Program to drive forward the digital transformation as a key lever for energy transition and business efficiency by implementing new models, digital products and disruptive technologies. At Upstream, we will continue to leverage digitalization to achieve remote, centralized operations and optimal data-driven decisions that enable greater efficiency, reliability and safety and drive an emissions reduction. At Industrial, we will continue to develop smart assets and energy efficiency cases that continue to optimize our operations and move towards decarbonization. For the commercial businesses, we will continue to work on attracting and building loyalty through a multi-energy value proposition and an omni-channel and personalized experience as we accompany our customers in the energy transition. The corporate areas will continue to develop solutions that improve efficiency and deliver business value (through automation, data-driven decision making models, and deployment of the multi-cloud strategy), while also improving the employee experience and satisfaction. The purpose of all this is to become more sustainable and achieve the goal of zero net carbon emissions by 2050 and to invest in new internal digital capabilities and new ways of working.

As an additional lever, the Technology strategy will allow us to have the best alliances and partners in innovative disciplines, giving support to businesses to improve their competitiveness in the medium and long term and providing agility and efficiency.

+5%
Expected increase in the cash dividend payable in 2022

€3,800M
Expected investment in 2022

7.3 Risks

Risk management

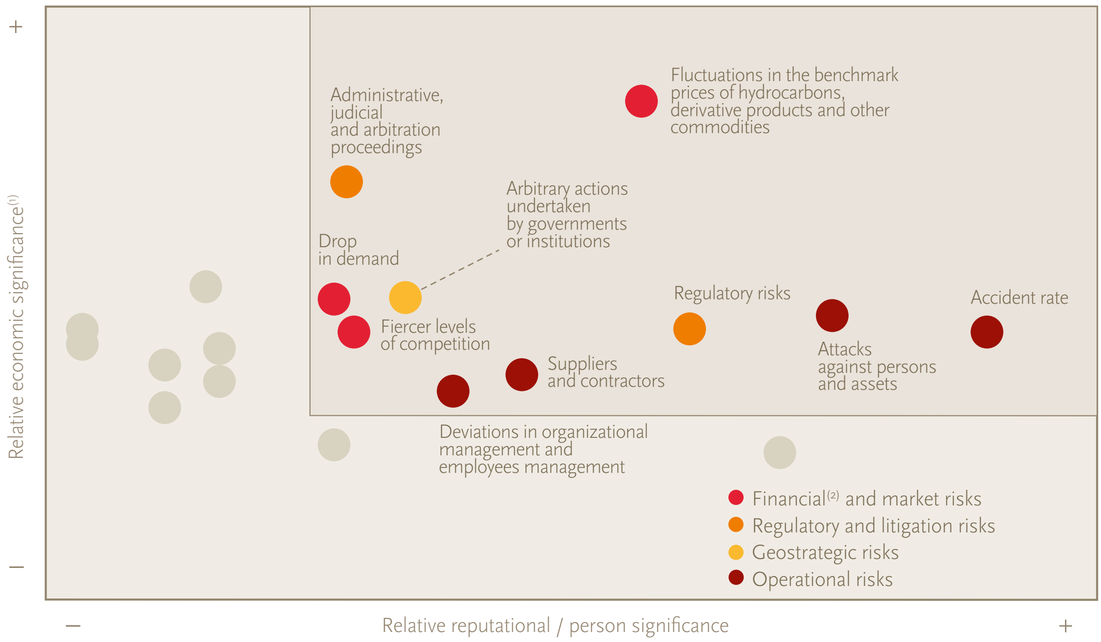
More information can be found in Appendix IV "Risks".

As a global integrated energy company, Repsol is exposed to risks that can affect its future performance. Such risks must be managed effectively in accordance with the established Risk Management Policy.

The Company has an organization, procedures and systems that allow it to reasonably manage the risks to which the group is exposed, such that risk management is an integral part of decision-making processes in both corporate governance bodies and business management. The Integrated Risk Management System (SGIR in Spanish) provides a comprehensive, reliable and advance view of all risks that might affect the Company, thus allowing for their joint management.

The Group's main risks[1] are identified below on a five-year horizon, based on their importance in terms of finance, reputation and people:

Main risks



Note: The risks identified in the diagram are described in Appendix IV "Risks".
(1) Relative economic weight is measured in terms of loss at the 95th percentile (potential loss in scenario) according to distribution of probability of losses for each risk.
(2) See Note 10 to the 2021 consolidated Financial Statements.

Some of these risks are sensitive to the phenomenon of climate change and to the scenarios of transition to a low carbon economy, particularly those associated with regulation, future trends in demand, fluctuations in the prices of hydrocarbons, derivative products and other commodities and the potential upswing in competition. Given the emerging nature of the climate change risks in the current energy context, the Group is committed to extending the scope of the analysis of these risks to ensure that they are viewed on a long-term basis. This risk map is regularly updated and the Sustainability Committee and the Audit and Control Committee are informed of the methodology used and the risk profile.
For further information on emerging risks and climate change, see section 6.1 Climate change. In addition, risks related to cybersecurity are becoming increasingly relevant, as described in section 6.4 of this report.

See Appendix IV for more information on the Integrated Risk Management System and for a description of the main risks facing the Group on a five-year horizon.

1 The Group has a methodology that, by applying common metrics, allows it to obtain an overview of the key risks, classify them according to their materiality, characterize them in an understandable and robust manner, quantify the potential economic, reputational and human impact that each business unit or corporate area may sustain, including Repsol as a whole, should it materialize, and identify, where appropriate, effective mitigation measures.

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Appendix

Appendix

Appendix I: Table of conversions and abbreviations

			Oil				Gas		Electricity
			Liters	Barrels	Cubic meters	toe	Cubic meters	Cubic feet	kWh
Oil	1 barrel(1)	bbl	158.99	1.00	0.16	0.14	162.60	5,615.00	1.7x103
	1 cubic meter(1)	m³	1,000.00	6.29	1.00	0.86	1,033.00	36,481.00	10,691.50
	1 ton of oil equivalent(1)	toe	1,160.49	7.30	1.16	1.00	1,187.00	41,911.00	12,407.40
Gas	1 cubic meter	m³	0.98	0.01	0.001	0.001	1.00	35.32	10.35
	1,000 cubic feet=1.04x10⁶ Btu	f³	27.64	0.18	0.03	0.02	28.30	1,000.00	293.10
Electricity	1 megawatt hour	MWh	93.53	0.59	0.10	0.08	96.62	3,412.14	1,000.00

(1) Benchmark mean: 32,35 °API and relative density 0.8636.

			Meter	Inch	Foot	Yard
Lenght	Meter	m	1	39,37	3,281	1,093
	Inch	in	0.025	1	0.083	0.028
	Foot	ft	0.305	12	1	0.333
	Yard	yd	0.914	36	3	1

			Kilogram	Pound	Ton
Mass	Kilogram	kg	1	2.2046	0.001
	Pound	lb	0.45	1	0.00045
	Ton	t	1,000	22.046	1

			Cubic foot	Barrel	Liter	Cubic meter
Volume	Cubic foot	ft3	1	0.178	28.32	0.0283
	Barrel	bbl	5,615	1	158.984	0.1590
	Liter	l	0.0353	0.0063	1	0.001
	Cubic meter	m3	35.3147	6.2898	1,000	1

Term	Description	Term	Description	Term	Description
bbl/bbl/d	Barrel/ Barrel per day	**kbbl**	Thousand barrels of oil	**Mm3/d**	Million cubic meters per day
bcf	Billion cubic feet	**kbbl/d**	Thousand barrels of oil per day	**Mscf/d**	Million standard cubic feet per day
bcm	Billion cubic meter	**kboe**	Thousand barrels of oil equivalent	**kscf/d**	Thousand standard cubic feet per day
boe	Barrel of oil equivalent	**kboe/d**	Thousand barrels of oil equivalent per day	**MW**	Megawatt (million watt)
Btu/MBtu	British termal unit/ Btu/million Btu	**km2**	Square kilometer	**MWh**	Megawatts per hour
LPG	Liquefied petroleum gas	**Kt/Mt**	Thousand tons/ Million tons	**Tcf**	Trillion cubic feet
LNG	Liquefied natural gas	**Mbbl**	Million barrels	**toe**	Ton of oil equivalent
Gwh	Gigawatts per hour	**Mboe**	Million barrels of oil equivalent	**USD/Dollar/$**	US dollar

Appendix II. Alternative performance measurements

Repsol's financial information contains indicators and measures prepared in accordance with applicable financial reporting standards and regulations, as well as other measures prepared in accordance with the Group's Reporting Model, defined as Alternative Performance Measures (APMs). APMs are measures that are "adjusted" compared to those presented in accordance with IFRS-EU or with Supplementary Information on Oil and Gas Upstream Activities, and the reader should therefore consider them in addition to, but not instead of, the latter.

APMs are useful for users of financial information as they are the measures employed by Repsol's Management to evaluate its financial performance, cash flows or financial position when making operational or strategic decisions for the Group.

For more historical quarterly APM information, see www.repsol.com.

1. Financial performance measures

Adjusted net income

Adjusted net income is the key financial performance measure that Management (the Executive Committee) consults when making decisions.

Repsol presents its segment results including joint ventures or other companies which are jointly managed in accordance with the Group's investment percentage, considering its operational and economic indicators within the same perspective and degree of detail as those for companies consolidated under the full consolidation method. Thus, the Group considers that the nature of its businesses and the way in which results are analyzed for decision-making purposes is adequately reflected.

Adjusted net income is calculated as ***Net income from continuing operations at Current Cost of Supply*** (or CCS) net of taxes and non-controlling interests. It excludes certain income and expenses (***Special items***) and the ***Inventory effect***. ***Financial income*** is allocated to the adjusted net income of the "Corporate and others" segment.

Adjusted net income is a useful APM for investors in evaluating the performance of operating segments while enabling increased comparability with Oil & Gas sector companies that use different inventory measurement methods (*see the following section*).

Inventory effect

For current cost of supply (CCS) earnings, the cost of volumes sold is calculated on the basis of procurement and production costs[1] incurred during the period in question and not based on weighted average cost (WAC), which is the accepted methodology under European accounting law and regulations. The difference between CCS earnings and WAC earnings is included in the so-called ***Inventory Effect***, which also includes other adjustments to the valuation of inventories (write-offs, economic hedges, etc.) and is presented net of taxes and minority interests. This Inventory Effect largely affects the Industrial segment. Repsol management considers that this measurement is useful for investors, considering the significant variations arising in the prices of inventories between periods.

WAC is a generally accepted European accounting method for measuring inventories. It factors in purchase prices and historic production costs, valuing inventory at the lower between this cost and its market value.

Special items

Significant items for which separate presentation is considered desirable to facilitate the task of monitoring the ordinary management of business operations. This heading includes capital gains/losses arising from divestment, restructuring costs, impairments, provisions for risks and expenses and other major income or expense items outside the ordinary management of the businesses. Special items are presented net of taxes and minority interests.

	January - December		Fourth Quarter	
Million euros	**2021**	**2020**	**2021**	**2020**
Divestments	13	174	(2)	104
Indemnities and workforce restructuring	(93)	(124)	(27)	(51)
Impairment of assets	(699)	(2,812)	(667)	(1,513)
Provisions and others	27	(149)	215	275
Total	**(752)**	**(2,911)**	**(481)**	**(1,185)**

1 Cost of supplies is calculated on the basis of international quoted prices in the reference markets in which the Company operates. The relevant average monthly price is applied to each quality of distilled crude. Quoted prices are obtained from daily crude oil publications according to Platts, while freight rates are estimated by Worldscale (which publishes global reference prices for freight costs from one port to another). All other production costs (fixed and variable costs) are valued at the cost recognized in the accounts.

The following is a reconciliation of the Adjusted Income under the Group's reporting model with the Income prepared according to IFRS-EU:

	Fourth Quarter											
			Adjustments									
	Adjusted net income		Reclassification of joint ventures		Special items		Inventory effect(2)		Total adjustments		IFRS-EU profit/loss	
Million euros	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Operating income	1,606(1)	464	(209)	(184)	(588)	(1,374)	232	99	(565)	(1,459)	1,041	(995)
Financial result	(176)	26	44	16	98	92	—	—	142	108	(34)	134
Net income of companies accounted for using the equity method - net of tax	(5)	2	156	401	(10)	(1)	—	—	146	400	141	402
Income before tax	**1,425**	**492**	**(9)**	**233**	**(500)**	**(1,283)**	**232**	**99**	**(277)**	**(951)**	**1,148**	**(459)**
Income tax	(541)	(88)	9	(233)	17	97	(60)	(25)	(34)	(161)	(575)	(249)
Consolidated net income for the year	**884**	**404**	**—**	**—**	**(483)**	**(1,186)**	**172**	**74**	**(311)**	**(1,112)**	**573**	**(708)**
Net income attributed to non-controlling interests	(12)	—	—	—	2	1	(3)	(4)	(1)	(3)	(13)	(3)
TOTAL NET INCOME ATTRIBUTABLE TO THE PARENT COMPANY	**872**	**404**	**—**	**—**	**(481)**	**(1,185)**	**169**	**70**	**(312)**	**(1,115)**	**560**	**(711)**

(1) Net income from continuing operations at current cost of supply (CCS).

(2) The inventory effect represents an adjustment to *"Procurements"* and *"Changes in inventory of finished goods and work in progress"* on the IFRS-EU income statement.

	January - December											
			Adjustments									
	Adjusted net income		Reclassification of joint ventures		Special items		Inventory effect(2)		Total adjustments		IFRS-EU profit/loss	
Million euros	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Operating income	4,372(1)	1135 (1)	(541)	682	(1,173)	(3,017)	1,099	(1,354)	(615)	(3,689)	3,757	(2,554)
Financial result	(315)	(238)	137	60	449	37	—	—	586	97	271	(141)
Net income of companies accounted for using the equity method - net of tax	(3)	6	314	(618)	(10)	3	—	—	304	(615)	301	(609)
Income before tax	**4,054**	**903**	**(90)**	**124**	**(734)**	**(2,977)**	**1,099**	**(1,354)**	**275**	**(4,207)**	**4,329**	**(3,304)**
Income tax	(1,590)	(299)	90	(124)	(22)	63	(279)	344	(211)	283	(1,801)	(16)
Consolidated net income for the year	**2,464**	**604**	**—**	**—**	**(756)**	**(2,914)**	**820**	**(1,010)**	**64**	**(3,924)**	**2,528**	**(3,320)**
Net income attributed to non-controlling interests	(10)	(4)	—	—	4	3	(23)	32	(19)	35	(29)	31
TOTAL NET INCOME ATTRIBUTABLE TO THE PARENT COMPANY	**2,454**	**600**	**—**	**—**	**(752)**	**(2,911)**	**797**	**(978)**	**45**	**(3,889)**	**2,499**	**(3,289)**

(1) Net income from continuing operations at current cost of supply (CCS).
(2) The inventory effect represents an adjustment to *"Procurements"* and *"Changes in inventory of finished goods and work in progress"* on the IFRS-EU income statement.

EBITDA:

EBITDA, or "*Earnings Before Interest, Tax, Depreciation and Amortization*", is a financial indicator which determines the operating margin of a company prior to deducting interest, taxes, impairment, restructuring costs, and amortization. Since it does not include financial and tax indicators or accounting expenses not involving cash outflow, it is used by Management to evaluate the company's results over time, for a more straightforward exercise in making comparisons with peers within the Oil&Gas sector.

EBITDA is calculated as Operating Income + Amortization + Impairment as well as other items which do not represent cash inflows or outflows from transactions (restructuring, capital gains/losses from divestment, provisions etc.). Operating income corresponds to the result from continuing operations at weighted average cost (WAC). Where ***Net income from continuing operations at Current Cost of Supply*** (CCS) is used, it is known as ***CCS EBITDA***.

	Fourth Quarter							
	Group Reporting Model		Reclassification of joint ventures and others		Inventory effect[1]		IFRS-EU[2]	
Million euros	2021	2020	2021	2020	2021	2020	2021	2020
Upstream	1,502	643	(451)	(246)	—	—	1,051	397
Industrial	790	363	(5)	(9)	213	93	785	354
Commercial and Renewables	347	294	(6)	(5)	19	6	341	289
Corporate and others	(55)	(41)	(18)	(23)	—	—	(73)	(64)
EBITDA	**2,584**	**1,259**	**(480)**	**(283)**	**232**	**99**	**2,104**	**976**
Inventory effect[1]	(232)	(99)	—	—	—	—	—	—
EBITDA at CCS	**2,352**	**1,160**	**(480)**	**(283)**	**232**	**99**	**2,104**	**976**

(1) Before tax.

(2) Corresponds to *"Income before tax"* and *"Adjustments to profit"* on the consolidated statement of cash flows under IFRS-EU.

	January - December							
	Group Reporting Model		Reclassification of joint ventures and others		Inventory effect[1]		IFRS-EU[2]	
Million euros	2021	2020	2021	2020	2021	2020	2021	2020
Upstream	4,429	2,090	(1,385)	(930)	—	—	3,044	1,160
Industrial	2,654	(161)	(54)	(32)	1,030	(1,332)	2,600	(193)
Commercial and Renewables	1,219	970	(19)	(10)	69	(22)	1,200	960
Corporate and others	(132)	(169)	7	12	—	—	(125)	(157)
EBITDA	**8,170**	**2,730**	**(1,451)**	**(960)**	**—**	**—**	**6,719**	**1,770**
Inventory effect[1]	(1,099)	1,354	—	—	—	—	—	—
EBITDA at CCS	**7,071**	**4,084**	**(1,451)**	**(960)**	**1,099**	**(1,354)**	**6,719**	**1,770**

(1) Before tax.

(2) Corresponds to *"Income before tax"* and *"Adjustments to profit"* on the consolidated statement of cash flows under IFRS-EU.

	Fourth Quarter					
	Group Reporting Model		Reclassifications of joint ventures and others		IFRS-EU[1]	
Million euros	2021	2020	2021	2020	2021	2020
Net income before tax	1,157	(693)	(9)	234	1,148	(459)
Adjusted result						
Depreciation of property, plant and equipments	664	677	(149)	(143)	515	534
Operating provisions	702	1,439	(174)	44	528	1,483
Other items	61	(164)	(148)	(418)	(87)	(582)
EBITDA	**2,584**	**1,259**	**(480)**	**(283)**	**2,104**	**976**

(1) Corresponds to *"Income before tax"* and *"Adjustments to income"* on he consolidated statement of cash flows under IFRS-EU.

	January - December					
	Group Reporting Model		Reclassifications of joint ventures and others		IFRS-EU[1]	
Million euros	2021	2020	2021	2020	2021	2020
Net income before tax	4,419	(3,428)	(90)	124	4,329	(3,304)
Adjusted result						
Depreciation of property, plant and equipments	2,562	2,880	(558)	(673)	2,004	2,207
Operating provisions	1,348	3,177	(413)	(973)	935	2,204
Other items	(159)	101	(390)	562	(549)	663
EBITDA	**8,170**	**2,730**	**(1,451)**	**(960)**	**6,719**	**1,770**

(1) Corresponds to *"Income before tax"* and *"Adjustments to income"* on he consolidated statement of cash flows under IFRS-EU.

ROACE:

This APM is used by Repsol Management to evaluate the capacity of its operating assets to generate profit, and therefore measures the efficiency of capital employed (equity and debt).

ROACE (*"Return on average capital employed"*) is calculated as: (Adjusted Net Income before non-controlling and excluding Finance Income + Inventory Effect + Special Items) / (***Average capital employed*** for the period in continuing operations, which measures own and external capital employed by the company, and comprises Total Equity + ***Net debt***). This includes capital employed in joint ventures or other companies managed operationally as joint ventures. If the Inventory Effect is not used in the calculation process, it is known as ***CCS ROACE***.

NUMERATOR *(Million euros)*	2021	2020
Operating income (IFRS-EU)	**3,757**	**(2,554)**
Reclassification of joint ventures	541	(682)
Income tax[1]	(1,994)	97
Net income of companies accounted for using the equity method - net of tax	(13)	9
I. ROACE result at weighted average cost	**2,291**	**(3,130)**

DENOMINATOR *(Million euros)*	2021	2020
Total equity	22,794	20,539
Net debt	5,762	6,778
Capital employed at period-end	**28,556**	**27,317**
II. Average capital employed[2]	**27,937**	**30,304**
ROACE (I/II)[3]	**8.2**	**(10.3)**

(1) Does not include income tax corresponding to financial results.
(2) Corresponds to the average balance of capital employed at the beginning and end of the year.
(3) ROACE on CCS (without taking into account the Inventory Effect) amounts to 5.2%.

2. Cash flow measurements

Cash flow from operations:

Cash flow from operations measures the generation of cash flow corresponding to operations and is calculated as: EBITDA +/- Changes in working capital + Collection of dividends + Collection / - payment of income tax + Other collections / - payments relating to operating activities. For its usefulness and to show how cash flow evolves between periods by isolating changes in working capital, cash flow from operations can be presented excluding working capital (cash flow from operations "ex working capital" or "OCF exWC".

Free cash flow measures cash flow generation from operating and investment activities, and is useful for evaluating the funds available for paying shareholder dividends and servicing debt.

Cash generation is ***free cash flow*** less dividend payments, payment of remuneration for other equity instruments (coupons on perpetual bonds), transactions with non-controlling interests, net interest payments, and payments for leases and treasury shares. This APM measures the funds generated by the Company before financial transactions (mainly debt issuance and repayments).

The following is a reconciliation of the ***Free cash flow*** and ***Cash generation*** under the Group's reporting model with the consolidated statement of cash flows under IFRS-EU:

	Fourth Quarter					
	Adjusted cash flow		Reclassification of joint ventures and others		IFRS-EU statement of cash flow	
Million euros	2021	2020	2021	2020	2021	2020
I. Cash flows from / (used in) operating activities (cash flow from operations)	2,082	1,075	(218)	(71)	1,864	1,004
II. Cash flows from / (used in) investing activities	(1,098)	(408)	(197)	(734)	(1,295)	(1,142)
Free cash flow (I+II)	**984**	**667**	**(415)**	**(805)**	**569**	**(138)**
Cash generation	**865**	**351**	**(401)**	**(806)**	**464**	**(455)**
III. Cash flows from / (used in) financing activities and others (1)	(982)	(1,311)	422	801	(560)	(510)
Net increase / (decrease) in cash and cash equivalents (I+II+III)	**2**	**(644)**	**7**	**(4)**	**9**	**(648)**
Cash and cash equivalents at the beginning of the period	5,904	5,222	(318)	(253)	5,586	4,969
Cash and cash equivalents at the end of the period	5,906	4,578	(311)	(257)	5,595	4,321

	January - December					
	Adjusted cash flow		Reclassification of joint ventures and others		IFRS-EU statement of cash flow	
Million euros	2021	2020	2021	2020	2021	2020
I. Cash flows from / (used in) operating activities (cash flow from operations)	5,453	3,197	(776)	(459)	4,677	2,738
II. Cash flows from / (used in) investing activities	(2,614)	(1,218)	(319)	1,440	(2,933)	222
Free cash flow (I+II)	**2,839**	**1,979**	**(1,095)**	**981**	**1,744**	**2,960**
Cash genaration	**1,293**	**811**	**(1,052)**	**1,008**	**241**	**1,819**
III. Cash flows from / (used in) financing activities and others (1)	(1,511)	(619)	1,041	(999)	(470)	(1,618)
Net increase / (decrease) in cash and cash equivalents (I+II+III)	**1,328**	**1,360**	**(54)**	**(18)**	**1,274**	**1,342**
Cash and cash equivalents at the beginning of the period	4,578	3,218	(257)	(239)	4,321	2,979
Cash and cash equivalents at the end of the period	5,906	4,578	(311)	(257)	5,595	4,321

(1) Includes payments for dividends and returns on other equity instruments, interest payments, other proceeds from/ (payments for) financing activities, proceeds from / (payments for) the issue / (return) of equity instruments, proceeds from / (payments for) financial liabilities and the exchange rate fluctuations effect.

The Group measures ***liquidity*** as the sum of "Cash and cash equivalents" on-demand cash deposits at financial institutions, and short and long-term credit facilities that remain undrawn at the end of the period, i.e., credit facilities granted by financial institutions that may be drawn on by the Company on the terms, in the amount and subject to the other conditions agreed in the contract.

	January - December					
	Group Reporting Model		Reclassification of joint ventures and others		IFRS-EU	
Million euros	Dic-2021	Dic-2020	Dic-2021	Dic-2020	Dic-2021	Dic-2020
Cash and cash equivalents	5,906	4,578	(311)	(257)	5,595	4,321
Undrawn credit lines	2,675	3,436	(12)	(11)	2,664	3,425
Deposits of immediate availability (1)	2,025	1,181	—	—	2,024	1,181
Liquidity	**10,606**	**9,195**	(323)	(268)	**10,283**	**8,926**

(1) Repsol contracts time deposits but with immediate availability, which are recorded under "Other current financial assets" and which do not meet the accounting criteria for classification as cash and cash equivalents.

Operating investments:

Group Management uses this APM to measure each period's investment effort and allocation by business segment, reflecting operating investments by the various Group business units (including accrued and unpaid investments). The figure includes joint ventures or other companies managed operationally as joint ventures.

Investments may be presented as organic (acquisition of projects, assets or companies for the expansion of the Group's activities) or inorganic (funds invested in the development or maintenance of the Group's projects and assets). This distinction is useful in understanding how the Group's Management allocates its resources and allows for a more reliable comparison of investment between periods.

	Fourth Quarter					
	Operating investments		Reclassification of joint ventures and others		IFRS-EU(1)	
Million euros	2021	2020	2021	2020	2021	2020
Upstream	534	182	(246)	(85)	288	97
Industrial	493	225	(22)	(10)	471	215
Commercial and Renewables	294	339	21	(42)	315	297
Corporate and others	39	23	—	—	39	23
Total	**1,360**	**769**	**(247)**	**(137)**	**1,113**	**632**

	January - December					
	Operating investments		Reclassification of joint ventures and others		IFRS-EU(1)	
Million euros	2021	2020	2021	2020	2021	2020
Upstream	1,223	948	(493)	(230)	730	718
Industrial	859	565	(33)	(14)	826	551
Commercial and Renewables	829	739	19	(46)	848	693
Corporate and others	83	56	—	—	83	56
Total	**2,994**	**2,308**	**(507)**	**(290)**	**2,487**	**2,018**

(1) This corresponds to *"Payments on investments"* on the consolidated statement of cash flows prepared under IFRS-EU, and does not include items corresponding to *"Other financial assets"*.

3. Financial metrics

Debt and financial position ratios[1]:

Net Debt is the main APM used by Management to measure the Company's level of debt. The figure is made up of financial liabilities less financial assets, cash and cash equivalents, and the effect arising from the mark-to-market of financial derivatives. It also includes the net debt of joint ventures and other companies operationally managed as such.

	Net Debt	Reclassification of joint ventures	IFRS-EU balance sheet
Million euros	**Dec-2021**	**Dec-2021**	**Dec-2021**
Non-current assets			
Non-current financial instruments (1)	431	702	1,133
Current assets			
Other current financial assets	2,459	(8)	2,451
Cash and cash equivalents	5,906	(311)	5,595
Non-current liabilities			
Non-current financial liabilities (2)	(10,810)	625	(10,185)
Current liabilities			
Current financial liabilities (2)	(3,748)	(863)	(4,611)
NET DEBT (3) (4)	**(5,762)**	**145**	**(5,617)**

(1) Amounts included under "Non-current financial assets" in the consolidated balance sheet.
(2) Includes net non-current and current leases amounting to €3,045 and €636 million, respectively, according to the Reporting model and €2,429 and €499 million, respectively, according to the IFRS-EU balance sheet.
(3) In 2020 it included the adjustment for the elimination of the net mark-to-market value of financial derivatives other than exchange rate derivatives, which the Group has decided to discontinue considering as from 2021 due to their low representativeness.
(4) The reconciliations in previous period are available at www.repsol.com.

Gross Debt is the measure used to analyze the Group's solvency and includes financial liabilities and the mark-to-market value of derivatives. It also includes the net debt of joint ventures and other companies operationally managed as such.

	Gross Debt	Reclassification of joint ventures	IFRS-EU balance sheet
Million euros	**Dec-2021**	**Dec-2021**	**Dec-2021**
Current financial liabilities	(3,628)	(862)	(4,490)
Net mark to market valuation of current exchange rate financial derivatives	36	—	36
Current gross debt	**(3,592)**	**(862)**	**(4,454)**
Non-current financial liabilities	(10,731)	624	(10,107)
Net mark to market valuation of non-current exchange rate derivatives	9	—	9
Non-current gross debt	**(10,722)**	**624**	**(10,098)**
GROSS DEBT (1)	**(14,314)**	**(238)**	**(14,552)**

(1) The reconciliations in previous periods for this figure are available at **www.repsol.com.**

1 In order to facilitate the monitoring of the previous Strategic Plan, until 2020 the measures for net debt and return on equity were further broken down, excluding the effect of lease liabilities.

The following ratios are used by Group Management to evaluate leverage ratios and Group solvency.

- The ***Leverage ratio*** is ***Net Debt*** divided by ***Capital Employed*** at the end of the period. This ratio can be used to examine financial structure and degree of indebtedness in relation to capital contributed by shareholders and financing entities. Leverage is the chief measure used to evaluate and compare the Company's financial position with respect to its peers in the Oil & Gas industry.
- The ***Solvency ratio*** is calculated as ***Liquidity*** (section 2 of this Appendix) divided by Current gross debt and is used to determine the number of times the Group may service its current debt using its existing liquidity.

	January - December					
	Group Reporting Model		Reclassification of joint ventures (1)		IFRS-EU balance sheet	
Million euros	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Net debt	5,762	6,778	145	(2,462)	5,617	9,240
Capital employed	28,556	27,317	(145)	2,462	28,411	29,779
Leverage	**20.2%**	**24.8%**			**19.8%**	**31.0%**

(1) In 2020 it included mainly the net financing of the Repsol Sinopec Brasil Group (a joint venture owned 60% by Repsol and 40% by the Sinopec Group, see Note 13 to the 2020 consolidated Financial Statements). In the first half of 2021 the partial spin-off of Repsol Sinopec Brasil, B.V. was carried out, whereby the loans granted to its partners were transferred to each of their subsidiaries, thereby reducing the value of the investment in this company and derecognizing the related loan from the consolidated balance sheet (see Note 7.1. to the 2021 consolidated financial statements).

	January - December					
	Group Reporting Model		Reclassification of joint ventures		IFRS-EU balance sheet	
Million euros	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Liquidity	10,606	9,195	(323)	(268)	10,283	8,926
Current gross debt	3,592	2,850	862	822	4,454	3,213
Solvency	**3.0**	**3.2**			**2.3**	**2.8**

Appendix III. Consolidated Financial Statements – Repsol reporting model

Prepared in accordance with the Group's reporting policies (see About this report).

(Unaudited figures in millions of euros)

Statement of Financial Position

	31/12/2021	31/12/2020
NON-CURRENT ASSETS		
Intangible assets	3,607	3,466
Intangible assets	26,547	25,907
Investments accounted for using the equity method	570	279
Non-current financial assets	294	154
Deferred tax assets	3,249	4,081
Other non-current assets	946	846
CURRENT ASSETS		
Non-current assets held for sale	641	15
Inventories	5,443	3,540
Trade and other receivables	9,608	5,275
Other current assets	343	257
Other current financial assets	2,459	1,425
Cash and cash equivalents	5,906	4,578
TOTAL ASSETS	**59,613**	**49,823**
TOTAL EQUITY		
Shareholders' equity	22,320	21,185
Other cumulative comprehensive income	94	(890)
Non-controlling interests	380	244
NON-CURRENT LIABILITIES		
Non-current provisions	4,742	5,034
Non-current financial liabilities	10,810	9,547
Deferred tax liabilities and other tax items	2,674	2,771
Other non-current liabilities	674	407
CURRENT LIABILITIES		
Liabilities related to non-current assets held for sale	463	1
Current provisions	1,140	813
Current financial liabilities	3,748	3,620
Trade and other payables	12,568	7,091
TOTAL LIABILITIES	**59,613**	**49,823**

Income statement

	2021	2020
Revenue	52,130	34,963
Operating income/loss	**4,372**	**1,135**
Financial result	(315)	(238)
Net income from investments accounted for using the equity method	(3)	6
Net income / loss before taxes	**4,054**	**903**
Income tax	(1,590)	(299)
Income from continuing operations	**2,464**	**604**
Net income / loss attributable to non controlling interests	(10)	(4)
Adjusted net income	**2,454**	**600**
Inventory effect	797	(978)
Special Items	(752)	(2,911)
NET INCOME	**2,499**	**(3,289)**

Statement of cashflow

	2021	2020
I. CASH FLOWS FROM OPERATING ACTIVITIES		
EBITDA	8,170	2,730
Changes in working capital	(1,371)	692
Dividends received	37	33
Income taxes received/ (paid)	(1,014)	84
Other proceeds from/ (payments for) operating activities	(369)	(342)
	5,453	**3,197**
II. CASH FLOWS USED IN INVESTMENT ACTIVITIES		
Payments for investment activities:	(2,868)	(2,377)
Organic investments	(2,335)	(2,277)
Inorganic investments	(533)	(100)
Proceeds from divestments:	254	1,159
	(2,614)	**(1,218)**
FREE CASH FLOW (I+II)	**2,839**	**1,979**
Payments for dividends and payments on other equity instruments:	(425)	(346)
Net interests	(399)	(444)
Treasury shares	(722)	(378)
CASH GENERATED IN THE PERIOD	**1,293**	**811**
Financing activities and others	35	549
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**1,328**	**1,360**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**4,578**	**3,218**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**5,906**	**4,578**

Appendix IV. Risks

Risk management

Repsol's Integrated Risk Management System – [SGIR]

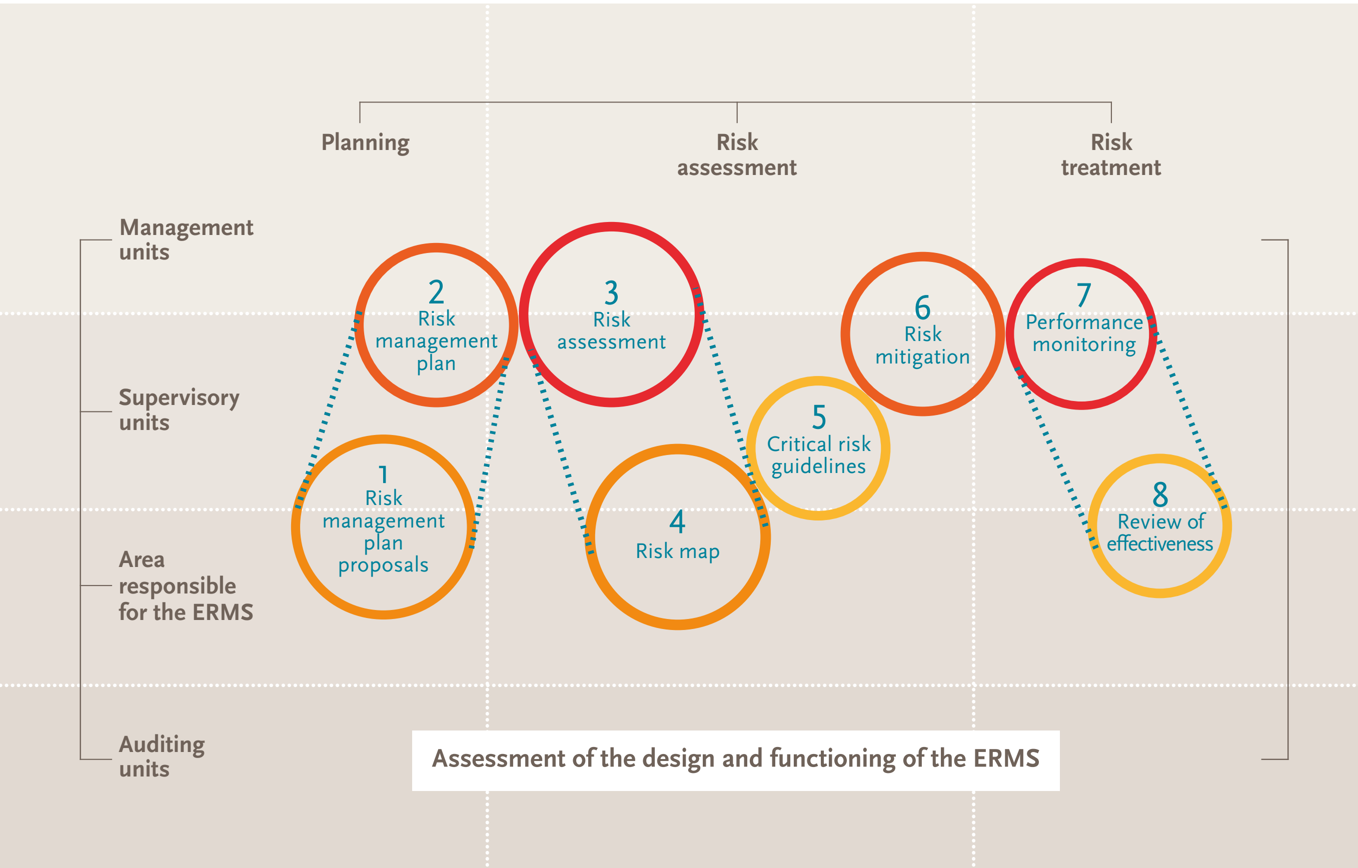
Repsol operates an Integrated Risk Management System: through coordinated action among all units involved, the key risks arising from the Group's activities are identified, measured, managed and supervised in line with the risk policy, management systems effectively mitigate the risks to the stipulated levels. Repsol's Integrated Risk Management System (Spanish "SGIR") provides a reliable and advance overview of all risks to which the Company is exposed, based on a Risk Management Policy adopted by the Board of Directors. The principles of the system are embodied in an Integrated Risk Management Standard adopted by the Executive Committee.

The core pillars of the SGIR are:

- Senior Management leads integrated risk management.
- The risk perspective is integrated into management and decision-making processes.
- Businesses and corporate areas play a role in the implementation of the model with different levels of responsibility and specialization (risk management units, supervisory units and audit units, in accordance with the three lines of defense model) as well as the Risk Unit, which governs and coordinates the system.
- Risks are identified, assessed and addressed in accordance with the guidelines of ISO 31000.
- Promotion of continuous improvement to gain efficiency and responsiveness.

Another key element is the risk tolerance declaration, which is set out in the Risk Management Policy along with the above principles. Repsol aspires to a low-to-medium risk profile that is appropriate for an integrated and diversified energy company, differentiating between risks in which the Company is ready to accept exposure within its overall tolerance threshold, and others in which it seeks to reduce exposure to levels as low as reasonably possible. The latter type would include accident, environmental, health, safety, ethics and conduct, image and reputation and compliance risks.

ISO 31000 Risk Management - Principles and guidelines



Below are details on the Company bodies involved in the definition, implementation, monitoring and supervision of the SIGR, as well as their responsibilities:

Overview of the corporate bodies involved in the SGIR

Board of Directors

Approves the general **policies and strategies** of the Company, which includes the risk control and management policy and the **oversight** of internal information and control systems.

Audit and Control Committee

Directly **oversees** the activities of the Audit, Control and Risk Department, to which the Risk Unit reports, and **periodically reviews** the effectiveness of internal control systems, internal audit and risk management systems so that the main risks are properly identified, managed and disclosed.

Sustainability Committee

Reviews and assesses the sustainability risk management and control systems.

Executive Committee

Approves the necessary **governance elements** in the field of risk management, ensures that they are properly implemented and **monitors** the Company's risk performance, including the integration of the risk perspective in the decision-making process.

Risk Management Units

Directly responsible for risk management in daily operations (risk identification, analysis, assessment and treatment).

Risk Supervisory Units

Supervisory Units: governance units that specialize in managing certain risk classes, and that aim to support and oversee the implementation of **effective risk management practices** at the Management Units by providing ongoing advice.

Risk Unit: implements the IRMS and coordinates its activities to ensure the sound functioning of the risk control and management systems and, in particular, ensures that all material risks affecting the Company are identified, managed and quantified. It also ensures that risk factors have an effective influence on **decision-making processes.** Finally, it monitors the extent to which the risk control and management systems adequately mitigate the risks within the framework of the policy defined by the Board of Directors.

Risk Audit Units

Assess the design and operation of risk control and management systems to ensure that they are properly identified, measured, prioritized and controlled in accordance with the Risk Management policy and other current standards and good industry practices.

Under the SGIR, the risk profile of each management unit is reported at least once a year to its senior manager for formal validation. However, the processes are prepared such that if, at any time, it is thought that the Group's risk profile may have changed substantially due to a change in exposure to an especially significant risk, the analysis of such risks is updated.

Where appropriate, the head of the management unit sets in motion appropriate actions or control mechanisms[1] to align the risk profile with the organization's expectations, in line with the risk tolerance declaration set out in the Risk Management Policy.

The risks unit consolidates individual risk maps to obtain the consolidated Risk Map for the Repsol Group, and any partial consolidation agreed to be reported to the executive and governing bodies, which, where appropriate, provide guidelines on the treatment of certain risks, in view of the risk profile, the maturity of risk management systems and the risk tolerance declaration set out in the Risk Management Policy.

The resulting mitigation actions are driven forward by the oversight units[2] and, when they involve management units, converge with those units' own strategies.

In the course of these activities, the risks unit collects information from the management and oversight units on their performance and expectations in relation to achieving the objectives of the SGIR. This information collection is supplemented, when appropriate, with campaigns specifically designed to obtain certain data, such as surveys, backtesting studies and others. By reference to this information, the area responsible for the SGIR reviews effectiveness and ensures that the findings result in continuous improvement of the SGIR.

At all stages of the integrated risk management process, in accordance with their planning, the audit units evaluate the reasonableness and adequacy of the design and operation of the Repsol Group's risk control and management systems, to ensure that risks are properly identified, prioritized, measured and controlled within the tolerance levels set by the Board in its Risk Management Policy, looking to prevailing standards and good industry practice. The audit units plan their engagements annually, based on the state of the risks and other considerations, with a focus on the key risks.

The variables in the economic models on which key decision-making processes are based, such as the preparation of the annual budget and the preparation and regular updating of the strategic plan, are subject to risk analysis, and information is received from the SGIR accordingly. Going beyond single-scenario approaches, these analyses provide a probabilistic view of the achievable result by simulating multiple scenarios in which these variables, correlated to some extent or another, take different values depending on their prior statistical modeling.

System of Internal Control over Financial Reporting (ICFR)

The Repsol Group has a System of Internal Control over Financial Reporting (ICFR) whose correct functioning can reasonably ensure the reliability of the Group's financial reporting. The ICFR model is based on the methodological framework of COSO 2013 (Committee of Sponsoring Organizations of the Treadway Commission) as set out in their report Internal Control- Integrated Framework, which provides an integrated framework for internal control over financial reporting that is designed to ensure that transactions are recorded faithfully, in conformity with the applicable accounting framework, providing reasonable assurance in the prevention or detection of errors that might have a material impact on the information contained in Consolidated Financial Statements. The Audit, Control and Risks department annually evaluates the design and functioning of the Group ICFR and draws conclusions on its effectiveness.

Main risks

The main risks identified in section 7.3 of this document are detailed below:

1 Repsol has an Integrated Internal Control model in place that follows the COSO framework and includes the Group's formally developed Internal Control and Compliance Systems, most notably the System of Internal Control over Financial Reporting and the Crime Prevention Model, among other compliance models.

2 The following areas stand out: Communication, Institutional Relations and Chairman's Office, Finance and Tax, Corporate Security, Strategy, Legal Services and CCO, Sustainability, Financial, Upstream Portfolio & Performance, Technology & Corporate Venturing, Corporate Governance, People and Organization, Digitalization and Global Services, Procurement Management, Upstream Quality Assurance & Quality Control, Industrial Technical Management, Engineering, Upstream Projects & Facilities, Internal Control and Reserves Control.

Financial and market risks	
Fluctuations in benchmark prices for hydrocarbons derivative products and other commodities	Oil and gas prices, and indeed derivative prices, are subject to exogenous factors and, therefore, to volatility as a result of fluctuations in international supply and demand. This can be caused by the prevailing geopolitical and macroeconomic environment, the influence of OPEC, technological changes, natural disasters, pandemics, or the energy transition process. Note that price deviations from the Group's projected figures may be favorable or unfavorable. The average price of Brent crude was $70.9/bbl in 2021, up 70% on the average price in 2020. Meanwhile, the average Henry Hub has price stood at $3.9/Mbtu in 2021, up 86% on the average price in 2020. This is due to the steady recovery of economic activity and lifting of mobility restrictions as the vaccination campaigns gain momentum, together with the support of monetary and fiscal policies. For more information on the performance of hydrocarbon prices in 2021, see section 3.2. of this report. For the outlook as we move through 2022, see section 7.1. The reduction in crude and gas oil prices adversely affects the profitability of Upstream activity, the valuation of its assets, its capacity to generate cash and its investment plans. Rising prices have the opposite effect. For more information on the impact of prices on the activities, valuation and profit performance of this business, see sections 4., 5.1. and 7.1.. A potential drop in investment could adversely affect Repsol's ability to replace its crude oil and gas reserves. In turn, the price of international crude oil and its derivatives may impact the value of inventories stored at the Industrial segment. In 2021, the impact of price fluctuations on inventories is reflected in the "inventory effect" (see section 4.). The price of finished products can also affect demand for them. Meanwhile, the macroeconomic environment —conditioned in the short run by the unfolding pandemic and the potential impact of new variants, as well as by the emission reduction scenarios associated with the energy transition process and the effects derived from climate change— may affect the price of other commodities, with a notable example being the significant increase in electricity prices and CO2 emission allowances in 2021. The former impact primarily on the low-carbon generation and electricity trading businesses, while the latter affect margins at the industrial businesses.
Fiercer levels of competition	The energy industry is a fiercely competitive place in which to operate. This competition can be further heightened by a number of factors including the entry of new competitors, changes in market conditions, the expiration of administrative concessions, technological obsolescence or insufficient differentiation, acceleration of the energy transition process and growing levels of competition due to access to low-carbon resources. The combined effect of these factors may affect market share and margins.
Drop in demand	Should demand for crude oil, gas, electricity or oil derivatives drop beneath the Group's forecasts, the results of its main businesses would be adversely affected (Upstream, Refining, Mobility, Chemicals, Trading, LPG, Electricity and Gas, etc.) as this would affect business volume. In 2020, the outbreak of the international COVID-19 pandemic sharply reduced demand for numerous products, following the drop in economic activity and, in particular, the lockdown and mobility restriction measures put in place to fight the spread of the pandemic. In 2021, the combined effect of the approval and marketing of COVID-19 vaccines, the launch of vaccination plans in most countries of the world and economic and fiscal stimuli led to a gradual recovery in demand, although the question of how the pandemic will pan out as we move forward and the possible emergence of new variants adds a degree of uncertainty as to whether demand will ultimately recover to pre-COVID levels. For more information on the impacts on activity and profitability of the businesses, see sections 4. and 7.1.. Among the factors that could affect demand, particular mention should be made of the slowdown in growth in countries where the Group is most exposed, trade tensions between the major powers and climate change and energy transition scenarios.
Regulatory and litigation risks	
Administrative, judicial and arbitration proceedings	The Repsol Group is subject to the effects of administrative, judicial and arbitration proceeding arising from the normal course of its business. The scope, content or outcome of these events cannot be reliably estimated. For further information, see Notes 15.2 and 23.4 to the consolidated Financial Statements.
Regulatory risks	The energy industry and the Group's activity are heavily regulated. The current regulatory framework affects aspects such as the energy transition, environment, competition, taxation, employment, industrial safety and IT security, among others. Any changes that may be made to the applicable standards or their interpretation or any disputes in terms of compliance therewith, may adversely affect the business, results and financial position of the Repsol Group. In particular, the regulatory aspects that generate this exposure include tax regulations and their interpretation, energy transition law and regulations, the wide variety of environmental and safety regulations (environmental product quality, air emissions, climate change and energy efficiency, extractive technologies, water discharges, and soil and groundwater remediation, as well as waste generation, storage, transport, treatment and final disposal), accounting regulations and rules governing financial and non-financial information disclosed to the market, financial market regulation, competition, good corporate governance, labor law and data protection regulations. Furthermore, Repsol reports on proven oil and gas reserve estimates that involve inherent uncertainty in the assessment process that is subject to judgments and estimates (see Note 3.7 of the Consolidated Financial Statements). In addition, Repsol may be affected by the existence of sanctions and trade embargo regimes adopted by the EU, its Member States, the US or other countries, as well as supranational bodies such as the United Nations, on certain countries in which it operates and/or companies or individuals based in them. For more information on the regulatory framework applicable to the Group's main activities, see Appendix IV to the consolidated Financial Statements.
Geostrategic risks	
Arbitrary actions undertaken by governments or institutions	Part of Repsol's activities are carried out in countries that are prone to social, political or economic instability that could lead to unlawful conduct by the Group's counterparties or unilateral changes imposed by governments or institutions. Examples here include increases in taxes and royalties payable, limits on production or exports, mandatory renegotiations or annulment of contracts, regulation of product prices, nationalization, eminent domain or seizure of assets, loss of concessions, changes in government policies, changes in commercial customs and practices, or delayed payments. Repsol also analyses its exposure to possible nationalization, expropriation or confiscation of assets Repsol operates in countries with special geopolitical risk, as described in Note 21.3 to the Group's consolidated Financial Statements.
Operational Risk	
Accident rate	Repsol's industrial and commercial assets (refineries, petrochemical complexes, regasification plants, power generation plants (cogeneration, combined cycle, wind farms and photovoltaic facilities), bases and warehouses, port facilities, pipelines, ships, tanker trucks, service stations, etc.) as well as Upstream installations (exploratory or production wells, surface facilities, oil platforms, etc.), both onshore and offshore, are exposed to accidents such as fires, explosions, toxic product leaks and environmental incidents with a potentially significant impact. Such accidents may cause death and injury to employees, contractors, residents in surrounding areas, as well as damage to the assets and property owned by Repsol and third parties as well as damage to the environment. Repsol is exposed to impacts from any type of damage or temporary interruption of service associated with accidents in operations or involving vehicles for land, sea-river and air transportation of persons, substances, goods or equipment.

Financial and market risks	
Deviations in organizational and employee management	The Repsol Group is exposed to negative impacts arising from the management of the organization and its employees, which constitute a key asset for the Group and which, in certain business contexts, may prove inadequate for achieving its objectives. The factors triggering such impacts include aspects such as talent attraction and retention, organizational structure, both in terms of design and dimensioning, and labor relations.
Suppliers and Contractors	The Repsol Group is exposed to negative impacts associated with the unavailability or scarcity of market goods and services, price and cost fluctuations, as well as interruptions and deviations in time and form in the supply of goods or the provision of services, including the supply of raw materials, which may eventually force the interruption of the affected business activities. Specifically, part of the processing, transportation and marketing of crude oil and gas production from Upstream assets is carried out through infrastructure (pipelines, processing and purification units or liquefaction terminals) operated by third parties. This infrastructure is exposed to various risks, such as unscheduled shutdowns or accidents, which may affect the provision of these logistical services by the suppliers concerned. In addition, in certain countries where the Group operates that are prone to socio-political instability, there may be a shortage of qualified suppliers or contractors, which could in turn affect business.
Attacks against people or assets	In general, but especially in certain countries where it operates, Repsol is exposed to potential impacts deriving from acts of direct violence that may endanger the integrity or safety of the Company's assets and people as a result of the actions of persons or groups motivated by any interests, whether governmental or not, including, among others, acts of terrorism, asset blockades, crime and piracy. Of particular note here are the safety concerns in Libya, where hydrocarbon production had to be halted on one occasion in 2021. For further information, see Note 21.3 to the consolidated Financial Statements.

In 2020, the risks of fluctuations in hydrocarbon benchmark prices and of falling demand materialized due to the impact of the COVID-19 pandemic on the commodity markets and Group activities. In 2021, these impacts lessened somewhat due to the progressive recovery of economic activity and mobility (albeit still uneven across countries), the availability of various vaccines and the launch of vaccination programs in most countries, together with the momentum provided by public policies to kick-start the economy, all subject to the uncertainty associated with the emergence of new highly infectious variants of the virus that make it difficult to determine to what extent and for how long the effects of the pandemic will continue to affect the Group's businesses (see section 5.4 "COVID-19 impacts and events after the reporting period". Meanwhile, significant increases in electricity pool prices and CO_2 allowances had a negative impact in 2021 on electricity and gas trading activities and industrial businesses, respectively, as well as tensions on the supply prices of certain products and services due to the uncertainty that currently exists within the global supply chain.

Appendix V. Additional information on Sustainability (includes Non-Financial Statement)[1]

In its commitment to transparency and efficiency and based on best practices in preparing corporate reports — particularly the recommendations contained in the "International Integrated Reporting Framework" of the International Integrated Reporting Council (IIRC) — Repsol publishes a Management Report that combines financial and non-financial information and, specifically includes sustainability information.

This appendix contains the content that makes up the non-financial information report established under Law 11/2018, of 28 December, on the disclosure of non-financial information and diversity, which are included throughout the document (in particular, in Chapter 6 – Sustainability), in this appendix and in the additional reports that make up the Management Report (Annual Corporate Governance Report and Annual Report on Directors' Remuneration). The international framework of reference used to prepare the sustainability indicators is the Global Reporting Initiative (GRI) guidelines, using the "comprehensive" option[2].

Furthermore, it complements the Group's sustainability information with:

• Detailed information on the 2021 materiality analysis, which defines the most relevant sustainability matters to the different stakeholders, who are referred to in the report.

• The breakdown of environmentally sustainable activities, as per the requirements established in the sustainable finance regulations.

• Information on the sustainability indicators that form part of the reporting frameworks: Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), Task Force on Climate-related Financial Disclosures (TCFD) and Stakeholder Capitalism Metrics (SCM) in the World Economic Forum (WEF).

• Reference indexes in relation to the content of the Management Report, which respond to the indicators of the reporting frameworks mentioned above.

1 In this section, the numeric references in parenthesis correspond to GRI and SASB indicators. Safety, environmental and social data relating to Canaport (100% interest in this asset acquired in November 2021) are not included, as the integration process to make this information available is in progress.

2 All GRI standards are followed in their 2016 version, with the exception of the Water (2018), Health and Safety (2018), Taxation (2019) and Waste (2020) standards

a] Materiality and stakeholder engagement

Materiality [102-46 to 47] and stakeholder engagement [102-40 and 102-42 to 44]

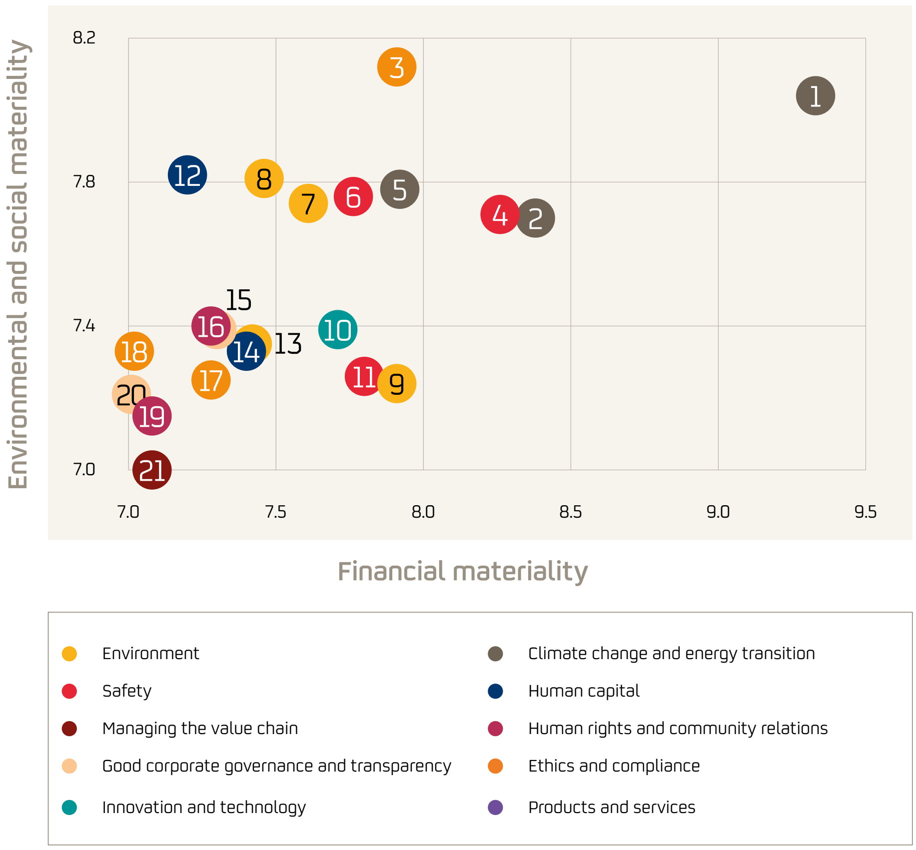
Matters identified by stakeholders

Critical

1. GHG emissions and energy transition strategies
2. Energy and climate policies and regulation

Very significant

3. Integrity (corruption and money laundering)
4. Safe operations
5. Incident and emergency management
6. Future technologies for mitigating climate change
7. Water management
8. Air quality
9. Circular economy and waste management
10. Cybersecurity
11. Safety culture and leadership
12. Respect for labor rights, stable working environment and employee well-being
13. Natural capital
14. Equal opportunities, diversity and flexibility
15. Responsible tax policy
16. Human rights and community relations
17. International sanctions
18. Data protection
19. Customer satisfaction and safety
Digitalization and new ways of working
20. Good corporate governance
21. Responsible management of commercial relations (suppliers, contractors and partners)



The following diagram shows the results of the materiality study with regard to sustainability.

Repsol works proactively and systematically to identify and understand the expectations of stakeholders on matters relating to sustainability. Repsol has been carrying out materiality analyses since 2005 with the aim of identifying those issues that are the most material for the Company and its stakeholders and making them part of its internal decision-making processes to help generate further economic, social and environmental value.

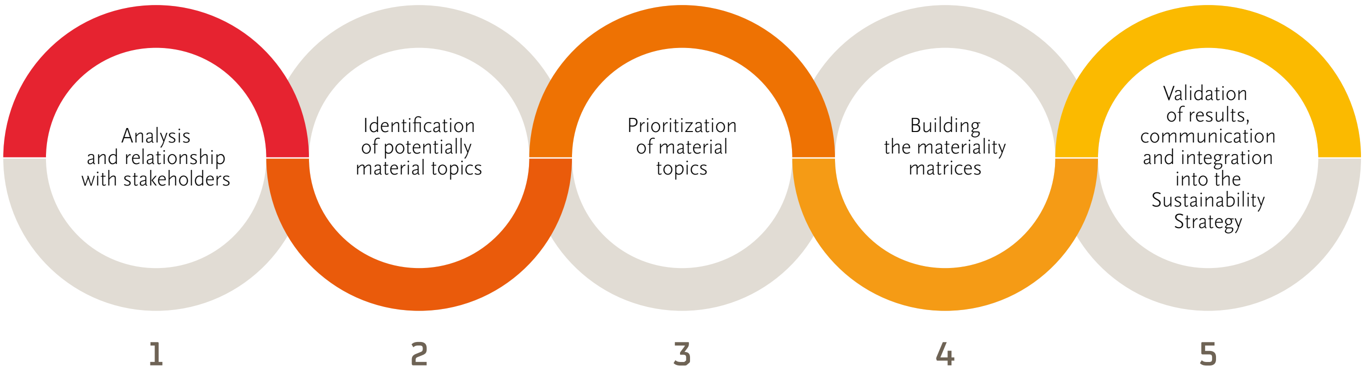
In 2020, the COVID-19 pandemic triggered an unprecedented health and economic crisis. To identify the impacts of this crisis, Repsol launched a complete materiality assessment involving 19 areas of the organization and 22 countries and in which more than 5,000 surveys and interviews were conducted with both internal and external stakeholders, with a response rate of 74%. The pandemic continued throughout 2021, with its impact and course varying by geographic region. Therefore, it was proposed in 2021 to extend the 2020 assessment, maintaining the same methodology but incorporating relevant aspects such as the new 2021-2025 Company Strategic Plan. The concept of “double materiality” has been transferred to the graphic representation of Repsol's materiality matrix.

Repsol's Materiality Assessment is a comprehensive process that throughout the organization that is divided into 5 phases[1]:

1. Analysis and relationship with stakeholders. In 2021, the Company's stakeholder map was validated and further consolidated. It is divided into eight broad stakeholder groups (see the Stakeholders infographic below), which are then sub-

[1] For more information, see www.repsol.com (Sustainability – Sustainability Strategy – Materiality analysis)

Process of preparing the materiality analysis



divided into a total of 40 categories. In addition, more than 2,500 people was asked to complete an online survey, including management areas and stakeholder representatives, in order to identify their needs for information on sustainability and also to test the effectiveness of the available dialogue channels and the frequency of communication. The goal is to have a robust relationship process that facilitates a two-way dialogue.

2. Identification of potentially material topics. In 2021, the list of 34 issues used in 2020 was validated. The list, which is divided into 10 axes, includes sustainability-related issues or topics with the potential to generate challenges and opportunities for both the Company and its stakeholders, and is based on an analysis of current and future trends in sustainability.

3. Prioritization of material topics. Material topics are prioritized by applying the concept of double materiality set out in Article 1 of Directive 2014/95/EU on disclosure of non-financial information. Financial materiality shows the performance, developments and position of the Company through its strategy, the sustainability risk map, Company leader consultations with representatives from all areas and businesses of the company, including the Executive Committee, and consultations with investors, shareholders and financial institutions. The environmental and social materiality reflects the impacts of the activities through the prioritization of material topics carried out by representatives of the other stakeholders and the areas of the Company tasked with managing those topics. In 2021, more than 2,700 surveys were conducted with a response rate of more than 40%. This consultation work follows the 5,000 surveys and interviews carried out in 2020. The final step in this process of prioritizing topics is a documentary analysis, in which more than 100 documents were evaluated during the period, including trends and stakeholder expectations (questionnaires and databases of ESG analysts, investor materiality, regulatory analysis, Global Risk Report of the World Economic Forum, SASB materiality, etc.) and an artificial intelligence tool that allows for a global comparison of Repsol's material topics with other companies in the sector, current legislation and thousands of news items in the media and social networks.

4. Building the materiality matrices. In 2021, the concept of double materiality was reflected in the graphic representation of the matrixes. The X axis reflects financial materiality and the Y axis reflects social and environmental materiality. These matrices are constructed from the evaluations obtained in the previous point and the thresholds of categorization of the most significant or material topics are designated. After applying them in 2021, 21 material topics were identified (24 issues in 2020). A global Company-wide matrix and eight stakeholder-specific matrices were obtained during the process.

5. Validation of results, communication and integration into the Sustainability Strategy. The results of the materiality analysis are appraised by a committee of experts comprising risk, reputation and sustainability specialists and are then presented to the Executive Committee, which is responsible for validating them. The resulting materiality is then integrated into the Sustainability Strategy and implemented through the Global Plan and local sustainability plans. The actions envisioned in the plans, both locally and globally, are aimed at improving performance and minimizing the impact of the identified sustainability risks. This enables the Company to think strategically and take decisions to evolve the business model to ensure economic, environmental and social sustainability.

Stakeholders

Repsol stakeholder map Periodic review in collaboration with stakeholder management areas	How we relate At Repsol, the relationship is both direct and indirect and we work to identify the preferred channels for each stakeholder
Shareholders, investors and financial institutions	Results presentations Senior management Roadshows Events (AGM, Low Carbon Day)
Customers	Commercial network, specialized events and trade fairs Television and social networks Repsol website
Society	Social programs Grievance mechanisms Television, social networks and Repsol website
Public bodies and institutions	Forums, seminars and conferences Digital apps (webinars, etc.) Repsol website (queries mailbox)
People in the organization	Presentations or events Intranet and email Trade union representatives
Press and media	Press releases Specific interviews Repsol website and social networks
Partners, competitors and business associations	Trade negotiations Seminars and conferences Sector associations (OGCI, etc.)
Suppliers and contractors	Trade negotiations Trade fairs, forums and conferences Digital platforms

How we add value at Repsol[1]

Commitment and sustainability performance. Repsol works to contribute value to its stakeholders through management aimed at minimizing the impact of all its activities.

Climate change
Establishment of an energy transition plan with a commitment to achieve net zero emissions by 2050. Carbon Intensity Indicator (CII) targets for 2030, 2040 and 2050

Ethics and compliance
Integrated compliance management model. Rejection of all forms of corruption and commitment to compliance with anti-trust regulations

Safety
Commitment to safety is embedded in the culture of the organization. It ensures spill management, process safety, and crisis and emergency management

Environment
Priority is given to minimizing potential impacts. Circular economy, biodiversity and water management strategy

Human capital
Work environment based on equal opportunity, diversity and inclusion

Good corporate governance and transparency
Governance system established in accordance with national and international best practices and standards

Human rights and community relations
Policies and regulations aligned with the UN Guiding Principles on Business and Human Rights

Products and services
Innovation and research in technologies to develop sustainable products. Managing the safety of products and services throughout the life cycle

(1) The pillars have been selected based on the top 10 issues in the materiality matrix for each stakeholder.

b) Sustainability indicators

Corporate governance

[102-23] Chair of the highest governing body

Since 2014, the Chairman of the Board of Directors and the Chief Executive Officer have been considered different posts at Repsol. Antonio Brufau Niubó serves as the non-executive Chairman of the Board of Directors and Josu Jon Imaz serving as the Chief Executive Officer of the Company and, therefore, heads up the Executive Committee.

On May 31, 2019, at their annual general meeting, the shareholders approved the re-election of the Chairman of the Board of Directors, Antonio Brufau Niubó, and of the Chief Executive Officer, Josu Jon Imaz San Miguel, for the bylaw-mandated term of four years, so that both may continue to perform the duties with which they have been entrusted to date and which they have been carrying out in an outstanding manner. Mr. Imaz, focused on executive tasks and Mr. Brufau on oversight and institutional representation of the Company.

[102-37] Stakeholder involvement in remuneration

The *Annual Report on the Remuneration of Repsol Directors* is submitted to an advisory vote of shareholders. At the General Meeting of March 26, 2021, the report received wide support, as it was approved by a majority of the 97.183% of the capital attending the meeting. Furthermore, and with the aim of assisting shareholders in understanding the information in the official model of the Report on Remuneration, and to continue increasing the transparency of remuneration schemes, the Company has also published an additional voluntary report in recent years on this topic that contains more detailed, comprehensive information on the remuneration of directors.

With respect to 2021, Repsol has produced the Annual Remuneration Report since 2018, using a free-form approach, together with the statistical appendix, so that shareholders and stakeholders can have all relevant information on the remuneration of the directors.

Likewise, the General Shareholders' Meeting held on March 26, 2021 approved, with 97.566% of votes in favor, the *Director Remuneration Policy of Repsol*, S.A. for 2021, 2022 and 2023.

The average remuneration of directors, by gender, is shown below:

Average Director remuneration by gender (€)

	2021		2020	
	Women	Men	Women	Men
Director average	290,118	332,273	286,966	333,567
Chairman	N/A	2,500,000	N/A	2,500,000

For more information, please see the *Annual Report on Director Remuneration*

Climate change

Energy efficiency and climate change

[EM-EP-420a.3] Investment in renewable energy, revenue from renewable energy sales[1]

[G4-OG2] and [G4-OG3] Renewable energy generation[1]

Repsol's low-emissions business is one of the pillars of the Company to achieve zero net emissions by 2050. Repsol is currently working on various renewable energy projects in Spain, Chile and the United States (see section 5.3 of this Report).

Total investment in renewable energy, by type of technology (€ thousands)

Technology	Investment 2021	Investment 2020
Onshore wind	304,387	346,938
Solar	119,160	125,840
Conventional hydro	3,054	2,227
R&D Biofuels 1st generation	2,442	1,744
R&D Advanced biofuels	4,496	2,977
Total	**433,538**	**479,726**

Total amount of renewable energy generated, by source (MWh)

Source	Power generation 2021	Power generation 2020
Hydro < 10 MW	70,140	69,685
Hydro > 10 MW	1,024,692	890,953
Onshore wind power	1,088,583	168,485
Offshore wind power	—	6,832
Solar	330,468	—
Total	**2,513,877**	**1,135,965**

(1) In 2021 the information includes 100% of the data of the renewable projects in Spain and the Jicarilla project (USA), as well as the data corresponding to the percentage of Repsol's interest in the joint venture with the Ibereólica Renovables Group in Chile.

Revenue from renewable energy currently accounts for 3.7% of the Company's overall revenue (2.4% in 2020).

[302-5] Reductions in energy requirements of products and services

Repsol invests in sustainable mobility through electric mobility projects, automotive gas and energy diversification. Furthermore, it is committed to developing new products with less energy requirements for the end user.

Electric mobility	Since 2010, Repsol has promoted electric mobility through the company IBIL, which is a 50% investee of Repsol and the Basque Energy Agency (EVE), for a comprehensive energy charging service that is 100% renewable, with smart facilities and terminals and an infrastructure control center. This project achieved an emissions reduction of 1,384.84 t CO_2 between 2012 and 2020. In 2019, Repsol acquired from IBIL a recharging network and energy marketing services for electric vehicles. Furthermore, the Company operates the first two ultra-fast recharging points for electric vehicles on the Iberian Peninsula at its Repsol gas stations. In 2021, Repsol put into operation the first ultra-fast charging station (150 kW) for electric vehicles in Portugal, which provides the most powerful electric vehicles with a range of 250 kilometers in just 15 minutes of charging. Furthermore, work was completed on the construction of more than 300 charging stations, with more than 550 charging stations available to the public at the end of the year
Digitalization in mobility	Proyecto **Westmartpark** is a Spanish company that has set up and manages a network of low-cost collaborative parking lots where customers can park with savings of up to 50%, and owners of the spaces can monetize them during hours of off-peak use through an online platform and IoT technology sensors. **Drivesmart** is a Spanish company that owns the Drivesmart app which applies metrics of safe, social and sustainable driving. Through a user's smartphone, Drivesmart compiles and processes information on a person's driving style. The result is an objective measurement of the quality of the user's driving, thus helping them to improve.
Autogas	**Autogas** is the most widely used alternative fuel for vehicles because it enables fuel savings of up to 40%. Repsol currently has 745 autogas supply points and is gradually expanding this network. **Autogas** vehicles with bifuel are fitted with two tanks: one for gasoline and another for autogas, thus doubling the vehicle's autonomy. At Repsol we have taken a step further in the use of LPG. The company has launched a technology development project with the Spanish company **Begas Motor S.L.** to develop engines for heavy vehicles (buses) fueled with autogas (LPG), so that they can be certified as ECO vehicles.
Distributed generation	In April 2020 Repsol launched Solmatch, the first major solar community in Spain based on a 100% renewable energy model. In **Solmatch** communities, energy is generated using solar panels mounted on the roofs of buildings (roofers), so that households (matchers) located up to 500 meters away can connect to and enjoy local 100% renewable energy. Solmatch had more than 230 active communities by the end of 2021, meaning that more than 18,000 households now have the option to consume 100% renewable electricity. Repsol has developed **EMS**, an energy management system that allows the energy consumption of customers and their assets (photovoltaic panels, batteries or electric vehicles) to be managed remotely and independently. For example, it optimizes the consumption associated with air conditioning and the cold chain for commercial customers, which results in savings in electricity bills of up to 20% in air conditioning and 40% in the cold chain, while reducing CO_2 emissions. EMS is a proprietary technology based on artificial intelligence algorithms, physical asset modeling and advanced optimization

[G4-OG14] Volume of biofuels produced, shared and sold

[EM-RM-410a.1] Percentage of Renewable Volume Obligation (RVO) achieved through production of renewable fuels and purchase of "differentiated" Renewable Identification Numbers (RINs)

As part of its medium-term vision, Repsol helps to reduce CO_2 emissions released during transport through the use of biofuels incorporated in gasoline, kerosene and gasoil. In addition, the Company is focusing on the promotion of projects of advanced biofuels (based on non-food, waste-sourced raw materials) with a strong technological content and high reduction of the carbon footprint. Work is currently under way at the Technology Lab.

To ensure the sustainability of its biofuels, Repsol has signed up to international frameworks that certify compliance with the sustainability parameters defined in the Renewables Directives (RED I and RED II) and the traceability of the raw materials employed throughout the chain of production, from their origin to the finished product. Specifically, at its industrial plants and centers, the Company's operations follow the ISCC[1] sustainability frameworks and have been certified under the National Sustainability Verification System (SNVS). The percentage of biofuels incorporated into gasoline and diesel fuel in 2021 is higher than the minimum limits mandated by law.

It is worth noting that during 2021, biofuels manufactured using raw materials recovered from waste have been included in the portfolio, thus reducing emissions even further than is normally the case with conventional or first generation biofuels.

The total volume of biofuels incorporated into the fuels marketed by Repsol in 2021 was 1,077,935 m^3 (1,121,653 m^3 in 2020), of which 511,931 m^3 (479,985 m^3 in 2020) was produced at the Group's refineries, and the rest, 566,004 m^3 (641,668 m^3 in 2020), was purchased from third-party companies and blended

1 ISCC: International Sustainability & Carbon Certification. An international certification framework that covers all possible sustainable inputs for the production of biofuels, including agricultural raw materials, forestry biomass and other circular materials or renewable biological materials.

in the right proportion to meet gasoline and diesel specifications and our customers' requirements. These biofuels have reduced emissions released during transport by 2.2 million tons of CO_2. Repsol's biofuel production capacity is 960,000 m3/year, divided up between BioETBE (429,000 m3/year) and hydrogenated vegetable oil (GVO, 531,000 m3/year).

In line with its strategy to become a net-emission-free company by 2050, in August Repsol produced the third batch of biojet in the Spanish market at the Bilbao refinery, with waste-sourced raw material. Repsol is a pioneer in the production of this sustainable aviation fuel in Spain. This batch comprises 5,300 tons of bio-based aviation fuel. Its use will avoid the emission of 300 tons of CO_2 into the atmosphere, the equivalent of 40 one-hour flights. The production of this batch involved the use of circular economy tools in the fuel value chain, as it uses waste as a raw material. It therefore improves waste management, transforming them into products with high added value, like fuel with a low carbon footprint.

As part of Repsol's strategy in this domain, in September 2020 the Board of Directors approved plans to build Spain's first plant for the production of advanced low-emission biofuels at the Cartagena refinery. The plant will have a production capacity of 250,000 tons of advanced hydrobiodiesel, and will also produce pure biojet. Placing this production on the market will prevent the emission of 900,000 tons of CO_2 per year. The construction phase is expected to create more than 1,000 jobs. The investment amount comes to €188 million and it is due to become operational in the first quarter of 2023. In 2021, engineering and construction activities have been performed as defined in the project implementation plan.

Environment

Non-GHG emissions

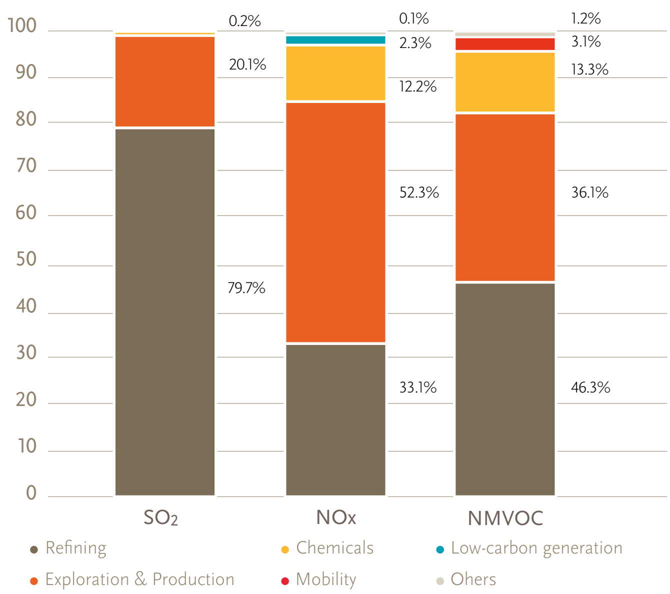
[305-7] Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant atmospheric emissions

[EM-EP-120a.1] [EM-RM-120a.1] [RT-CH-120a.1] Atmospheric emissions of NOx (excluding N_2O), SOx, volatile organic compounds (VOCs), particulate matter (PM10), H_2S (only at Refining & Marketing), HAP (only at Chemicals)

SO2, NOx and NMVOC emissions (t)	2021	2020 [1]
SO_2	25,190	24,360
NOx	18,197	18,826
NMVOC	19,214	21,422

(1) The emissions data for NMVOCs, NOx and SO_2 for 2020 in Canada have been modified to reflect the corrections made to the calculation method as per the local legislation in force, thus resulting in a reduction of 2,940 t NMVOCs in respect of the data published in 2020.

Significant atmospheric emissions by activity



When the applicable regulations do not require a direct measurement or define a calculation methodology, the methodology for calculating these emissions is as established in the internal environmental parameter guidelines. In particular, SO_2 and NOx emissions at the Refining and Chemicals businesses are measured with continuous concentration and smoke flow analyzers.

NMVOC emissions fell by 10% and NOx emissions by 3% year on year, due to a reduction in Upstream production. SO_2 emissions were up 3% on account of the increase in crude oil processing at Refining.

Intensity of significant air emissions

Atmospheric emissions per ton of processed crude oil at refineries and per barrel of oil equivalent (boe) produced at Upstream assets are as follows:

Refining	2021	2020
Tons of SO_2 / thousand t of crude oil processed	0.52	0.52
Tons of NOx / thousand t of crude oil processed	0.16	0.16
Tons of NMVOC / thousand t of crude oil processed	0.23	0.26

Exploration and production[1]	2021	2020 [2]
Tons of SO_2/thousands of boe produced	0.036	0.032
Tons of NO_2/thousands of boe produced	0.069	0.058
Tons of NMVOC/thousands of boe produced	0.050	0.050

(1) The intensity indexes have been calculated on the basis of the gross production of the operated assets, as reported atmospheric emissions include 100% of emissions for such assets, irrespective of the Repsol's percentage in them.
(2) Figures for 2020 corrected: the non-operated production volume at Eagle Ford, originally included in the previous report, has been discounted and the NMVOC, NOx and SO_2 data for Canada in 2020 have been amended in line with corrections to the calculation method as per the local legislation in force.

Despite the reduction in NOx and SO2 emissions at Upstream, their intensity has increased due to the effect of reducing production.

[G4-OG8] Benzene, lead and sulfur content in fuels

At the Company's refineries, processes are being improved to ensure compliance with the required technical specifications at all times. Furthermore, both the commercial businesses and industrial facilities are working within the environmental limit established as a preventive measure for professional exposure. This involves contributing to improving the environment by reducing the release of volatile components into the atmosphere.

All the facilities have been upgraded to limit the content of compounds such as aromatics, sulfur and benzene. The most recent investment was in the construction of new units in Peru to produce diesel and gasolines with a 0.005% sulfur mass, and with additional limits on the content of aromatics and benzene. The Commercial businesses are also reducing the release of volatile organic compounds through the installation of operating procedures and systems.

The fuel that Repsol markets meets the current quality specifications applicable. Repsol sells mainly in Spain, Portugal, France, Peru and Mexico. Where fuel was not produced at Repsol's facilities, the Company has agreements with independent laboratories that carry out product analysis to ensure compliance.

Maximum content	Europe	Mexico(1)	Peru(3)
Sulfur mg/kg	10	30	50-2,000
Benzene %v	<1	<1 o <2	(2)

(1) The maximum benzene content depends on the region of Mexico in which the fuel is marketed.
(2) Repsol specifications: National gasolines: 1%vol max.
Gasoline exports: unspecified, gasoline for motor use: 2% max vol.
(3) Maximum sulfur content depends on fuel type.

Repsol fuels have a safety sheet and a technical sheet, where consumers can consult information on the benzene and sulfur content in gasolines and diesel fuels. This information is made available to customers and/or end consumers when requested.

Water[2,3,4]

[303-2] Management of water discharge-related impacts

Minimization of the impact of discharges, definition of threshold quality standards for water returned to the environment and determination of priority substances are chiefly based on compliance with the requirements under applicable legislation in each of the regions where Repsol operates and which are included in the discharge licenses for the facilities. For example, the requirements in the European Union under the Water Framework Directive, the Industrial Emissions Directive and the Best Available Techniques Reference Documents (BREF).

For the Upstream business, specific internal norms were implemented to ensure threshold quality standards wherever there is no applicable regulation, through the Environmental Performance Practices (EPPs) on the quality of sanitary effluents, drilling fluids and production water and their impact on the environment, and the technical guide that establishes plans for waste water disposal. These internal technical reference papers take into account international standards recommended by IOGP, IPIECA and EPA.

The Refining and Chemicals divisions employ teams of water experts dedicated to disseminating knowledge of issues such as improving the management of water discharge by units by controlling these critical parameters at the source, the implementation of best measurement practices or developing guidelines for treating effluents.

2 Repsol monitors its water consumption data, calculated as the difference between water extracted and water discharged or stored, with a view to adjusting its water consumption parameters to ensure it is represented in the context of the oil and gas sector.

3 Upstream operations use production water from the reservoirs, which is mostly reused by reinjection into the same reservoirs to maintain pressure. As part of this closed cycle, production water is not available as an ecosystem service and is returned to oil and gas fields without generating an environmental impact. Reinjected water is not considered discharged or consumed water.

4 The variations between the 2020 figures and those published in the 2020 Integrated Management Report are due to the in-depth review carried out on all assets following the implementation of the GRI-303 Water and Effluents standard, which ushers in a new classification system.

[303-3] Water withdrawal

Water withdrawal [303-3] (thousands of m³)		2021 All areas	2021 Water-stressed areas	2020 All areas	2020 Water-stressed areas
Total water withdrawal	**Total**	317,770	387	376,477	333
	Fresh water	50,519	368	53,969	287
	Other water	267,251	19	322,508	46
Water withdrawal by source	**Surface water (total)**	15,774	22	22,813	23
	Fresh water	15,774	22	22,813	23
	Ground water (total)	2,698	28	2,795	56
	Fresh water	747	8	797	10
	Other water	1,951	19	1,998	46
	Seawater (total)	212,700	—	267,319	—
	Other water	212,700	—	267,319	—
	Produced water (total)	52,562	—	53,178	—
	Other water	52,562	—	53,178	—
	Third-party water (total)	34,036	338	30,372	254
	Fresh water	33,998	338	30,359	254
	Other water - Produced water	38	—	13	—

Fresh water: total dissolved solids <1000 mg/l
Other water: total dissolved solids > 1000 mg/l.

[303-4] Water discharge

Water discharge [303-4] (thousands of m³)		All areas	Water-stressed areas	All areas	Water-stressed areas
Total water discharge	**Surface water + groundwater + seawater + produced water + water from third parties (total)**	251,294	147	303,763	77
Water discharge by water type	Fresh water	31,695	147	29,054	77
	Other water	219,599	—	274,709	—
Water discharge by destination	Surface water	10,860	79	10,051	65
	Ground water	235,914	—	289,458	—
	Seawater	—	—	—	—
	Third-party water	4,520	68	4,254	12
Water discharge by treatment level	Primary treatment or no treatment	5,833	—	6,149	—
	Secondary treatment	233,451	—	286,390	—
	Tertiary treatment	12,010	—	11,224	—
Water produced (G4-OG5)	Other water - Produced water injected	47,583	—	48,210	—
	Other water - Produced water discharged into the ocean	4,736	—	5,721	—

Fresh water: total dissolved solids <1000 mg/l
Other water: total dissolved solids > 1000 mg/l

Following the implementation of the most recent standard GRI 303 Water and Effluents, new non-fresh water withdrawal inflows are included retroactively, such as production water at Upstream, once-through cooling water at Chemicals or brackish water withdrawn and demineralized for its use by Refining Peru.

The reduction of water withdrawn and discharged in 2021 was mainly down to a drop in productive activity at combined cycle plants.

[EM-EP-140a.1, EM-RM-140a.1 y EM-CH-140a.1] Freshwater withdrawn

Total freshwater withdrawn by activity (thousands m3)	2021	2020
E&P	1,066	1,054
Refining and Marketing (1)	33,104	36,059
Chemicals	14,869	13,441

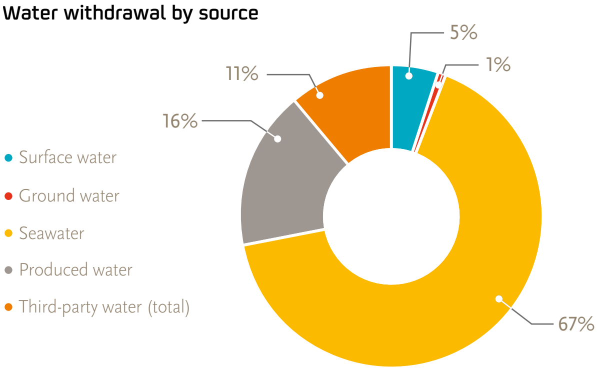
(1) In 2021, the scope of the indicator was widened to include Marketing activities. The 2020 data has been updated from that published in the 2020 Integrated Management Report to include the same scope.

[EM-RM-140a.1] Percentage of water reused

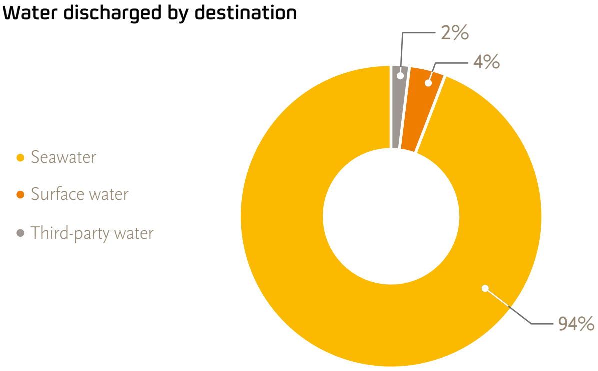
(%) Water reused / Water entering operations	2021	2020
Refining and Marketing (1)	32%	28%

(1) In 2021, the scope of the indicator was widened to include Marketing activities. The 2020 data has been updated from that published in the 2020 Integrated Management Report to include the same scope.

Water withdrawal by source



Water discharged by destination



Of the total water discharged into the ocean, the Low Carbon Generation business accounts for 90%. The discharged water is part of a once-through cooling system that withdraws seawater and returns it in optimal physical and chemical condition.

Treatment of discharged water

The fluid effluents from the facilities of the Company are subjected to purification processes to minimize their environmental impact and ensure compliance with legal requirements. The type of treatment employed depends on the activity in question and the characteristics of the operational center. It may be a physical-chemical (primary) treatment, completed with a biological (secondary) process, or even include more advanced tertiary treatment or other specific processes for contaminants that are non-degradable using non-conventional treatments.

Main contaminants discharged

The main contaminants discharged at Repsol's facilities are: hydrocarbons, suspended solids, and organic matter likely to undergo oxidation, measured as chemical oxygen demand (COD).

[G4-303-4d] Priority substances of concern for which discharges are treated

Priority substances (t)	2021	2020
Hydrocarbons discharged	158	145
COD	2,502	2,415
Suspended solids	791	534

In 2021, there was an increase in the pollutant load (HC, COD, suspended solids) in discharges due to the impact of activity in the framework of the COVID-19 crisis. Specifically, the hydrocarbon load increased at Upstream on account of the need to increase the injection of corrosion inhibitors in processes performed by the PM3 platform (Malaysia).

[G4-OG5] Volume and disposal of water

[EM-EP-140a.2] Volume of produced water and flowback generated during operations, percentage of water and flowback discharged, injected and recycled, and hydrocarbon content in discharged water

Hydrocarbons discharged by activity(t)

	2021		2020	
Activity	tons	%	tons	%
E&P	107.23	68%	94.25	65%
Produced water discharged(1)	107.12	68%	93.81	65%
Other discharges	0.11	—%	0.44	—%
Refining	43.92	28%	43.66	30%
Chemicals	1.27	1%	2.22	2%
Mobility	4.80	3%	4.19	3%
Low-carbon generation	—	—%	—	—%
Other	0.64	—%	0.50	—%
Total	**157.86**	**100%**	**144.82**	**100%**

(1) Malaysia assets: Kinabalu and PM3

Waste Management

[GRI 306-1] Waste generation and significant waste-related impacts

[GRI 306-3] Amount of waste managed by hazardousness and composition

[EM-RM-150a.1] [RT-CH-150a.1] Hazardous waste generated, percentage recycled

	Total waste managed (t)		Waste diverted from disposal (t)(1)		Waste directed to disposal (t)	
Non-hazardous waste	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Construction and demolition waste, including environmental restoration	107,397	50,939	77,859	9,880	29,538	41,059
Municipal waste	20,919	16,508	9,528	8,091	11,391	8,417
Natural gas purification and oil refining waste	3,231	5,955	1,703	4,669	1,528	1,286
Wastewater and water treatment waste	3,074	2,063	2,765	1,918	309	145
Remaining waste	7,024	9,113	3,492	3,440	3,532	5,673
Total	141,645	84,578	95,347	27,998	46,298	56,580
Hazardous waste						
Construction and demolition waste, including environmental restoration	23,515	5,221	16,651	4,273	6,864	948
Natural gas purification and oil refining waste	14,256	11,016	4,933	4,669	9,323	6,347
Liquid fuel and oil waste	8,351	8,025	3,848	3,812	4,503	4,213
Chemical process waste	4,362	6,224	2,312	2,305	2,050	3,919
Remaining waste	12,894	3,763	4,031	1,946	8,863	1,817
Total	63,378	34,249	31,775	17,005	31,603	17,244

(1) Includes incineration with energy recovery and composting treatments, in accordance with GRI 306 (2016).

The composition of the waste managed by Repsol is divided into the categories defined in the European List of Wastes (LoW). The Company's waste mostly arises from its construction, decommissioning and environmental restoration activities, for all of which 72% of the waste has been recovered and given a useful life within the circular economy.

[306-4] Waste diverted from disposal due to valorization activities

	Managed at facilities (t)	Managed outside facilities (t)	Total (t)	Managed at facilities (t)	Managed outside facilities (t)	Total (t)
Non-hazardous waste	**2021**	**2021**	**2021**	**2020**	**2020**	**2020**
Prepared for reuse	41	2,218	**2,259**	39	464	**503**
Recycled	369	83,133	**83,502**	26	15,344	**15,370**
Other recovery treatment (1)	192	9,394	**9,586**	503	11,622	**12,125**
Total	**602**	**94,745**	**95,347**	**568**	**27,430**	**27,998**
Hazardous waste						
Prepared for reuse	9	1,855	**1,864**	63	1,611	**1,674**
Recycled	7	21,383	**21,390**	24	6,463	**6,487**
Other recovery treatment (1)	36	8,485	**8,521**	21	8,823	**8,844**
Total	**52**	**31,723**	**31,775**	**108**	**16,897**	**17,005**

(1) Includes incineration with energy recovery and composting treatments, in accordance with GRI 306 (2016).

[306-5] Waste directed to disposal

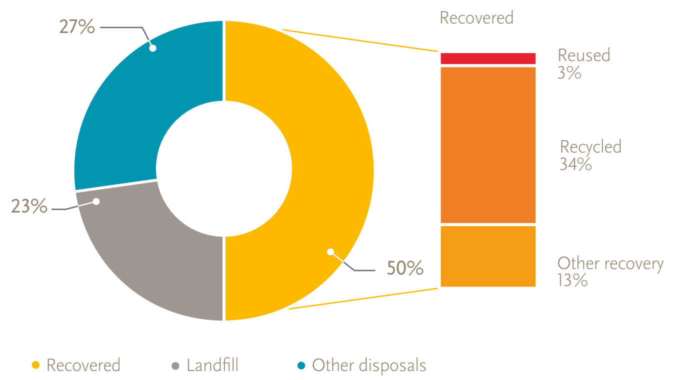
Non-hazardous waste	Managed at facilities (t) 2021	Managed outside facilities (t) 2021	Total (t) 2021	Managed at facilities (t) 2020	Managed outside facilities (t) 2020	Total (t) 2020
Transfer to landfill	17	33,289	**33,306**	1,548	38,771	**40,319**
Other disposal treatments (1)	209	12,783	**12,992**	75	16,186	**16,261**
Total	**226**	**46,072**	**46,298**	**1,623**	**54,957**	**56,580**
Hazardous waste						
Transfer to landfill	—	14,368	**14,368**	124	8,209	**8,333**
Other disposal treatments (1)	13	17,222	**17,235**	10	8,901	**8,911**
Total	**13**	**31,590**	**31,603**	**134**	**17,110**	**17,244**

(1) Other disposal treatments including incineration without energy recovery

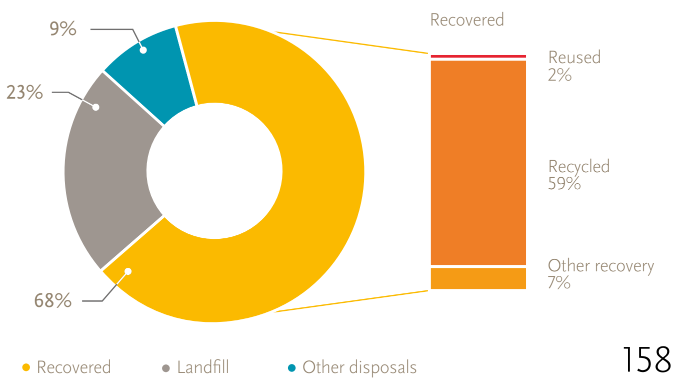
In 2021, there was an increase in the amount of hazardous waste (85%) and non-hazardous waste (67%) managed by the Company as a result of the recovery of activities following the COVID-19 crisis and the implementation of Refining projects (biofuel project in Cartagena and cleaning of waste resulting from the Puertollano incident in 2020) and Upstream projects (drilling in Mexico, Bolivia, Marcellus and Eagle Ford). Waste recovery increased to 62% (38% in 2020) of total waste, which can largely be attributed to the recycling of the soil associated with the preparation of biofuel project areas at the Cartagena refinery and the cleaning of facilities to contain leaks at Puertollano.

The following charts show the actions carried out in 2021 for each category.

Hazardous waste management



Non-hazardous waste management



Activity	Hazardous waste (t) 2021	Hazardous waste (t) 2020	Non-hazardous waste (t) 2021	Non-hazardous waste (t) 2020
E&P	16,040	5,509	19,325	24,760
Refining	30,411	16,423	96,764	41,017
Chemicals	11,329	9,481	17,516	11,427
Mobility	5,296	2,544	5,613	4,892
Lubricants, Aviation, Asphalts and Specialized Products	142	135	505	397
LPG	22	42	1,382	1,464
Low Carbon Generation	44	36	281	74
Other	93	77	259	548
Total	**63,377**	**34,247**	**141,645**	**84,579**

[G4-OG7] Amount of drilling waste (drilling mud & cuttings) and strategies for treatment

The waste data shown in the previous section do not include drilling waste, which is shown below.

Drilling waste generated (t)	2021	2020
Water-based cuttings and fluids	43,790	19,790
Non water-based cuttings and fluids	24,795	3,175

Management of waste from drilling operations (cuttings and fluids) is controlled by the Company's internal norms known as Environmental Performance Practices (EPP). These requirements establish a set of standards that must be followed in Upstream activities and that are applicable to all geographical areas in which the company operates and regardless each country's specific legislation.

In 2021, drilling activity recovered with operations focusing on Mexico, Bolivia, Marcellus and Eagle Ford, thus leading to increased waste from this activity.

Biodiversity

[304-1] Operational sites owned, leased, managed in, or adjacent to, protected areas or areas of high biodiversity value outside protected areas

Repsol participates in the Proteus Consortium, where the UN Environment Programme World Conservation Monitoring Centre (UNEP-WCMC) make available to participating extractive companies information related to the distribution of the species listed in the UICN Red List of Threatened Species and the protected areas on record on the World Database on Protected Areas (WDPA). This information is taken into account as a criterion in decision-making throughout the life cycle of projects.

In the analysis of the protected areas, we considered all the operating centers of Repsol's businesses except activities with a high geographical dispersion (service stations, for example) and temporary activities:

Type of operation	Geographical location	Location in respect of the protected area	Surface area within the protected area (ha)	Type of protection
Corporate - Offices	Spain	Within protected area	1.52	Regional Park, Site of Community Importance (SCI)
Exploration and Production (Upstream) - Operation	Bolivia	Partly within protected area	155	Environmental Protection Area
	Canada	Partly within protected area	7,735	Natural Area, Provincial Park, private land for conservation
		Adjacent to protected area	-	Recreational Area
	Ecuador	Within protected area	7,000	National Park, Biosphere Reserve (UNESCO)
		Partly within protected area	58,276	National Park, Biosphere Reserve (UNESCO)
	Peru	Partly within protected area	5,614	Community Reserve
	Spain	Within protected area	16,025	Special Protection Area for Birds (SPA), Marine Protected Area (OSPAR)
		Partly within protected area	12,676	Special Protection Area for Birds (SPA), Marine Protected Area (OSPAR)
		Adjacent to protected area	-	National Park, Natural Park, Site of Community Importance (SCI), Special Protection Area for Birds (SPA)
	United States	Partly within protected area	4,462	Private Protected Area, Wetlands Reserve Program, Protected Waterway, State Forest, Local Conservation Area
Low-carbon generation	Spain	Within protected area	3.48	National Park, Site of Community Importance (SCI), Special Protection Area for Birds (SPA)
		Adjacent to protected area	-	Site of Community Importance (SCI), Special Protection Area for Birds (SPA)
LPG factories	Spain	Adjacent to protected area	-	Site of Community Importance (SCI), Special Protection Area for Birds (SPA), Natural Landscape
Asphalt plants	Spain	Adjacent to protected area	-	Site of Community Importance (SCI), Special Protection Area for Birds (SPA)
Chemical plants	Portugal	Adjacent to protected area	-	Site of Community Importance (SCI)
	Spain	Adjacent to protected area	-	Site of Community Importance (SCI)
Refineries	Spain	Adjacent to protected area	-	Site of Community Importance (SCI), Special Protection Area for Birds (SPA)

There were no significant variations with respect to 2020. Operations located within, partially within or adjacent to protected areas are maintained. There were some small but insignificant reductions in the surface area within protected areas at two Upstream assets, due to changes in the areas of the operating blocks.

[304-2] Significant impacts of activities, products, and services on biodiversity

Operations and activities within the energy industry can affect the natural and social environments in which they take place. The potential impacts on biodiversity that may arise from the Company's operations are as follows:

	ACTIVITY ASPECT	DESCRIPTION	PHASES		
			DEVELOPMENT AND CONSTRUCTION	OPERATION	DECOMMISSIONING
LAND USE	Physical presence	Physical on-site presence may generate a visual impact on the environment. Other related potential impacts include the alteration, fragmentation or loss of habitat and changes in the presence and distribution of local species.	Potential impact	Potential impact	Potential impact
	Physical disturbance (site clearing and preparation)	Physical disturbance is an activity largely associated with the start and end of the life of an asset and may have a visual impact on the environment. Other related potential impacts include the alteration, fragmentation or loss of habitat and changes in the presence and distribution of local species.	High potential impact	Unlikely or low potential impact	Potential impact
	Consumption/ extraction of water	Water consumption for use in processes can lead to reduced water availability and potentially affect the ecosystems and habitats of certain species.	Unlikely or low potential impact	Potential impact	Unlikely or low potential impact
EMISSIONS	Noise and vibrations	Noise and vibrations caused by processes can disturb local wildlife.	High potential impact	Potential impact	Potential impact
	Light	The light emitted by our activities can generate a visual impact at night.	Unlikely or low potential impact	Potential impact	Unlikely or low potential impact
	Dust	Dust emitted can generate impacts when it lands on vegetation, while also disturbing local fauna in the vicinity of the facilities.	High potential impact	Unlikely or low potential impact	Potential impact
	Exhaust/ combustion emissions (GHG, NO_X, SO_X, PM, VOC)	Exhaust emissions associated with the operation of fuel-burning equipment can impact local air quality and also climate change on a global scale.	Potential impact	High potential impact	Potential impact
	Fugitive emissions and venting	Unplanned fugitive emissions and venting can impact local air quality and also climate change on a global scale.	Unlikely or low potential impact	Potential impact	Unlikely or low potential impact
	Gas flaring	Gas flaring can impact local air quality and also climate change on a global scale. It can also have an associated thermal and visual impact on the surrounding wildlife.	Unlikely or low potential impact	Potential impact	Unlikely or low potential impact
DISCHARGES	Wastewater, gray water and food waste	The discharge of treated wastewater may cause changes in the quality of available water.	Potential impact	Potential impact	Potential impact
WASTE	Hazardous waste	Waste can lead to contamination of soil and groundwater/surface water, possibly impacting the ecosystems and habitats of certain species.	Potential impact	High potential impact	High potential impact
	Non-hazardous waste	Contamination of soil and groundwater/surface water, possibly impacting the ecosystems and habitats of certain species.	Potential impact	Potential impact	Potential impact
ACCIDENTAL EVENTS	Spills	Accidental events such as spills can lead to contamination of soil and groundwater/surface water, possibly impacting the ecosystems and habitats of certain species.	Unlikely or low potential impact	Potential impact	Unlikely or low potential impact
	Fire or explosions	Accidental events such as fire or explosions can generate thermal and visual impacts on wildlife, affect local air quality, or lead to habitat alteration and fragmentation.	Unlikely or low potential impact	Unlikely or low potential impact	Unlikely or low potential impact
	Introduction of invasive species	The unintentional introduction of invasive species can lead to changes in the occurrence and distribution of species within the area of operation.	Unlikely or low potential impact	Unlikely or low potential impact	Unlikely or low potential impact

High potential impact   Potential impact   Unlikely or low potential impact

[304-3] Habitats protected or restored

Restoration is the third step in the mitigation hierarchy. It consists of helping the recovery of an ecosystem that has been degraded, damaged or destroyed. Repsol has internal regulations that establish the requirements to be implemented in this connection based on the best practices in the industry.

The following are activities or projects for the protection, restoration or other biodiversity management actions initiated in 2021 or earlier and continued this year. In all cases, independent competent legal bodies have overseen the standards and methodologies used. In 2021, the variety and type of restoration actions undertaken were the same as in 2020, as all centers operated by the Company were included in the scope.

Habitats protected or restored

Location	Activity	
Spain	Low Carbon Generation	The following management measures have been implemented at the Valdesolar photovoltaic project in Badajoz, Spain: • Installation of 1 dovecote. • Installation of 12 cairns. • Implementation of a pasture management plan using sheep. All actions were agreed and approved by the competent environmental authorities.
Spain	Low Carbon Generation	Repsol is involved in the LIFE-DIVAQUA project. The main objective of this initiative is to restore and improve the condition of the aquatic habitats and species of Community interest of the Natura 2000 network in the Picos de Europa National Park in northern Spain and surrounding area.
Canada	E&P	This year, restoration work was undertaken in forests and crop zones in 13 locations (wells and related facilities). 21.33 ha were restored following the 2019 Alberta soil and underground water restoration guidelines. This action has been completed with 100% of the habitat restored. All actions were approved by the competent legal authority.
United States	E&P	In 2021, vegetation restoration actions were completed in meadow zones at 6 locations in the Marcellus operations in the United States. 11.31 ha were restored in total, achieving a partial restoration in two locations and complete restoration in the others. All of these actions were performed following the methodologies proposed by local environmental authorities and approved by the competent legal authority (The Environmental Protection Department of Pennsylvania or New York, depending on the case).
Indonesia	E&P	During the year, Repsol implemented restoration and revegetation actions in three areas associated with exploration activities in East Jabung: the Anggun-1 exploration well (2.88 ha), the Elok-1/Ayu-1 exploration well (5 ha) and access roads (15 ha). The types of plants were selected applying the following criteria: • Quick growing and capable of setting seed and spreading naturally. • Local, native and endangered species. • Capacity to improve the habitat for wildlife, to foster conditions for reintroduction. • Generation of non-wood products that can be used. This restoration project has a number of objectives: • Compliance with the recovery obligations in the Permit for Use of Forest Areas (Izin Pinjam Pakai Kawasan Hutan/IPPKH). • Implementation of revegetation activities, including maintenance and monitoring of plants. • Preparation of a report on the results of the study and implementation of the recovery activity, to document compliance with recovery obligations to the Environment and Forestry Ministry. All of these actions were approved by the competent legal authority and implemented in accordance with guidance from the Environment and Forestry Ministry.

Other biodiversity management measures

Location	Activity	Description of the protection or restoration action and its aims
Bolivia	E&P	Publication of an article on the IPIECA website on monitoring and oversight of biodiversity during construction of the access roads and drilling platforms, and drilling of an exploratory well in the Caipipendi area.
Bolivia	E&P	Development of an instruction manual for conservation measures for protected species in the Caipipendi area.
Bolivia	E&P	Development of a guide for personnel working in the Caipipendi area.
Bolivia	E&P	Detailed analysis of hunting, fishing and livestock farming in the Caipipendi area, and the use of natural resources.
Spain	E&P	An environmental baseline study has been prepared as part of the Environmental Impact Assessment for the project to abandon underwater wells at the Casablanca asset. This included oceanographic work to compile the data required to describe the natural values in the study area (bodies of water, sediments, macrofauna and natural communities in the environment). This study aims to detail the environment around the wells prior to them being abandoned definitively. The actions involved include: • Sampling of sediment to analyze its physical-chemical composition. • Sampling of macrofauna for taxonomic identification and to calculate the basic descriptive parameters for the communities. • Sampling and analysis of water to describe its environmental condition. • Measurement of the physical-chemical parameters of the water column and profiling at depth. • Visual inspection 100 meters around each of the wells studied. This environmental baseline study found no negative impact on the natural communities in the environment of the Casablanca platform, or on the bodies of water and sediments.
Peru	E&P	In 2021, work continued under the Interinstitutional Convention between the National Protected Natural Areas Service (SERNANP) and Repsol. SERNANP provided training to field personnel working on Block 57 who access the Machiguenga Communal Reserve, focusing on the care that should be taken and principles for entering this protected area. As part of the Annual Work Plan, educational material has been provided to the Machiguenga and Ashaninka Communal Reserves and the Otishi National Park. Support was provided for printing sketchbooks for the fauna of the Otishi National Park and the Machiguenga Communal Reserve, together with training for personnel.
Peru	E&P	Repsol performed a comparative study of conventional environmental monitoring and the application of technology using environmental DNA (eDNA) in relation to Block 57 in the Peruvian jungle zone. The measurement technique for the genetic footprint left by the components of the ecosystems and their subsequent sequencing revealed that samples of water, soil and sediments can be used to extract biodiversity information using a method that is not invasive for living organisms. The simplicity of the sampling method underscores our commitment to the local communities, significantly reducing the carbon footprint due to fewer specialist personnel being required in the field and fewer difficult journeys in the environment, minimizing waste and usage of natural resources.

[304-4] IUCN Red List species and national conservation list species with habitats in areas affected by operations

[EM-EP-160a.3] Percentage of proven and probable reserves in or near sites with protected conservation status or endangered species habitats

To prevent and mitigate impacts on biodiversity it is vital to determine the species present in the area of influence of the operation. Repsol uses the information provided through its involvement in the Proteus consortium to determine the species included in the IUCN Red List of Threatened Species. The following table shows the number of species that may be present at the Company's assets, by level of extinction risk.

Classification	Number of species
Critically endangered (CR)	114
Endangered (EN)	287
Vulnerable (VU)	673
Near threatened (NT)	742

In 2020, we reported 96 critically endangered, 248 endangered, 628 vulnerable and 763 near threatened species. In 2021, the values for this indicator increased slightly, due to the updating of the UICN Red List of Threatened Species database and the inclusion of new operations within the scope of the indicator. In the analysis of the species, we considered all the operating centers of Repsol's businesses except activities with a high geographical scattering (gas stations, for example) and activities of a temporary nature:

Repsol has 44% of proven reserves at operated blocks and 36% of probable reserves within or adjacent to protected areas.

[G4-OG4] Number and percentage of significant operating sites in which biodiversity risk has been assessed and monitored

The following table sets out the percentage of major operating centers of the Upstream business where risks to biodiversity were assessed and monitored.

Classification	Result (%)
Centers where biodiversity-related risks have been assessed	100%
Centers where biodiversity-related risks have been found	100%
Centers in which the area of influence has been calculated	100%
Centers with specific biodiversity management and ecosystem services	100%
Degree of implementation of specific biodiversity management and ecosystem services	100%

As in 2020, the indicator is 100% because it is assumed that all assets carry biodiversity-related risks.

People

Employment[5]

The energy transition and the circular economy are driving the emergence of new professions and new paradigms. Repsol is responding actively to these with an ambitious onboarding plan for professionals in the Low Carbon Generation business, which welcomed more than 130 new employees in 2020. It has also expanded its international presence in this sector by starting work in a new country, namely Chile.

One of Repsol's priorities is to protect employment stability against the backdrop of the global economic situation, in the context of the Company's strategic needs. In 2021, Repsol began the process of exiting Russia, Vietnam and Malaysia, thus resulting in a 16% reduction in employees in the Asia region (37 people in Russia, 19 in Vietnam and 17 in Malaysia). In Italy, the headcount fell by 37 people. The headcount in North America was down 8.2% (89 people), due to the efficiency plans implemented in the United States and Canada. Meanwhile, the employees of the various Repsol companies operating in Mexico were reorganized, with employees from temporary employment agencies being incorporated into the workforce in response to the country's new labor law.

Repsol has a diverse human team, with more than 70 nationalities working in 32 countries. The information on employees is itemized below.

Overall employee figures	2021	2020
Number of employees *(headcounts)*[(1)]	24,134	24,125
Average age	43.4	43.2

(1) Refers to employees at the companies in which Repsol establishes policies and guidelines relating to people management, excluding the managed companies Societat Catalana de Petrolis, S.A. and Klikin Deals Spain S.L.

Nationalities by country[(1)]	2021	2020
Spain	57	60
Canada	18	20
United States	23	22
Algeria	12	10
Portugal	11	11
Brazil	10	10
Norway	9	10
Malaysia	2	8
Peru	7	8
United Kingdom	7	6

(1) Countries that have the greatest number of nationalities (excluding those of their own country). In certain countries, labor law does not require companies to request certain personal information from employees (nationality), as is the case in the United States and Canada.

Number of employees by country

Country	2021	2020	Country	2021	2020
Germany	4	5	Luxembourg	6	3
Algeria	57	60	Malaysia	345	362
Belgium	1	2	Morocco	1	1
Bolivia	202	218	Mexico	167	113
Brazil	103	112	Norway	254	225
Canada	430	493	The Netherlands	9	11
Colombia	39	45	Peru	3,012	2,991
Ecuador	383	393	Portugal	1,338	1,381
United Sates	565	591	United Kingdom	11	12
Spain	16,848	16,646	Russia	8	45
France	21	21	Singapore	25	24
Greece	1	1	Switzerland	4	3
Guyana	1	1	Trinidad and Tobago	8	8
Indonesia	94	98	Venezuela	133	139
Italy	5	42	Vietnam	8	27
Libya	50	52	Chile	1	—

5 All data, unless otherwise specified, refers to employees at the companies in which Repsol establishes policies and guidelines relating to people management, excluding Societat Catalana de Petrolis, S.A., Energy Express, S.L. and Kliking Deals Spain, S.L.

[102-8] Information about employees and other workers

Number of employees by contract type and gender

		2021	2020
Permanent contract	Men	13,620	14,078
	Women	8,091	8,203
	Total	21,711	22,281
Temporary contract	Men	1,277	1,028
	Women	1,146	816
	Total	2,423	1,844
Total		**24,134**	**24,125**

The headcount was stable compared to 2020, although there was an increase in temporary contracts as business at the commercial divisions returned to levels similar to those in 2019.

Number of permanent employees by job type and gender[1]

		2021	2020
Full time	Men	14,628	14,844
	Women	8,640	8,485
Part time	Men	269	262
	Women	597	534
Total		**24,134**	**24,125**

Number of employees by region and gender

		2021	2020
Africa	Men	93	95
	Women	15	18
	Total	108	113
Asia	Men	326	369
	Women	154	187
	Total	480	556
Europe	Men	11,610	11,750
	Women	6,892	6,602
	Total	18,502	18,352
Latin America	Men	2,076	2,079
	Women	1,806	1,828
	Total	3,882	3,907
North America	Men	792	813
	Women	370	384
	Total	1,162	1,197
Total employees	Men	14,897	15,106
	Women	9,237	9,019
Total		**24,134**	**24,125**

Average annual contracts by type of employment and contract[1]

	Temporary		Regular/Permanent			
Professional classification	**Full-time**	**Part-time**	**Full-time**	**Part-time**	**Total 2021**	**Total 2020**
Executive	—	—	252.6	—	252.6	261.2
Manager	3.9	—	2,328.7	24.6	2,357.2	2,506.4
Professional/Specialist	244.8	4.4	9,771.6	166.5	10,187.3	10,407.2
Administrative staff	46.4	0.4	991.0	28.7	1,066.6	1,182.7
Workers	1,659.4	135.9	7,785.1	196.3	9,776.7	9,483.3
Overall total 2021	**1,954.5**	**140.7**	**21,128.9**	**416.1**	**23,640.3**	**—**
Overall total 2020	**1,743.6**	**113.1**	**21,556.6**	**427.4**	**23,840.8**	**23,840.8**

Average annual contracts by gender and age range (1)					
Professional classification	**<30**	**30-50**	**>50**	**Total 2021**	**Total 2020**
Executive	**—**	**86.1**	**166.5**	**252.6**	**261.2**
Men	—	60.5	139.3	199.8	210.3
Women	—	25.6	27.2	52.8	50.9
Manager	1.9	**1,447.0**	**908.2**	**2,357.2**	**2,506.4**
Men	1.9	918.6	672.8	1,593.4	1,708.4
Women	—	528.4	235.4	763.9	798.0
Professional/Technician	**495.1**	**7,378.1**	**2,314.0**	**10,187.3**	**10,407.2**
Men	280.8	4,583.3	1,728.4	6,592.4	6,745.5
Women	214.4	2,794.9	585.6	3,594.9	3,661.7
Administrative staff	**64.2**	**713.7**	**288.7**	**1,066.6**	**1,182.7**
Men	24.1	207.8	74.5	306.3	386.3
Women	40.1	505.9	214.2	760.3	796.4
Workers	**1,468.9**	**6,251.6**	**2,056.2**	**9,776.7**	**9,483.3**
Men	751.3	3,753.9	1,481.8	5,987.1	5,879.8
Women	717.6	2,497.7	574.3	3,789.6	3,603.5
Overall total 2021	**2,030.2**	**15,876.5**	**5,733.6**	**23,640.3**	
Overall total 2020	**2,200.9**	**16,080.7**	**5,559.2**	**—**	**23,840.8**

(1) To calculate this indicator, all existing contracts in the period were taken into account, including existing contracts, first hires and rehires over the maximum cumulative average workforce for the period.

[401-1] New employee hiring and staff turnover

Overall contracts and turnover	2021	2020
New employees	2,982	1,733
Total turnover rate (1)	17%	18%
Executive turnover rate(2)	10%	14%
Voluntary turnover rate(3)	6%	5%
Number of dismissals	304	290

(1) Total departures over total employees at year-end.
(2) Total executive departures over total executives at year-end.
(3) Total voluntary departures over total employees at year-end.

The change in the turnover rate is aligned with the goals of the 2021-2025 Strategic Plan toward a simpler operating model, streamlining the corporate structure with, in particular, a focus on reducing the management structure by 2025.

Number and percentage of new hires

	Region	<30				30-50				>50				TOTAL			
		2021		2020		2021		2020		2021		2020		2021		2020	
		Nº	%	Nº	%	Nº	%	Nº	%	Nº	%	Nº	%	Nº	%	Nº	%
Africa	Women	1	100			—	—			—	—			1	7	—	
	Men	3	100			1	2			—	—			4	4	—	
	Total	**4**	**100**	**—**		**1**	**1**	**—**		**—**	**—**	**—**		**5**	**5**	**—**	
Asia	Women	1	8	1	6	9	8	7	5	1	5	—	—	11	7	8	4
	Men	4	29	3	12	22	9	25	9	1	2	1	2	27	8	29	8
	Total	**5**	**19**	**5**	**9**	**31**	**8**	**32**	**7**	**2**	**3**	**1**	**1**	**38**	**8**	**37**	**7**
Europe	Women	496	94	234	48	605	12	312	6	85	6	31	2	1,186	17	577	9
	Men	478	70	270	41	435	6	233	3	109	3	45	1	1,022	9	548	5
	Total	**974**	**81**	**504**	**44**	**1,040**	**8**	**545**	**4**	**194**	**4**	**76**	**2**	**2,208**	**12**	**1,125**	**6**
Latin America	Women	152	33	179	34	96	8	95	8	1	1	—	—	249	14	274	15
	Men	199	52	118	31	114	9	57	4	4	1	5	1	317	15	179	9
	Total	**351**	**41**	**297**	**33**	**210**	**8**	**152**	**6**	**5**	**1**	**5**	**1**	**566**	**15**	**454**	**12**
North America	Women	24	75	6	25	34	15	21	9	3	3	2	2	61	16	29	8
	Men	25	41	7	10	66	12	56	10	13	7	25	12	104	13	88	11
	Total	**49**	**53**	**13**	**14**	**100**	**13**	**77**	**10**	**16**	**5**	**27**	**9**	**165**	**14**	**117**	**10**
Total	Women	674	65	420	40	744	11	435	7	90	5	33	2	1,508	16	888	10
	Men	709	62	398	35	638	7	371	4	127	3	76	2	1,474	10	845	6
TOTAL	**Total**	**1,383**	**64**	**818**	**37**	**1,382**	**9**	**806**	**5**	**217**	**4**	**109**	**2**	**2,982**	**12**	**1,733**	**7**

(1) Calculated as the number of new hires over to total employees as of December 2020. The rate reflects the number of new hires with no previous employment relationship with the Company as a ratio of the original population of the analyzed segment.

Voluntary employee turnover

	Region	<30				30-50				>50				TOTAL			
		2021		2020		2021		2020		2021		2020		2021		2020	
		Nº	%	Nº	%	Nº	%	Nº	%	Nº	%	Nº	%	Nº	%	Nº	%
Africa	Women	—	—		—	—	—			1	50			1	7		
	Men	—	—	—	—	4	6	2	3	1	4	—	—	5	5	2	2
	Total	**—**	**—**	**—**	**—**	**4**	**5**	**2**	**2**	**2**	**7**	**—**	**—**	**6**	**6**	**2**	**2**
Asia	Women	—	—	2	12	23	19	18	12	—	—	2	12	23	15	22	12
	Men	2	14	1	4	35	14	29	10	5	9	3	6	42	13	33	9
	Total	**2**	**8**	**3**	**7**	**58**	**16**	**47**	**11**	**5**	**6**	**5**	**7**	**65**	**14**	**55**	**10**
Europe	Women	105	20	61	12	174	4	121	3	74	5	48	4	353	5	230	3
	Men	104	15	61	9	169	2	159	2	110	3	112	3	383	3	325	3
	Total	**209**	**17**	**122**	**11**	**343**	**3**	**271**	**2**	**184**	**4**	**160**	**3**	**736**	**4**	**553**	**3**
Latin America	Women	156	34	183	35	111	9	125	10	2	2	5	6	269	15	313	17
	Men	147	38	112	29	94	7	83	6	12	3	21	5	253	12	216	10
	Total	**303**	**36**	**295**	**32**	**205**	**8**	**208**	**8**	**14**	**3**	**26**	**5**	**522**	**13**	**529**	**14**
North America	Women	5	16	1	4	19	8	13	5	9	8	2	2	33	9	16	4
	Men	7	11	2	3	36	7	26	5	10	5	3	1	53	7	31	4
	Total	**12**	**13**	**3**	**3**	**55**	**7**	**39**	**5**	**19**	**6**	**5**	**2**	**86**	**7**	**47**	**4**
Total	Women	266	26	247	23	327	5	277	4	86	5	57	4	679	7	575	6
	Men	260	23	176	15	338	4	290	3	138	3	139	3	736	5	605	4
TOTAL	**Total**	**526**	**24**	**423**	**19**	**665**	**4**	**567**	**4**	**224**	**4**	**196**	**3**	**1,415**	**6**	**1,186**	**5**

Total employee turnover

		<30				30-50				>50				TOTAL			
	Region	**2021**		**2020**		**2021**		**2020**		**2021**		**2020**		**2021**		**2020**	
		Nº	**%**	**Nº**	**%**	**Nº**	**%**	**Nº**	**%**	**Nº**	**%**	**Nº**	**%**	**Nº**	**%**	**Nº**	**%**
Africa	Women	—	—		—	—	—			1	50			1	7		
	Men	—	—	—	—	4	6	4	6	3	11	3	11	7	8	7	7
	Total	**—**	**—**	**—**	**—**	**4**	**5**	**4**	**5**	**4**	**13**	**3**	**10**	**8**	**7**	**7**	**6**
Asia	Women	1	8	3	18	39	33	29	19	—	—	5	29	40	26	37	20
	Men	5	36	1	4	48	19	41	14	5	9	10	20	58	18	52	14
	Total	**6**	**23**	**4**	**9**	**87**	**23**	**70**	**16**	**5**	**6**	**15**	**22**	**98**	**20**	**89**	**16**
Europe	Women	488	93	517	105	764	15	993	21	222	16	205	16	1,474	21	1,714	26
	Men	477	70	533	81	599	8	766	10	565	16	503	14	1,641	14	1,803	15
	Total	**965**	**80**	**1,050**	**91**	**1,363**	**11**	**1,759**	**14**	**787**	**16**	**708**	**15**	**3,115**	**17**	**3,519**	**19**
Latin America	Women	169	36	220	42	125	10	141	12	11	12	5	6	305	17	366	20
	Men	162	42	130	34	131	10	125	10	45	12	50	13	338	16	305	15
	Total	**331**	**39**	**350**	**38**	**256**	**10**	**266**	**11**	**56**	**12**	**55**	**12**	**643**	**17**	**671**	**17**
North America	Women	7	22	5	21	38	17	28	11	25	23	25	22	70	19	58	15
	Men	13	21	2	3	64	12	58	11	48	25	42	21	125	16	102	13
	Total	**20**	**22**	**7**	**8**	**102**	**13**	**86**	**11**	**73**	**24**	**67**	**21**	**195**	**17**	**160**	**13**
Total	Women	665	64	745	70	966	15	1,191	18	259	16	239	16	1,890	20	2,175	24
	Men	657	58	666	59	846	9	994	10	666	16	609	14	2,169	15	2,266	15
TOTAL	**Total**	**1,322**	**61**	**1,411**	**64**	**1,812**	**11**	**2,185**	**14**	**925**	**16**	**848**	**15**	**4,059**	**17**	**4,444**	**18**

This is calculated as the turnover of employees out of the total number of employees at 31.12.2021.

Number of dismissals

	<30		30-50		>50		TOTAL	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Men	**13**	**8**	**75**	**84**	**106**	**84**	**194**	**176**
Executive	—	—	—	3	3	2	3	5
Manager	—	—	15	16	35	36	50	52
Professional/Specialist	8	1	40	49	30	23	78	73
Administrative staff	—	—	1	—	3	2	4	2
Workers	5	7	19	16	35	21	59	44
Women	**8**	**19**	**73**	**68**	**29**	**27**	**110**	**114**
Executive	—	—	—	—	—	2	—	2
Manager	—	—	8	9	5	2	13	11
Professional/Specialist	2	5	41	24	10	11	53	40
Administrative staff	—	—	7	8	6	4	13	12
Workers	6	15	17	26	8	8	31	49
Total	**21**	**25**	**148**	**155**	**135**	**110**	**304**	**290**

Remuneration and benefits

[102-38] and [102-39] Annual total compensation ratio and Percentage increase in annual total compensation ratio

In general, there have been no substantial changes with respect to the previous year. In general terms, the evolution of the ratio has been affected by the natural turnover of the workforce.

	2021			2020		
Country(1)	Total annual compensation of the highest-paid(2)(3) individual/ median total annual compensation for all employees	Total annual compensation of the highest-paid(2)(3) individual/ median total annual compensation for all employees	Percentage increase of total annual compensation of highest-paid individual/percentage increase of median total annual compensation of all employees	Total annual compensation of the highest-paid(2)(3) individual/ median total annual compensation for all employees	Total annual compensation of the highest-paid(2)(3) individual/ median total annual compensation for all employees	Percentage increase of total annual compensation of highest-paid individual/percentage increase of median total annual compensation of all(4) employees
Bolivia	3.24	3.53	—	3.21	3.42	—
Ecuador	15.72	19.25	—	11.50	13.43	—
Spain	14.21	14.32	—	13.47	13.71	—
Peru	15.53	47.23	—	15.78	48.27	—
Portugal	6.87	7.81	(0.98)	6.54	7.84	0.98
Canada	2.82	3.01	—	3.39	3.70	—
United States	4.45	5.29	—	4.76	5.76	—

(1) The data include the most representative countries in terms of revenues and headcount. Information on the Group's senior management worldwide is not included. This information is available in note 29 to the consolidated financial statements. The CEO's remuneration is described in section 6 of the *Annual Report on Director Remuneration for 2021*.
(2) The highest-paid individual was identified without taking into account senior management, expatriate staff from other origins and employees who departed prior to December 31 of the year in question.
(3) Total remuneration received by employees on a cash basis.
(4) The best paid person had no salary increase in 2021, with the exception of Portugal.

The calculation methodology was optimized in 2021 to include the ratio compared to the median annual compensation of all employees, in accordance with the GRI standard. Data for 2020 are provided to enable comparison on a like-for-like basis.

[202-1] Ratio of standard entry level salary by gender to local minimum wage

	Country minimum wage(local currency/month)		Repsol minimum wage(2)(local currency/month)		Repsol wage/national minimum wage	
Country(1)(3)	2021	2020	2021	2020	2021	2020
Bolivia	2,344.33	2,298.83	13,000.00	13,000.00	5.55	5.66
Ecuador	425.00	400.00	979.31	979.31	2.30	2.45
Spain	1,125.83	1,108.33	1,421.80	1,379.51	1.26	1.24
Peru	1,085.00	1,085.00	1,085.00	1,085.00	1.00	1.00
Portugal(3)	775.83	740.83	799.17	764.17	1.03	1.03
Canada	2,600.00	2,600.00	3,824.27	3,750.00	1.47	1.44
United States	1,256.67	1,256.67	3,250.00	3,250.00	2.59	2.59

(1) The data include the most representative countries in terms of revenues and headcount.
(2) The Repsol minimum salary reflected in the table includes only base wages and fixed allowances, excluding other remuneration such as variable bonuses, incentives and remuneration in kind.
(3) The figures for all countries in 2021 are expressed considering 12 payments. The data for 2020 were presented on the same basis.

In accordance with Repsol's equal opportunities policy, wages are established in relation to a position, so there is no need to include segmentation by gender.

Repsol's fixed minimum wages are equal to or higher than the local minimum wage in all countries, and higher when total remuneration is considered.

[401-2] Benefits provided to full-time employees that are not provided to temporary or part-time employees

In Spain, the Master Agreement and, in particular, the various collective bargaining agreements contain information on employee benefits in terms of eligibility and scope criteria.

There are no differences in social benefits for temporary and permanent employees, except for loans and study aid, which are only allocated to permanent employees in those companies that offer them.

The benefits and their eligibility and scope criteria are set down in applicable collective agreements or internal manuals and are applied consistently in each country.

In general, Repsol offers the following benefits: pension fund, life insurance, medical insurance, disability assistance, cover for disability, parental leave, study aid, food allowances, share-purchase programs, and loans and subsidized interest.

[405-2] Ratio of basic salary and remuneration of women to men

Ratio of basic salary and remuneration of women to men(1)(2)

	2021					2020(4)				
Country	Executive personnel(3)	Manager	Professional / Specialist	Administrative staff	Workers	Executive personnel(3)	Manager	Professional / Specialist	Administrative staff	Workers
Bolivia	-	1.05	0.99	-	-	-	1.02	0.95	NS	-
Canada	-	0.97	0.83	NS	NS	NS	0.99	0.85	-	NS
Ecuador	-	0.94	0.85	0.91	NS	-	0.80	0.84	NS	NS
Spain	0.84	0.94	0.94	0.99	0.64	0.85	0.95	0.95	1.02	0.63
Peru	NS	0.96	0.87	0.94	0.60	NS	0.96	0.88	1.00	0.59
Portugal	-	0.98	0.82	1.17	0.57	-	0.97	0.81	1.13	0.55
United States	-	0.88	0.83	NS	-	-	0.89	0.82	NS	-

(1) The data reported include the most representative countries in terms of revenues and headcount.
(2) No ratios are given in categories with non-representative female or male workforces (fewer than five), as these are considered not statistically significant (N.S.). (-) is shown where there are no employees of either gender.
(3) Includes all executives except the chief executive officer.
(4) The calculation methodology was improved in 2021. The 2020 values have, therefore, been recalculated to provide a comparison on a like-for-like basis.

There were no significant changes with respect to 2020. In the case of the manual workers in Spain, Peru and Portugal, the ratios that result from grouping the businesses with their differing salary conditions show greater differences than each company or business when analyzed separately. The gaps by business for this group (manual) never exceed 0.77, 0.8 and 0.90 in Peru, Portugal and Spain, respectively.

Average compensation and gender gap

The following shows the ratio of women's average compensation to that of men, and data on the compensation gap. The required data were prepared using the criteria and segmentations of the indicators in the GRI standard and following the requirements of Spanish Royal Legislative Decree 11/2018.

The data reported include the most representative countries in terms of revenues and headcount.

Average compensation by occupational category[1]

Occupational category	Managers[2]		Manager		Professional/Specialist		Administrative staff		Workers	
	Average compensation 2021 (€)									
Country	**Women**	**Men**	**Women**	**Men**	**Women**	**Men**	**Women**	**Men**	**Women**	**Men**
Spain	244,585	303,156	87,359	92,054	48,932	55,278	40,873	41,839	22,493	38,137
Peru	IC	193,477	68,844	76,283	23,694	29,918	7,725	8,609	3,748	7,349
Portugal	-	IC	82,939	85,571	32,773	43,330	34,329	30,593	12,974	28,244
United States	-	394,873	187,402	213,044	94,052	114,983	54,579	IC	-	90,029
Canada	IC	-	135,677	142,733	72,924	89,170	52,142	84,287	IC	90,431
Ecuador	-	IC	96,921	109,365	28,114	35,863	20,707	IC	IC	26,411
Bolivia	-	-	133,672	127,220	61,405	66,068	IC	-	-	42,441

Occupational category	Managers[2]		Manager		Professional/Specialist		Administrative staff		Workers	
	Average compensation – 2020 (€)									
Country	**Women**	**Men**	**Women**	**Men**	**Women**	**Men**	**Women**	**Men**	**Women**	**Men**
Spain	242,540	293,754	93,069	97,303	50,609	56,670	41,126	47,369	22,696	38,269
Peru	IC	226,419	88,202	92,987	28,244	34,309	9,000	9,657	4,218	7,938
Portugal	-	IC	87,794	90,009	33,085	44,585	35,348	32,595	12,366	28,150
United States	-	431,004	196,299	222,938	98,613	123,070	54,439	IC	-	88,678
Canada	IC	IC	139,054	143,209	71,458	85,767	50,807	-	IC	85,947
Ecuador	-	IC	82,880	107,714	29,147	37,307	IC	22,145	IC	27,503
Bolivia	-	-	143,951	137,076	65,256	73,297	IC	IC	-	44,517

Compensation broken down by age range[1][2]

Age	<30				30-50				>50			
	Average compensation – 2021 (€)											
Country	**Women**		**Men**		**Women**		**Men**		**Women**		**Men**	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Spain	26,181	29,007	31,119	34,162	42,723	44,873	52,159	53,409	46,177	49,935	62,041	64,131
Peru	5,661	6,076	10,223	12,188	9,815	12,045	22,638	26,187	28,222	35,790	35,330	44,540
Portugal	16,912	15,967	22,519	20,568	21,722	21,583	34,410	34,784	31,266	33,060	51,973	54,364
United States	78,178	84,725	85,888	86,676	109,516	111,264	136,145	145,912	114,346	115,115	170,009	172,182
Canada	55,219	48,530	84,411	74,998	78,864	82,023	96,545	97,873	92,663	94,396	106,434	107,981
Ecuador	19,346	19,546	19,427	21,573	31,987	32,937	32,924	33,601	89,026	82,661	55,850	57,599
Bolivia	26,921	27,737	33,184	36,532	66,467	71,895	70,506	76,520	89,976	97,433	97,255	112,297

(1) All cash remuneration received by employees, accounted for on a cash basis and stated in euros. The calculation methodology was improved in 2021 and therefore the 2020 values have been recalculated to provide the comparison on a like-for-like basis. Excludes employees on international assignment, partial retirees and employees who left before December 31 of the year in question.
(2) Includes senior management and other executives except the chief executive director, whose remuneration is disclosed in Note 29 to the consolidated Financial Statements, in detail and in itemized form, for both his executive and Board functions.
(3) Remuneration is not disclosed for those categories that contain fewer than three female or male employees because the information is considered confidential (CI). Where there is no employee in either gender, (-) is shown.

Gender gap[(1)(3)(5)]

Occupational category	Manager[(2)]		Manager		Professional/ Specialist		Administrative staff		Workers		Adjusted wage gap in country[(4)]	
Country	Women/men		Women / Men		Women / Men		Women / Men		Women / Men		Women / Men	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Spain	0.80	0.79	0.91	0.91	0.89	0.89	0.96	0.87	0.91	0.89	0.94	0.95
Peru	NS	NS	0.92	0.93	0.86	0.89	0.91	0.92	0.74	0.74	0.97	0.97
Portugal	-	-	0.97	0.98	0.83	0.82	1.11	1.08	0.92	0.91	0.93	1.33
United States	-	-	0.89	0.89	0.82	0.80	NS	NS	-	-	0.93	0.96
Canada	-	NS	0.95	0.97	0.82	0.83	NS	-	NS	NS	0.95	0.92
Ecuador	-	-	0.89	0.77	0.78	0.78	0.90	NS	NS	NS	0.91	0.89
Bolivia	-	-	1.07	1.07	0.94	0.90	-	NS	-	-	0.99	1.00

(1) All cash remuneration received by employees, accounted for on a cash basis and stated in euros. Excludes employees on international assignment, partial retirees and employees who left before December 31 of the year in question. The calculation methodology was improved in 2021 and therefore the 2020 values have been recalculated to provide a comparison on a like-for-like basis.
(2) Includes senior management and other executives except the chief executive director, whose remuneration is disclosed in Note 29 to the consolidated Financial Statements, in detail and in itemized form, for both his executive and Board functions.
(3) Repsol operates in Spain, Peru and Portugal in different sectors and through different corporate entities that are subject to different collective bargaining agreements, which means widely different salaries, depending on the company and the sector. Most employees in these categories are paid salaries directly determined by the relevant collective bargaining agreements, which in no case set gender-based differences in pay. A combined analysis of the pay realities of different sectors under different agreements might be misleading. The gap reflected in the table is therefore the weighted average gap of the different entities operating in these three countries.
(4) To state a value that represents all employees in a country together and allows for a more representative comparison of substantially similar situations, we relied on the following factors to calculate the adjusted wage gap: business/collective bargaining agreement concerned, occupational category and employee age. This adjusted wage gap has been calculated as the weighted average ratio of women's average pay to men's average pay, segmented by company, occupational category and age range. Considering all the employees in these countries together, and without taking into account factors other than gender, the average pay of women compared to the average pay of men shows a gross pay gap of 0.71.
(5) No ratios are given in categories with non-representative female or male workforces (fewer than three), as these are considered not statistically significant (N.S.). (-) is shown where there are no employees of either gender.

Exchange rates at €			
2021		2020	
0.8455	USD	0.8756	USD
0.2149	PES	0.2480	PES
0.6746	CAD	0.6536	CAD
0.1232	BOB	0.1277	BOB

With regard to average remuneration, the changes in 2021 compared to 2020 are largely due to employee turnover, wage restraint and the linking of remuneration to results, especially variable remuneration. The values shown in the tables are affected by the exchange rate into the euro, with a more significant impact in the case of Peru (see table of exchange rates for 2021 and 2020).

The changes with respect to 2020 in terms of the gender gap are not significant, and are mainly due to staff turnover, which may have a greater impact on smaller groups or segments.

Employment framework, health and safety at work

[102-41] Collective bargaining agreements

The Group's Framework Agreement, together with the collective bargaining agreements, is the basis for a framework of sustainability and trust underpinning the mutual interests of Company and employees.

In 2021, a total of 1,803,791.1 hours of absenteeism were recorded, making for an increase of 2.85% over the previous year (1,752,314.22 hours in 2020) as a result of the current pandemic, with a particular impact on work centers that continued on-site activity. At the Company's discretion, hours of absenteeism exclude incidents caused by occupational accidents or professional illnesses. As in 2020, data for Malaysia, Ecuador and Norway have been included, thus accounting for 98.98% of the total number of employees.

Repsol has employees under collective bargaining agreements in Spain, Peru, Portugal, Brazil, Indonesia, France, Italy and Norway. They are represented by an internal body or by the sectoral trade union. Of the total number of employees from these countries, nearly 85% of them were covered by a collective bargaining agreement in 2021, representing more than 76% of the Group's total workforce. The detail for each country is shown below:

Employees covered by collective bargaining agreements		
Country	% employees under collective bargaining agreements	
	2021	2020
Spain[(1)]	100%	100%
Brazil	90.29%	93.75%
Indonesia	82.98%	82.4 %
Peru	11.69%	11.23%
Portugal	65.17%	67.53%
Norway	34.65%	23.47%
France	100%	100%
Italy	100%	100%

(1) Although a few are governed by their individual contracts in some matters

Health and well-being

Repsol has in place a strategic framework for health and wellbeing as an essential value that guides all activities. The aim of each action is to help employees become aware of their health and well-being and preserve or improve it.

[403-1] Occupational health and safety management system

The health management system has been integrated into all businesses and covers all company employees, across all activities and work centers. In relation to emergency medical care, this cover also extends to contractors.

Repsol complies with the legal requirements of each of the countries where it operates and with its own internal regulations, following the best practices of the industry (IOGP, OSHAS).

The Occupational Health Standard was revised and approved in 2021, as were the Health Surveillance procedures and manuals.

The industrial complexes in Spain and Sines (Portugal), Saint John LNG (Canada), as well as Repsol Butano, RLESA, GESPEVESA, Low Carbon Generation, Combined Cycles and Asset Management in the Madrid buildings, are all certified according to ISO 45000:1.

Repsol S.A. is certified as an Empresa Saludable (Healthy Company).

The health management systems undergo regular external and internal audits in accordance with the legislation of each country and to earn and maintain the relevant certifications.

[403-3] Occupational health services

Health Services are available in all countries and their role is to identify working conditions that might affect health and propose corrective measures, while also promoting the general wellbeing of employees. This function takes the form of preventive medical examinations, emergency medical care and consultation and follow-up assessments by medical specialists as and when required, along with the development of prevention and health promotion programmes and activities.

In some countries the services are covered in part by the company's own employees (Bolivia, Ecuador, Spain, Peru and Venezuela). In all other countries they are entrusted to an external health services provider. All professionals who provide these services possess the necessary qualifications in accordance with the law in each country and the type of activity to be performed: occupational health, emergency care, community health, etc. In all countries there is at least one in-house employee for the health and wellness function, who acts in coordination with the corporate medical services.

Medical centers may be on or offsite, depending on the type of activity and work center. At offshore and field sites and large industrial facilities, a medical center is available within the facility itself and provides care 24 hours a day, seven days a week. Certain office buildings, such as in Madrid, Lima, Lisbon, Quito, Santa Cruz de la Sierra, Puerto La Cruz, Mexico City, Stavanger and Yakarta have medical services on hand at the work center itself, which operate during all or part of working hours, depending on the number of employees at the center and the legal requirements in the country concerned. At the Sines industrial complex in Portugal, the services of an off-site medical professional are available for one hour a day to provide medical care to workers' families. At Block 16 (Ecuador), health care is provided to indigenous communities living in the vicinity.

Access to the services takes place during working hours. Repsol is continuing to run the telemedicine consultations set up last year. In 2021, the system of medical examinations had to be adjusted once again in response to the preventive measures in place to avoid the spread of COVID-19.

The confidentiality of medical information is protected through the use of software that conforms to the data protection laws in force in the country or to Repsol's own standards, which comply with Spanish legislation but offer even higher levels of data protection. Only employees themselves have access to their health data.

The company receives prevention recommendations for workstation or activity adaptations or support measures for emergency evacuation without reference to the health reason for these recommendations. Aggregate information from medical examinations and health campaigns is also provided to evaluate the performance of preventive and health promotion programs and make improvements.

Compliance with health data protection regulations is regularly audited internally. There may be external audits if the country's legislation so requires.

[403-4] Worker participation, consultation, and communication on occupational health and safety

The company uses all manner of media to provide workers with information on health, prevention measures, campaigns and related activities: intranet, e-mail, digital signage, newsletters, brochures, health services surveys, meetings, etc.

Medical services and occupational health representatives are available to employees to respond to suggestions, requests and any type of communication they may wish to raise.

Workers receive information on risk assessments for their job positions. Either by legal requirement or good Company practice, the following health and safety committees are in place:

Country	Committees
Algeria	In November 2019, a Health and Safety Committee was set up on which employees from the office in Algiers sit. Workers on international secondment are represented on a health and safety committee on the Campus.
Bolivia	Joint Health and Safety Committee since September 2020 under SMA management.
Canada	In Canada (specifically Alberta) there is a new requirement under the Occupational Health and Safety Code (OHS Code) whereby employers with 20 or more employees in a workplace must establish a Joint Worksite Health and Safety Committee (HSC). This committee comprises representatives elected by the employer and by the employees. In general terms, the role of the HSC is to advise and assist with health and safety in the workplace (but it is not responsible for management). This includes receiving and addressing concerns raised by workers, identifying hazards, developing and promoting educational programs, participating in investigations where appropriate, and conducting quarterly safety inspections, among other things. As a result of these changes, HSCs have been set up at all three locations in Canada: Calgary, Edson and Chauvin.
Colombia	Joint committee on occupational health and safety: meets at least once a month and workers account for 15% of its members (8/53 people), with equal representation of Management and employees. Labour coexistence committee: meets once a quarter and workers account for 23% of its members (12/53 people). This body is responsible for monitoring the actions required to prevent psychosocial risk factors.
Ecuador	Central Committee in Quito and two subcommittees in Block 16 (NPF and SPF). By law, each committee or subcommittee must have six representatives of the company and six representatives of employees. The information managed in the committees must be sent annually to the authorities.
Spain	Joint health, safety and environment committees by workplace and/or company. They represent all Group employees in Spain. The main work centers have committees in place to ensure coordination of business activities with contractors. Group health and safety committee (under the Framework Agreement).
Italy	Workers are represented by one representative chosen by them. An annual meeting is held to discuss health and safety topics and to plan prevention activities. All workers are represented.
Malaysia	Joint health and safety committee at the Company: Both management and worker representatives hold seats on the committee.
Mexico	A health and safety committee was set up in February 2019, representing 100% of employees (who work at the offices).
Norway	There are two joint committees (representing both company and workers' representatives). All employees are represented. OFFSHORE: There are at least 12 safety delegates (representing each area: drilling, processes, services, etc.) elected by SAFE. Every quarter, two of them attend the environment committee held onshore (Committee: two safety delegates, two managers, one P&O representative and the business unit physician). ONSHORE: There are two safety delegates who meet with management on a quarterly basis.
Peru	Three occupational health and safety committees and four sub-committees. These committees and subcommittees have a parity-based membership, with an equal number of representatives of management and of employees. All employees of the companies RELAPASAA, RECOSAC and REPEXSA are represented there. All committees encourage occupational health and safety and advise on and monitor compliance with health and safety regulations and standards.
Portugal	Occupational health and safety committee, with representatives of employees and the company.
United Kingdom	The joint venture has workers' representatives on matters relating to safety for the offshore facilities, who are elected by the workers. The health and safety committee is composed of members from different areas of the business, who meet every two months. Safety representatives may have contractor members, so may be affiliated with a union, but there is no way of knowing this information.
Russia	There is no formal committee, although there are good practices pursuant to Company policy. Repsol representatives sit on the health and safety committees at the two joint ventures (Eurotek-Yugra and Alrep).
Venezuela	Internal committee with three delegates representing workers. 75.5% of workers are represented.

[403-6] Promotion of worker health

At the beginning of the year, prevention and health promotion activities are planned for the entire Company, based on the strategic health and well-being framework.

During 2021, the COVID-19 pandemic also had an impact on health promotion activities, which were adapted accordingly (most of them now held online).

At the Health and Well-being Area, which covers all employees, a total of 11 initiatives were carried out throughout the year, addressing all lines of activity envisioned in the health and wellness strategic framework.

In addition, awareness campaigns on dependency (alcohol and other drugs) were launched during the period through four workshops.

All these activities have been recorded in the Health and Wellness Stream repository and can be streamed at any time by employees.

In 2021, Repsol focused once again on the need to vaccinate against influenza and other diseases, including hepatitis A and B, diphtheria, tetanus, measles, rubella, mumps, and yellow fever.

Prevention and awareness campaigns against various forms of cancers (colon, breast, prostate) were also carried out during the period.

Highlight initiatives by country:

- Brazil: employee support services (psychological and social) offered by an external provider (Ergo Help Service).
- Canada: emotional wellness campaign.
- Colombia: employees affiliated with an external provider of health promotion activities.
- Ecuador: all employees and contractors vaccinated against COVID-19. Family members of employees were also vaccinated. All of this as instructed by the country's health authorities.
- Spain: psychological support and physiotherapy for all employees through the Conciliation Services. Online gym available to all employees. Preventive health and wellness workshops at businesses and industrial complexes.
- Norway: Healthy lifestyle screening. Physiotherapy service.
- Peru: oncology health insurance made available to employees.
- Portugal: psychological support program for employees.
- Russia: monthly sports facility rental for soccer games and other sports, enrollment in the Health and Wellness Academy, where health and wellness resources are available.
- Trinidad and Tobago: expert support in nutrition and physical activity. Financial assistance for employees to help them keep in shape.
- Singapore: financial assistance to employees for services or courses related to health and physical activity.
- United States: mammograms organized with local hospitals. 24/7 employee support program (legal matters, support with daily activities, anti-stress).
- Venezuela: prevention of infectious diseases.
- Vietnam: fitness and training monitoring devices delivered to employees.

[RT-CH-320a.2] Efforts to assess, control, and reduce employee and contractor exposure to long-term (chronic) health risks

Repsol runs a risk assessment for each job position to identify the possible hazards and the necessary preventive measures, which are then communicated to all personnel. In addition, all potential hazards at the Company's facilities are communicated to service contractors. These hazards are included in the risk assessment and measurements in relation to the work that those companies carry out on Repsol facilities.

Meanwhile, monitoring is carried out at both European level (ECHA, REACH, etc.) and national level for all substances that might pose a risk to health, both now and in the long term, so that they can be taken into account at both exposure and design level. For this purpose, an assessment of potential exposure sites is carried out, along with a specific measurements — including those relating to design specifications — and modifications at local level if necessary.

The aim is to ensure that health risks are always below half of the limit values, both now and in the reviews normally planned over the next two to four years. Therefore, the Company ensures that these substances always below the exposure limit values or otherwise there is no exposure to them at all.

[403-10] Work-related ill health

In 2021, two infectious occupational diseases affecting male employees were reported, without this requiring medical leave or a change of job position.

Information is disclosed according to applicable legislation in each country in relation to occupational diseases. In some countries, information on contractor personnel is not available due to legal requirements governing the protection of health-related data. A medical certificate confirming the information related to this indicator has been requested in the different countries.

Talent development

Repsol has in place a talent development model based on a generic skills system and regular talent and performance assessment processes to identify key personnel according to the needs of the organization.

Talent development tools include mobility to positions with opportunities for professional development and retraining supported by programs for leadership development, reskilling or upskilling.

General training data

	2021	2020
Investment per employee(1) (euros)	354.0	316.0
Total investment in training (€ M)	8.4	7.5
Training hours per employee(1)	24.0	32.0

(1) Data obtained from the average accumulated workforce.

[404-1] Average hours of training per year per employee

Average training hours per year by person and by gender(1)

Job category	Hours of training/year	Total 2021	Total 2020
Executives(2)	Hours of training/year	9,071	9,715
	Person	36	37
	Women	36	39
	Men	36	37
Managers	Hours of training/year	59,218	83,072
	Person	25	33
	Women	26	38
	Men	25	31
Professional/ Specialist	Hours of training/year	274,760	325,884
	Person	27	31
	Women	27	33
	Men	27	30
Administrative staff	Hours of training/year	25,044	24,127
	Person	23	20
	Women	20	21
	Men	31	20
Workers	Hours of training/year	192,972	326,337
	Person	20	34
	Women	10	16
	Men	26	46
Total	Hours of training/year	561,066	769,135
	Person	24	32
	Women	19	26
	Men	27	36

(1) Data obtained from the average accumulated workforce.
(2) Includes governing bodies.

[404-2] Programs for upgrading employee skills and transition assistance programs; [403-5] Worker training on occupational health and safety; and [EM-EP-320a.1] Average hours of training in health, safety, and emergency response

Leadership in safety and in promoting those aspects that will strengthen Repsol's safety culture. Repsol has continued to work alongside other groups through the online version of the Safety Leap program and the specific adaptation that has been created for technical personnel working at the operational divisions of the Industrial business.

Improving the quality of incident investigations is another aspect we have been working toward. It was further reinforced during the year with a new online course in incident investigation at a more advanced level, along with training in root cause analysis tools.

In the area of health, Repsol began to develop various online courses aimed at reinforcing knowledge of first aid, load handling, ergonomics, wellness, and so on, complemented with additional informative talks.

Area	Subject
General	Last year marked the start of the LEAD strategic training program to promote inspirational and transformational leadership among Repsol's leaders, in line with the 2020-2025 Strategic Plan. Managers, area leaders and senior technical advisors from all businesses and countries — around 800 people — were the first to experience this learning roadmap, built from internal expertise of high strategic value and the very latest in external knowledge and foresight. Its experiential, 100% virtual approach, deployed top-down and in two languages, allows participants to experience first-hand the various key elements of leadership at Repsol, as well as to self-manage according to their agenda. The voluntary participation of the target segment has also been a novel aspect in the program's deployment. In line with the commitment to improve leadership skills among the key segment of Repsol executives, off-catalog training actions were carried out specifically for appointments as executives, and also for transfers or changes that have led to a differential challenge in the annual targets. Last but not least and in relation to skills and competencies — in this case those strategic skills needed to meet our the objectives under the Strategic Plan — the range of training options has been updated to include new qualifications created by internal referents.
Health, Safety and Environment	Leadership in safety and in promoting those aspects that will strengthen Repsol's safety culture. Repsol has continued to work alongside other groups through the online version of the Safety Leap program and the specific adaptation that has been created for technical personnel working at the operational divisions of the Industrial business. Improving the quality of incident investigations is another aspect we have been working toward. It was further reinforced during the year with a new online course in incident investigation at a more advanced level, along with training in root cause analysis tools. In the realm of health, Repsol began to develop various online courses aimed at reinforcing knowledge of first aid, load handling, ergonomics, wellness, and so on, complemented with additional informative talks. The average number of hours of health, safety and emergency response training is 7.4 hours of training for permanent employees and 0.7 hours for employees with less than six months of experience on the job.
Master Programs	The Upstream master's program was not held in 2021 due to the organizational restructuring of the business. Repsol is now delivering the remaining content under the 20th edition of the Industrial Master's Degree that could not be taught online amid the pandemic without having to completely restructure the course. The virtual master's degree in instrumentation and control was completed during the period and a new edition was launched in October.
Upstream	Training plays an important part of the strategic plan, which envisions reskilling in terms of energy transition and decarbonization of assets, where technologies such as hydrogen, CCS (CO_2 capture and storage) and geothermal energy play a prominent role. The business is seeking to standardize processes through One Repsol Way, including notable training programs such as the RCM Academy or the course for operators. Good data use at the company is also a key priority and in this regard all the training provided by the Data Academy through programs such as Data4business is essential. Repsol has also focused on the use of digital platforms that combine knowledge already developed, such as Baobab for production engineers or Norwell for drillers. In the field of generic training, itineraries such as Learn&Lead — designed to support the Engagement program deployed in the business — have played a key role in developing generic skills and competencies, such as leadership, digitalization, new ways of working or economic and financial knowledge, which complement the technical training delivered to the segment of potential leaders of the future.
Refining and Chemicals	Online training and training through virtual classrooms have been significantly boosted, which is especially important for the shift employees who had traditionally been carrying out this training on a strictly face-to-face basis. Promoting these methodologies has meant that training can continue, while also providing an environment to share experiences with colleagues from other centers, which is propitious to the exchange of experiences and provides a broader and more global vision of the company's activity and helps establish a network of contacts; all aspects that have been very positively valued among trainees. The pandemic has also allowed the Company to nurture and unlock the full potential of its internal talent, opting whenever possible to use internal trainers. An ambitious industrial safety plan has been implemented, addressing aspects related to leadership and culture, risk planning and operational control. Responding to these needs to guarantee safe operations turned out to be one of the major challenges during the year. Repsol also continued to implement digital scaling cases at all its refineries to make new technologies available to all employees for data analysis and to help improve plant decisions. Examples: Operator Panel, Gesloto, Siclos, Automatization of inspections tasks (GesIP), Argos for the industrial scaling office, PI Vision of the Agile Models developed (FCC, CK6;C12/ Vacuum). Hydrogen as an energy and transformation vector for our company has led us to work on identifying the training needs to meet the need for knowledge in this great challenge of our transformation.
Marketing and LPG	For Repsol to be able to undertake its new strategic challenges over the coming years, Marketing and LPG has defined a commercial profile for its employees featuring both generic and technical skills that will enable them to successfully take on these challenges. To succeed in this task, it has launched a Multiskilling project, which includes all the development actions, on-the-job experience and training plan required by its sales force. When it comes to training, a wide range of courses have been developed, suitably aligned to develop the identified skills and complemented with specific training in other areas, such as foreign trade for employees specializing in this area, and customer experience, to position themselves for excellence. Repsol has also worked alongside the University of Deusto in developing a university program for the upskilling and reskilling of sales representatives in the knowledge and commercial skills needed within the energy sector; this project was named during the year as one of the best innovative ideas by the magazine *Actualidad Económica*. To complement the training described above for its own personnel, Repsol also focuses on its channel (distributors, franchises, agencies, etc.) so as to ensure that it is also suitably aligned with the Company's strategy. To this end, it has designed an extensive training program segmented by different profiles to meet the needs of a segment of potentially 5,000 people. Last but not least, training for prescriptive personnel was also incorporated for the first time in 2021, focusing on the food service industry, where Repsol has developed a training program on energy efficiency aimed at students of catering schools in Spain, and which received an award from the Hotel Association of Spain at the XV National Hospitality Awards.

[404-3] Percentage of employees receiving regular performance and career development reviews

Performance and career development reviews at Repsol

		2021	2020
Job category	**Gender**	**%**	**%**
Executives	Women	87%	96%
	Men	92%	96%
	Total	**91%**	**96%**
Manager	Women	95%	99%
	Men	92%	98%
	Total	**93%**	**98%**
Professional/ Specialist	Women	85%	92%
	Men	82%	87%
	Total	**83%**	**89%**
Administrative staf	Women	82%	82%
	Men	74%	63%
	Total	**80%**	**76%**
Manual	Women	96%	91%
	Men	80%	82%
	Total	**87%**	**85%**
Total	Women	91%	80%
	Men	82%	82%
	Total	**85%**	**81%**

The changes compared to 2020 are largely down to the decision to exclude (from the final assessment milestone) all employees at locations where operations are in the process of being closed down.

Data for 2020 include information related to the companies RELAPASA and RECOSAC, which was introduced for the first time in 2021.

Diversity and equal opportunities

All Group companies in Spain have an Equal Opportunities Plan in place, whose goal is to improve the occupational position of women in terms of their employment and career (see Chapter 6.5 – People). With a view to strengthening Repsol's commitments to equality, the following initiatives are of particular note:

- Renewal of the "Equality at the Company" certification, which is awarded to companies that show a special commitment to applying equality policies.
- Repsol has continued its active participation in the ClosinGap cluster, which, among other activities, has developed a cross-mentoring program across all the companies, as well as the presentation of a benchmark index in Spain on gender equality.
- Repsol took part in the Women Empowerment initiative of the B20, the G20's official forum for dialog with the business community with the aim of developing specific recommendations to promote gender diversity across all economic and social sectors.

Further highlights include the adhesion to the 'Girls in Science' initiative of the Ministry of Education and Vocational Training; an alliance to address gender-based stereotypes and prejudices that condition equal opportunities in girls' access to these disciplines. As the energy industry evolves, fostering female talent in the technical disciplines of Science, Technology, Engineering and Mathematics (STEM) remains a key priority. Along the same lines, the Repsol 'Digital Girls' initiative is being developed to awaken STEM vocations in girls and young women, with a presence in the final of the Technovation Girls Challenge.

To expand the space for inclusion and strengthen the inclusion of LGBTI+ employees, the Aliados Proud@Repsol group takes part in various working groups to increase its impact and remain a benchmark in this realm.

[405-1] Diversity of governance bodies and employees

Number of employees by category, age and gender

Job category		2021 <30	2021 30-50	2021 >50	2020 <30	2020 30-50	2020 >50
Executive	Women	—	25	22	—	23	24
	Men	—	58	127	—	69	130
	Total	—	83	149	—	92	154
	% F	—	30%	15%	—	25%	16%
Manager	Women	—	524	222	—	562	214
	Men	2	907	639	—	1,004	652
	Total	2	1,431	861	—	1,566	865
	% F	—	37%	26%	—	36%	25%
Professional/Specialist	Women	246	2,844	586	260	2,873	537
	Men	312	4,625	1,777	359	4,692	1,790
	Total	558	7,469	2,363	619	7,565	2,327
	% F	44%	38%	25%	42%	38%	23%
Clerical staff	Women	41	499	209	42	535	221
	Men	25	206	73	27	231	126
	Total	66	705	282	69	766	347
	% F	62%	71%	74%	61%	70%	64%
Workers	Women	750	2,660	609	757	2,464	507
	Men	798	3,827	1,521	752	3,724	1,550
	Total	1,548	6,487	2,130	1,509	6,188	2,057
	% F	48%	**41%**	29%	**1**	40%	25%
Total	**Women**	**1,037**	**6,552**	**1,648**	**1,059**	**6,457**	**1,503**
	Men	**1,137**	**9,623**	**4,137**	**1,138**	**9,720**	**4,248**
	Total	**2,174**	**16,175**	**5,785**	**2,197**	**16,177**	**5,750**
	% F	**48%**	**41%**	**28%**	**48%**	**40%**	**26%**

[202-2] Proportion of senior management hired from the local community

Country	% of executives, managers and technical managers from the local community (1) 2021	2020
Algeria	6.25%	11.11%
Bolivia	89.47%	82.93%
Brazil	67.65%	65.71%
Canada	61.11%	57.28%
Colombia	78.57%	75.00%
Ecuador	95.65%	100.00%
United States	17.32%	14.53%
Spain	88.26%	93.13%
Indonesia	53.85%	52.00%
Libya	31.25%	38.89%
Malaysia	95.00%	83.58%
Mexico	67.86%	62.16%
Norway	67.44%	71.74%
Peru	86.79%	85.96%
Portugal	92.86%	90.54%
Russia	100.00%	83.33%
Venezuela	100.00%	96.77%
Vietnam	66.67%	76.92%

(1) Includes executives and managers in countries with more than 50 employees.

Repsol remains committed to, and continues to increase its management teams with individuals from the local community in most countries where it has a significant presence. This enhances the Company's cultural diversity, enabling it to better respond to the needs of the societies in which it is present, while also contributing to their development.

[401-3] Parental leave

The figures of this indicator are based on the number of employees across the entire Group. The 2020 figure has been adapted to the current year's corporate perimeter.

Every single employee is entitled to parental leave. All Group employees, no matter where they work, are entitled to parental leave, whether under the laws of their country, or by virtue of a local collective bargaining agreement or global work-life balance minimum standards that are applied across all Group companies to enhance or supplement local regulation.

Return to work		2021	2020
Total employees who took leave	Women	349	317
	Men	450	468
	Total	**799**	**785**
Total employees who returned to work following the end of the leave	Women	314	289
	Men	437	458
	Total	**751**	**747**
Return to work rate(1)	Women	90.0%	91.2%
	Men	97.1%	97.9%
	Total	**94.0%**	**95.2%**

Retention		2021	2020
Total employees who remained in the same job 12 months after their return to work	Women	270	—
	Men	438	—
	Total	**708**	**—**
Retention rate(2)	Women	93.4%	—
	Men	95.6%	—
	Total	**94.8%**	**—**

(1) Number of employees returning to work after maternity or paternity leave/ Number of employees due to return after leave.
(2) Number of employees who remained in the same job 12 months after returning from maternity or paternity leave / Number of employees returning after ending leave

the previous year.
(3) Retention figures for 2020 are not included due to the impossibility of readjusting the data to the improved calculation method under GRI standards.

Human Rights and community Relations

Risks, opportunities and due diligence

Management approach

[EM-EP-210a.3] Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights and operation in areas of conflict.

In accordance with Repsol's Human Rights and Community Relations Policy introduced in 2008, the company respects internationally recognized human rights. These rights encompass the rights set forth in the International Bill of Human Rights and the principles set forth in the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, as well as the eight Fundamental Conventions that implement them: freedom of association (N. 87), collective bargaining (N. 98), forced labor (N. 29, N. 105), child labor (N. 138, N. 182), fair wages (N. 100) and discrimination (N. 111). Repsol mandates respect for employees' human rights and ensures compliance with this policy throughout the value chain[6].

Repsol also recognizes and respects the unique nature of indigenous, tribal, aboriginal and native peoples and their rights, in accordance with current legislation and ILO Convention 169, whether or not it forms part of the legislation of a given country.

This includes rights to land, territory and resources, including the right to water; to their organization and to their social and economic structure; and to free, prior and informed consultation through appropriate procedures and, in particular, through their representative institutions, whenever legislative or administrative measures are envisaged that may affect them directly, in good faith and in a manner appropriate to the circumstances, with the aim of seeking their understanding or contributing to the achievement of consent on the project and proposed mitigation measures.

Working in a conflict zone requires the use of strategies that do not aggravate the conflict and promote peace, such as:

- Partnership with prestigious international organizations such as the UNDP (United Nations Development Program) to carry out social investment projects that improve the quality of life of local communities and show an ongoing commitment to sustainable development.
- Implementation of the Voluntary Principles on Security and Human Rights on the use of security forces in the context of operations.
- Human rights training for employees of the national oil company to raise working standards.
- Support for SMA culture to ensure the safety of employees and operations.
- Compliance with Repsol's highest ethics and anti-bribery and corruption (ABC) standards and requirements.
- Strengthening our community license by building our social performance.

Repsol works to the highest human rights and security standards in all its operations, with special attention to areas of conflict. Stakeholder identification is key to human rights management, in conjunction with risk assessment and training of security contractors. Repsol is currently operating in Libya, where it leads a consortium of companies that work alongside the National Oil Company at two assets. In Libya, the Company places its human rights expertise at the disposal of the consortium and provide training to National Oil Company employees to ensure compliance with the Company's standards.

6 For more information, see Appendix Vb, Sustainability indicators – Human rights and community relations – Indicators 407-1, 408-1, 409-1.

Repsol's goal is to build strong relationships with communities within the areas of influence of our projects and assets, based on the principles of respect, cultural sensitivity, integrity, accountability, transparency, good faith and non-discrimination. For indigenous communities, this is reflected in the signing of formal agreements to create shared value with the communities and support their sustainable development.

The political commitment, due diligence processes and grievance mechanisms are detailed in Chapter 6.5.2 – Respect for human rights and community relations of this report, as adapted to the specific rights of these peoples.

[EM-EP-210b.1] [RT-CH-210a.1] Discussion of process to manage risks and opportunities associated with community rights and interests

The Company has an organization, procedures and systems in place so as to reasonably manage the social, environmental, cultural and economic risks related to the management of human rights of communities in the settings in which it operates. This risk management constitutes an integral component of the Company's decision-making, at the level of corporate governance bodies and in business management. Human rights risks are integrated with corporate management as part of the Integrated Risk Management System (SGIR in Spanish), both in the management of strategic risks (reputation and image) and operational risks (Code of Ethics and Conduct).

The due diligence processes applied by Repsol to assess impacts arising from start-up of operations are set out in Chapter 6.5.2 – Respect for human rights and community relations of this report and in the corresponding part of Appendix Vb, as adapted to the specific rights of indigenous peoples.

The Company applies the Environmental, Social and Health Impact Assessment Standard (ESHIA) to ensure that environmental, social and health impacts are properly identified and mitigated. This ensures that our businesses engage in inclusive dialogue with stakeholders during the impact assessment process, provide them with relevant information and involve them in the actions to be undertaken as specified in the prevention, mitigation and monitoring plan. The measures to be implemented to manage environmental, social and health impacts consider the needs and priorities of stakeholders and avoid direct monetary compensation.

Different processes, procedures and practices are in place to manage community interests:

- Implementation of specific socially sensitive environmental projects.
- Engagement with local organizations that protect community interests.
- Opening of channels for direct dialogue, such as the Public Advisory Panel, where local residents' concerns and interests can be discussed.

In Peru, for example, a human rights impact assessment was conducted for Block 57. As the basis of this analysis, Repsol created a social baseline by carrying out:

- A documentary analysis of public and internal information related to the social performance of Block 57 in Peru.
- Field work to study the communities and interviews with their representatives.

We then identified the possible current and potential human rights impacts on the individuals and collectives in the seven communities of the direct area of influence, and established prevention and mitigation measures. The analysis also makes a series of recommendations to further improve the social performance of Block 57. The results of the study and the action plan, which includes the mitigation and prevention measures, will be shared with the communities for their information and to obtain feedback.

In 2021, Repsol also carried out an assessment of the environmental and social impacts in Guyana related to the offshore exploratory project at the Beebei-1 well. It analyzed the social context of the areas of influence and the country in general, identified the potential social impacts of the operations, and designed an action plan. This plan defines prevention and mitigation measures to reduce and avoid negative impacts, and to harness opportunities for shared valued generated by the positive impacts.

Lastly in 2021, we reviewed and updated the social risk matrix in Algeria at an online multidisciplinary session.

Examples of environmental impact prevention and mitigation are set out in Chapter 6.2 – Environment of this report.

The Company identifies and strengthens positive impacts and shared value in regions where it is present as a result of a consensus with communities. A key tool for achieving positive impacts are social investment initiatives. Priority is given to entrepreneurship projects that empower local communities to avoid future dependency. Furthermore, the Company's activity has a positive impact through wealth creation in its sphere of influence, via local employment and supplier development. The context determines the scope and specific form of the investment.[7]

7 For further information and examples of social investment projects, see indicators 203-1 and 203-2.

Indirect economic impacts

[203-1] Infrastructure investments and services supported and [203-2] Significant indirect economic impacts

Social investment figures[8]

In 2021, social investment amounted to 33 million euros. The table below provides some examples of social investment projects.

Monetary contributions to foundations and non-profit entities amounted to 6.1 million euros in 2021 (7.01 million euros in 2020).

Country	Project	SDGs
Brazil	**United against COVID-19** Support for the adaptation of the BioManguinhos laboratory to facilitate the 100% national production of the Covid-19 vaccine.	3 Good health and well-being; 9 Industry, innovation and infrastructure
Libya	**Access to drinking water in Libya** Construction and maintenance of water wells, tanks and pumping systems worth more than 1,700,000 euros in the area of influence of operations in Libya, benefitting more than 320,000 people.	6 Clean water and sanitation; 11 Sustainable cities and communities
Canada	**Support for the training, employability, culture and tradition of several indigenous communities** • Employment training programs for young people and adults to support the employability of the members of the community, and support for education through post-secondary grants for members of the community. • Economic development initiatives to promote business development and entrepreneurship among the members of the community. • Cultural programs to honor, promote and preserve the culture and unique traditions of the indigenous communities.	8 Decent work and economic growth; 10 Reduced inequalities; 11 Sustainable cities and communities
Venezuela	**Infrastructure development** • Perforation and construction of a water well to supply the Ciudad del Niño Missionary Association. • Donation to the Redimi children's center of a new pumping and channeling system to drain rainwater, as a tool for coping with the continual flooding of the institution. This project has benefitted more than 1,200 individuals.	6 Clean water and sanitation; 3 Good health and well-being
Peru	**Block 101 abandonment plan** Support in complying with the social support plan for all 617 inhabitants that make 100% of the population of the Belén and Sión communities, as part of the Runtuzapa – Block 101 abandonment plan.	4 Quality education; 3 Good health and well-being
Spain	**Life Divaqua project** Environmental conservation project to maintain and improve the conservation status of the aquatic ecosystems of the basins that drain the Picos de Europa National Park in the north of Spain.	15 Life on land; 13 Climate action
Guyana	**Project to improve the National Library** Work to seal and control the temperature of the room in the National Library of Guyana that contains rare and precious books, aimed at preserving their life and quality	4 Quality education; 11 Sustainable cities and communities
United States	**STEM Projects** • GeoFORCE Texas is an outreach program in Houston designed to increase the number and diversity of students pursuing STEM degrees, especially related to the geosciences. In 2021, more than 350 students received support under the initiative. • The mobile Oilfield Learning Unit has provided practical STEM training in the sector to some 200 individuals.	4 Quality education; 10 Reduced inequalities
Indonesia	**Support for the construction of eco-friendly clean water wells** Construction of clean water wells and use of solar energy as a source of electricity (renewable energy) in Sakakemang and South East Jambi, benefitting some 1,000 people.	6 Clean water and sanitation; 3 Good health and well-being

8 Social investment projects of operated and non-operated assets are reported, due to their relevance and impact on the communities surrounding Repsol.

Voluntary social investment

This includes the social programs carried out on a voluntary basis, or which arise from voluntary agreements with communities.

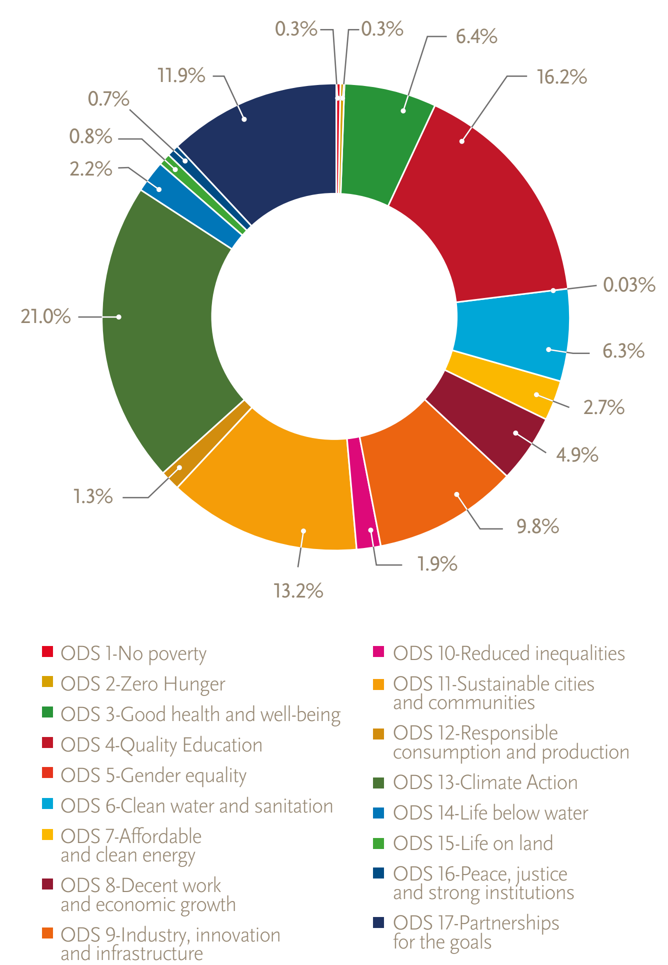
Voluntary social investment (€M)

	2021	2020
Repsol	8.70	7.93
Repsol Foundation	10.57	12.88
Total	**19.27**	**20.81**

Voluntary social investment by type of contribution (€M)

	2021	2020
Contribution in cash	12.94	14.75
Contributions in time	0.60	0.34
Contributions in kind	0.40	0.57
Management costs	5.34	5.15
Total	**19.27**	**20.81**

Contribution of voluntary social investment to the SDGs



Voluntary social investment by country (€M)

	2021	2020
Algeria	0.02	0.01
Bolivia	0.46	0.80
Brazil	1.07	0.17
Canada	0.32	0.97
Colombia	—	0.12
Ecuador	1.11	1.23
Spain	11.98	13.80
Guyana	0.05	0.01
Libya	1.70	1.16
Malaysia	0.33	0.13
Norway	0.33	0.23
Peru	1.58	1.51
Portugal	0.16	0.05
Russia	—	0.41
United States	0.12	0.13
Venezuela	0.05	0.06
Total	**19.27**	**20.81**

Mandatory social investment

Repsol makes contributions owing to legal or regulatory requirements, or stipulations set out in the operating contract. These contributions may be fully managed by the Company — through social programs —, or a third party (such as the national hydrocarbon company, institution or government agency) to whom we deliver the amount due.

Mandatory social investment in 2021 amounted to 13.7 million euros (16.9 million euros in 2020), which was made in:

Mandatory social investment by country (€M)

	2021	2020
Bolivia	0.02	0.16
Brazil	6.61	4.71
Colombia	—	0.03
Ecuador	—	0.78
Indonesia	0.15	0.08
Portugal	—	0.01
United States	6.79	10.47
Venezuela	0.12	0.69
Total	**13.70**	**16.94**

Mandatory social investment is made pursuant to contractual obligations and is usually linked to the volume of activity carried out. In 2021, mandatory social investment was 19% lower than in 2020 for a variety of reasons, including the absence of new wells executed and the reduction in gas prices in the United States, which drove down the tariffs of the wells themselves, and the reversion of the Ecuador block underway.

Human rights

[412-2] Training of employees in human rights policies or procedures

Repsol promotes a culture of respect for human rights among its employees. Since 2012, an online course has been provided on human rights principles based on the United Nations Guiding Principles on Business and Human Rights.

In July 2021, we rolled out a new online course on human rights for all employees, 100% accessible to anyone who is visually or hearing impaired. The cross-cutting areas of the Human Rights Expert Group contributed to the development of the course, with additional support from other teams (communication, compliance, health and wellbeing, compensation, business units, etc.). The aim was to improve the previous year's course by making it more attractive and practical so as to increase employee awareness.

In 2021, the course *Superando barreras* / Overcoming Barriers was delivered to 193 people (276 in 2020), equivalent to 193 hours (276 in 2020).

[406-1] Incidents of discrimination and corrective actions taken[9]

In 2021, eight harassment and discrimination cases were investigated, of which five were dismissed and three remain ongoing.

Of cases reported in 2020, two minor cases of harassment were confirmed, and there were no cases of discrimination, corruption or human rights violations.

[407-1], [408-1], [409-1] Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk, or at significant risk for incidents of child, forced or mandatory labor

In accordance with the Company's Code of Ethics and Conduct, which applies to directors, executives and employees of Repsol, partners, non-operated joint ventures, contractors, suppliers and other collaborating companies, in all countries where Repsol operates, the Company is committed to abiding by internationally recognized human rights while also complying with local legal requirements. This commitment encompasses the rights set forth in the International Bill of Human Rights and the principles set forth in the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, as well as the eight Fundamental Conventions that implement them, including matters such as freedom of association and collective bargaining, and forced or child labor.

Independently of local legislation, Repsol is committed to respecting labor rights in all countries in which it operates. To this end, clauses are inserted in contracts and all contractors are required to comply with the Company's Code of Ethics and Conduct.

[EM-EP-201a.2] Percentage of proven and probable reserves in or near indigenous land

In 2021, 28.1% of the Company's 1P reserves (proven) (32.5% in 2020) and 27.9% of its 2P reserves (proven and probable) (31.7% in 2020) are located in areas where indigenous communities are present. The reduction with respect to the previous year is due to the cessation of operations following the sale of assets in Algeria (Tin Fouye Tabankort).

[G4-OG9] Operations where indigenous communities are present or affected by activities and where specific engagement strategies are in place

Repsol is currently conducting 12 operations (15 in 2020) in six countries (Bolivia, Canada, Ecuador, Indonesia, Peru and Guyana) that are taking place within or adjacent to the land of indigenous communities.

All of these operations have at least one of the following elements: public consultation and consultation plans; reference studies; social impact evaluations and action plans; relocation plans, community development plans; grievance procedures; and other documents from community information centers. 100% of significant assets have development programs for local communities based on the needs of the latter and participation plans for stakeholders based on their geographic distribution.

9 For cases of harassment of employees at Spanish companies included in the scope of application of the Repsol Group's Framework Agreement, the Harassment Prevention Protocol defined for Spain is applied; in other jurisdictions, the legal requirements at local level are applied. In any case, the Code of Ethics and Conduct contains the general principles applicable to workplaces free from harassment.

Country	Description	Participation strategy
Bolivia	**Guarani** presence in the Cambeiti, Huacaya, Mamoré and Margarita areas and **Quechua** communities in Mamoré.	Process of prior consultation for environmental license in new projects and ongoing dialog with communities in active projects. Impacts are assessed and monitored. Continuous execution of action plans and continuous contact with communities through participative dialog. Monthly meetings with communal and community leaders. Operational level formal grievance mechanisms in place. Social investment projects carried out with communities and in conjunction with municipalities of Huacaya and Entre Rios.
Canada	27 indigenous communities in the operating areas of Greater Edson, Duvernay South and British Columbia.	Management plans are in place for the communities in the three operating areas, including plans for local development, impact evaluations, identification and updates of the stakeholders engagement plan, consultation processes to report activities in Alberta in accordance with regulatory requirements, as well as social investment projects, etc. In 2021, these plans include the indigenous communities that could be potentially impacted by reclamation activities. In addition, there are specific consultation processes in accordance with regulatory requirements for both First Nations and Métis peoples.
Ecuador	More than 40 **Waorani** and two **Kichwa** communities in Blocks 16 and 67.	There is a permanent dialog of cooperation and management of agreements and commitments, including a current agreement for compensation for the Wait project, and permanent voluntary cooperation via a cooperation agreement pursuant to Waemo Kewingi (Good Living) with the Waorani Nationality of Ecuador (NAWE), the representative body of the entire Waorani ethnic group. Projects are governed by Ecuadorian legislation and by the Environmental Management Plan. Plans are being made for community development, emergency plans, environment and an anthropological contingency plan. Strategy based on the continued participation of communities through dialogue plans that identify key stakeholders, frequency of contact and periodic meetings, etc. Local development projects, such as specific training courses for farmers, ranchers and groups of women are also carried out, together with social investment projects.
Guyana	**Amerindian** community directly influenced by the Company's activity in the Kanuku area (offshore asset)	The stakeholder engagement plan prioritizes the various stakeholders and follows up with all of them. Repsol holds communication meetings with the different stakeholders, including local and national authorities, NGOs and coastal fishing communities in the areas of indirect influence of the Company's offshore operations.
Indonesia	Indigenous **Maluku** and **Suku Anak Dalam** communities in the Aru and South East Jambi areas, respectively.	Development programs have been designed with the participation of the community and the government of Indonesia.
Peru	**Machiguenga**, **Caquinte** and **Ashaninka** communities in the area of Block 57	Operations being carried out are covered during all stages of the community relationship through participation strategies, which are carried out in accordance with the Community Relations Plan under social impact management programs (community monitoring and citizen vigilance; compensations and indemnities; grievance register; promotion of local employment; communication and community relations) and social investment and contribution to local development. Community relations are conducted with respect for the cultural patterns of each ethnic group (Machiguenga, Caquinte, Asháninka). The socio-economic situation of each community and stakeholder group was also considered.

Local communities

[413-2] Operations with significant actual and potential negative impacts on local communities

Activity	Potential impacts identified
Downstream Industrial complexes and Repsol Electricity and Gas	Smells, noise, gas emissions into the atmosphere, dust, visual impacts and, to a lesser extent, discharges.
Upstream Onshore	Potential health effects on the people living locally as a result of the inhalation of gases associated with exploration activities Temporary use of land to carry out the exploration work. Hiring of non-local manpower to carry out the exploration work Migratory movements toward operations they may cause the overuse of local services.
E&P Offshore	Temporary change in fishing routes to accommodate the presence of boats and other equipment related to oil and gas operations. Change over time in fishing sector income due to the installation of equipment and facilities for offshore exploration purposes. Economic activity related to tourism. Hiring of non-local labor to carry out exploratory work.

[OG-11] Sites dismantled and in the process of being dismantled

At the end of a facility's useful life and in accordance with applicable regulations, obligations and commitments, the Company draws up dismantling plans to ensure that the necessary measures are taken to minimize the impact on the environment. Repsol also collaborates with the corresponding authorities to transfer the necessary responsibilities, once the Company no longer has a presence in the area.

The Company has internal regulations on asset integrity and risk management, which ensure that any serious accident scenarios that may occur during dismantling are identified and evaluated, including those that may arise from interference with assets in operation. For each scenario identified, measures are implemented that seek to preferably eliminate or minimize these dangers, and when this not possible, control and/or mitigate them, so that the risks to health and the environment are tolerable.

In 2021, 8 gas stations were dismantled in Spain and the thermal plants in Escucha, Puertollano and Tarragona are in the process of being dismantled. We must also highlight the asset recovery project at the Puertollano plant thanks to a circular economy framework contract with SURUS. At the Upstream business, work was carried out in 2021 to dismantle four assets in Bolivia, Norway and Peru. In Margarita (Bolivia), the Boyui X2 well was dismantled and in Norway Gyda was sealed and abandoned. A particular highlight in 2021 was the resumption of the Ecological Restoration Plan, which is being carried out under an agreement with the ECO ASHÁNINKA indigenous organization at the Mapi and Mashira wells in Block 57 in Peru. The plan was suspended in 2020 and during part of 2021 because of the pandemic. Revegetation monitoring work is currently underway and the social investment plan provided for in the exit strategy is being implemented.

[EM-EP-210b.2] Number and duration of non-technical delays

In 2021, there was one shutdown for non-technical reasons, with a total duration of ten days. It happened in Libya, where due to the strike by the Oil Protection Force the Company was forced to close a valve in the main pipeline of asset NC115/NC186 for ten days.

The number of shutdowns was lower (and the duration shorter) than in 2020, when three shutdowns were reported for non-technical reasons (in Norway due to the pandemic, and in Libya due to political instability), with a total duration of 495 days.

Safe Operation

[403-2] Hazard identification, risk assessment and incident investigation

Repsol regularly conducts job position evaluations by competent personnel. We also systematically apply communication and hazard identification techniques such as tool box talks and JSA (Job Safety Analysis). Together with the work permit system, these ensure the implementation of risk minimization measures before work begins. Moreover, asset operating units have in place a Stop Work Authority policy that empowers any worker, whether our own or a contractor's, to stop operation if he/she believes circumstances may arise that could endanger his/her integrity, that of others or that of the asset, without fear of retaliation, in line with the principle set forth in the Company's Health, Safety and Environment Policy.

Repsol has a corporate incident management process that includes the investigation of accidents, improvement actions and lessons learned, which the different businesses have adapted to their specific situations. In the event of an accident, Repsol carries out a systematic investigation in line with best practices (Tripod, Cause Link, Tap Root, etc.) to identify the causes and underlying conditions that led to the situation, and to recommend improvement actions to minimize the probability of similar accidents in the future. Furthermore, all employees have access to training courses whose contents are regularly updated.

[403-7] Prevention and mitigation of impacts on the health and safety of workers directly linked to business relations

Repsol is a global energy company with a presence throughout the value chain, with strong and diverse business relationships at the different stages of the life cycle of the products and services it offers. In this context, the safety requirements specified in the safety management system and in the global sustainability plans must be tailored to the specific features of the businesses, assets, operations and products, whether managed directly by Repsol or through business relationships with third parties.

As an example, Repsol embeds specific safety requirements in the stages of approval, tendering and assessment of contractors and suppliers. It also encourages the development of these safety requirements by carrying out safety culture diagnostics in non-operational settings, launching awareness campaigns or holding specific scheduled safety conferences and events. Furthermore, the Company provides contractors and business partners with resources to reinforce the safety culture: safe working environments, basic safety rules, white paper on safety culture, etc. In addition, safety data sheets are drawn up for the entire range of products, intermediate and final, and released to contractors and customers, thus promoting safe use and handling. Moreover, we support analysis and reporting of all safety incidents related to the Company's operations, activities and/or products, including those outside the Company's own management framework. The overarching goal is to have an impact on continuous improvement of safety at all levels through the learning acquired.

[403-9] Work-related injuries

Work-related injuries

Personal safety indicators		2021	2020
Total	Fatalities	—	—
	Fatal accident rate (FAR) (1)	—	—
	Number of high-consequence injuries	2	2
	Total rate of high-consequence injuries (2)	0.02	0.02
	Total recordable work-related injuries	77	96
	Total recordable work-related injury rate (TRIR) (3)	0.89	1.11
	Number of hours worked	86,067,609	86,264,754
Own employees	Fatalities	—	—
	Fatal accident rate (FAR) (1)	—	—
	Number of high-consequence injuries	1	1
	Total rate of high-consequence injuries (2)	0.02	0.02
	Total recordable work-related injuries	33	38
	Total recordable work-related injury rate (TRIR) (3)	0.74	0.85
	Severity index (4)	0.025	0.044
	Number of hours worked	44,703,013	44,764,503
Contractors	Fatalities	—	—
	Fatal accident rate (FAR) (1)	—	—
	Number of high-consequence injuries	1	1
	Total rate of high-consequence injuries (2)	0.02	0.02
	Total recordable work-related injuries	44	58
	Total recordable work-related injury rate (TRIR) (3)	1.06	1.40
	Number of hours worked	41,364,596	41,500,251.00

(1) Number of fatalities during the year, for every hundred million hours worked.
(2) Number of high-consequence accidents during the year, not including fatalities, per million hours worked.
(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.
(4) Number of days not worked due to occupational accidents with sick leave over the year per thousand hours worked.

Work-related injuries

Personal safety indicators by gender		2021		2020	
		Men	Women	Men	Women
Total	Total fatalities	—	—	—	—
	Number of high-consequence injuries	2	—	2	—
	Total recordable work-related injuries	68	9	81	15
Own employees	Total fatalities	—	—	—	—
	Number of high-consequence injuries	1	—	1	—
	Total recordable work-related injuries	25	8	27	11
	Severity index	0.031	0.015	0.057	0.022
	Total recordable incident Rate (TRIR)	0.91	0.47	0.96	0.66
Contractors	Total fatalities	—	—	—	—
	Number of high-consequence injuries	1	—	1	—
	Total recordable work-related injuries	43	1	54	4

The most frequent injuries were dislocations, sprains, fractures and superficial injuries (cuts).

At Repsol, when analyzing an incident, all potential sources of harm are identified and categorized as "cause of injury" in the case of personal injury. For each accident scenario, the inquiry also analyzes all root causes that may have contributed to the harm, identifying technical, human or organizational shortcomings.

En 2021, hazards categorized as fall, slip, trip and entrapment were the ones that caused high-consequence injuries. The Company's regulations include measures to control risk in line with an inherently safe design. For example, under the SMA Risk Management Standard one requirement is inherent design safety. Process and plant design must prioritize elimination of hazards and maximize inherent safety. In addition, improvement actions can be derived from different sources (incidents and preventive SMA analyses).

In the case of incidents, actions act on all root causes identified and are classified according to criticality in terms of potential role in avoiding harm. All improvement actions identified have to be specific, achievable, attainable, relevant and time-bound. The implementation of improvement actions is monitored to validate effectiveness as applicable, and close out each action.

[EM-EP-540 a.1] Tier 1 Frequency Rate

Tier 1 Frequency Rate (1)	2021	2020
E&P	0.10	0.19

(1) Number of Tier 1 process safety accidents per million process hours worked.

[EM-RM-540 a.1] and [RT-CH-540 a.1] Tier 1 and Tier 2 Frequency Rate

	2021		2020	
	Refining & Marketing (3)	Chemicals	Refining & Marketing (3)	Chemicals
Tier 1 Frequency Rate(1)	0.10	0.14	0.18	—
Tier 2 Frequency Rate(2)	0.05	—	0.18	—

(1) Number of Tier 1 process safety accidents per million process hours worked.
(2) Number of Tier 2 process safety accidents per million process hours worked.
(3) In 2021, the scope of the indicator was widened to include Marketing activities. The 2020 data has been updated from that published in the 2020 Integrated Management Report to include the same scope.

[EM-EP-320 a.1], [EM-RM-320a.1] and [RT-CH-320a.1] Total Frequency Rate and Fatality Rate for Upstream, Refining, Mobility and Chemicals

	2021			2020		
Personal safety indicators	E&P	Refining & Marketing (3)	Chemicals	E&P	Refining & Marketing (3)	Chemicals
Total Recordable Injury Rate (TRIR)(1)	0.73	0.92	0.53	1.44	0.96	1.32
Fatal Accident Rate (FAR)(2)	—	—	—	—	—	—

(1) Total Recordable Injury Rate (TRIR): 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
(2) Fatal accident rate (FAR): number of fatalities during the year, for every hundred million hours worked. Includes company employees and contractor staff
(3) In 2021, the scope of the indicator was widened to include Marketing activities. The 2020 data has been updated from that published in the 2020 Integrated Management Report to include the same scope.

Responsible tax policy

GRI 207: Tax policy

Proper management of a business group's tax obligations has a direct effect on the social and environmental areas, since payment of taxes has a major impact on countries' development and progress.

Moreover, transparency on tax strategy and policy has recently gained immense significance among stakeholders. Aware of this challenge, Repsol has embraced the most rigorous international standards when it comes to tax disclosure, including those under GRI 207.

To graphically illustrate the Repsol Group's degree of compliance with the aforementioned commitments, the following table provides a summarized reconciliation between the B-Team[10] principles endorsed by Repsol and the requirements under the GRI 207 global standard. Evidence is also provided regarding the practical implementation of each requirement, organized according to the seven responsible tax principles of the B-Team:

- Accountability and governance
- Compliance
- Business structure
- Relations with tax authorities
- Seeking and accepting tax incentives
- Supporting effective tax systems
- Transparency

RESPONSIBLE TAX PRINCIPLES	APPLICATION AND EVIDENCE OF COMPLIANCE	GRI 207
1 Accountability and governance Taxation is a crucial part of corporate responsibility and is supervised by the Board of Directors.	•The Board of Directors approves the Tax Policy. • The Board of Directors monitors enforcement of the strategy and tax risk management at least once a year. • The tax strategy is published on the corporate website. • Compliance with the letter and spirit of the law. • The GSP includes tax objectives.	GRI 207-1
2 Compliance Compliance with tax legislation, within the letter and spirit of the law, and making payment in due time in the countries where Repsol creates value.	• Regulations, internal control processes and whistleblowing channel to ensure compliance with tax obligations. • Tax control framework compliant with best standards and validated by an independent expert. • Tax risks built into the SGIR (see Appendix IV), with medium/low tolerance. • Monthly review of compliance with tax obligations. • Internal procedure for setting transfer prices in line with the creation of value and the principle of full competition. • Appropriate organizational structure and resources. • Professional team undergoing continuous training, subject to a common compensation policy and with a contingency plan for key positions.	GRI 207-2
3 Business structure On commercial grounds and with genuine substance. We do not seek abusive tax advantages.	• Corporate structure aligned with the business and adapted to legal requirements and corporate governance standards. • Removing dormant companies from the corporate structure. • Non-use of special purpose entities in tax havens.	GRI 207-1
4 Relations with the tax authorities(1) Development of corporate relations with tax authorities, grounded in mutual respect, transparency, and trust.	• Application of the Spanish Code of Best Tax Practices. • Voluntary submission of the report on tax transparency to the Spanish tax authorities. • Voluntary participation in the ICAP(2) of the OECD. • Participation in the new CONFIA program in Brazil. • Classified as an authorized economic operator in the EU and in Peru.	GRI 207-3
5 Seeking and accepting tax incentives Promotion of guarantees to ensure transparency and consistency with the legislative and regulatory framework.	• Claiming and using tax benefits in compliance with the letter and spirit of the regulations. • Verifying that the incentives applied are widely available to all economic operators. • Supporting the publication of oil contracts and their tax incentives.	GRI 207-2
6 Supporting an effective tax system(3) Dialog with governments, business groups and civil society to support the development of an effective tax system.	• First non-mining energy company part of the EITI(4) to sign the beneficial ownership transparency agreement. • Collaboration with international organizations (OECD, UN or EU), governments and NGOs. Taking part in debates and public consultation processes. • Participation in international responsible taxation and tax governance initiatives (B Team).	GRI 207-3
7 Transparency Disclosing information on tax strategy and taxes paid.	• Pacesetters in Spain in terms of tax transparency according to various third-party reports. • Publication of tax payments by country. • Publication of the Country by Country Report following OECD criteria. • Detailed tax information available at www.repsol.com and in the annual reports.	GRI 207-1 GRI 207-4

(1) Repsol maintains cooperative relations with the main tax administrations in the countries where it pays tax (Brazil, Canada, Spain, United States, Netherlands, Portugal, United Kingdom, Singapore, etc.) and participates at different forums to promote transparent collaboration with the mutual objective of facilitating and improving the application of the taxation system, increasing tax certainty and reducing litigation. For more information, see www.repsol.com.
(2) International Compliance Assurance Programme: OECD initiative that seeks to enhance cooperation between the tax authorities to supervise tax risks at multinational groups, mainly in terms of transparency and permanent establishments. The first ICAP program (pilot) covered financial year 2016 and lasted until 2018. The tax authorities of Canada, Spain, the United States, the Netherlands and the United Kingdom all supervised Repsol.
(3) Repsol is a member of several subcommittees created by the UN's Committee of Experts on International Cooperation in Tax Matters. It also sits on the Tax Committee of the OECD's Business and Industry Advisory Committee (BIAC).
(4) Extractive Industries Transparency Initiative: initiative to ensure transparency within extractive industries. The EITI is the global standard for the good governance of oil, gas and mining resources. It ensures transparency with respect to how a country's natural resources are governed.

10 Group of companies that seek to promote sustainable development and, especially, responsible taxation and good governance in tax matters. For more information, see www.bteam.org

Table summarizing compliance with GRI 207

GRI 207	Requirements	Evidence of compliance by the Repsol Group
GRI 207-1, Approach to tax		
Balancing tax compliance, business activities, and ethical, social and sustainable development expectations	a.i) Tax strategy	Repsol has a tax strategy in place, which was approved by the Board of Directors and is mandatory for all Group employees and companies. The Tax Policy is published on the corporate website. See www.repsol.com/content/dam/repsol-corporate/es/sostenibilidad/documentos-sostenibilidad/politica-fiscal-corporativa-extend.pdf
	a.ii) Body tasked with reviewing the tax strategy	Repsol's tax strategy is reviewed by the Board of Directors at least annually. The Board also oversees compliance and the key aspects of tax matters and risks.
	a.iii) Approach to regulatory compliance	In the awareness of its responsibility in the social and economic development of the countries where it is present, Repsol accords priority to responsible compliance with the payment of taxes in host countries. Its commitment to comply respects both the letter and the spirit of the law. For more information, see section 6.8 – Supply chain and customers.
	a.iv) Link between tax approach, business strategy and sustainable development	The Group's Tax Policy is aligned with the Company's mission and values and its Sustainable Development Goals. Repsol seeks to be publicly recognized as a company of integrity and fiscal responsibility. Tax decisions are adopted responsibly in accordance with a reasonable interpretation of tax regulations, and are aligned with the economic activity of the various businesses. The tax function is present in the Group's business decisions to ensure that they are in line with the principles of its Tax Policy and with the economic reality and motivation of its businesses. Hence there are internal regulations and procedures (rules on investments, related-party transactions, etc.) that ensure the adoption of tax positions based on sound economic or business grounds (avoiding abusive tax planning schemes or practices), avoidance of opaque or artificial corporate structures to hide or reduce the transparency of activities, and application of the principle of open competition in intra-group transactions. For more information, see also the report "*Presence in non-cooperative jurisdictions and disputed territories*" on the corporate website (www.repsol.com/es/sostenibilidad/fiscalidad-responsable/transparencia-fiscal/index.cshtml). For more information on the tax objectives under the GSP, see the Sustainability section of www.repsol.com.
GRI 207-2. Tax governance, control and risk management		
Description of tax governance and control framework	a.i) Governing body responsible for compliance with tax strategy	The Board of Directors is the governing body in charge of adopting the Repsol Group's Tax Policy, which contains the tax strategy. The implementation and monitoring of the tax strategy is overseen at meetings held at least once a year. For further information, please refer to the *Audit and Control Committee's Annual Report*, which is made available to shareholders ahead of the General Shareholders' Meeting.
	a.ii) How the tax approach is integrated within the organization	The orderly management of Repsol's tax affairs is conducted within a performance framework (Tax Governance and Control Framework) that rests on four pillars: (i) Principles of action, (ii) Expert team, (iii) Tax compliance processes and systems and (iv) Tax risk control and management. For further information on how the tax approach is integrated into Repsol's organization, see the report on the "*Tax control framework*" published on the corporate website: https://www.repsol.com/es/sostenibilidad/fiscalidad-responsable/marco-control-fiscal/index.cshtml Integration of the tax approach at Repsol is governed by an orderly compliance management model comprising policies, rules (general and specific), internal procedures and controls, and standardized processes, all of which are subject to the guidelines of the Code of Ethics and Conduct, aimed at mitigating the key tax risks. For more information, see section 6.8 – Supply chain and customers. Repsol's tax department is made up of experts in a range of tax-related disciplines; these professionals are responsible for managing all the tax affairs of the businesses and areas of the Group. Reporting solely to the Corporate Financial and Tax department, the tax units of each country and/or business handle tax management on a decentralized basis in order to suitably address the specifics of each business and tax system. The continuity of strategy implementation and tax management in the face of unforeseen events is underpinned by a contingency plan that ensures suitable succession in key tax-management positions. The Group's tax experts are subject to the same remuneration and incentive policy as the rest of the Company's employees, and receive a comprehensive and continuous training plan, updated annually, which allows them to strengthen and complete their professional skills and renew their commitments to comply with the obligations derived from the Code of Ethics and Conduct.
	a.iii) Tax risks, identification, management and monitoring	Tax risk management at Repsol is embedded in the global policy of the Integrated Risk Management System (SGIR in Spanish) and is reflected in the existence of processes, systems and internal controls (ICFR, Compliance Plan, key controls, etc.). A cornerstone of the SGIR is the concern to maintain a risk profile that is aligned with a medium-low risk tolerance, typical of a global and integrated multi-energy company business model that is present throughout the value chain. The Corporate Financial and Tax department (DCEF) is responsible for managing the Group's tax risks, as the body responsible for tax compliance. In the context of the SGIR, the DCEF monitors tax risks through preparation and updating of a risk map, which comprises identification, analysis, valuation, verification and reporting stages. To mitigate tax compliance risks, Repsol has implemented standardized and documented processes that regulate essential aspects of tax compliance. These processes identify the people and areas responsible for each phase of tax management and specify all activities to be carried out for the preparation of tax returns and self-assessments. Tax management processes must, therefore, ensure the reliability and traceability of the information and establish a suitable level of prior reviews. In addition, Repsol operates robust information management systems that assure the integrity of the information and tax compliance processes while minimizing the possibility of human error.

GRI 207	Requirements	Evidence of compliance by the Repsol Group
GRI 207-2. Tax governance, control, and risk management		
Description of tax governance and control framework	a.iv) Evaluation of compliance with the tax governance and control framework	Tax risk control and tax-related reporting are supplemented by procedures and controls that assure the integrity and reliability of the accounting information used in tax processes. One of the main functions of the Audit and Control Committee is to support the Board of Directors in its oversight duties. Its remit includes the periodic review of the effectiveness of internal control systems, internal audit and risk management systems, including tax risks, the procedure for the monitoring and periodic evaluation of the Internal Control over Financial Reporting System (ICFR) and of the effective implementation of the strategy and management of tax risks, and submitting operations that carry special risks to the Board for approval. Likewise, the rules and procedures are reviewed by the Corporate People and Organization department, whose purpose is to assure the integrity, uniformity, validity, availability and accessibility of the Company's internal regulatory documents and to support management through established channels and approval at the appropriate level. For further information, see section 7.3 – Risks and Appendix IV. Risks.
	b) Description of channels for reporting tax-related concerns	Any employee or third party may report any possible breach of the Code of Ethics and Conduct or the Crime Prevention Model, including any potentially unethical or illegal conduct that might affect the integrity of the organization in relation to taxation. Any such matters may be communicated in an absolutely confidential and anonymous manner through the whistleblower channel set up for this purpose. For more information, see section 6.8 – Supply chain and customers.
	c.) Tax content verification process	Repsol has an expert team that analyzes the good tax governance initiatives of international organizations to align its tax strategy with the principles that inform global best practices. Hence, Repsol performs a self-assessment of its tax control framework by comparing it to the highest standards in tax governance, including the B Team responsible tax principles, the requirements under GRI 207 and the OECD model for controlling tax risks, among others. The alignment of the tax control framework to international best practices in tax compliance is verified and tested by independent experts. According to the evaluation of these experts, Repsol's tax control framework achieves a high level of convergence and compliance with the criteria set out in international standards and the requirements of the UNE 19602 – Tax Compliance standard. Finally, as mentioned earlier, the Board is informed of the implementation of the Group's tax policy and strategy. For further information, see the *Good Tax Practices Self-Assessment* report available at www.repsol.com/es/sostenibilidad/fiscalidad-responsable/index.cshtml
GRI 207-3. Stakeholder engagement and management of concerns related to tax		
Stakeholder engagement and management of tax concerns[1]	a.i) Commitment to tax authorities	In accordance with the principles that guide our Tax Policy, Repsol is committed to supporting an effective tax system and maintaining cooperative relations with the tax authorities of the countries where it operates, based on mutual respect, transparency and trust. To this end, it cooperates with tax authorities in the detection and search for solutions to fraudulent tax practices, facilitates access to information and prioritizes non-litigious channels for dispute resolution. This approach encompasses adherence to cooperation agreements and active audits in real time. Key examples of Repsol's initiatives in the field of cooperative relations include: (i) voluntary adherence in Spain to the Code of Good Tax Practices, and presentation, since 2015, of the Voluntary Tax Transparency Report; (ii) Repsol's qualification as an authorized economic operator in the European Union and Peru, in recognition of its status as a reliable operator in the field of customs procedures; (iii) involvement in the OECD's ICAP initiative (coordinated verification by the tax authorities of different countries that assess tax risks, including transfer pricing) and, as a result, classification of Repsol as an entity with a low risk of non-compliance by the tax authorities participating in the initiative; and (iv) strengthening cooperative relations with the *Canada Revenue Agency*, the CONFIA program in Brazil and through similar formulas to the *Compliance Assurance Process* (CAP) in the United States.
	a.ii) Advocacy of public policy on taxation	Many of the laws and regulations on tax transparency and fiscal currently in force arose from the debates and forums of international organizations (UN, OECD, EU, etc.). Hence at Repsol we support institutional relations with these authorities and other stakeholders to align the Company's tax policies with social reality, contribute responsibly to the creation of a fairer and more balanced international tax framework, and enable anticipation in tax management in the face of any regulatory changes to minimize their risks and impacts. An example of this is Repsol's involvement, sometimes on its own behalf, in the public information regularly issued by various international organizations such as the OECD, the EU or the Platform for Collaboration in Tax Matters (UN, OECD, IMF and World Bank). Through engagement in these discussions (usually at the invitation of the corresponding organization), Repsol has had the opportunity to present its views on key issues in the current environment, such as the tax contribution of multinationals, the problem of profit shifting, and the demand for information on payments made by companies to governments. Repsol is a member of several of the subcommittees created by the UN's Committee of Experts on International Cooperation in Tax Matters, which discuss and draw up tax guides for the authorities in developing countries. Repsol is also a member of the Tax Committee of Business at OECD (formerly known as BIAC) and holds the position of vice-chair of the Tax Commission of the *International Chamber of Commerce (ICC)*.

GRI 207	Requirements	Evidence of compliance by the Repsol Group
(1) For more information, please see the Cooperative relations reported available at www.repsol.com/es/sostenibilidad/fiscalidad-responsable/relaciones-cooperativas-y-entorno/index.cshtml		
GRI 207-3. Stakeholder engagement and management of concerns related to tax		
	a.iii) Processes for eliciting and considering stakeholder opinions and concerns	Repsol conducts a continuous and honest dialogue with NGOs and social action platforms (Intermon OXFAM, Fundación Haz) in the search for a fairer and more effective tax system. This interrelationship has provided first-hand knowledge of the main concerns of stakeholders regarding Repsol's social accountability process and has facilitated a better understanding of the true magnitude and dimension of the Company's tax contribution in the countries in which it is present. Many of the concerns raised by stakeholders were addressed by the enhanced tax transparency initiatives referred to in this appendix. Stakeholder response to these initiatives has been positive. For example, in the "*Tax Contribution and Transparency 2020*" report, Fundación Haz awarded Repsol the highest score (24 points out of 24) in the ranking of IBEX 35 companies with good fiscal transparency and responsibility practices.
GRI 207-4. Country-by-country reporting		
Presentation of financial, economic and tax information for each jurisdiction in which Repsol operates		Repsol maintains its commitment to be transparent and share relevant information with our shareholders and stakeholders, and for the third consecutive year in 2020 it published its country-by-country reporting data (the latest report concerning 2020) in relation to the countries where it has a fiscal presence, as presented to the Spanish tax authorities in 2021 for automatic sharing with other tax authorities. The publication of this report represents advance compliance with European legislation (Directive (EU) 2021/2101) by Repsol. The report includes additional information to aid an understanding of Repsol's presence, performance and tax contribution in each country, which exceeds the scope of the Directive. The data included in the country-by-country report follow the OECD standards. Furthermore, to comply with the requirements of GRI 207-4, in Appendix 3 to the public country-by-country report Repol discloses and itemizes the income received in each tax jurisdiction facing related parties in other tax jurisdictions. For more information, see the country by country report at www.repsol.com/es/sostenibilidad/fiscalidad-responsable/index.cshtml

Presence in non-cooperative jurisdictions

Repsol's tax policy prohibits the use of opaque or contrived structures that hide or reduce the transparency of our activities. Therefore, the Group is committed to not having a presence in tax havens and, where it does, to be transparent in its activities.

The definition of a tax haven or non-cooperative jurisdiction is unsettled. Repsol considers "tax havens" to be those territories qualified as such by Spanish[11] and European Union[12] regulations, and those included by the OECD in its list of non-cooperative jurisdictions in terms of transparency and exchange of information.

Only three Repsol Group companies have a presence in non-cooperative jurisdictions, and their results and earnings are relatively immaterial. One is engaged in hydrocarbon exploration and production activities in Trinidad and Tobago and the other two, currently dormant, were active in the hydrocarbon exploration and production business and the reinsurance business in the past.

Repsol Group in non-cooperative jurisdictions

Company	Jurisdiction	Holding	Status	Total Income (€M)	Profit or loss before tax (€M)	Rate income tax rate	Income tax accrued (€M)
Greenstone Assurance Ltd.[(1)]	Bermuda	100%	Dormant	-	(23)	0%	-
Repsol Angostura, Ltd.[(2)]	Trinidad and Tobago	100%	Dormant	1		55%	-
Repsol Exploración Tobago, S.A. (Spanish company with a branch in Trinidad and Tobago)[(3)]	Trinidad and Tobago	100%	Active	1	(3)	55%	1

(1) Insurance company the current purpose of which is limited to liquidating risks undertaken in the past. In "run off" situation.
(2) Company that provided, with its local staff, technical and support services to other Group entities in Trinidad and Tobago. Company in the process of liquidation.
(3) Spanish company with a branch in Trinidad and Tobago that conducts hydrocarbon exploration and production activities in the country.

11 In Spain, the list of tax havens contained in RD 1080/1991 of July 5.

12 In the European Union, the list of non-cooperative jurisdictions on matters relating to tax drawn up by the Economic and Financial Affairs Council (ECOFIN) of the European Union. The last update was published on October 5, 2021.

Some non-governmental organizations concerned with responsible business practices also draw up their own lists of tax havens under different criteria and objectives. Repsol has selected some of these lists because of their public visibility or representativeness, and it has termed the countries included there “controversial territories”. In an exercise of enhanced transparency, Repsol also identifies its companies and activities in those territories and publishes detailed information on www.repsol.com.

Responsible tax policy

Profit/(loss) generated and taxes effectively paid in 2021, by country [1]

	Taxes paid		Tax burden			Taxes collected				Profit [2]	
Million euros	**2021**	2020	**TOTAL**	Income tax	Other income taxes	**TOTAL**	VAT	Hydrocarbons tax [2]	Other	**2021**	2020
Spain	8,167	5,822	902	416	487	7,265	2,626	4,279	360	863	(758)
Portugal	1,090	1,051	18	(1)	18	1,072	282	769	21	148	10
Italy	45	49	—	—	—	44	—	44	1	24	—
The Netherlands	3	35	3	3	—	—	—	—	—	3	136
Norway	(174)	(81)	(184)	(192)	8	10	(4)	—	14	127	(31)
Luxembourg	1	—	1	1	—	—	—	—	—	163	89
United Kingdom	13	(10)	8	(25)	33	6	(15)	—	21	(24)	(254)
Germany	1	1	—	—	—	1	1	—	—	1	—
France	9	7	1	—	1	8	8	—	—	—	(3)
Romania	—	—	—	—	—	—	—	—	—	—	(1)
Greece	(1)	(3)	—	—	—	(1)	(1)	—	—	(8)	(39)
Ireland	—	—	—	—	—	—	—	—	—	—	(2)
Bulgaria	—	(3)	—	—	—	—	—	—	—	—	(2)
Europe	**9,155**	**6,867**	**749**	**202**	**547**	**8,407**	**2,897**	**5,092**	**418**	**1,297**	**(854)**
Peru	780	467	148	34	114	632	345	271	17	243	(86)
Trinidad and Tobago	66	20	67	10	57	(1)	(3)	—	1	(24)	(451)
Brazil	254	121	249	70	180	5	2	—	3	503	(33)
Bolivia	43	36	19	9	10	24	20	—	4	(51)	10
Venezuela	66	12	62	—	62	4	2	—	2	94	114
Colombia	24	32	19	18	1	5	—	—	5	27	118
Ecuador	4	1	2	1	2	2	—	—	2	5	(33)
Chile	1	—	1	1	—	—	—	—	—	(9)	3
Barbados	1	1	1	1	—	—	—	—	—	—	3
Guyana	—	—	—	—	—	—	—	—	—	—	(1)
Bermuda	—	—	—	—	—	—	—	—	—	(23)	(7)
Latam & Caribbean	**1,239**	**689**	**568**	**143**	**425**	**671**	**366**	**271**	**33**	**766**	**(362)**
Indonesia	180	111	172	171	—	8	4	—	4	137	(84)
Malaysia	70	135	61	1	61	8	—	—	8	11	(193)
Russia	34	64	29	3	26	5	4	—	—	20	(117)
Vietnam	17	22	16	9	7	1	—	—	1	(52)	40
Singapore	(1)	2	—	—	—	(1)	(1)	—	—	(22)	(15)
Australia	—	—	—	—	—	—	—	—	—	(1)	3
Iraq	—	—	—	—	—	—	—	—	—	(1)	(2)
Papua New Guinea	—	—	—	—	—	—	—	—	—	—	(127)
Asia and Oceania	**299**	**334**	**278**	**184**	**94**	**21**	**8**	**—**	**14**	**91**	**(331)**
US	99	86	77	1	76	22	—	—	22	181	(1,790)
Canada	62	45	31	—	31	31	13	—	18	(166)	(2,715)
Mexico	46	30	37	14	23	9	(2)	—	13	(22)	(20)
North America	**207**	**161**	**145**	**15**	**130**	**62**	**11**	**—**	**51**	**(7)**	**(4,525)**
Algeria	71	84	69	58	11	2	—	—	2	138	(65)
Libya	483	71	482	440	42	2	—	—	2	213	162
Angola	—	—	—	—	—	—	—	—	—	—	40
Morocco	—	—	—	—	—	—	—	—	—	—	1
Namibia	—	—	—	—	—	—	—	—	—	—	11
Gabon	—	—	—	—	—	—	—	—	—	—	(2)
Africa	**554**	**156**	**550**	**498**	**52**	**4**	**—**	**—**	**4**	**351**	**146**
TOTAL	**11,455**	**8,207**	**2,290**	**1,042**	**1,248**	**9,165**	**3,282**	**5,363**	**520**	**2,498**	**(3,816)**

Information prepared in line with the Group's reporting model described in Note 4 – Business Information to the 2021 consolidated Financial Statements.
(1) The amount includes returns from previous years totaling 254 million euros in 2021, and 974 million euros in 2020.
(2) Net profit after tax and minority interests, including the profit of joint ventures and other companies operationally managed as such, in addition to income from discontinued operations.
(3) Hydrocarbon tax. Includes receipts from logistics operators where the Company is ultimately responsible for payment.

Ethics and Compliance

Anti-corruption

[205-2] Communication and training about anti-corruption policies and procedures

The Company has digital and blended courses (online classrooms) for training on anti-corruption to promote a culture of compliance in the organization.

The course that provides the reference framework is the Code of ethics and conduct, a recurring annual training program for all employees in which a new course is updated every year to reinforce and refresh this knowledge in an enjoyable way.

The following courses are available for anti-corruption training:

- Courses with the regulations taught in online classroom format, such as the Anti-Corruption and Basic Regulations course for team leaders.
- Anti-Corruption Policy microlearning, aimed at all employees, using visual and interactive resources to highlight key elements for enhanced acquisition of learning objectives.
- Crime Prevention Model, aimed at managers responsible for controls or persons whose function may be involved in any non-compliance with the model.
- *Anti-money laundering and counter terrorist financing* (available to employees in Peru).
- *Anti-Bribery & Corruption Awareness, Training 2020* (available for Asia Pacific employees.

[EM-EP-210a.1] Percentage of proved and probable reserves in or near areas of conflict and [EM-EP-510a.1] Percentage of proved and probable reserves in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index

IP (proven) and 2P (proven and probable) reserves (%)	2021		2020	
	1 P	2 P	1 P	2 P
% reserves in conflict zones	5.2	5.8	5.2	5.5
% reserves in countries ranked in the bottom 20 of the Corruption Perception Index	20.5	18.7	21.8	18.5

Public policy

[415-1] Contributions to political parties and/or representatives

In 2021 (as in 2020), Repsol made no contributions to political parties and/or representatives, meaning, therefore, that there was no breach of the Code of Ethics and Conduct.

In the European Union and in Spain, the Company engaged in discussion and public consultations to cooperate with institutions and society at large in the development of a range of legislative initiatives.

Repsol takes the view that lobbying activities should be undertaken transparently and in compliance with current legislation. Accordingly, the Company reports such activity in all areas where formal registration is required, and pursuant to the requests made by competent authorities, where such information is public and accessible.

Specifically, such activity is registered in the following jurisdictions: the European Union, the United States at federal level and in Canada at federal and provincial level (Alberta).

For more information and for links to the official lobby registration pages, see www.repsol.com.

Number and percentage of employees who have received training regarding anti-corruption measures by region (1)

	Governing bodies		Executives		Managers		Profesional/ Specialist		Administrative staff		Manual workers	
Country	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**
Africa			2	100%	30	86%	69	89%	1	100%		
Asia			5	100%	68	60%	212	52%	17	68%	14	48%
Europe	8	73%	182	89%	1,610	90%	7,282	89%	712	87%	6,592	62%
North America			12	75%	252	79%	626	79%	26	70%	146	74%
Latin America			16	89%	218	85%	1,392	86%	254	89%	2,012	86%
2021 total	**8**	**73%**	**217**	**89%**	**2,178**	**86%**	**9,581**	**86%**	**1,010**	**87%**	**8,764**	**67%**
2020 total	**4**	**50%**	**215**	**77%**	**2,328**	**88%**	**9,545**	**86%**	**1,065**	**83%**	**6,577**	**53%**

(1) Data obtained from the maximum accumulated average workforce.

Compliance[13,14,15]

[307-1] Non-compliance with environmental law and regulations

As in 2020, in 2021, there were no significant fines or sanctions levied against Repsol Group as a result of litigation or administrative proceedings ending with a final decision within the year.

[206-1] Legal actions for anti-competitive behavior, anti-trust, and monopoly practices. Lawsuits due to anti-competitive practices (number of cases brought)

Lawsuits [(1)] due to anti-competitive practices (number of cases brought)	2021	2020
Cases filed	—	—

(1) Number of lawsuits or administrative proceedings initiated during the year that are significant for the Repsol Group.

In order to foster growing awareness and stay permanently abreast of anti-trust legislative developments, the company continued to provide subject-specific training throughout 2021.

[416-2] Incidents of non-compliance concerning the health and safety impacts of products and services

The number of lawsuits or administrative proceedings ending in 2021 with a final decision, imposing significant fines or sanctions levied against the Repsol Group due to its failure to adhere to European product safety regulations (REACH and CLP regulations) is zero.

Supply chain and customers

Management of the supply chain and its impacts where the company operates

[308-2] Negative environmental impacts in the supply chain and measures taken

We conducted 3,010 assessments (2,007 in 2020) on environmental issues regarding 1,125 suppliers (1,056 in 2020). In 12 evaluations, corresponding to 11 suppliers, the environmental performance score was below 5 out of 10 (compared with 22 assessments on 20 suppliers in 2020). Negative scores are related to logistics contracts and equipment installation, cleaning, business services and maintenance, among others. As in 2020, after these negative assessments, improvements were agreed with 100% of the suppliers affected. We highlight that, as in the previous year, we have not terminated any supplier relationship for environmental reasons.

[414-2] Negative social impacts in the supply chain and actions taken

We conducted 3,010 assessments (2,007 in 2020) on social issues regarding 1,125 suppliers (1,056 in 2020). We found 41 assessments (28 in 2020) corresponding to 30 suppliers (22 in 2020) with a performance score in social aspects below 5 out of 10. As in 2020, negative assessments largely concerned the Code of Ethics and Conduct and human rights aspects. As in the previous year, after these negative assessments, improvements were agreed with all of the suppliers. As in 2020, no supplier relationships were terminated due to social concerns (e.g. human rights or labor issues).

Responsible customer management

[RT-CH-410b.2] Strategy to (1) manage hazardous chemicals and (2) develop alternatives with reduced human or environmental impact

Repsol has internal rules in the field of safe product management that lay down the requirements to ensure suitable handling of the risks at each stage in the life cycle of a product, from design to placement on the market. The Chemicals business has implemented these requirements through a procedure whereby:

- During product design, it is necessary to study potential adverse effects and identify uses to put in place suitable risk management measures. This stage tests whether it is necessary to seek substitute products, if technically and economically feasible.
- During procurement of raw materials and additives, information is compiled on their hazardousness and suitable measures for safe handling.
- During operations, by means of the inherently safe design of facilities, we assess operational risks and waste management.
- When products are placed on the market, customers must be provided with the necessary information for them to take steps to handle the products Repsol supplies safely.

The procedure is supported by a new digital tool used to manage inventories of products supplied, manufactured and sold from a single point quickly and easily.

At the Polyolefins business, several key projects are underway to replace substances that could be a concern for humans and the environment. In the phthalate-free polyolefins project, Repsol is looking for catalyst activators with which to replace the current ones. They have now been replaced across all complexes and products where feasible. In the field of food safety, we seek to identify and replace substances in food contact materials that migrate into food at a threshold rate. We have also approved a new additive in the process to replace the current one in which we have detected properties that are harmful for human health.

13 The information corresponds to companies operated and controlled by Repsol.

14 Only litigation relating to matters raised by competition authorities is reported. Litigation with private entities or individuals is not reported.

15 Litigation is reported only to the extent that a final decision or ruling has been delivered within the reporting period.

Economic performance

[201-1] Direct economic value generated and distributed and [201-4] Financial assistance received from government

Item (€M)	Reference in the Consolidated Financial Statements 2021	2021	2020
Direct economic value generated		**51,804**	**33,856**
Sales	Under "Sales" in the consolidated Income Statement	49,480	32,956
Income from services rendered and other operating income	Under “Income from services rendered and other income” and “Operating income” in the consolidated Income Statement	1,931	1,311
Finance income	Note 22	82	96
Net income from companies accounted for using the equity method	Under "Income from companies accounted for using the equity method"	301	(609)
Gains on disposal of fixed assets	Under "Gains/(losses) from disposal of assets" in the consolidated Income Statement	10	102
Economic value distributed		**(48,861)**	**(32,734)**
Suppliers and contractors:		(38,260)	(24,738)
Procurements and supplies	Under "Procurements" and "Supplies" in the consolidated Income statement excluding excise taxes for 5,216 million euros and 5,033 million euros in 2021 and 2020, respectively	(33,001)	(20,358)
Transport	Under "Transport" in the consolidated Income Statement	(1,103)	(1,272)
Training suppliers		(8)	(8)
Other operating expenses	Under "Other operating expenses" in the consolidated Income Statement	(4,634)	(3,425)
(Taxes)	Note 20.9	486	325
Employees	Under "Personnel expenses" in the consolidated Income Statement, excluding training costs	(1,794)	(1,837)
Taxes	Income tax – Note 23; Taxes – Note 20.9; Excise taxes on hydrocarbons – Note 20.1; Tax effect of financial expenses on hybrid bonds – Note 23	(7,522)	(5,388)
Shareholders	Note 6.3	(886)	(338)
Financial community	Under "Interest paid" in the consolidated Cash flow statement and hybrid bonds (Note 23)	(432)	(471)
Investments in communities		33	38
Economic value retained		**2,943**	**1,123**

In addition, financial aid was received from government agencies in the amount of 15 million euros in 2021 and 18 million euros in 2020.

c) GRI Index

GRI Index

GRI Standard	Description of the indicator	Reference in the Management Report, Reports or online	Notes
GRI 101	Foundation	About this report	
GRI 102	General Disclosures		
	Organization profile		
102-1	Name of the organization	Consolidated Financial Statements 2021 – Note 1. About these Financial Statements	
102-2	Activities, brands, products, and services	Section 2.1. Value chain and business segments Section 5.1. Upstream Section 5.2. Industrial Section 5.3. Commercial and Renewables	
102-3	Location of headquarters	Consolidated Financial Statements 2021 – Note 1. About these Financial Statements	
102-4	Location of operations	Section 2.2. Repsol around the world Section 5. Performance of our businesses	
102-5	Ownership and legal form	Consolidated Financial Statements 2021 – Note 1. About these Financial Statements Consolidated Financial Statements 2021 - Note 6 Equity	
102-6	Markets served	Section 2.1. Value chain and business segments Section 5.1. Upstream Section 5.2. Industrial Section 5.3. Commercial and Renewables Consolidated Financial Statements 2021 – Note 20. Operating income	
102-7	Scale of the organization	Section 2.1. Value chain and business segments Section 2.2. Repsol around the world Section 2.33. Corporate Structure 2021 Consolidated Financial Statements – Note 2. About Repsol	
102-8	Information on employees and other workers	Section 6.5.1 – Human capital Appendix V. Further information on Sustainability - Sustainability indicators - People	(1)
102-9	Supply chain	Section 6.8 – Supply chain and customers	(2)
102-10	Significant changes to the organization and its supply chain	Section 1. Overview of 2021 2021 Consolidated Financial Statements – Note 2. About Repsol	
102-11	Precautionary Principle or approach	Section 6.1.3. Risks and opportunities Section 6.2. Environment Section 6.6.1. Safety Management System Section 7.3. Risks Appendix IV. Risks	
102-12	External initiatives	www.repsol.com (Sustainability - Sustainability strategy - Reports, indicators and alliances)	
102-13	Membership of associations	www.repsol.com (Sustainability - Sustainability strategy - Reports, indicators and alliances)	
	Strategy		
102-14	Statement from senior decision-maker	Message from the CEO Message from the Chief Executive Officer	
102-15	Key impacts, risks, and opportunities	Section 2.5. Strategy Section 6.1.3. Risks and opportunities Section 7.3. Risks Appendix IV: Risks	
	Ethics and integrity		
102-16	Values, principles, standards, and norms of behavior	Code of Ethics and Conduct (https://www.repsol.com/imagenes/global/es/codigo_de_etica_conducta_repsol_tcm13-17053.pdf) Section 6.9. Ethics and Compliance About this report	
102-17	Mechanisms for advice and concerns about ethics	Repsol ethics and compliance channel. (ethicscompliancechannel.repsol.com) Section 6.9. Ethics and Compliance	

GRI Standard	Description of the indicator	Reference in the Management Report, Reports or online	Notes
	Governance		
102-18	Governance structure	Section 2.4. Corporate Governance Appendix VI: 2021 Annual Corporate Governance Report 2020 – B.2 The Company's ownership structure Appendix VI: 2021 Annual Corporate Governance Report - B.3.1 Composition of the Board of Directors Appendix VI: 2021 Annual Corporate Governance Report - B.4 Committees of the Board of Directors	
102-19	Delegating authority	Section 2.4. Corporate Governance Section 6.1.1 Climate change governance	
102-20	Executive-level responsibility for economic, environmental, and social topics	Section 2.4. Corporate Governance Appendix VI: 2021 Annual Corporate Governance Report - B.4.2 Committees of the Board of Directors - Audit and Control Committee Appendix VI: 2021 Annual Corporate Governance Report - B.4.5 Committees of the Board of Directors - Sustainability Committee	
102-21	Consulting stakeholders on economic, environmental, and social topics	Section 6. Sustainability – Sustainability model	
102-22	Composition of the highest governance body and its committees	Section 2.4. Corporate Governance Appendix VI: 2021 Annual Corporate Governance Report - B.3.1 Composition of the Board of Directors Appendix VI: 2021 Annual Corporate Governance Report - B.4 Committees of the Board of Directors	
102-23	Chair of the highest governance body	Section 2.4. Corporate Governance Appendix V – Further information on Sustainability – Corporate governance Appendix VI: 2021 Annual Corporate Governance Report - B.3.1 Composition of the Board of Directors	
102-24	Nominating and selecting the highest governance body	Policy for the selection of directors: https://www.repsol.com/imagenes/global/es/Politica_de_seleccion_consejeros_tcm13-66877.pdf Appendix VI: 2021 Annual Corporate Governance Report - B.3.1 Composition of the Board of Directors	
102-25	Conflicts of interest	Appendix VI: Annual Corporate Governance Report 2021 – B.6 Related-party and intragroup transactions – Mechanisms for detecting, determining and resolving conflicts of interest	
102-26	Role of highest governance body in setting purpose, values, and strategy	Regulations of the Board of Directors - Article 5 www.repsol.com (Investors and shareholders - Corporate governance - Board of Directors)	
102-27	Collective knowledge of highest governance body	Section 2.4. Corporate Governance	
102-28	Evaluating the highest governance body's performance	Section 2.4. Corporate Governance Regulations of the Board of Directors - Article 11 www.repsol.com (Investors and shareholders - Corporate governance - Board of Directors) Appendix VI: 2021 Annual Corporate Governance Report - B.3.4. Function of the Board of Directors – Assessment of the Board of Directors Articles of Association -Article 45d.	
102-29	Identifying and managing economic, environmental, and social impacts	Appendix VI: 2021 Annual Corporate Governance Report - B.8.1 Control and risks management systems Appendix VI: 2021 Annual Corporate Governance Report - B.8.2 Internal control and risks management systems related to the financial reporting process (ICSFR)	
102-30	Effectiveness of risk management processes	Appendix VI: 2021 Annual Corporate Governance Report - B.8.1 Control and risks management systems Appendix VI: 2021 Annual Corporate Governance Report - B.8.2 Internal control and risks management systems related to the financial reporting process (ICSFR)	
102-31	Review of economic, environmental, and social topics	Appendix VI: 2021 Annual Corporate Governance Report - B.8.1 Control and risks management systems Appendix VI: 2021 Annual Corporate Governance Report - B.8.2 Internal control and risks management systems related to the financial reporting process (ICSFR)	
102-32	Highest governance body's role in sustainability reporting	Appendix VI: 2021 Annual Corporate Governance Report - B.4 Committees of the Board of Directors	

GRI Standard	Description of the indicator	Reference in the Management Report, Reports or online	Notes
102-33	Communicating critical concerns	Section 2.4. Corporate Governance	
102-34	Nature and total number of critical concerns	Section 2.4. Corporate Governance	
102-35	Remuneration policies	Appendix VI: 2021 Annual Corporate Governance Report – B.4.4 Remuneration Committee Appendix VI: 2021 Annual Corporate Governance Report - B.5 Remuneration of Directors and Senior Management Appendix VI: 2021 Annual Report on the Remuneration of Directors Policy on Director Remuneration, 2021-2023 (www.repsol.com - Investors and shareholders - Corporate governance - Board of Directors)	
102-36	Process for determining remuneration	2021 Consolidated Financial Statements – Note 29. Remuneration of members of the Board of Directors and executive personnel Appendix VI: 2021 Annual Corporate Governance Report – B.4 Committees of the Board of Directors – Remuneration Committee B.4.4 2021 Annual Report on the Remuneration of Directors	
102-37	Stakeholders' involvement in remuneration	Appendix V: Further information on Sustainability - Sustainability indicators - Corporate Governance	
102-38	Annual total compensation ratio	Appendix V: Further information on Sustainability – People – Remuneration and benefits	
102-39	Percentage increase in annual total compensation ratio	Appendix V: Further information on Sustainability – Sustainability indicators - People – Remuneration and benefits	
	Stakeholder Engagement		
102-40	List of stakeholder groups	Appendix V: Further information on Sustainability – Materiality and stakeholder engagement	
102-41	Collective bargaining agreements	Appendix V: Further information on Sustainability - Sustainability indicators - People - Employment framework, health and safety at work	
102-42	Identifying and selecting stakeholders	Appendix V: Further information on Sustainability – Materiality and stakeholder engagement More information at: www.repsol.com (Sustainability - Sustainability strategy - Our model)l	
102-43	Approach to stakeholder engagement	Appendix V: Further information on Sustainability – Materiality and stakeholder engagement	
102-44	Key topics and concerns raised	Appendix V: Further information on Sustainability – Materiality and stakeholder engagement	
	Reporting practice		
102-45	Entities included in the consolidated financial statements	Section 2.3. Corporate Structure 2021 Consolidated Financial Statements – Note 3: Criteria for drawing up these Financial Statements 2021 Consolidated Financial Statements - Appendix I: Group corporate structure	
102-46	Defining report content and topic Boundaries	Appendix V: Further information on Sustainability – Materiality and stakeholder engagement	
102-47	List of material topics	Appendix V: Further information on Sustainability – Materiality and stakeholder engagement	
102-48	Restatements of information	No relevant re-expressions in the period.	
102-49	Changes in reporting	The changes in relevant topics and their coverage is included in the materiality matrix.	
102-50	Reporting period	2021	
102-51	Date of most recent report	2020 Management Report published in February 2021	
102-52	Reporting cycle	Annual	
102-53	Contact point for questions regarding the report	Address any doubts, queries, suggestions or other matters relating to it, through the Shareholder Office whose telephone number is 900 100 100 or by email to infoaccionistas@repsol.com or to repsolteescucha@repsol.com	
102-54	Claims of reporting in accordance with the GRI Standards	About this report	
102-55	GRI content index	Appendix Vc. GRI Index	
102-56	External assurance	PwC verification report on non-financial information	

Material Topics

GRI Standard	Description of the indicator	Reference in the Management Report, Reports or online	Notes
	Economic		
GRI 201	Economic Performance		
103	Management approach	Section 6.1.3. Risks and opportunities Consolidated report on payments to public administrations for hydrocarbon exploration and production activities – 2020 Appendix V: Further information on Sustainability – Sustainability indicators - Economic performance	
201-1	Direct economic value generated and distributed	Appendix V: Further information on Sustainability – Sustainability indicators - Economic performance	(3)
201-2	Financial implications and other risks and opportunities due to climate change	Section 6.1.3. Risks and opportunities	(7)
201-3	Defined benefit plan obligations and other retirement plans	Consolidated Financial Statements 2021 – Note 28 Obligations to employees	
201-4	Financial assistance received from government	Appendix V: Further information on Sustainability – Sustainability indicators - Economic performance	
OG1	Volume and type of estimated proved reserves and production	Section 5.1. Upstream	
GRI 202	Market Presence		
103	Management approach	Appendix V: Further information on Sustainability – Sustainability indicators - People Appendix V: Further information on Sustainability – Sustainability indicators - People – Remuneration and benefits	
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Appendix V: Further information on Sustainability – Sustainability indicators - People – Remuneration and benefits	
202-2	Proportion of senior management hired from the local community	Appendix V: Further information on Sustainability – Sustainability indicators - People – Employment	
GRI 203:	Indirect Economic Impacts		
103	Management approach	Section 6.5.2. Respect for human rights and community relations – Economic impact on communities and shared value Section 6.8.1. Supply chain and – Indirect economic impact	
203-1	Infrastructure investments and services supported	Section 6.5.2. Respect for human rights and community relations – Economic impact on communities and shared value Section 6.8.1 – Supply chain – Indirect economic impact Appendix V: Further information on Sustainability – Sustainability indicators - Human rights and community relations – Indirect economic impacts	
203-2	Significant indirect economic impacts	Section 6.5.2. Respect for human rights and community relations – Economic impact on communities and shared value Section 6.7 – Responsible tax policy Section 6.8.1 – Supply chain – Indirect economic impact Appendix V: Further information on Sustainability – Human rights and community relations – Indirect economic impacts	
GRI 204	Procurement Practices		
103	Management approach	Section 5.1. Upstream Section 6.8.1 – Supply chain – Indirect economic impact	
204-1	Proportion of spending on local suppliers	Section 6.8.1 – Supply chain – Indirect economic impact	(2)
GRI 205	Anti-corruption		
103	Management approach	Section 6.9. Ethics and compliance – Fight against corruption and bribery Appendix V: Further information on Sustainability – Sustainability indicators - Ethics and compliance – Fight against corruption	
205-1	Operations assessed for corruption-related risks	Section 6.9. Ethics and compliance – Code of Ethics and Conduct	(12)
205-2	Communication and training on anti-corruption policies and procedures	Appendix V: Further information on Sustainability – Sustainability indicators -Ethics and compliance – Fight against corruption	
205-3	Confirmed corruption cases and measures taken	Section 6.9. Ethics and compliance – Code of Ethics and Conduct	(11)

GRI Standard	Description of the indicator	Reference in the Management Report, Reports or online	Notes
GRI 206	Unfair Competition		
103	Management approach	Appendix V: Further information on Sustainability - Sustainability indicators - Ethics and compliance - Regulatory compliance	
206-1	Legal actions related to unfair competition and monopolistic practices and against free competition	Appendix V: Further information on Sustainability - Sustainability indicators - Ethics and compliance - Regulatory compliance	(15)
GRI 207	Tax		
207-1	Approach to tax	Section 6.7. Responsible tax policy Appendix V: Further information on Sustainability – Sustainability indicators - Responsible tax policy	
207-2	Tax governance, control, and risk management	Section 6.7. Responsible tax policy Appendix V: Further information on Sustainability – Sustainability indicators - Responsible tax policy	
207-3	Stakeholder engagement and management of concerns related to tax	Section 6.7. Responsible tax policy Appendix V: Further information on Sustainability – Responsible Sustainability indicators - tax policy	
207-4	Country-by-country reporting	Section 6.7. Responsible tax policy Appendix V: Further information on Sustainability – Sustainability indicators - Responsible tax policy	
	Environmental		
GRI 301	Materials		
103	Management approach	Section 5.2.1. Refining Appendix V: Further information on Sustainability - Sustainability indicators - Environment - Non-GHG emissions	
301-1	Materials used by weight or volume	Section 5.2.1. Refining	(4)
301-2	Recycled input materials used	Not disclosed	Not available
OG8	Benzene, lead and sulfur content in fuels	Appendix V: Further information on Sustainability - Sustainability indicators - Environment - Non-GHG emissions	
301-3	Reused products and packaging materials	Not disclosed	Not available
GRI 302	Energy		
103	Management approach	Section 6.1.4 – Metrics and targets Appendix V: Further information on Sustainability – Sustainability indicators - Climate change - Energy efficiency and climate change	
302-1	Energy consumption within the organization	Section 6.1.4 – Metrics and targets	(5) (6)
302-2	Energy consumption outside of the organization	Section 6.1.4 – Metrics and targets	(6)
302-3	Energy intensity	Section 6.1.4 –Metrics and targets	(5)
OG2	Total amount invested in renewable energy	Appendix V: Further information on Sustainability – Sustainability indicators - Climate change - Energy efficiency and climate change	
OG3	Total amount of renewable energy generated by source	Appendix V: Further information on Sustainability – Sustainability indicators - Climate change - Energy efficiency and climate change	
302-4	Reduction of energy consumption	Section 6.1.4 – Metrics and targets	(5) (6)
302-5	Reductions in energy requirements of products and services	Appendix V: Further information on Sustainability – Sustainability indicators - Climate change - Energy efficiency and climate change	
OG14	Volume of biofuels produced, bought and sold	Appendix V: Further information on Sustainability – Sustainability indicators - Climate change - Energy efficiency and climate change	
GRI 303	Water		
103	Management approach	Section 6.2.3 – Water Appendix V: Further information on Sustainability – Sustainability indicators - Environment – Effluents and dumping	
303-1	Interactions with water as a shared resource	Section 6.2.3 – Water	
303-2	Management of water discharge-related impacts	Section 6.2.3 – Water Appendix V: Further information on Sustainability – Sustainability indicators - Environment – Effluents and dumping	
303-3	Water withdrawal	Section 6.2.3 – Water	
303-4	Water discharge	Section 6.2.3 – Water Appendix V: Further information on Sustainability – Sustainability indicators - Environment – Effluents and dumping	

GRI Standard	Description of the indicator	Reference in the Management Report, Reports or online	Notes
303-5	Water consumption	Most companies operating in the energy sector do not report the water consumed in products. Therefore, applying the GRI formula set out in indicator 303-5 (water consumed = water withdrawn - water discharged) does not reliably reflect how the Company manages its water consumption. Work is in progress to improve the interpretation of this indicator in the Group's activities so that it may be included in future reports.	Not available
GRI 304	Biodiversity		
103	Management approach	Section 6.2.2. – Natural capital and biodiversity – Respect for biodiversity when carrying on our business Appendix V: Further information on Sustainability – Sustainability indicators - Environment – Biodiversity	
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Appendix V: Further information on Sustainability – Sustainability indicators - Environment – Biodiversity	(8)
304-2	Significant impacts of activities, products, and services on biodiversity	Section 6.2.2 – Natural capital and biodiversity – Respect for biodiversity when carrying on our business Appendix V: Further information on Sustainability – Sustainability indicators - Environment – Biodiversity	(9)
304-3	Habitats protected or restored	Appendix V: Further information on Sustainability – Sustainability indicators - Environment – Biodiversity	
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Appendix V: Further information on Sustainability – Sustainability indicators - Environment – Biodiversity	
OG4	Number and percentage of significant operating sites in which biodiversity risk has been assessed and monitored	Appendix V: Further information on Sustainability – Sustainability indicators - Environment – Biodiversity	
GRI 305	Emissions		
103	Management approach	Section 6.1. Climate change Appendix V: Further information on Sustainability – Sustainability indicators - Environment – Non-GHG emissions	
305-1	Direct (Scope 1) GHG emissions	Section 6.1.4 – Metrics and targets	(5)
305-2	Energy indirect (Scope 2) GHG emissions	Section 6.1.4 – Metrics and targets	(5)
305-3	Other indirect (Scope 3) GHG emissions	Section 6.1.4 – Metrics and targets	(10)
305-4	GHG emissions intensity	Section 6.1.4 – Metrics and targets	(5)
305-5	Reduction of GHG emissions	Section 6.1.4 – Metrics and targets	(5)
305-6	Emissions of ozone-depleting substances (ODS)	Not disclosed	Not available
305-7	Nitrogen oxides (NO_X), sulfur oxides (SO_X), and other significant air emissions	Appendix V: Further information on Sustainability – Sustainability indicators - Environment – Non-GHG emissions	
GRI 306	Waste		
103	Management approach	Section 6.2. Environment Section 6.2.4. Circular economy Appendix V: Further information on Sustainability – Environment – Waste management	
306-1	Waste generation and significant waste-related impacts	Appendix V: Further information on Sustainability – Sustainability indicators - Environment – Waste management	
306-2	Management of significant waste-related impacts	6.2.4. Circular economy 6.8.1. Supply chain	
306-3	Waste generated	Appendix V: Further information on Sustainability – Sustainability indicators - Environment – Waste management	
306-4	Waste diverted from disposal	Appendix V: Further information on Sustainability – Sustainability indicators - Environment – Waste management	
306-5	Waste directed to disposal	Appendix V: Further information on Sustainability – Sustainability indicators - Environment – Waste management	
OG5	Volume and disposal of formation or produced water	Appendix V: Further information on Sustainability – Sustainability indicators - Environment – Waste management	
OG6	Volume of flared and vented hydrocarbon	Section 6.1.4. Metrics and targets	
OG7	Amount of drilling waste (drill mud and cuttings) and strategies for treatment and disposal	Appendix V: Further information on Sustainability – Sustainability indicators - Environment – Waste management	

GRI Standard	Description of the indicator	Reference in the Management Report, Reports or online	Notes
GRI 307	Environmental compliance		
103	Management approach	Appendix V: Further information on Sustainability - Sustainability indicators - Ethics and compliance - Regulatory compliance	
307-1	Non-compliance with environmental laws and regulations	Appendix V: Further information on Sustainability - Sustainability indicators - Ethics and compliance - Regulatory compliance	
GRI 308	Supplier Environmental Assessment		
103	Management approach	Section 6.8.1 – Supply chain – Environmental and social assessment of suppliers Appendix V: Further information on Sustainability – Sustainability indicators - Supply chain and customers	
308-1	New suppliers that were screened using environmental criteria	Section 6.8.1 – Supply chain – Environmental and social assessment of suppliers	
308-2	Negative environmental impacts in the supply chain and actions taken	Appendix V: Further information on Sustainability – Sustainability indicators - Supply chain and customers	
	Social		
GRI 401	Employment		
103	Management approach	Section 6.5.1. Human capital Appendix V: Further information on Sustainability – Sustainability indicators - People – Employment	
401-1	New employee hires and employee turnover	Appendix V: Further information on Sustainability – People – Employment	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Appendix V: Further information on Sustainability – Sustainability indicators - People – Remuneration and benefits	
401-3	Parental leave	Appendix V: Further information on Sustainability - Sustainability indicators - People - Diversity and equal opportunities	
GRI 402	Labor/ Management Relations		
103	Management approach	Repsol respects the period of notice established in the legislation of the countries in which it operates, as well as those provided for in collective or political agreements, if applicable.	
402-1	Minimum notice periods regarding operational changes	Repsol respects the period of notice established in the legislation of the countries in which it operates, as well as those provided for in collective or political agreements, if applicable.	
GRI 403	Occupational Health and Safety		
103	Management approach	Section 6.6. Safe Operation Appendix V. Further information on Sustainability - Sustainability indicators - People - Employment framework, health and safety at work	
403-1	Occupational health and safety management system	Section 6.6.1 – Safety Management System	
403-2	Hazard identification, risk assessment, and incident investigation	Section 6.6.4. Personnel accident rate Appendix V. Further information on Sustainability – Sustainability indicators - Safe operation	
403-3	Occupational health services	Appendix V. Further information on Sustainability - Sustainability indicators - People - Employment framework, health and safety at work	
403-4	Worker participation, consultation, and communication on occupational health and safety	Appendix V. Further information on Sustainability - Sustainability indicators - People - Employment framework, health and safety at work	(13)
403-5	Worker training on occupational health and safety	Section 6.6.6. Safety culture Appendix V. Further information on Sustainability - Sustainability indicators - People - Training and development	
403-6	Promotion of worker health	Appendix V. Further information on Sustainability - Sustainability indicators - People - Employment framework, health and safety at work	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Section 6.6.1. Safety management system Section 6.8.2. Responsible customer management – Safety across the product life cycle Appendix V. Further information on safety – Sustainability indicators - Safe operation	
403-8	Workers covered by an occupational health and safety management system	Appendix V. Further information on Sustainability - Sustainability indicators - People - Employment framework, health and safety at work	
403-9	Work-related injuries	Section 6.6.4 – Personnel accident rate	
403-10	Work-related ill health	Appendix V. Further information on Sustainability - Sustainability indicators - People - Employment framework, health and safety at work	
OG13	Number of process safety claims and near misses by type of activity	Section 6.6.2. Process safety	

GRI Standard	Description of the indicator	Reference in the Management Report, Reports or online	Notes
GRI 404	**Training and Education**		
103	Management approach	Section 6.5.1. Human capital Appendix V: Further information on Sustainability - Sustainability indicators - People - Training and development	
404-1	Average hours of training per year per employee	Appendix V: Further information on Sustainability - Sustainability indicators - People - Training and development	
404-2	Programs for upgrading employee skills and transition assistance programs	Appendix V: Further information on Sustainability - Sustainability indicators - People - Training and development	
404-3	Percentage of employees receiving regular performance and career development reviews	Appendix V: Further information on Sustainability - Sustainability indicators - People - Training and development	
GRI 405	**Diversity and Equal Opportunity**		
103	Management approach	Section 2.4. Corporate Governance Appendix V: Further information on Sustainability - Sustainability indicators -People - Diversity and equal opportunities	
405-1	Diversity of governance bodies and employees	Section 2.4. Corporate Governance Appendix V: Further information on Sustainability - Sustainability indicators -People - Diversity and equal opportunities	
405-2	Ratio of basic salary and remuneration of women to men	Appendix V: Further information on Sustainability – Sustainability indicators - People – Remuneration and benefits	
GRI 406	**Non-discrimination**		
103	Management approach	Section 6.5.1. Human capital – Strategic management of talent Section 6.9.. Ethics and compliance – Code of Ethics and Conduct Appendix V: Further information on Sustainability – Sustainability indicators - Human rights and community relations – Human rights	
406-1	Incidents of discrimination and corrective actions taken	Section 6.9. Ethics and compliance – Code of Ethics and Conduct Appendix V: Further information on Sustainability – Sustainability indicators - Human rights and community relations – Human rights	
GRI 407	**Freedom of Association and Collective Bargaining**		
103	Management approach	Section 6.8. Supply chain and customers Appendix V: Further information on Sustainability – Sustainability indicators -Human rights and community relations – Human rights	
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Section 6.8. Supply chain and customers Appendix V: Further information on Sustainability – Sustainability indicators - Human rights and community relations – Human rights	(7)
GRI 408	**Child Labor**		
103	Management approach	Section 6.8. Supply chain and customers Appendix V: Further information on Sustainability – Sustainability indicators - Human rights and community relations – Human rights	
408-1	Operations and suppliers at significant risk for incidents of child labor	Section 6.8. Supply chain and customers Appendix V: Further information on Sustainability – Sustainability indicators - Human rights and community relations – Human rights	(7)
GRI 409	**Forced or Compulsory Labor**		
103	Management approach	Section 6.8. Supply chain and customers Appendix V: Further information on Sustainability – Sustainability indicators - Human rights and community relations – Human rights	
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Section 6.8. Supply chain and customers Appendix V: Further information on Sustainability – Sustainability indicators - Human rights and community relations – Human rights	(7)
GRI 410	**Security Practices**		
103	Management approach	Section 6.5.2. Respect for human rights and community relations – Security and human rights	
410-1	Security personnel trained in human rights policies or procedures	Section 6.5.2. Respect for human rights and community relations – Security and human rights	

GRI Standard	Description of the indicator	Reference in the Management Report, Reports or online	Notes
GRI 411	Rights of Indigenous Peoples		
103	Management approach	Section 6.5.2. Respect for human rights and community relations Appendix V: Further information on Sustainability – Sustainability indicators - Human rights and community relations – Human rights	
411-1	Incidents of violations involving rights of indigenous peoples	As was the case in 2020, in 2021 there have been no incidents related to violations of indigenous people's rights reported to the Company's whistleblower channel.	
OG9	Operations where indigenous communities are present or affected by activities and where specific engagement strategies are in place	Appendix V: Further information on Sustainability – Sustainability indicators - Human rights and community relations – Human rights	
GRI 412	Human Rights Assessment		
103	Management approach	Section 6.5.2. Respect for human rights and community relations – Due diligence management model Section 6.8.1 – Supply chain Appendix V: Further information on Sustainability – Sustainability indicators - Human rights and community relations – Human rights	
412-1	Operations that have been subject to human rights reviews or impact assessments	Section 6.5.2. Respect for human rights and community relations – Due diligence management model	
412-2	Employee training on human rights policies or procedures	Appendix V: Further information on Sustainability – Sustainability indicators - Human rights and community relations – Human rights	
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Section 5. Our businesses – Sustainability performance (by business) Section 6.5.2. Respect for human rights and community relations – Due diligence management model Section 6.8.1 – Supply chain	
GRI 413	Local Communities		
103	Management approach	Section 6.5.2. Respect for human rights and community relations Appendix V: Further information on Sustainability – Sustainability indicators - Human rights and community relations – Local communities	
413-1	Operations with local community engagement, impact assessments, and development programs	Section 6.5.2. – Respect for human rights and community relations – Due diligence management model	
413-2	Operations with significant actual and potential negative impacts on local communities	Appendix V: Further information on Sustainability – Sustainability indicators - Human rights and community relations – Local communities	
OG10	Number and description of significant disputes with local communities and indigenous peoples	As was the case in 2020, in 2021 there were no significant disputes with local communities and indigenous peoples	(14)
OG11	Number of sites that have been decommissioned and sites that are in the process of being decommissioned	Appendix V: Further information on Sustainability – Sustainability indicators - Human rights and community relations – Local communities	
OG12	Cases of involuntary resettlement necessary for the activities of the organization	As was the case in 2020, in 2021, there were no cases of involuntary resettlements as a result of the activities of the organization.	
GRI 414	Supplier Social Assessment		
103	Management approach	Section 6.8.1 – Supply chain – Environmental and social assessment of suppliers Appendix V: Further information on Sustainability - Sustainability indicators - Supply chain and product safety	
414-1	New suppliers that were screened using social criteria	Section 6.8.1. – Supply chain – Environmental and social assessment of suppliers	
414-2	Negative social impacts in the supply chain and actions taken	Appendix V: Further information on Sustainability – Sustainability indicators - Supply chain and customers	
GRI 415	Public Policy		
103	Management approach	Appendix V: Further information on Sustainability - Sustainability indicators - Ethics and compliance - Public policy	
415-1	Political contributions	Appendix V: Further information on Sustainability - Sustainability indicators - Ethics and compliance - Public policy	
GRI 416	Customer Health and Safety		
103	Management approach	Section 6.8.2 – Responsible customer management – Safety across the product life cycle Appendix V - Additional Sustainability Indicators - Sustainability indicators - Ethics and compliance - Regulatory compliance	

GRI Standard	Description of the indicator	Reference in the Management Report, Reports or online	Notes
416-1	Assessment of the health and safety impacts of product and service categories	Section 6.8.2 – Responsible customer management – Safety across the product life cycle	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Appendix V - Additional Sustainability Indicators - Sustainability indicators - Ethics and compliance - Regulatory compliance	
GRI 417	Marketing and Labeling		
103	Management approach	Not disclosed	Non-material
417-1	Requirements for product and service information and labeling	Not disclosed	Non-material
417-2	Incidents of non-compliance concerning product and service information and labeling	Not disclosed	Non-material
417-3	Incidents of non-compliance concerning marketing communications	Not disclosed	Non-material
GRI 418	Customer Privacy		
103	Management approach	Section 6.8.2 – Responsible customer management – Management of customer value. Customer privacy	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Section 6.8.2 – Responsible customer management – Management of customer value. Customer privacy	
GRI 419	Socioeconomic Compliance		
103	Management approach	2021 Consolidated Financial Statements - Note 15.2 Lawsuits and Note 23.4 Government and legal proceedings with tax implications	
419-1	Non-compliance with laws and regulations in the social and economic area	2021 Consolidated Financial Statements - Note 15.2 Lawsuits and Note 23.4 Government and legal proceedings with tax implications	

(1) Information reported only for own personnel.
(2) Information on the supply chain refers exclusively to purchases worth more than €1 million made by the corporate purchasing and procurement department, and excludes purchases of crude oil, gas and materials.
(3) The referenced report on payments to public administrations by country has not undergone any verification, and only the overall reasonableness of the payments has been analyzed. The information on taxes effectively paid includes payments for liquidity of taxes and duties, not including effective tax returns or surcharges and penalties.
(4) The main material, namely processed crude oil, is broken down.
(5) The overall reasonableness of the data has been verified. The data are subject to change once the audits of the emissions at each site and asset under ISO 14064 have been conducted.
(6) The figures are not reported in terms of energy but rather in terms of emissions or energy intensity.
(7) Qualitative information is disclosed.
(8) The value for biodiversity outside protected areas is not reported.
(9) Impacts are not reported by type.
(10) Scope 3 emissions do not include Upstream transport categories at E&P, nor the fixed asset and investee categories.
(11) Sanctions or warnings derived from breaches of the Code of Ethics are reported.
(12) The information included refers to the number of controls under ICFR (fraud mitigation controls) and the Crime Prevention Model (corruption mitigation controls).
(13) Information on the representation of employees on existing safety and health committees is reported.
(14) Incidents related to violations of rights of indigenous peoples received through the Company's whistleblower channel are reported.
(15) Only lawsuits exceeding €5 million are reported.

d) Statement of non-financial information

The table set out below presents the non-financial and diversity information requirements established by Law 11/2018 (December 28) and the sections of the Integrated Management Report in which this information is disclosed:

Contents	GRI Standards	Reference in Management Report, Reports or website	Comments
0. General contents			
a) Business model: 1) business environment, 2) organization and structure, 3) markets in which it operates, 4) objectives and strategies, 5) the main factors and trends that may affect its future evolution.	102-2, 102-6	Section 2.4. Corporate Governance Section 2.1. Value chain and business segments Section 2.2 Repsol around the world Section 2.5 Strategy Section 5. Business performance Section 7. Outlook Consolidated Financial Statements 2021 – Note 20. Operating income	
b) Policies	103	Section 6. Sustainability	
c) Policy outcomes. KPIs	103	About this report Section 6. Sustainability Appendix V. Further information on sustainability (includes Non-Financial Statement)	
d) Risks at ST, MT and LT	102-15, 205-1, 413-1, 407-1, 408-1, 409-1	Section 2.4. Corporate Governance Section 6.1. Climate Change Section 6.2. Environment Section 6.5.2. – Respect for human rights and community relations – Due diligence management model Section 6.6 Safe Operation Section 6.8 Supply chain and customers Section 6.9 Ethics and Compliance Section 7.3 – Risks Appendix IV. Risks Appendix V. Further information on sustainability (includes Non-Financial Statement)	
e) KPIs	102-54	About this report	
1. Environmental issues			
a) General: • Real and foreseeable effects of the company on the environment • Environmental assessment or certification procedures • Resources dedicated to the prevention of environmental risks • Principle of precaution, provisions and environmental guarantees	103, 102-11, 201-2, 307-1, 308-1, 308-2	Section 2.4. Corporate governance Section 6.1.3. Risks and opportunities Section 6.2. Environment Section 6.6.1. Safety management system Section 6.8.1. Supply chain – Environmental and social assessment of suppliers Section 7.3. Risks Appendix IV. Risks Appendix V. Further information on sustainability (includes Non-Financial Statement) - Sustainability indicators - Ethics and compliance - Compliance Appendix V. Further information on sustainability (includes Non-Financial Statement) - Sustainability indicators - Supply chain and customers	Information on resources in place to foresee and anticipate environmental risks and provisions is disclosed in Note 30.2 of the 2021 Consolidated Financial Statements. Information on environmental guarantees is disclosed in Note 26.2 of the 2021 Consolidated Financial Statements. Furthermore, Repsol has ISO 14001 Environmental Management Systems in place to ensure that applicable legal and regulatory limits are not breached and that help to prevent and improve the management of environmental impacts, risks and opportunities at the Company.
b) Pollution	103, 305-5, 305-7	Section 6.1. Climate change Section 6.1.4. Metrics and targets Section 6.2. Environment Appendix V. Further information on sustainability (includes Non-Financial Statement) - Sustainability indicators - Environment - Non-GHG emissions	Light contamination is not reported on as it is not considered a material issue (see Materiality Matrix, appendix 5.a)
c) Circular economy and waste prevention and management	103, 306-1, 306-2, 306-3, 306-4, 306-5	Section 6.2. Environment Appendix V. Further information on sustainability (includes Non-Financial Statement) - Environment – Effluents and waste	The actions taken to combat food waste are not reported on as this is not considered a material issue (see Materiality Matrix, appendix 5.a)
d) Sustainable use of resources			
• The water consumption and water supply according to local limitations	103, 303-3, 303-4, 303-5	Section 6.2.3. Water - An essential resource for all Appendix V. Further information on sustainability (includes Non-Financial Statement) - Sustainability indicators - Environment - Water	
• Consumption of raw materials and measures taken to improve the efficiency of their use	103, 301-1, 301-2	Section 5.2.1. Refining Appendix V. Further information on sustainability (includes Non-Financial Statement) - Sustainability indicators - Environment - Non-GHG emissions	The improved efficiency in the use of raw materials is not reported on as it is not considered a material issue (see Materiality Matrix, appendix 5.a)

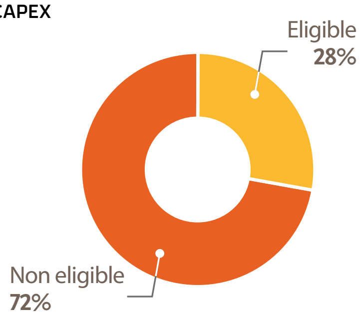
Contents	GRI Standards	Reference in Management Report, Reports or website	Comments
• Direct and indirect consumption of energy, measures taken to improve energy efficiency and the use of renewable energies.	103, 302-1, 302-2, 302-3, 302-4, 302-5	Section 6.1.4. Metrics and targets Appendix V. Further information on sustainability (includes Non-Financial Statement) - Sustainability indicators - Climate change - Energy efficiency and climate change	
e) Climate change • Greenhouse gas emissions generated by the Company's activities • Measures rolled out to adapt to the consequences of climate change • Greenhouse emission reduction targets in the mid to long run	103, 305-1, 305-2, 305-3, 305-4, 305-5, 305-7, 201-2	Section 2.5. Strategy Section 6.1. Climate change Section 7.3. Risks Appendix IV. Risks Appendix V. Further information on sustainability (includes Non-Financial Statement) - Sustainability indicators - Climate change - Energy efficiency and climate change	Includes CII
f) Protection of biodiversity	103, 304-1, 304-2, 304-3, 304-4, 306-5	Section 6.2.2. Natural capital and biodiversity - Biodiversity protection and conservation in all our activities Appendix V. Further information on sustainability (includes Non-Financial Statement) - Sustainability indicators - Environment - Biodiversity	
2. Social and personnel matters			
a) Employment			
• Total number and distribution of employees by gender, age, country and professional classification	103, 102-8, 405-1	Section 2.4. Corporate governance Section 6.5.1. Human capital Appendix V. Further information on Sustainability (includes Non-Financial Statement) – Sustainability indicators – People - Employment Appendix V. Further information on sustainability (includes Non-Financial Statement) - Sustainability indicators - People - Diversity and equal opportunities	
• Total number and distribution of employment contract types	102-8	Section 6.5.1. Human capital Appendix V. Further information on Sustainability (includes Non-Financial Statement) – Sustainability indicators – People - Employment	
• Average annual number of contracts, temporary contracts and part-time contracts by gender, age and professional classification	102-8, 405-1	Section 2.4. Corporate governance Section 6.5.1. Human capital Appendix V. Further information on Sustainability (includes Non-Financial Statement) – Sustainability indicators – People - Employment Appendix V. Further information on sustainability (includes Non-Financial Statement) - Sustainability indicators - People - Diversity and equal opportunities	
• Number of dismissals by gender, age, country and professional classification	401-1	Appendix V. Further information on Sustainability (includes Non-Financial Statement) – Sustainability indicators – People - Employment	
• Average remunerations and their development broken down by gender, age and professional classification or equal value	405-2, 102-38, 102-39	Section 6.5.1. Human capital Appendix V. Further information on sustainability (includes Non-Financial Statement) - Sustainability indicators - People – Remuneration and benefits	
• Salary gap, remuneration of equal or average jobs in society	405-2	Section 6.5.1. Human capital Appendix V. Further information on sustainability (includes Non-Financial Statement) - Sustainability indicators - People – Remuneration and benefits	
• The average remuneration of directors and executives, including variable remuneration, plus expenses, indemnities, payment to long-term savings pension systems and any other payment broken down by gender	103, 102-35, 102-36	Appendix VI. Annual Corporate Governance Report 2021 – B.4.4. Compensation Committee Appendix VI. Annual Corporate Governance Report 2021 - B.5 Remuneration of directors and senior management Appendix VII. 2021 Annual Report on Director Remuneration. 2021-2023 Director Remuneration Policy (www.repsol.com [Shareholders and investors - Corporate governance - Board of Directors Remuneration]) Appendix V. Further information on sustainability (includes Non-Financial Statement) - Sustainability indicators - Environment - Corporate governance 2021 Consolidated Financial Statements – Note 29. Remuneration of members of the Board of Directors and executive personnel	Remuneration of members of the Board of Directors and executive staff is included in Note 29 to the 2021 Consolidated Financial Statements
• Implementation of labor right to disconnect policies	103	Section 6.5.1. Human capital	
• Employees with disabilities	405-1	Section 2.4. Corporate governance Section 6.5.1. Human capital Appendix V. Further information on sustainability (includes Non-Financial Statement) - Sustainability indicators - People - Diversity and equal opportunities	

Contents	GRI Standards	Reference in Management Report, Reports or website	Comments
b) Organization of work • Number of hours of absenteeism • Work-life balance measures	103, 401-3	Section 6.5.1. Human capital Appendix V. Further information on sustainability (includes Non-Financial Statement) - Sustainability indicators - People - Diversity and equal opportunities Appendix V. Further information on sustainability (includes Non-Financial Statement) - Sustainability indicators - People - Employment framework, health and safety at work	
c) Health and safety: • Frequency and severity of occupational accidents, by gender • Occupational diseases	103, 403-1, 403-2, 403-3, 403-6, 403-7, 403-8, 403-9, 403-10	Section 6.6.1. Safety management system Section 6.6.4. Personnel accident rate Appendix V. Further information on sustainability (includes Non-Financial Statement) - Sustainability indicators - People - Employment framework, health and safety at work Appendix V. Further information on Sustainability (includes Non-Financial Statement) – Sustainability indicators – Safe operation	
d) Social relations: • Organization of employee dialog • Percentage of employees covered by collective agreement, by country • List of collective agreements in the realm of occupational safety and health	103, 102-41, 407-1, 403-4	Section 6.8. Supply chain and customers Appendix V. Further information on sustainability (includes Non-Financial Statement) - Sustainability indicators - People - Employment framework, health and safety at work Appendix V. Further information on sustainability (includes Non-Financial Statement) - Sustainability indicators - Human Rights and Community Relations - Human rights	
e) Training	103, 403-5, 404-1, 404-2	Section 6.6.6. Safety culture Appendix V. Further information on sustainability (includes Non-Financial Statement) - Sustainability indicators - People – Training and development	
f) Universal accessibility for disabled persons	103	Section 6.5.1. Human capital Appendix V. Further information on Sustainability (includes Non-Financial Statement) – Sustainability indicators – People - Employment	
g) Equality	103	Section 6.5.1. Human capital Appendix V. Further information on sustainability (includes Non-Financial Statement) - Sustainability indicators - People - Diversity and equal opportunities	
3. Human rights:			
• Applying due diligence procedures in human rights • Preventing the risk of human rights violations • Reports of human rights violations • Championing and ensuring compliance with ILO provisions on the right to collective bargaining, child labor and forced labor	103, 102-16, 102-17,412-1, 412-2, 412-3, 410-1, 406-1, 407-1, 408-1, 409-1	About this report Section 5. Our businesses – Sustainability performance (by business) Section 6.5.2. Respect for human rights and community relations – Due diligence management model Section 6.5.2. Respect for human rights and community relations – Grievance and remediation mechanisms Section 6.8. Supply chain and customers Section 6.9. Ethics and compliance Appendix V. Further information on sustainability (includes Non-Financial Statement) - Sustainability indicators - Human Rights and Community Relations - Human rights Code of Ethics and Conduct (www.repsol.com [Sustainability – Ethics and transparency]) Repsol ethics and compliance channel (ethicscompliancechannel.repsol.com)	
4. Corruption and bribery			
• Measures taken to prevent corruption and bribery	103, 102-16, 102-17, 205-1, 205-2, 205-3	About this report Section 6.9. Ethics and compliance Appendix V. Further information on sustainability (includes Non-Financial Statement) - Sustainability indicators - Ethics and compliance - Fight against corruption Code of Ethics and Conduct (www.repsol.com [Sustainability – Ethics and transparency]) Repsol ethics and compliance channel (ethicscompliancechannel.repsol.com)	
• Measures to combat money laundering	205-2	Section 6.9. Ethics and Compliance – Fight against corruption Appendix V. Further information on sustainability (includes Non-Financial Statement) - Sustainability indicators - Ethics and compliance - Fight against corruption	
• Contributions to foundations and non-profit entities	413-1	Section 6.5.2. Respect for human rights and community relations – Economic impact on communities and shared value	

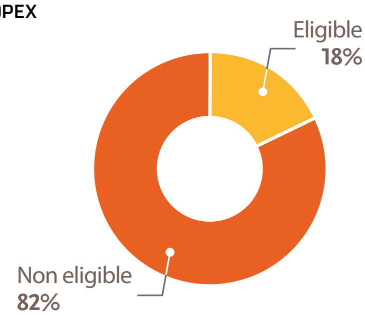
Contents	GRI Standards	Reference in Management Report, Reports or website	Comments
5. Society			
a) The company's commitment to sustainable development	103, 102-12, 102-13, 102-43, 202-1, 202-2, 203-1, 203-2, 204-1, 411-1, 413-1, 413-2	Section 6.5.2. Respect for human rights and community relations – Economic impact on communities and shared value Section 6.5.2. – Respect for human rights and community relations – Due diligence management model Section 6.7. Responsible tax policy Section 6.8.1. Supply chain and – Indirect economic impact Appendix V. Further information on sustainability (includes Non-Financial Statement) - Materiality and stakeholder engagement Appendix V. Further information on sustainability (includes Non-Financial Statement) - Sustainability indicators - People – Remuneration and benefits Appendix V. Further information on Sustainability (includes Non-Financial Statement) – Sustainability indicators – People - Employment Appendix V. Further information on sustainability (includes Non-Financial Statement) - Sustainability indicators - Human Rights and Community Relations - Indirect economic effects Appendix V. Further information on sustainability (includes Non-Financial Statement) - Sustainability indicators - Human Rights and Community Relations - Local communities	
b) Subcontracting and suppliers • Making social and environmental concerns part of the procurement policy • Oversight systems and audits and related findings	103, 102-9, 308-1, 308-2, 414-1, 414-2	Section 6.8. Supply chain and customers Section 6.8.1. Supply chain – Environmental and social assessment of suppliers Appendix V. Further information on sustainability (includes Non-Financial Statement) - Sustainability indicators - Supply chain and customers	
c) Consumers: • Measures to protect the health and safety of consumers • Grievance systems, complaints received and outcome	103, 416-1, 416-2, 418-1	Section 6.8.2. Responsible customer management – Safety across the product life cycle Section 6.8.2 – Responsible customer management – Management of customer claims Appendix V. Further information on sustainability (includes Non-Financial Statement) - Sustainability indicators - Ethics and compliance - Compliance	
d) Tax information			
• Profits obtained country by country Tax on profits paid	103, 201-1, 207	Section 6.7. Responsible tax policy Appendix V. Further information on sustainability (includes Non-Financial Statement) - Sustainability indicators - Environment - Economic performance Appendix V. Further information on sustainability (includes Non-Financial Statement) - Sustainability indicators - Environment - Responsible tax policy	
• Public grants received	201-4	Appendix V. Further information on sustainability (includes Non-Financial Statement) - Sustainability indicators - Environment - Economic performance	
6. Other significant information			
a) Other information on the Company's profile	102-1-102-7, 102-9, 102-10, 102-14, 102-15	Message from the chairman Message from the CEO Section 1. Overview of 2021 Section 2.1. Value chain and business segments Section 2.2. Repsol around the world Section 2.5. Strategy Section 2.3. Corporate structure Section 5. Our businesses Section 6.1.3. Risks and opportunities Section 6.8.1. Supply chain Section 7.3. Risks Appendix IV. Risks Consolidated Financial Statements 2021 – Note 1. About these Financial Statements Consolidated Financial Statements 2021 – Note 2. About Repsol	
b) Corporate Governance	102-18 - 102-34; 102-37	Section 2.3. Corporate governance Section 6. Sustainability – Sustainability model Section 6.1.1. Climate change governance Appendix VI. 2021 Annual Corporate Governance Report Appendix V. Further information on sustainability (includes Non-Financial Statement) - Sustainability indicators - Environment - Corporate governance	
c) Stakeholder engagement	102-40, 102-42 - 102-44	Appendix V. Further information on sustainability (includes Non-Financial Statement) - Materiality and stakeholder engagement More information www.repsol.com (Sustainability – Sustainability Strategy	
d) Other useful information on the preparation of the document	102-45 a 102-55, 201-3, 206-1, 306-1, 306-3, 401-3, 402-1, 404-3, 415-1, 419-1, OG1 - G14	Appendix Vc. GRI Index	

e) Sustainable Finance Taxonomy

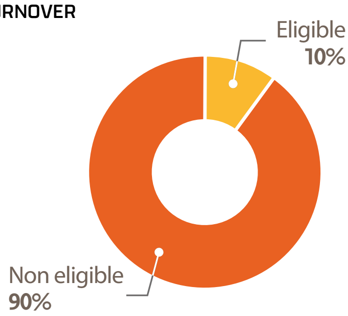
CAPEX



OPEX



TURNOVER



On June 18, 2020, the European Parliament enacted Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (framework also known as Sustainable Finance Taxonomy [1]), as an instrument to achieve the goal of achieving a climate-neutral European Union in 2050.

This taxonomy, which came into force in 2021, sorts economic activities into categories ("eligible" activities) within 13 macro sectors, and includes, for the time being, specific technical screening criteria for two of the six environmental objectives it pursues: mitigation and adaptation to climate change.

However, for an activity classified as eligible to be considered as "aligned" under the taxonomy, it must make a substantial contribution to at least one of the environmental objectives defined by the EU (in addition to those relating to climate change mitigation and adaptation, as already indicated, this includes 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); must not significantly harm the other environmental objectives; and must also comply with a minimum number of social safeguards.

Throughout 2021, Repsol defined a work process involving all the company's businesses, thus enabling it to carry out the exercise of classifying its activities as 'eligible' in accordance with the criteria set out in the European taxonomy. Of these eligible activities, the Group calculated the proportion of revenue to the IFRS-EU measure of revenue from ordinary activities (sales and revenue from the provision of services) and the proportion of CAPEX to movements in the period in operating investments in property, plant and equipment and intangible assets, both of which are included in the 2021 Consolidated Financial Statements. Meanwhile, the OPEX ratio was calculated to include maintenance and repair costs, leases and R&D costs necessary to ensure the continued efficient operation of the assets. This exercise revealed that 28% of CAPEX, 18% of OPEX and 10% of the Group's revenues[2] fall within the requirements for an economic activity to be considered eligible for the purposes of the Taxonomy. The CAPEX KPI obtained — significantly higher than that of revenues — shows the company's strategy and efforts to continue and accelerate its investments and achieve its ambition to be net zero emissions by 2050.

The main eligible activities identified in 2021 which, according to the Taxonomy, have the "potential" to significantly contribute to climate change mitigation, are as follows:

- Operation of solar, wind and hydro generation facilities, and investment in the development of solar and wind projects.
- Operation of electric mobility activities.
- Investment in CO2 geological storage projects.
- Investment in hydrogen production projects.
- Investment and operation of biofuel production.
- Investment in the installation of photovoltaic panels at factories.
- Manufacture of basic chemicals and plastics in primary form.
- Research, development and innovation in projects involving activities related to the Taxonomy.

In line with the Strategic Plan, Repsol has also been investing in its international expansion in the renewables business, by acquiring 40% of project developer Hecate (United States) for 182 million euros and investing 101 million euros in joint ventures in Chile. Counting these investments (which are included as part of the valuation of investments accounted for using the equity method, as described in Note 13 to the 2021 consolidated Financial Statements), the CAPEX indicator would have been 38%.

Lastly, it should be noted that the Company is working to define investment valuation criteria to ensure a gradual alignment of its activity with the requirements of the Sustainable Finance Taxonomy.

1 In conjunction with the Delegated Acts implementing Regulation (EU) 2020/852 relating to technical and economic requirements

2 The denominators of these figures are calculated on the basis of the Group's consolidated figures drawn up in accordance with EU International Financial Reporting Standards (EU-IFRS) and as presented in the 2021 consolidated Financial Statements. The corresponding contribution made by each of the activities, or each numerator, is calculated using these criteria, and in general, has been captured from management systems or tools complementary to the accounting systems. In the absence of these, they have been calculated by means of estimates to value the contribution of eligible activities that are accounted for in activities that have not been reached. In any case, and regardless of the method used to calculate the contribution made by each of the eligible activities to the numerator, this contribution has been accounted for on a unique basis for each eligible activity.

e] SASB Index

SASB Indicator	Description of the indicator	Reference in Integrated Management Report, Reports or website	GRI Standard
	Climate change & energy transition		
EM-EP-110a.1. EM-RM-110a.1 RT-CH-110a.2	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Section 6.1.4. Metrics and targets – Direct and indirect emissions	305-1 (Partial) 201-2
EM-EP-110a.2	Amount of gross global Scope 1 emissions from: (1) flared hydrocarbons, (2) other combustion, (3) process emissions, (4) other vented emissions, and (5) fugitive emissions	Section 6.1.4. Metrics and targets	OG6 (Partial)
EM-EP-110a.3 EM-RM-110a.2 RT-CH-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Section 6.1.2. Strategy Section 6.1.3. Risks and opportunities Section 6.1.4. Metrics and objectives – Targets for the transition	201-2,305-5
RT-CH-130a.1	(1) Total energy consumed (2) percentage grid electricity (3) percentage renewable (4) total self-generated energy	Section 6.1.4. Metrics and targets – Direct and indirect emissions	302-1 (Partial)
EM-EP-420a.4	Discussion of how price and demand for hydrocarbons and/or climate regulation influence the capital expenditure strategy for exploration, acquisition, and development of assets	Section 6.1.2. Strategy	
EM-EP-420a.3	Amount invested in renewable energy, revenue generated by renewable energy sales	Appendix V. Further information on Sustainability - Sustainability indicators - Climate Change - Energy efficiency and climate change	OG2 (Partial)
EM-RM-410a.1	Percentage of Renewable Volume Obligation (RVO) met through: (1) production of renewable fuels (2) purchase of "separated" renewable identification numbers (RIN)	Appendix V. Further information on Sustainability - Sustainability indicators - Climate Change - Energy efficiency and climate change	OG14 (Partial)
	Air quality		
EM-EP-120a.1 EM-RM-120a.1 RT-CH-120a.1	Air emissions of the following pollutants: (1) NOx (excluding N2O), (2) SOx, (3) volatile organic compounds (VOCs), and (4) particulate matter (PM10), H2S (RM), HAP (CH)	Section 6.2.1. Air quality Appendix V. Further information on Sustainability - Sustainability indicators - Environment - Non-GHG emissions	305-7
	Water management		
RT-CH-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	Section 6.2.3. Water – Risk analysis and the Repsol Water Tool (RWT)	
EM-EP-140a.1 RT-CH-140a.1	(1) Total fresh water withdrawn (2) total fresh water consumed (2) Percentage of each in regions with High or Extremely High Baseline Water Stress	Section 6.2.3. Water –Interaction with water Appendix V. Further information on Sustainability - Sustainability indicators - Environment - Water	303-3,303-5
EM-RM-140a.1	(1) Total fresh water withdrawn (2) percentage recycled (3) percentage in regions with High or Extremely High Baseline Water Stress	Section 6.2.3. Water –Interaction with water Appendix V. Further information on Sustainability - Sustainability indicators - Environment - Water	303-3,303-5
EM-EP-140a.2	(1) Volume of produced water and flowback fluid generated during operations (2) percentage of produced water and flowback fluid discharged, injected and recycled (3) hydrocarbon content in discharged water	Appendix V. Further information on Sustainability - Sustainability indicators - Environment - Waste	OG5 (Partial)
EM-EP-140a.3.	Percentage of hydraulically fractured wells for which there is public disclosure of all fracturing fluid chemicals used	100%, via FracFocus web	
EM-RM-140a.2 RT-CH-140a.2	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	Appendix V. Further information on Sustainability - Sustainability indicators - Regulatory compliance	307-1 (Partial)
	Hazardous Waste Management		
EM-RM-150a.1 RT-CH-150a.1	Amount of hazardous waste generated, percentage recycled	Appendix V. Further information on Sustainability - Sustainability indicators - Environment - Waste management	306-2

SASB Indicator	Description of the indicator	Reference in Integrated Management Report, Reports or website	GRI Standard
	Safety & Environmental Stewardship of Chemicals		
RT-CH-410b.2	Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human and/or environmental impact	Appendix V. Further information on Sustainability – Sustainability indicators - Supply chain and customers – Responsible management of our customers	
	Biodiversity impacts		
EM-EP-160a.1	Description of environmental management policies and practices for active sites	Section 6.2.2. – Natural capital and biodiversity – Biodiversity protection and conservation in all our activit	103-1, 2, 3
EM-EP-160a.3.	Percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status or endangered species habitat	Appendix V. Further information on Sustainability - Sustainability indicators - Environment - Biodiversity	304-1 (Partial)
	Security, Human Rights & Rights of Indigenous Peoples		
EM-EP-210a.1.	Percentage of (1) proved and (2) probable reserves in or near areas of conflict	Appendix V. Further information on Sustainability – Sustainability indicators - Ethics and compliance	
EM-EP-210a.2.	Percentage of (1) proved and (2) probable reserves in or near indigenous land	Appendix V. Further information on Sustainability - Sustainability indicators - Human Rights and Community Relations - Human rights	OG9 (Partial)
EM-EP-210a.3	Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict	Appendix V. Further information on Sustainability - Sustainability indicators - Human Rights and Community Relations - Risks, opportunities and due diligence	103-1,2,3 (Partial)
	Community relations		
EM-EP-210b.1 RT-CH-210a.1	Discussion of process to manage risks and opportunities associated with community rights and interests	Appendix V. Further information on Sustainability - Sustainability indicators -,Human Rights and Community Relations - Risks, opportunities and due diligence	203-1 (Partial) 413-1 (Partial)
EM-EP-210b.2.	Number and duration of non-technical delays	Appendix V. Further information on Sustainability - Sustainability indicators - Human Rights and Community Relations - Local communities	
	Workforce Health & Safety		
EM-EP-320a.1. EM-RM-320a.1 RT-CH-320a.1	(1) Total recordable incident rate (TRIR) (2) fatality rate (3) nearmiss frequency rate (NMFR) (EP, RM) (4) average hours of health, safety, and emergency response training for (a) full-time employees, (b) contract employees, and (c) short-service employees (EP)	Section 6.6.4. Personnel accident rate Appendix V: Further information on Sustainability - Sustainability indicators - People - Training and development	403-5 (Partial) 403-9 (Partial)
EM-EP-320a.2. EM-RM-320a.2	Discussion of management systems used to integrate a culture of safety	Section 6.6.6. Safety culture	403-1
EM-EP-540a.1 EM-RM-540a.1	Process Safety Event (PSE) rates for Loss of Primary Containment (LOPC) of greater consequence (Tier 1) and lesser consequence (Tier 2)	Appendix V. Further information on Sustainability – Safe operation	OG13
RT-CH-540a.1	Process Safety Incidents Count (PSIC), Process Safety Total Incident Rate (PSTIR), and Process Safety Incident Severity Rate (PSISR)	Appendix V. Further information on Sustainability – Safe operation	OG13 (Partial)
EM-EP-540a.2	Description of management systems used to identify and mitigate catastrophic and tail-end risks	Section 6.6.7. Emergency and crisis management	
RT-CH-320a.2.	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	Appendix V. Further information on Sustainability - Sustainability indicators - People - Health	
	Business Ethics and Transparency		
EM-EP-510a.1	Percentage of (1) proved and (2) probable reserves in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Appendix V. Further information on Sustainability – Sustainability indicators - Ethics and compliance – Anti-corruption	
EM-EP-510a.2	Description of the management system for prevention of corruption and bribery throughout the value chain	Section 6.9. Ethics and Compliance - Fight against corruption and bribery	103-1,2,3 (Partial)

SASB Indicator	Description of the indicator	Reference in Integrated Management Report, Reports or website	GRI Standard
	Management of the Legal & Regulatory Environment		
EM-EP-530a.1 EM-RM-530a.1 RT-CH-530a.1	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	Section 2.3. Strategy Section 6.1. Climate Change Section 7.3. Risks Appendix IV: Risks	102-15
	Activity metrics		
EM-EP-000.A	Production of: (1) oil, (2) natural gas, (3) synthetic oil, and (4) synthetic gas	Section 5.1. Upstream	
EM-RM-000.A	Refining throughput of crude oil and other feedstocks	Section 5.2. Industrial	301-1
EM-RM-000.B	Refining operating capacity	Section 5.2. Industrial	
RT-CH-000.A	Production by reportable segment	Section 5.2. Industrial	

f) TCFD Index

TCFD Framework	Reference in Integrated Management Report, Reports or website
Governance	
a) Describe the board's oversight of climate-related risks and opportunities,	Section 6.1.1. Governance
b) Describe management's role in assessing and managing climate-related risks and opportunities.	Section 6.1.1. Governance.
Strategy	
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Section 6.1.3 Risks and opportunities.
b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Section 6.1.2. Strategy. - Scenario analysis - From scenario analysis to the path of net zero emissions. Resilience of the strategy
c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Section 6.1.2. Strategy. - Scenario analysis - From scenario analysis to the path of net zero emissions. Resilience of the strategy
Risk Management	
a) Describe the organization's processes for identifying and assessing climate-related risks.	Section 6.1.3 Risks and opportunities.
b) Describe the organization's processes for managing climate-related risks.	Section 6.1.3 Risks and opportunities.
c) Describe how processes for identifying, assessing, and managing climated-related risks are integrated into the organization's overall risk management.	Section 6.1.3 Risks and opportunities.
Metrics and Targets	
a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Section 6.1.2 Strategy Incentive mechanisms for decarbonization 6.1.3 Risks and opportunities
b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	Section 6.1.4. Metrics and Targets.
c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Section 6.1.4. Metrics and Targets.

TCFD Metrics Index (1)

Job category	Indicator	Reference in Integrated Management Report, Reports or website
GHG Emissions	Scope emissions 1, 2 and 3 Energy consumption Energy intensity and emissions CO_2 emissions, Emissions trading (EU ETS) Emissions reduction targets	Section 6.1.4. Metrics and targets
Transition Risks	Upstream Operations contribution total Group Industrial Operations contribution total Group Commercial and Renewables Operations contribution total Group Group CO_2 net cost	Section 4. Profit and loss and remuneration for our shareholders Section 5. Our businesses 2021 Consolidated Financial Statements. Note 30
Physical risks	GRI 303-3 Water withdrawal by source in water stress areas GRI303-4 Water discharge in water stress areas	Appendix V. Further information on Sustainability – Sustainability indicators – Environment – Water
Opportunities related to Climate	Resilience of the strategy Risks and opportunities	Section 6.1.2. Strategy Section 6.1.3. Risks and opportunities
Capital distribution	% CAPEX and capital employed in low carbon businesses	Section 6.1.2. Strategy
Internal carbon price	Internal carbon price evolution, UE and rest of the world	Section 6.1.2. Strategy
Remuneration	Variable remuneration linked to energy transition targets compliance	Section 6.1.1. Governance

g) WEF Indicators

Items and metrics	Description of items/ metrics	Reference in Integrated Management Report, Reports or website	GRI Indicator / Law 11/2018
		PRINCIPLES OF GOVERNANCE	
	Governing purpose		
Setting purpose	The company's stated purpose, as the expression of the means by which a business proposes solutions to economic, environmental and social issues. Corporate purpose should create value for all stakeholders, including shareholders.	Code of Ethics and Conduct (www.repsol.com [Sustainability – Ethics and transparency]) Section 6.9. Ethics and compliance About this report	GRI 102-16
	Quality of government body		
Governance body composition	Composition of the highest governance body and its committees by: competencies relating to economic, environmental and social topics; executive or non-executive; independence; tenure on the governance body; number of each individual's other significant positions and commitments, and the nature of the commitments; gender; membership of under-represented social groups; stakeholder representation.	Code of Ethics and Conduct (www.repsol.com [Sustainability – Ethics and transparency]) Section 6.9. Ethics and compliance About this report	GRI 102-22 GRI 405-1a
	Stakeholder engagement		
Material issues impacting stakeholders	A list of the topics that are material to key stakeholders and the company, how the topics were identified and how the stakeholders were engaged.	Section 6. Sustainability – Sustainability model Appendix V. Further information on sustainability - Materiality and stakeholder engagement	GRI 102-21 GRI 102-43 GRI 102-47
	Ethical behavior		
Anti-corruption	1. Total percentage of governance body members, employees and business partners who have received training on the organization's anti-corruption policies and procedures, broken down by region. a) Total number and nature of incidents of corruption confirmed during the current year, but related to previous years; and b) Total number and nature of incidents of corruption confirmed during the current year, related to this year. 2. Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption.	Section 6.9. Ethics and compliance – Code of Ethics and Conduct Appendix V. Further information on sustainability - Sustainability indicators - Ethics and compliance - Fight against corruption	GRI 205-2 GRI 205-3
Protected ethics advice and reporting mechanisms	A description of internal and external mechanisms for: 1. Seeking advice about ethical and lawful behavior and organizational integrity; and 2. Reporting concerns about unethical or unlawful behavior and lack of organizational integrity	Repsol ethics and compliance channel (ethicscompliancechannel.repsol.com) Section 6.9. Ethics and compliance	GRI 102-17
	Risk and opportunity oversight		
Integrating risk and opportunity into business process	Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically (as opposed to generic sector risks), the company appetite in respect of these risks, how these risks and opportunities have moved over time and the response to those changes. These opportunities and risks should integrate material economic, environmental and social issues, including climate change and data stewardship.	Section 2.4. Strategy Section 6.1.3. Risks and opportunities Section 7.3. Risks Appendix IV. Risks	GRI 102-15
		PLANET	
	Climate change		
Greenhouse gas (GHG) emissions	For all relevant greenhouse gases (e.g. carbon dioxide, methane, nitrous oxide, F-gases etc.), report in metric tonnes of carbon dioxide equivalent (tCO2e) GHG Protocol Scope 1 and Scope 2 emissions. Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate.	Section 6.1.4. Metrics and targets	GRI 305-1 GRI 305-2 GRI 305-3

Items and metrics	Description of items/ metrics	Reference in Integrated Management Report, Reports or website	GRI Indicator / Law 11/2018
TCFD implementation	Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). If necessary, disclose a timeline of at most three years for full implementation. Disclose whether you have set, or have committed to set, GHG emissions targets that are in line with the goals of the Paris Agreement – to limit global warming to well below 2°C above preindustrial levels and pursue efforts to limit warming to 1.5°C – and to achieve net-zero emissions before 2050.	Section 6. Climate Change Appendix Vg. TCFD Index	
	Nature loss		
Land use and ecological sensitivity	Report the number and area (in hectares) of sites owned, leased or managed in or adjacent to protected areas and/or key biodiversity areas (KBA).	Appendix V. Further information on Sustainability – Sustainability indicators – Environment – Biodiversity	GRI 304-1
	Freshwater availability		
Water consumption and withdrawal in water-stressed areas	Report for operations where material: megalitres of water withdrawn, megalitres of water consumed and the percentage of each in regions with high or extremely high baseline water stress, according to WRI Aqueduct water risk atlas tool. Estimate and report the same information for the full value chain (upstream and downstream) where appropriate.	Section 6.2.3. Water Appendix V. Further information on Sustainability – Sustainability indicators – Environment – Water Most companies operating in the energy sector do not report the water consumed in products. Therefore, applying the GRI formula set out in indicator 303-5 (water consumed = water withdrawn - water discharged) does not reliably reflect how the Company manages its water consumption. Work is in progress to improve the interpretation of this indicator in the Group's activities so that it may be included in future reports.	GRI 303-3 GRI 303-5
		PEOPLE	
	Dignity and equality		
Diversity and inclusion (%)	Percentage of employees per employee category, by age group, gender and other indicators of diversity (e.g. ethnicity).	Section 6.5.1. Human capital Section 2.4. Corporate governance Appendix V. Further information on Sustainability – Sustainability indicators – People – Diversity and equal opportunities Appendix V. Further information on Sustainability – Sustainability indicators – People - Remuneration and benefits	GRI 405-1b
Pay equality (%)	Ratio of the basic salary and remuneration for each employee category by significant locations of operation for priority areas of equality: women to men, minor to major ethnic groups, and other relevant equality areas.	Appendix V. Further information on Sustainability – Sustainability indicators – People - Remuneration and benefits	GRI 405-2
Wage level (%)	Ratios of standard entry level wage by gender compared to local minimum wage. Ratio of the annual total compensation of the CEO to the median of the annual total compensation of all its employees, except the CEO.	Appendix V. Further information on Sustainability – Sustainability indicators – People - Remuneration and benefits	GRI 202-1
Risk for incidents of child, forced or compulsory labor	An explanation of the operations and suppliers considered to have significant risk for incidents of child labor, forced or compulsory labor. Such risks could emerge in relation to: a) type of operation (such as manufacturing plant) and type of supplier; and b) countries or geographic areas with operations and suppliers considered at risk.	Section 6.8. Supply chain and customers Appendix V. Further information on sustainability - Sustainability indicators - Respect for Human Rights and Community Relations - Human rights	GRI 408-1b GRI 409-1

Items and metrics	Description of items/ metrics	Reference in Integrated Management Report, Reports or website	GRI Indicator / Law 11/2018
	Health and well-being		
Health and safety (%)	The number and rate of fatalities as a result of work-related injury; high-consequence work-related injuries (excluding fatalities); recordable work-related injuries; main types of work-related injury; and the number of hours worked. An explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided for employees and workers.	Section 6.6.4. Personnel accident rate Appendix V. Further information on Sustainability – Sustainability indicators – Safe operations Appendix V. Further information on sustainability - Sustainability indicators - People - Employment framework, health and safety at work	GRI 403-9a&b GRI 403-6a
	Skills for the future		
Training provided (#, $)	Average hours of training per person that the organization's employees have undertaken during the reporting period, by gender and employee category (total number of hours of training provided to employees divided by the number of employees). Average training and development expenditure per full time employee (total cost of training provided to employees divided by the number of employees).	Appendix V. Further information on Sustainability – Sustainability indicators – People - Talent development	GRI 404-1
		PROSPERITY	
	Employment and wealth generation		
Absolute number and rate of employment	1. Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region. 2. Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region.	Appendix V. Further information on Sustainability – Sustainability indicators – People - Employment	GRI 401-1a&b
Economic contribution	1. Direct economic value generated and distributed (EVG&D), on an accruals basis, covering the basic components for the organization's global operations, ideally split out by: – Revenues – Operating costs – Employee wages and benefits – Payments to providers of capital – Payments to government – Community investment 2. Financial assistance received from the government: total monetary value of financial assistance received by the organization from any government during the reporting period.	Appendix V. Further information on Sustainability – Sustainability indicators – Economic performance	GRI 201-1 GRI 201-4
Financial investment contribution	1. Total capital expenditures (CapEx) minus depreciation, supported by narrative to describe the company's investment strategy. 2. Share buybacks plus dividend payments, supported by narrative to describe the company's strategy for returns of capital to shareholders.	2021 Consolidated Financial Statements – Note 6.3: Dividends and shareholder returns, 11. Intangible assets and 12. Property, plant and equipment Section 2.3. Strategy Section 4.4. Shareholder return Section 7.2. Outlook for our businesses	
	Innovation of better products and services		
Total R&D expenses ($)	Total costs related to research and development.	Section 6.3. Technologies for decarbonization	
	Community and social vitality		
Total tax paid	The total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes, and other taxes that constitute costs to the company, by category of taxes.	Section 6.7. Responsible tax policy Appendix V. Further information on Sustainability – Sustainability indicators – Responsible tax policy	GRI 201-1 Ley 11/2018

Appendix
VI: Annual Corporate Governance Report

The 2021 Corporate Governance Report is included as an appendix and forms an integral part of this report, as required under Article 538 of the Spanish Companies Act (*Ley de Sociedades de Capital*).

Appendix
VII. Annual Report on Director Remuneration

The 2021 Report on Director Remuneration is included as an appendix and forms an integral part of this report, as required under Article 538 of the Spanish Companies Act (*Ley de Sociedades de Capital*).

Repsol Group
Annual Reports
2021

Management Report

Information on the Group's business, results, financial situation and sustainability, together with the main risks and uncertainties facing the Group

Annual Financial Statements

Information on equity and financial position at December 31, in addition to profit and loss, changes in equity and cash flows for the period

Information on hydrocarbon exploration and production activities

Information on acreage, exploration and development activities, proven net reserves, future cash flows, production, results and investment

Report on payments to public administrations for hydrocarbon exploration and production activities

Information on payments made to Public Administrations as a result of Extraction operations by country, by project and by public administration

Annual Corporate Governance Report

Information on the Company's corporate governance structure and practices

Annual Report on Director Remuneration

Detailed information on the application of the Board remuneration policy

Activities report of the Audit and Control Committee[1]

Composition and main activities of the Audit and Control Committee

Audit and Control Committee Report on the independence of the external auditor[1]

Opinion of the Audit and Control Committee on the independence of the Auditor and assessment of the provision of non-audit services

1 Published along with the announcement of the Shareholder Annual Meeting..

Repsol, S.A. and investees comprising the Repsol Group

Independent verification report
Statement of Non-Financial Information
31 December 2021

This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Independent verification report

To the shareholders of Repsol, S.A.:

Pursuant to article 49 of the Code of Commerce, we have verified, with the scope of a limited assurance engagement, the accompanying Consolidated Statement of Non-Financial Information ("SNFI") for the year ended 31 December 2021 of Repsol, S.A. (the Parent company) and its subsidiaries (hereinafter "Repsol" or the Group) which forms part of Group's Consolidated Management Report attached.

The content of the Consolidated Management Report includes information additional to that required by current mercantile legislation in relation to non-financial information, which has not been covered by our verification work. In this respect, our work was limited solely to verifying the information identified in the tables: c) "GRI Index" and d) "Statement of non-financial information" of Appendix V. "Additional information on Sustainability (Includes Non-Financial Statement)" of the Consolidated Management Report attached.

Responsibility of the Parent company's directors

The preparation of the SNFI included in Repsol's Consolidated Management Report and the content thereof, are the responsibility of the directors of Repsol, S.A. The SNFI has been drawn up in accordance with the provisions of current mercantile legislation and in accordance with the criteria of the *Sustainability Reporting Standards* of the *Global Reporting Initiative* ("GRI Standards") selected described in line with the Exhaustive Option and the Oil and Gas Sector Disclosures of the GRI G4 Guidelines (hereinafter "Oil and Gas Sector Disclosures") in accordance with the details provided for each matter in the tables: c) "GRI Index" and d) "Statement of non-financial information" of Appendix V. "Additional information on Sustainability (Includes Non-Financial Statement)" of the Consolidated Management Report.

This responsibility also includes the design, implementation and maintenance of the internal control considered necessary to allow the SNFI to be free from material misstatement due to fraud or error.

The directors of Repsol, S.A. are also responsible for defining, implementing, adapting and maintaining the management systems from which the information required to prepare the SNFI is obtained.

Our independence and quality control

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 (ISQC 1) and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The engagement team has consisted of professionals specialising in Non-financial Information reviews, specifically in information on economic, social and environmental performance.

Our responsibility

Our responsibility is to express our conclusions in a limited assurance independent verification report based on the work we have performed solely in relation to the year 2021. The data relating to previous years were not subject to verification in accordance with current mercantile legislation. We carried out our work in accordance with the requirements set out in the current International Standard on Assurance Engagements 3000 Revised, "Assurance Engagements other than Audits or Reviews of Historical Financial Information" (ISAE 3000 Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and in the Guidelines for verification engagements of the Statement of Non-Financial Information issued by the Spanish Institute of Auditors ("Instituto de Censores Jurados de Cuentas de España").

In a limited assurance engagement, the procedures performed vary in nature and timing, and are less extensive than, those carried out in a reasonable assurance engagement and accordingly, the assurance provided is also lower.

Our work consisted of posing questions to management as well as to the various units of Repsol that were involved in the preparation of the SNFI, of the review of the processes for compiling and validating the information presented in the SNFI, and in the application of certain analytical procedures and review procedures on a sample basis, as described below:

- Meetings with Repsol personnel to understand the business model, policies and management approaches applied, principal risks relating to these matters and to obtain the necessary information for the external review.

- Analysis of the scope, relevance and integrity of the content of the SNFI for the year 2021, based on the materiality analysis carried out by Repsol and described in section a) "Materiality and stakeholder engagement" of Appendix V. "Additional information on Sustainability (Includes Non-Financial Statement)" of the Consolidated Management Report, taking into account the content required by current mercantile legislation.

- Analysis of the procedures used to compile and validate the information presented in the SNFI for the year 2021.

- Review of information relating to risks, policies and management approaches applied in relation to material matters presented in the SNFI for the year 2021.

- Verification, by means of sample testing, of the information relating to the content of the SNFI for the year 2021 and that it was adequately compiled using data provided by the sources of the information.

- Obtaining a management representation letter from the directors and management.

Conclusion

Based on the procedures performed in our verification and the evidence we have obtained, nothing has come to our attention that causes us to believe that the SNFI of Repsol, for the year ended 31 December 2021 has not been prepared, in all material respects, in accordance with the provisions of current mercantile legislation and in accordance with the criteria of the GRI Standards selected described in line with the Exhaustive Option and the Oil and Gas Sector Disclosures, in accordance with the details provided for each matter in the tables: c) “GRI Index” and d) “Statement of non-financial information” of Appendix V. “Additional information on Sustainability (Includes Non-Financial Statement)” of the Consolidated Management Report

Emphasis of matter

Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020, relating to the establishment of a framework to facilitate sustainable investments, establishes the obligation to disclose information on the manner and extent to which the company's activities are associated with economic activities considered to be environmentally sustainable in relation to the objectives of climate change mitigation and adaptation to climate change for the first time for the year 2021, provided that the Statement of Non-Financial Information is published as from 1 January 2022. Consequently, comparative information on this matter has not been included in the accompanying SNFI. In addition, information has been included in respect of the criteria that the directors of Repsol have chosen to apply that, in their opinion, best allow compliance with the new obligation and that are defined in note e) “Sustainable Finance Taxonomy” of Appendix V. “Additional information on Sustainability (Includes Non-Financial Statement)” of the accompanying SNFI. Our conclusion is not modified in respect of this matter.

Use and distribution

This report has been drawn up in response to the requirement established in current Spanish mercantile legislation and therefore may not be suitable for other purposes and jurisdictions.

PricewaterhouseCoopers Auditores, S.L.

Pablo Bascones Ilundáin

17 February 2022

2021

REPSOL S.A.

Annual Corporate Governance 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

REPSOL

DETAILS OF ISSUER

Dated end of year 31/12/2021
TAX REGISTRATION NUMBER: A-78375725
Name: Repsol, S.A.
Registered office: C/ Méndez Álvaro, 44, Madrid

Table of contents

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

A. Executive Summary

1. Presentation by the Chairman of the Board of Directors

Dear shareholders,

Our good governance practises aim to ensure that both the company's management model and that the decisions of the Board and its Committees are geared toward preserving the long-term interest of our stakeholders and ensuring the Group's sustainability. Our corporate governance system is constantly being reviewed and improved, incorporating the main recommendations of international markets and the latest trends in the field, as well as legislative developments that regulate the regulatory framework in this area. Therefore, to promote our shareholders' engagement in the Repsol General Meeting, the company has adapted its Articles of Association and its General Meeting Regulations to include the possibility of attending and participating remotely.

As regards the Board, the new Board Remuneration Policy for 2021 to 2023 was submitted to the General Meeting held in March 2021 for approval by Repsol's shareholders, in line with the recommendations established in the Spanish Code of Good Governance for Companies Listed in Spain [*Código de Buen Gobierno de las Sociedades Cotizadas en España*], after its revision in June 2020, and with the interests of its shareholders. Thus, the new Remuneration Policy, which was approved by 97.56% of the shareholders participating in the General Shareholders' Meeting, includes measures to ensure that it addresses the company's long-term performance and responds to the maximum transparency policy to which the Company is committed.

Likewise, with regard to the Board of Directors' composition, the appointments of Ms. Aurora Catá Sala and Mr. Emiliano López Achurra have promoted the plurality and diversity of opinions and competencies, while reinforcing the management body with highly qualified profiles that provide valuable knowledge and experience for the exercise of its functions.

In addition, throughout 2021, the Board of Directors and its Committees continued to work on overseeing the most important issues for the company and on taking decisions on relevant issues, such as monitoring the Strategic Plan commitments and the energy transition action plans, including increasing the targets for renewable generation and emissions reduction, along with investments in low-carbon solutions to accelerate the company's transformation until 2030. As a further demonstration of Repsol's commitment to energy transition and decarbonization, the Board of Directors will submit the Company's climate strategy and objectives to a consultative vote at the 2022 General Meeting, thus strengthening its climate governance.

During this year we will continue working on the continuous improvement of our Corporate Governance system, by means of permanent and transparent dialogue and engagement with our stakeholders under our principles of efficiency, respect, anticipation and value creation, making them part of the future of Repsol.

Finally, I would like to express, on behalf of the entire Board of Directors, our deep gratitude to the company's employees for their commitment, dedication and enthusiasm, and to all of our shareholders for their trust and support.

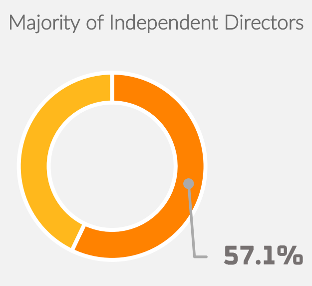
Antonio Brufau

Chairman of the Board of Directors

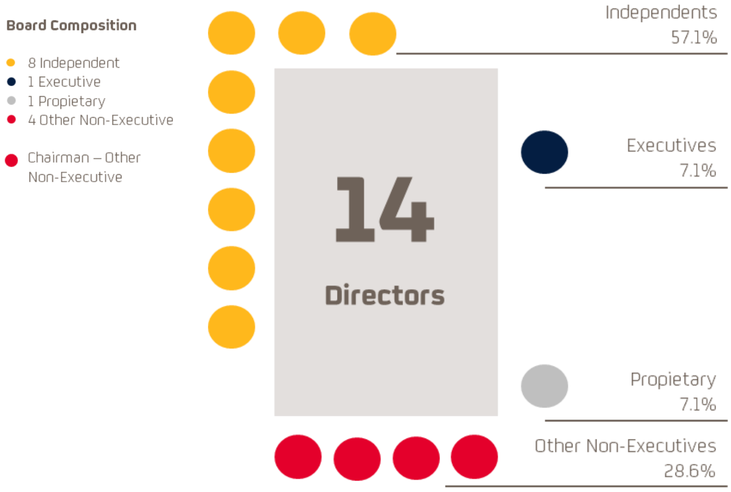
2. At a glance

Board of Directors

35.7% Women on the Board



100% Attendance by the members of the Board



Separation of position Chairman and Chief Executive Officer

13 Thirteen meetings in 2021

14.3% International Directors

5.9 years Average term of office

Board of Directors´ skills

Skill	%
Top Management	86%
Energy sector knowledge	86%
International experience	93%
Financing and accounting	79%
Risk management	100%
Strategy	86%
Institutional experience and Public Sector	86%
Legal and corporate governance	86%
Technology	43%
University and investigation	71%
Commercial / Retail	36%
Sustainability	71%

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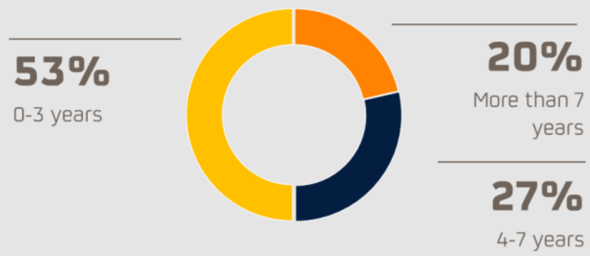
Years of service of Directors



Internal regulations adapted to the new recommendations of the Code of Good Governance

- Risk Management Policy
- Policy on Diversity in the composition of the Board of Directors and the Selection of Directors
- Policy on Communication and contacts with shareholders, investors and proxy advisors, and on the dissemination of economic-financial, non-financial and corporate information
- Regulations of the Board of Directors
- General Shareholders' Meeting Regulations
- Articles of Association

Separated roles and responsibilities

Chairman of the Board of Directors
Mr. Antonio Brufau

The Chairman has overall responsibility for the effective functioning of the Board of Directors.

Chief Executive Officer (CEO)
Mr. Josu Jon Imaz

The CEO is the chief executive and responsible for the management of the business and the Company and as such has all the functions of the Board of Directors delegated to him, except those that cannot be delegated pursuant to law or the Articles of Association.

Lead Independent Director
Mr. Mariano Marzo

The Lead Independent Director is responsible for coordinating, gathering and echoing the opinions of the External Directors. He heads the Board in the absence of the Chairman and Vice-Chairman and may call a meeting of the Board. He is also in charge of liaising with investors and shareholders to ascertain their views, particularly in relation to the corporate governance of the Company.

Our Independents Directors

Ms. Arantza Estefanía Larrañaga

Appointed in 2019.

Independent.

Ms. Teresa García-Milá Lloveras

Appointed in 2019.

Independent.

Ms. Carmina Ganyet i Cirera

Appointed in 2018.

Independent.

Mr. Ignacio Martín San Vicente

Appointed in 2018.

Independent.

Ms. Aurora Catá Sala

Appointed in 2021.

Independent.

Mr. Mariano Marzo Carpio

Appointed in 2017 and reelected last time in 2021.

Independent.

Ms. Isabel Torremocha Ferrezuelo

Appointed in 2017 and reelected last time in 2021.

Independent.

Mr. J. Robinson West

Appointed in 2015 and reelected last time in 2019.

Independent.

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Board Committees

Delegate Committee Chairman: External Director **5 Meetings in 2021**

7 Members	14.3% Executives	14.3% Propietary	28.6% Independents	42.9% Other Non-Executive	100% Personal attendance

Audit and Control Committee Chairwoman: Independent Director **11 Meetings in 2021**

4 Members	100% Independents	100% Personal attendance

Nomination Committee Chairwoman: Independent Director **7 Meetings in 2021**

5 Members	80% Independents	20% Other Externals	100% Personal attendance

Compensation Committee Chairwoman: Independent Director **3 Meetings in 2021**

4 Members	100% Independents	100% Personal attendance

Sustainability Committee Chairman: Independent Director **4 Meetings in 2021**

4 Members	75% Independents	25% Other Externals	100% Personal attendance

Our Corporate Governance

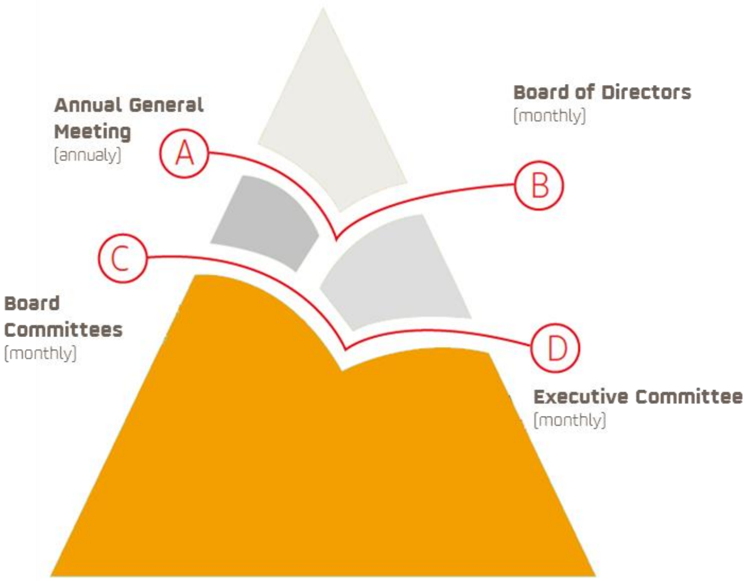
Effective commitment to our shareholders:

- General meetings accessible to all shareholders regardless of circumstances.
- High participation through remote means.
- Possibility of attending and exercising shareholders' rights by telematic means and possibility of following the General Shareholders' Meeting via streaming.
- Commitment to quality information.
- Transparency of remuneration with performance metrics in line with shareholders' interests and sustainability.

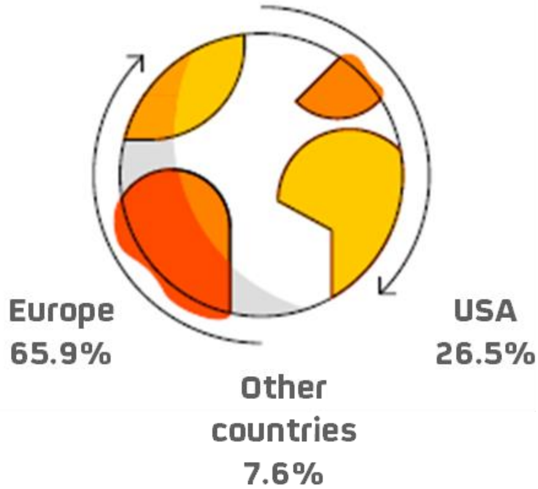
Effective board of directors:

- Majority of independent directors.
- Balanced, qualified and diverse composition.
- Separate and complementary roles of Chairman, CEO and Lead Independent Director.
- Good practices of the Good Governance Code for the listed companies integrated in our internal regulations.

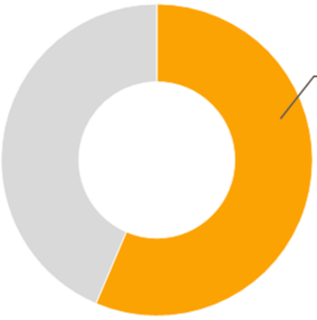
Shareholders have a relevant role in the decision-making process



Institutional Investors[1]



General Shareholders Meeting | March 26, 2021



51.1%

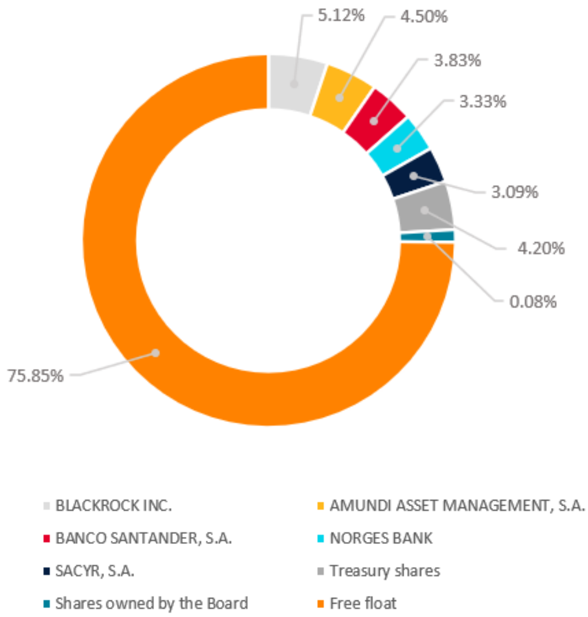
Shareholders in attendance represented 51.1% of the Company's share capital

All proposals submitted were **approved** **19**

The proposals were approved with an average of **97.5%** votes in favor of the share capital in attendance **97.5%**

Shareholders Composition

Percentage of voting rights 2

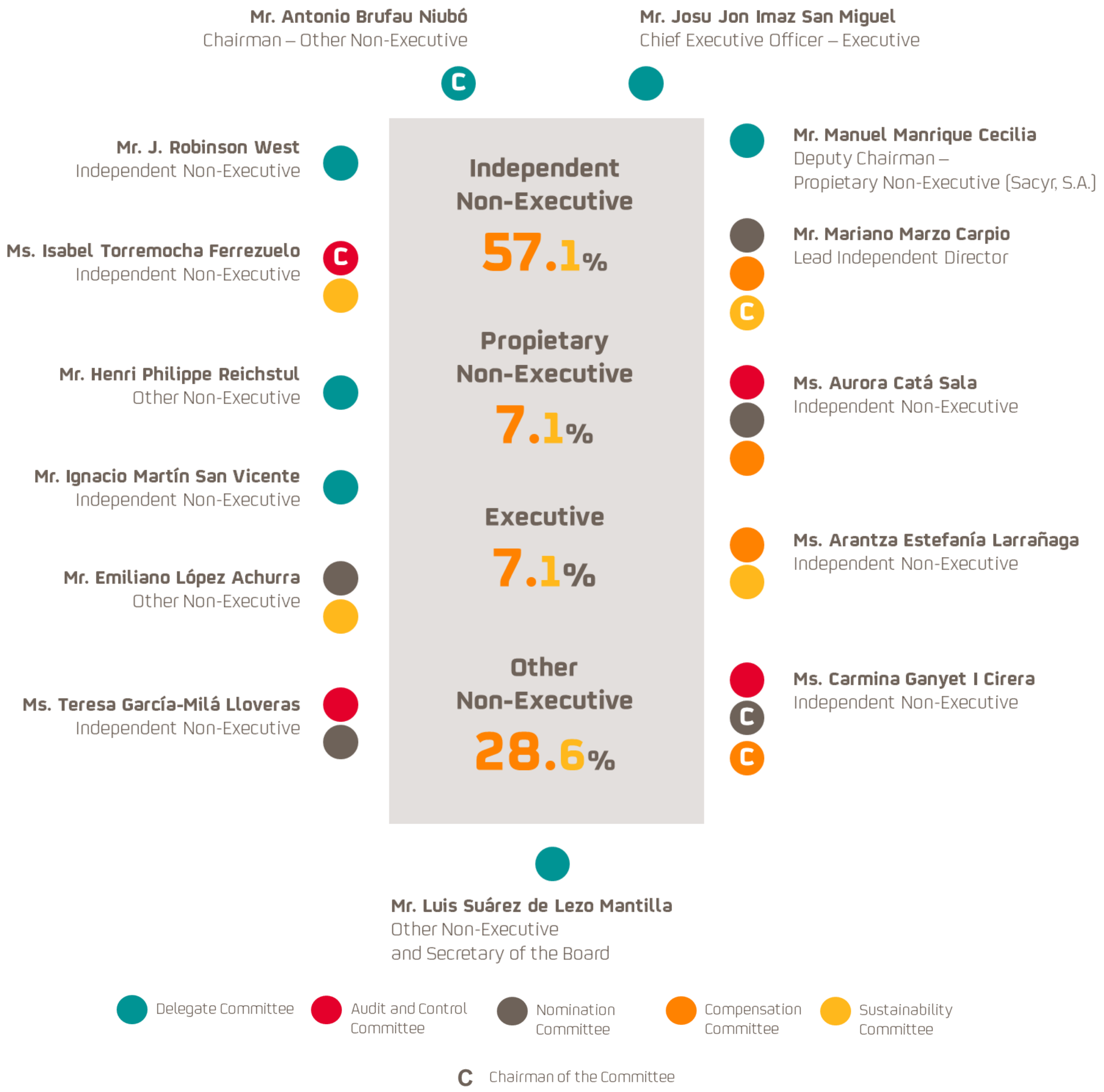


[1] Identified shareholding obtained by the ShID as of November 2021.
[2] For the calculation of the shareholder composition, data as of December 31, 2021 has been taken into account.

3. The Board of Directors

The Company's corporate governance system, established in accordance with the best national and international reference standards, guides the functioning of the Board of Directors.

Repsol's Board of Directors has the size and structure necessary to promote efficient functioning and maximize participation, in accordance with the Company's share capital structure as well as the geographical distribution and complexity of their business. Its composition was determined based on criteria of complementarity, balance, and diversity of knowledge, professional experience, nationality and gender[3].

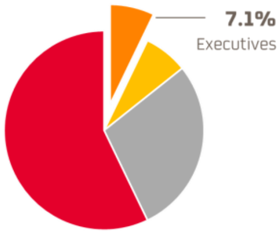


All shareholders with proportional representation rights are represented on Repsol's Board of Directors, provided that they themselves have so requested.

[3] Further information on the composition of the Board of Directors may be consulted in section "B. REGULATORY INFORMATION – 3. Repsol's governance body" of this Report.

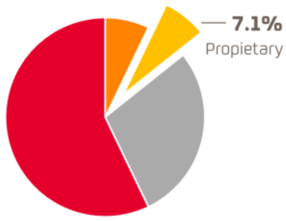
Executive Directors

Name of director	Position in company's organization
Mr. Josu Jon Imaz San Miguel	Chief Executive Officer



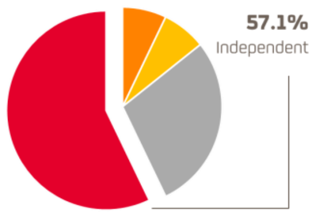
Proprietary Directors

Name of director	Name of significant shareholder represented or that proposed appointment
Mr. Manuel Manrique Cecilia	Sacyr, S.A.



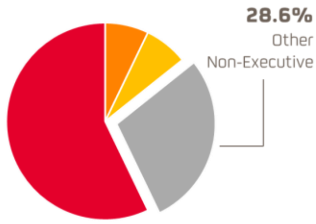
Independent Directors

Name of director
Ms. Aurora Catá
Ms. Arantza Estefanía Larrañaga
Ms. Carmina Ganyet i Cirera
Ms. Teresa García-Milá Lloveras
Mr. Ignacio Martín San Vicente
Mr. Mariano Marzo Carpio
Ms. Isabel Torremocha Ferrezuelo
Mr. J. Robinson West



Other Non-Executive Directors

Name of director and reasons	Company, executive or shareholder with which the director is related
Mr. Antonio Brufau Niubó (1)	Repsol, S.A.
Mr. Emiliano López Achurra (2)	Repsol, S.A.
Mr. Henri Philippe Reichstul (3)	Repsol, S.A.
Mr. Luis Suárez de Lezo Mantilla (4)	Repsol, S.A.



(1) Mr. Brufau was the Chairman and CEO of Repsol until April 30, 2015 and, therefore, cannot be considered an Independent Director. He also cannot be classified as a Proprietary Director, given that he does not have a significant stake and has not been appointed as a result of being a shareholder or representing shareholders of the Company.

(2) Mr. López Achurra was Executive Chairman of Petronor until April 2019, and, therefore, cannot be considered an Independent Director. He also cannot be classified as a Proprietary Director, given that he does not have a significant stake and has not been appointed as a result of being a shareholder or representing shareholders of the Company.

(3) Mr. Reichstul was an Independent Director from December 2005 to May 2017 and, therefore, cannot be considered an Independent Director. He also cannot be classified as a Proprietary Director, given that he does not have a significant stake and has not been appointed as a result of being a shareholder or representing shareholders of the Company.

(4) Mr. Suárez de Lezo was Executive Managing Director of Repsol until December 31, 2019 and, therefore, cannot be considered an Independent Director. He also cannot be classified as a Proprietary Director, given that he does not have a significant stake and has not been appointed as a result of being a shareholder or representing shareholders of the Company.

As established in the Company Bylaws, the Board must be formed by a maximum of sixteen (16) and a minimum of nine (9) Directors. The General Shareholders´s Meeting held on 31 May 2019 approved the number of members of the Board of Directors at fifteen (15), number kept out to this date. This number has been maintained for almost the entire 2021 financial year, being fourteen (14) the members December 31, 2021, after the decease of Mr. Dahan in the last quarter of the year.

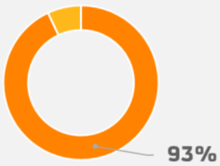
Key issues

Changes to the composition of the Board

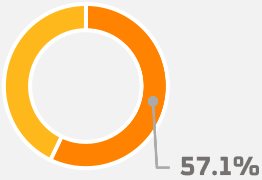
- Termination of the term of office of Ms. Maite Ballester Fornés at the General Shareholders' Meeting of 26 March 2021.
- Appointment of Ms. Aurora Catá Sala at the General Shareholders' Meeting of 26 March 2021.
- Resignation of Mr. José Manuel Loureda as Proprietary Director effective 27 October 2021.
- Appointment, by co-optation, of Mr. Emiliano López Achurra as Director at the meeting of the Board of Directors of 24 November 2021.
- Mr. René Dahan leaves the Board due to decease on 21 November 2021.

Structure

Wide mayority of Non-Executive Directors



Majority of Independent Directors



- **The term of office od the Director is for 4 years**
- **Wide Independence of the Committees**

Diversity

Nationality

International representation in the Council of 14.3%:

1  **USA**
(Mr. J. Robinson West)

1  **Brazil**
(Mr. Henri Philipe Reichstul)

12  **Spain**

Other Directors also have extensive international experience (93%).

Gender

Presence of Women of the Board of:

35.7%
5 women

Separation of the roles of Chairman and CEO

- Since April 2014, the positions of Chairman of the Board of Directors and Chief Executive Officer of the company have been separated.

Mr. Antonio Brufau holds the position of Chairman of the Board of Directors and directs the functioning of this body.

Mr. Josu Jon Imaz is the Chief Executive Officer and performs all executive functions.

The separation of functions ensures the balance of powers, promoting the independence and objectivity of the Board in its supervisory tasks.

4. Interaction with investors

Repsol is committed to following best practices in communication with investors, by voluntarily incorporating the recommendations of shareholders, investors, proxy advisors and other stakeholders such as financial analysts, regulatory and supervisory bodies and credit rating agencies, among others.

To this end, the Company continuously assesses the expectations of these stakeholders and maintains an ongoing dialogue with them, reporting transparently and continuously on its financial, governance, environmental and social performance. The Board is regularly informed about the perception and expectations of the various stakeholders.

The Repsol Group also publishes on its website its policy on communication and contacts with shareholders, investors and proxy advisors, and on the dissemination of economic-financial, non-financial and corporate information, which defines and establishes the general principles and criteria governing the communication of economic/financial, non-financial and corporate information[4] through the channels deemed appropriate, and specifically, contacts with shareholders, investors and proxy advisors, paying special attention to the points of view of shareholders and major investors not represented on the Board.

The 2021 Communication Plan has been adapted to the situation caused by COVID-19 and all the events that were held were conducted virtually. One of the year's milestones was the Low Carbon Day held on 5 October 2021 and the subsequent roadshow led by the CEO to inform the investment community of the progress made in the Company's decarbonisation strategy for the next five years.

Activity with institutional investors in 2021

340	investors approached	**18**	conferences
6	roadshows	**15**	specialised events

Interaction with shareholders that hold

~53%	of the identified institutional shareholder

ESG investor and shareholder activity in 2021

112	investors approached	**10**	conferences
5	roadshows	**9**	specialised events

Interaction with shareholders that hold

~83%	of ESG shareholding

Currently, 39.9% of the Repsol's institutional shareholding is in line with Environmental, Social and Governance (ESG) criteria. The Company is a pioneer in Spain in two-way communication with ESG shareholders, which is very positively assessed by investors and other stakeholders. The result of this dialogue has borne fruit in numerous recognitions[5]. In addition, in 2021, the IIGCC initiative[6] nominated Repsol to participate, along with other European companies in the Oil&Gas sector, in the project to define a common standard to achieve a commitment to net zero emissions by 2050.

[4] https://www.repsol.com/content/dam/repsol-corporate/en_gb/sostenibilidad/policies/communication-information-disclosure-policy.pdf
[5] https://www.repsol.com/content/dam/repsol-corporate/en_gb/accionistas-e-inversores/pdfs/annual-esg-engagement-report-2020-2021.pdf
[6] https://www.iigcc.org/download/investor-expectations-for-paris-aligned-accounts/?wpdmdl=4001&refresh=61718494a82ac1634829460

Presence on ESG indexes

MSCI

In 2021, Repsol maintains an above-average rating in the Oil & Gas sector, with a score of AA (on a scale of AAA-CCC) in MSCI's ESG rating, considered one of the most relevant ESG analysts in the market.

Standard & Poors ESG Evaluation

In 2021, Repsol scored 68/100 on the ESG rating assessed by Standard & Poors. S&P's assessment highlighted Repsol's fulfilment of its targets in its energy transition strategy. It also appreciated its proper management of social and environmental risks, stressing that its sustainability strategy is one of the most advanced in the Oil & Gas sector.

Transition Pathway Initiative (TPI)

For the fourth consecutive year, in 2021 TPI rated Repsol Strategic Assessment Level 4 in its Management Quality analysis, which evaluates the quality of companies' greenhouse gas (GHG) emissions management, as well as their risks and opportunities in relation to the energy transition.

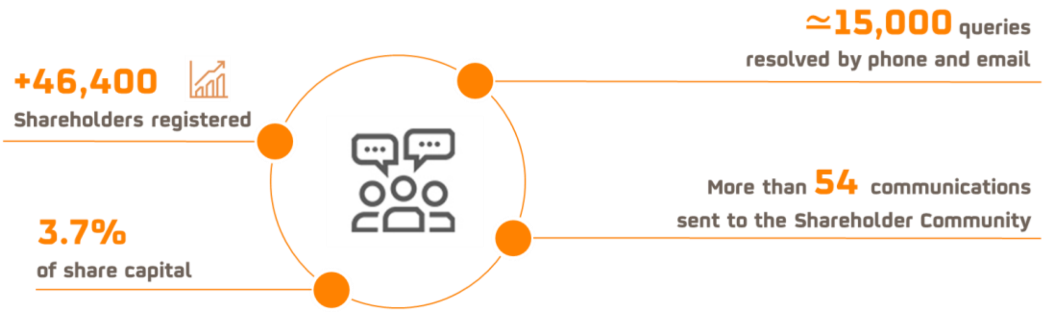
CDP Cambio Climático

Repsol has been participating in this survey since 2006 and is one of the top companies in its sector. In 2021, Repsol remained among the leaders, with a score of A-. According to CDP, obtaining this rating is recognition of the integration of the management of risks and opportunities related to climate change in the company's management, as well as the formulation and implementation of energy transition plans to mitigate or capitalise on these risks and opportunities.

Sustainalytics

Sustainalytics, through its ESG risk rating, evaluates the ESG risk management of companies and rates by risk level them on a scale of 0-100. In 2021 Repsol scored a rating of 24/100 (with 0 being the best score) which places it within the Medium Risk Company range.

Repsol Shareholders Community



To strengthen the Company's direct bilateral relationship with individual shareholders, Repsol has set up the "Repsol in Action Community" channel, which the Company's shareholders may voluntarily join.

Repsol Shareholders Advisory Committee

In addition, since 2014 the Company has had a Shareholders' Advisory Committee, which was created with the aim of improving dialogue between the Company and its shareholders, and it is part of the Repsol Group's Corporate Governance policy, as an initiative to promote and establish channels for a regular exchange of information with groups of shareholders. The Committee is made up of twelve (12) minority shareholders, the Chief Financial Officer (CFO), who is the Chair, and the Director of Investor Relations, who is the Deputy Chair.

The shareholder members of the Committee have submitted various proposals to improve relations and communication with this group, which have been fully analysed and implemented when deemed appropriate.

Information provided to the market

The Repsol Group has an Investor Relations Department, whose responsibilities include ensuring that the information provided by the company to the market (financial analysts and institutional investors, among others) is transmitted fairly, symmetrically and in a timely manner, and, in accordance with the Repsol Group's Internal Code of Conduct on the Securities Market, that the information is truthful, clear, complete and, when required by the nature of the information, quantified, and is not and cannot be misleading or confusing.

B. The Repsol Corporate Governance System

1. Regulatory Framework

The external regulatory framework of reference and the Company's internal regulations regarding corporate governance are described below.

1.1. External Regulatory Framework

Revised Text of the Spanish Corporate Enterprises Act, approved by Legislative Royal Decree 1/2010, of July 2 (the "Corporate Enterprises Act")	CNMV Circular 3/2021, of September 28 ("Circular 1/2020"), that amends Circular 5/2013, of June 12 ("Circular 5/2013")
It constitutes the main regulation that governs in general the functioning of corporate enterprises under Spanish law. With regard to companies whose shares are admitted to listing on an official secondary market, particular mention should be given to Title XIV of this law, which governs the special characteristics applicable to these types of companies under the ordinary regime. Among others, according to the provisions of article 540 of the Corporate Enterprises Act, includes the obligation to report to the Spanish National Securities Market Commission (the "CNMV") and publish a corporate governance report on an annual basis (the "Annual Corporate Governance Report") as a Material Event.	This Annual Corporate Governance Report, corresponding to 2021, is prepared pursuant to section 540 of the Spanish Corporate Enterprises Act (Ley de Sociedades de Capital), following the instructions established in Circular 3/2021 of the Spanish National Securities Market Commission. In accordance with the option offered by Circular 3/2021, Repsol has continued its commitment to the preparation of this report on the free format model, including the minimum content required by the regulations and the statistical appendix included in Circular 3/2021. This Report therefore responds to Repsol's desire to remain at the forefront in the transparency of its corporate governance system as well as to facilitate the shareholders' understanding of that information. This Annual Corporate Governance Report has been approved by unanimous vote by the Board of Directors at its meeting on 16 February 2022.

Good Governance Code for Listed Companies, review by the CNMV on June 26, 2020 (the "GGC")
This is the reference framework in Spain on best practices regarding corporate governance. It is voluntary and follows the "comply or explain" principle. With regard to the structure of the GGC, it should be noted that 25 of general principles (25) are identified, which are those that inspire and underpin the (64) recommendations on each specific matter. On June 26th, 2020, the CNMV approved a partial reform of the Code, modifying the CNMV has introduced changes in 20 of the 64 recommendations contained therein. In this regard, and Repsol has implemented and adapted its practices and procedures to the modifications made to the CBSG recommendations, which has deemed all the necessary measures to comply with the new aspects contained in them appropriate. Appendix I of this annual corporate governance report contains detailed information on compliance with the recommendations of the GGC, as well as any relevant explanations, where applicable.

1.2. Internal Regulatory Framework

The complete and updated texts of the Company's internal regulations that are described below, as well as other corporate governance information and on general meetings, are available for consultation on the Company's corporate website(www.repsol.com), under the 'Shareholders and Investors - Corporate Governance' section.

These regulations are reviewed on a regular basis in order to incorporate best corporate governance practices and maintain the highest degree of transparency of information in relation to the Company's shareholders and other stakeholders.

This not only evidences compliance on the part of Repsol with applicable regulations, but also its intent to go beyond the inclusion of and adherence to recommendations, best practices and trends in corporate governance, both at a national and international level. In this regard, this year Repsol has updated its Company Bylaws, the General Shareholders' Meeting Regulations, the Board of Directors' Regulations and some of its policies, all with the aim of adapting to the new recommendations of the Good Governance Code for listed companies.

Company Bylaws	• Basic regulations, approved at the General Shareholders Meeting, that govern the internal functioning of the Company and, among other matters, the rights and obligations of the shareholders and the structure, functioning and composition of the General Shareholders Meeting, the Board of Directors and its various Committees. • The Company Bylaws have been amended 3 times in the financial year 2021 (12 January, 26 March and 12 April 2021).[7]
Regulations of the General Meeting	• Regulations, approved at the General Shareholders Meeting, which aims to regulate said body, establishing for such purpose the principles of its organization and operation and the rules governing its legal and bylaw-stipulated activities and supplementing the applicable rules established in current commercial legislation and in the Company Bylaws. • Approved on 4 April 2003 and last amended on 26 March 2021.
Board Regulations	• Regulations, approved by the Board of Directors, the purpose of which is to govern its structure, competencies and functioning, as well as that of its Committees[(1)]. • Approved on December 19, 2007 and last amended in February 17, 2021. [(1)] The specific regulation of the Board Committees is in Articles 33, 34, 35, 36 and 37 of the Board of Directors Regulations
Internal Code of Conduct in the Securities Market	• Regulations, approved by the Board of Directors, the purpose of which is to govern the rules of conduct that must be observed by Directors and employees in its actions related to securities markets. • Approved on 11 July 2003 and last amended on 2 November 2021.
Ethics and Conduct Code	• Regulations, approved by the Board of Directors, the purpose of which is to establish the reference framework to understand and put into practice the behaviors and expectations that Repsol has in the persons that form part of the Company in their daily work. • Approved on November 26, 2003 and last amended on July 27, 2016.
Corporate policies	• In addition to the internal regulations already mentioned, the Board of Directors has approved the following policies: o Sustainability Policy. o Risk Management Policy. o Anti-corruption Policy. o Policy on Diversity in the Composition of the Board of Directors and the Selection of Board Members. o Policy on Communication and contact with shareholders, investors, and proxy advisors and on the disclosure of economic-financial, non-financial and corporate information. o Tax Policy.

[7] For further references to information on share capital, please refer to section "B. REPSOL'S CORPORATE GOVERNANCE SYSTEM - 2.1. Ownership structure" of this Report

2. Ownership structure of the Company

2.1. Ownership Structure

Share capital structure

SHARE CAPITAL AT DECEMBER 31, 2021	€1,527,396,053

In 2021 share capital was altered on the following occasions:

January 12, 2021	Closing of the paid-up capital increased approved as item 7 of the agenda for the General Shareholders' Meeting held on 8 May 2020.
April 12, 2021	Execution of the reduction of capital reduction through cancelation of own shares approved as item 7 of the agenda for the General Shareholders Meeting held on March 26, 2021.

At December 31, 2021

1,527,396,053

Shares

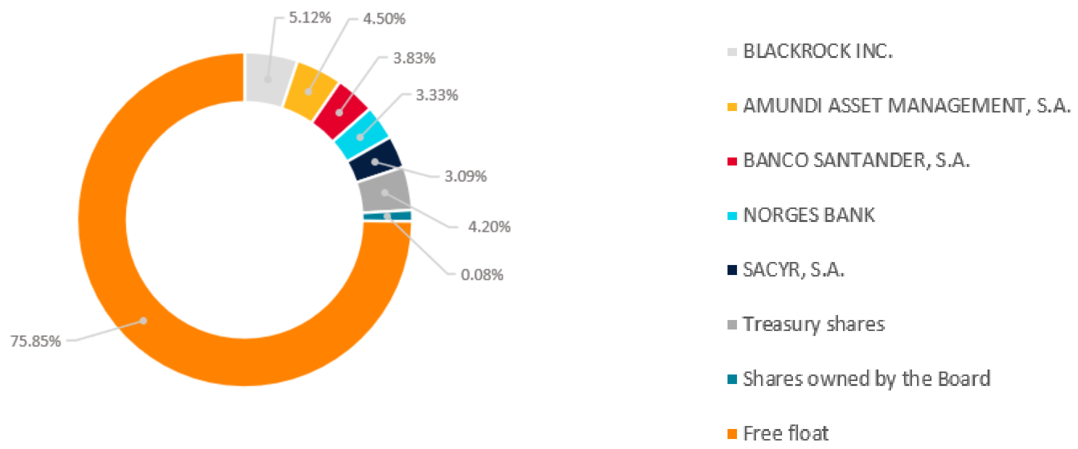
(par value of shares €1)

- They are listed on the continuous market of the Spanish Stock Exchanges (Madrid, Barcelona, Bilbao and Valencia)
- Of the same class and series. There are no shares that are not represented in the share capital.
- There are no dual loyalty voting shares.
- Same voting and dividend rights.
- They are represented by book entries.
- Fully subscribed and paid.
- One share, one vote.

Repsol has American Depositary Shares (“ADS”) that are listed on the United States OTCQX market.

Share capital

At December 31, 2021, the share capital, with the free float representing 75.85% of share capital, was distributed as follows:



There is no individual or legal entity that exercises or may exercise control over the Company, understanding what is established in article 42 of the Commercial Code, for the purposes of Article 5 of the revised text of the Securities Market Law, approved by Legislative Royal Decree 4/2015, of October 23 (the “Securities Market Law”).

Significant interests

At December 31, 2021, the direct and indirect holders of significant interests in Repsol, excluding the Directors, are as follows:

	% of voting rights attributed to shares		% of voting rights through financial instruments		% of total
	Direct	Indirect	Direct	Indirect	
BLACKROCK INC. (1)	–	4.995	–	0.124	5.119
AMUNDI ASSET MANAGEMENT, S.A. (2)	–	4.500	–	–	4.500
BANCO SANTANDER, S.A.	1.512	–	2.317	–	3.829
NORGES BANK	3.035	–	0.293	–	3.328
SACYR, S.A. (3)	–	3.094	–	–	3.094

(1) BlackRock, Inc. holds its stake through various controlled entities.
(2) Amundi Asset Management, S.A. holds its stake through various controlled entities.
(3) Sacyr, S.A. holds its stake through Sacyr Investments II, S.A.U.

Breakdown of direct holders with indirect interests

Indirect holder	Direct holder	% of voting rights attributed to shares	% of voting rights attributed to shares	% of total
BLACKROCK INC.	ENTITES CONTROLED BY BLACKROCK	4.995	0.124	5.119
AMUNDI ASSET MANAGEMENT, S.A.	ENTITES CONTROLED BY AMUNDI ASSET MANAGEMENT	4.500	--	4.500
SACYR, S.A.	SACYR INVESTMENTS II, S.A.U.	3.094	--	3.094

The details set out in this section, as of December 31, 2021, from the information supplied by *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U.* (IBERCLEAR), and from the information sent by shareholders to the Company and to the Spanish National Securities Market Commission (CNMV).

Principal changes to the shareholder structure in 2021

Name of significant shareholder	Date of transaction	Description of the transaction
BANCO SANTANDER, S.A.	04/05/21	Interest has risen above 3% of share capital
BLACKROCK INC.	14/05/21	Interest has reached 5% of share capital
INVESCO LTD.	28/05/21	Interest has risen above 1% of share capital
BANCO SANTANDER, S.A.	21/06/21	Interest has fallen below 3% of share capital
BANK OF MONTREAL	30/06/21	Interest has risen above 3% of share capital
BANK OF MONTREAL	12/07/21	Interest has fallen below 3% of share capital
INVESCO LTD.	16/07/21	Interest has fallen below 1% of share capital
NORGES BANK	23/08/21	Interest has risen above 3% of share capital
NORGES BANK	30/08/21	Interest has fallen below 3% of share capital
NORGES BANK	10/09/21	Interest has risen above 3% of share capital
NORGES BANK	07/10/21	Interest has fallen below 3% of share capital
SACYR, S.A.	14/10/21	Interest has fallen below 5% of share capital
NORGES BANK	15/10/21	Interest has risen above 3% of share capital
JPMORGAN CHASE & CO	08/11/21	Interest has fallen below 3% of share capital
JPMORGAN CHASE & CO	15/11/21	Interest has risen above 5% of share capital
JPMORGAN CHASE & CO	16/11/21	Interest has fallen below 3% of share capital
JPMORGAN CHASE & CO	17/11/21	Interest has risen above 5% of share capital
BANCO SANTANDER, S.A.	22/11/21	Interest has risen above 3% of share capital
JPMORGAN CHASE & CO	20/12/21	Interest has fallen below 3% of share capital

Company voting rights held by Board members

As of December 31, 2021, the total voting rights held by the Company's Directors amounted to **0.082%**.

Breakdown of individual positions

	Number of shares		% of voting rights attributed to shares		% of voting rights through financial instruments		Total number of shares	% of total	% of voting rights that may be transferred through financial instruments	
	Direct	Indirect	Direct	Indirect	Direct	Indirect			Direct	Indirect
Mr. Antonio Brufau Niubó	618,992	—	0.041	—	—	—	618,992	0.041	—	—
Mr. Manuel Manrique Cecilia	166	1,491	—	—	—	—	1,657	—	—	—
Mr. Josu Jon Imaz San Miguel	526,662	—	0.034	—	—	—	526,662	0.034	—	—
Ms. Aurora Catá Sala	—	—	—	—	—	—	—	—	—	—
Ms. Arantza Estefanía	—	—	—	—	—	—	—	—	—	—
Ms. Carmina Ganyet Cirera	20	—	—	—	—	—	20	—	—	—
Ms. Teresa García-Milá Lloveras	2,328	—	—	—	—	—	2,328	—	—	—
Mr. Emiliano López Achurra	2,000	—	—	—	—	—	2,000	—	—	—
Mr. Ignacio Martín San Vicente	8,141	—	0.001	—	—	—	8,141	0.001	—	—
Mr. Mariano Marzo Carpio	—	—	—	—	—	—	—	—	—	—
Mr. Henri Philippe Reichstul	50	—	—	—	—	—	50	—	—	—
Ms. Isabel Torremocha Ferrezuelo	11,259	—	0.001	—	—	—	11,259	0.001	—	—
Mr. Luis Suárez de Lezo Mantilla	83,628	—	0.005	—	—	—	83,628	0.005	—	—
Mr. J. Robinson West	—	—	—	—	—	—	—	—	—	—

Breakdown of direct holders with indirect interests (mentioned above)

	Direct holder	% of voting rights attributed to shares	% of voting rights through financial instruments	% of total	% of voting rights that may be transferred through financial instruments
Mr. Manuel Manrique Cecilia	CYMOFAG, S.L.U.	0.00	--	0.00	--

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Representation of significant shareholders on the Board of Directors

The appointment of the Director Mr. Manuel Manrique Cecilia has been proposed by the significant shareholder Sacyr, S.A., whose relationship is detailed below:

Relationships of the Directors with the significant shareholder Sacyr, S.A. and/or entities of its group

Name of related director or representative	Name of related significant shareholder	Name of the group company of the significant shareholder	Description of relationship/position
Mr. Manuel Manrique Cecilia	SACYR, S.A.	SACYR, S.A.	Chairman-Chief Executive Officer. Indirect holder of 1.26% of the share capital of Sacyr, S.A. through Cymofag, S.L.U.
		SACYR CONSTRUCCION,	Chairman-Chief Executive Officer
		SACYR CONCESIONES, S.L.	Chairman-Chief Executive Officer
		SACYR SERVICIOS, S.A.U.	Director

The Company does not have any record of any family, commercial, contractual or corporate relationships between holders of significant stakes, or any significant relationships of this type or those arising from ordinary trading activities between the holders of significant stakes and the Company.

Restrictions on the assignability of securities, on voting rights and on the appointment of members of management bodies

The exercise of voting rights corresponding to shares and its capacity to appoint members of the Board of Directors may be affected by the following regulations applicable to the Company.

Article 34 of Royal Decree-Law 6/2000, of June 23, on urgent measures to intensify competition in goods and services markets ("Royal Degree-Law 6/2000")	Law 3/2013, of June 4, on the creation of the Spanish National Markets and Competition Commission ("Law 3/2013, 4 of June")
It establishes restrictions on the voting right and the ability to directly or indirectly appoint members of the management bodies of companies that have the status of principal operator in the same market or sector, including, among others, markets for the production and distribution of fuels, liquefied gases of oil and natural gas as well as generation of electricity. The main operator is defined as the entities that hold the five largest shares of the market in question. These limitations are specified in individual or legal entities who, directly or indirectly, participate in the capital or in the voting rights of two or more companies that have the status of principal operator in the same market or sector, or have themselves the condition of principal operator in the same market or sector may not exercise the voting rights in a second company that has the same status of principal operator in the same market or sector, in a share of more than 3% of the total in the capital or in other securities that confer political rights of that other company, nor may they directly or indirectly appoint members of the administrative bodies of said company. These constraints will not be applicable to parent companies that are principal operators in respect of their subsidiaries that are in the same position, provided this structure is imposed by law or the result of a mere redistribution of securities or assets among group companies. However, the Spanish National Markets and Competition Commission (the "CNMC") may authorize the exercise of the voting rights corresponding to the excess with regard to interests or the appointment of members of the governance bodies, provided this does not favor the exchange of strategic information among operators or imply any risks of coordination of their strategic actions.	It establishes a procedure for controlling certain business transactions in the energy sector, among them the acquisition of interests in companies that carry out oil refining activities, transportation through oil pipelines and storage of petroleum products. All these facilities that are also considered as strategic assets. In particular, the acquisition of a stake in the share capital that give a significant influence in the management of those companies that, directly or through controlled companies, carry out such activities have to be communicated to the CNMC who will be competent to hear such operations in accordance with the provisions of the ninth additional provision of Law 3/2013, of June 4, until the competent Ministry has the necessary means to exercise said competence. Said operations may be subject to the imposition of conditions relating to the exercise of the activity of the affected companies or to the purchaser, if the latter is not a national of the European Union or the European Economic Area and it is considered that there is a real and sufficiently serious threat that risks arise for the guarantee of supply of hydrocarbons.

Article 7 bis of Law 19/2003, of 4 July 2003, on the legal regime governing the movement of capital and foreign economic transactions and on certain measures to prevent money laundering (the "Law 19/2003 of 4 July 2003")
This law establishes that prior administrative authorisation will be necessary to acquire a share equal to or greater than 10% of the share capital in Spanish companies in the energy infrastructure and energy supply sectors, including residents in countries outside the European Union and the European Free Trade Association, and until 31 December 2022 will also apply to foreign direct investments in listed companies in Spain, or in unlisted companies if the value of the investment exceeds 500 million euros, by residents of countries outside the European Union and the European Free Trade Association.

Furthermore, and in line with recommendation number 1 of the Good Governance Code for Listed Companies, Repsol's Bylaws do not contain any restrictions as to the maximum number of votes that may be cast by a single shareholder, or impose any other restrictions that may hinder the acquisition of a controlling stake in the market. Lastly, it should be noted that in 2021 the Company did not resolve to take any measures to neutralize a takeover bid pursuant to Article 135 of the Securities Market Law.

Shareholders agreements

The Company has not been notified of any shareholders agreements that affect it, and no concerted actions have taken place between its shareholders.

Significant agreements that may be affected by a change in control of the Company as a result of a takeover bid

The Company usually participates in the exploration and exploitation of hydrocarbons through consortiums or joint ventures with other oil companies, both public and private. The agreements regulating the relations among partners of the joint ventures commonly grant the other members a right of pre-emption, in the case that any of the members in the cases in which one of the members intends to directly or partially transfer their participation. , in some cases, this could also be applied in cases of indirect transmission, that is, when a change of control occurs in a member.

The laws regulating the oil and gas industry in several countries in which the company operates also submit to prior authorization by the competent government of any transfer of all or part of licenses for hydrocarbon exploration and exploitation concessions, and such authorization is sometimes also required for takeovers of the concessionary company or companies, especially the one that operates the mining business.

Treasury shares

At 2021 year-end, the Company directly held:

64,110,571	4.20%
Treasury shares	**% of voting rights**

Significant variations during the year

Notice date	total % of share capital [1]
11/1/2021	1.406
22/1/2021	0.861
2/3/2021	1.001
17/3/2021	1.999
15/4/2021	5.22
6/5/2021	2.754
22/6/2021	3.083
29/9/2021	3.211
22/12/2021	3.796

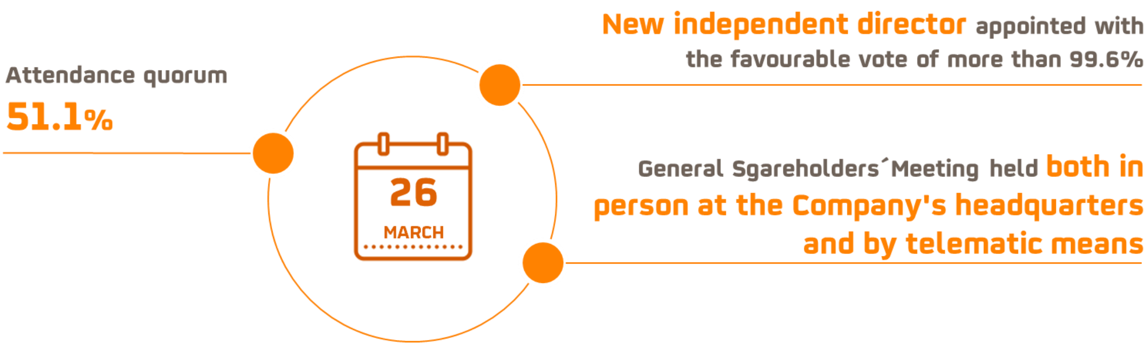
[1] Percentage calculated on the share capital in force at the date of each notification.

With regard to treasury share transactions, the Board of Directors is currently authorized to carry out the derivative acquisition of Repsol shares, either directly or through subsidiaries, by virtue of the authorization approved at the Company's Annual General Meeting held on second call on May 11, 2018, as item 8 of the agenda, the resolution of which is transcribed as follows:

"One. To authorize the Board of Directors for the derivative acquisition of shares of Repsol, S.A., by sale, purchase, exchange or any other onerous legal business modality, directly or through subsidiaries, up to a maximum number of shares, that added to those already own by Repsol, S.A. and its subsidiaries, not exceeding 10% of the share capital and for a price or equivalent value that may not be lower than the nominal value of the shares nor exceed the quoted price on the stock market. The authorization includes the acquisition of shares that, if any, may be disbursed among the employees and directors of the Company and its Group or used to satisfy the exercise of option rights that such persons may hold. This authorization, which is subject to compliance with all other applicable legal requirements, will be valid for 5 years from the date of this General Shareholders Meeting, rendering null and void, with regard to the part not used, the authorization granted at the Annual General Meeting held on March 28, 2014 as item twenty on the Agenda.

Two. To authorize the Board of Directors to in turn delegate (with the power of delegation, where appropriate) to the Delegate Committee and/or the Chief Executive Officer, pursuant to that established in Article 249 bis.l) of the Corporate Enterprises Act, all the powers that may be delegated that are referred to in this resolution, and all without prejudice to the powers of attorney that exist or may be conferred in relation to the content of this resolution."

2.3. General Shareholders Meeting



The General Shareholders Meeting is the sovereign corporate body through which the shareholders' right to participate in the Company's decision-making process is exercised. The basic principles of its organization and operation are governed in the Company Bylaws and in its Regulations, which contain the rules governing its legal and bylaw-stipulated activities and supplement the applicable rules established in current commercial legislation and the Company Bylaws.

The General Meeting, duly called and convened, will decide by the majorities required in each case by law, the Company Bylaws and the Regulations of the General Meeting on the matters within its competence and on the following:

Powers of the General Meeting

- Approval of the financial statements of Repsol and the consolidated financial statements of its group, the management of the Board of Directors, and the proposed allocation of profit or loss.
- Increase and reduction of share capital, including authorization to the Board of Directors to increase share capital under the terms established in the Corporate Enterprises Act and the removal or limitation of pre-emption rights.
- Approval of the issue of debentures and authorization to the Board of Directors to do so.
- Appointment and removal of directors, and ratification or revocation of appointments by co-optation made by the Board.
- Acquisition, disposal or contribution to another company of the Company's essential operating assets.
- Transfer to subsidiaries of essential activities performed up until that time by the Company, even if the Company retains full control over these activities.
- Approval, when permitted by law, of structural modifications and, in particular, the transformation, merger, spin-off, global assignment of assets and liabilities, and transfer of the registered office abroad.
- Approval of the Directors' remuneration policy.
- Releasing of Directors, on an individual basis, from the obligations deriving from their duty of loyalty in the following cases:
  a. Authorization of related party transactions in the cases contemplated in Article 22 bis of the Company Bylaws.
  b. Release from the prohibition of obtaining advantages or remuneration from third parties, other than the Company and its Group, associated with the performance of their duties, unless these are merely courtesies.
  c. Release from the obligation not to compete with the Company, pursuant to Article 44 bis of the Company Bylaws.
- Approval of operations that have the equivalent effect of liquidating the Company.
- Authorization for the acquisition of treasury shares.
- Approval of the final liquidation balance sheet.
- Appointment and, as case may be, removal of auditors.
- Approval of amendments to the Bylaws in accordance with Law and the Company Bylaws.
- Dissolution of the Company.

Accordingly, the Company has not made any decisions that must be submitted for approval at the General Shareholders Meeting, other than those established by law, which involved the acquisition, disposal or contribution to another company of essential assets or any other similar corporate transaction.

Quorums for calling the meeting and voting

The quorum required to validly convene the General Shareholders Meeting is governed by the rules established in the Corporate Enterprises Act.

However, with regard to the majorities necessary for passing resolutions, the Company Bylaws, as authorized by law, establish a larger quorum, both on first and second call, of 75% of the share capital with voting rights attending the General Meeting to validly pass the resolutions indicated below:

- Authorization of related party transactions in the cases contemplated in Article 22 bis of the Company Bylaws.
- Releasing of a Director from their obligation of non-competition pursuant to Article 44 bis of the Company Bylaws.
- Amendment to Articles 22 bis and 44 bis of the Company Bylaws on related party transactions and prohibition of competition for Directors.
- Amendment to Article 22.3 of the Company Bylaws, which explains the larger majority for voting.
- Amendment to Article 13.8 of the Regulations of the General Shareholders Meeting, which explains the larger majority for voting.

Amendments to the Company Bylaws are governed by the following articles:

Article 21 of the Company Bylaws

This article indicates that in order for the General Meeting, whether annual or extraordinary, to be able to validly agree to any amendment to the Bylaws, the following will be necessary:
First call: the attendance of shareholders, in person or by proxy, representing at least 50% of the subscribed share capital with voting rights.
Second call: the attendance of shareholders representing 25% of the share capital.

Article 22 of the Company Bylaws

This article indicates that in order to validly pass a resolution to amend the Bylaws, the following majorities are required:

If the share capital in person or by proxy exceeds 50% of the subscribed share capital with voting rights, the favorable vote of the absolute majority will be sufficient, such that the resolution will be deemed to have passed when the votes in favor represent more than half of the votes corresponding to the shares present in person or by proxy at the meeting. When shareholders attending the meeting on second call represent 25% or more of the subscribed share capital with voting rights, but less than 50%, the favorable vote of two thirds of the share capital present in person or by proxy at the meeting will be required.

However, and in accordance with that indicated above, a special requirement is established with regard to the regime set forth in the Corporate Enterprises Act for the amendment of Article 22 bis ("Related party transactions") and Article 44 bis ("Prohibition of competition") of the Bylaws, and the amendment of the special rule itself (Article 22.3). In order to validly approve these amendments to the Bylaws, they will require, both on first and second call, the favorable vote of 75% of the share capital with voting rights attending the General Meeting.

Right to attend

Repsol devotes special attention to facilitating attendance and participation at the General Meeting.

Key mechanisms to promote the right to attend and participation:

- Possibility of an electronic voting system at the General Meeting.
- Section on the corporate website with all the information from the General Meeting.
- General Meeting streaming, with simultaneous translation into English and sign language.
- Electronic shareholder forum.
- Remote attendance, with the possibility of voting and submitting questions during meeting broadcasts.
- Shareholder Information Office.

To facilitate shareholders' right to attend meetings, the Board decided that at the 2021 General Meeting **attendance at the General Meeting could also be carried out using electronic means.**

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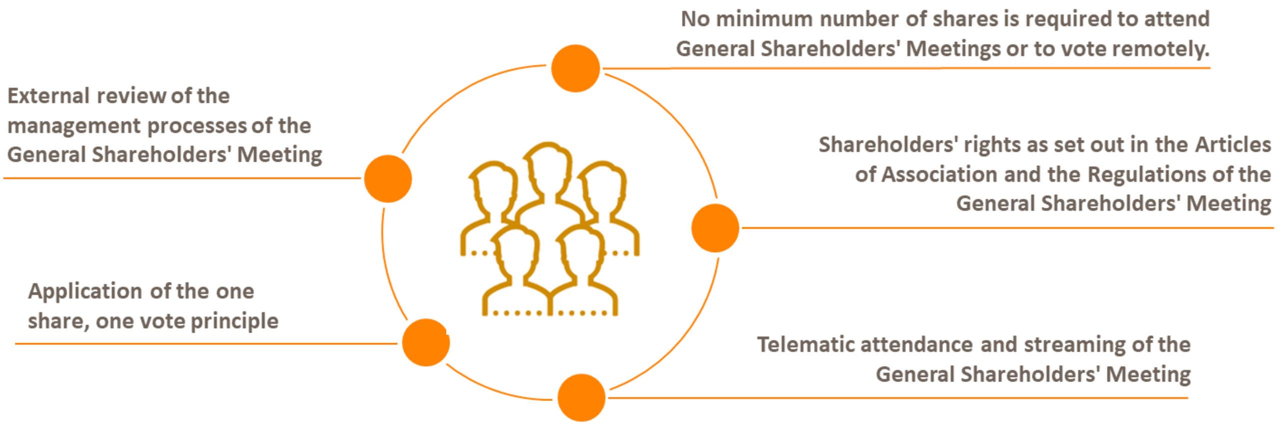
Those shareholders that meet the following conditions may attend the General Meeting:

- Their **shares are registered in the corresponding accounting record five days before the meeting is held**.
- They have the corresponding **attendance, proxy and distance voting card**.

There are no other restrictions established in the bylaws requiring a minimum number of shares to attend General Meetings.



Attendance, proxy and distance voting cards are issued by the corresponding member of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (IBERCLEAR) in each case or by the Company itself.

These cards may be exchanged on the date of the meeting for other standardized documents for recording attendance, issued by the Company, in order to:

- facilitate the compiling of the attendance list;
- exercise voting rights, and
- exercise other shareholders' rights.

Proxy and voting by remote means of communication prior to the meeting and telematic assistance

Shareholders entitled to attend may delegate or cast their vote on proposals relating to items on the agenda prior to the meeting by remote means of communication, provided that the identity of the participants is duly guaranteed. Provided that the Board of Directors so resolves at the time of the notice of each General Shareholders' Meeting, as permitted by the state of the art and the conditions of security, timeliness and simplicity, shareholders entitled to attend the General Shareholders' Meeting, or their representatives, may do so remotely by telematic means that duly guarantee the identity and entitlement of the shareholder or his representative and allow the correct exercise of the shareholder's rights. Where appropriate, the Board of Directors shall indicate in the notice of the General Shareholders' Meeting the most suitable means of enabling attendance by remote means at each General Shareholders' Meeting. These means shall be published on the Company's website (Articles 23 of the Articles of Association and 7 of the General Shareholders' Meeting Regulations).

Details of attendance and main resolutions passed at the 2021 General Meeting

On March 26, 2021, at 12:00 hours, the Ordinary General Shareholders' Meeting of Repsol, S.A. was held in the Auditorium of its headquarters, calle Méndez Álvaro nº 44, Madrid. The General Meeting was held on second call and was constituted with the attendance of a total of 801,103,695 shares, reaching a quorum of 51.1% of the share capital.

[8] The total attendance is 801,103,695 shares, of which 36,021,035 belongs to the Company's treasury shares.

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Data on attendance at General Shareholders Meetings

Date of General Meeting	% of attendance in person[9]	% by proxy	% of distance		Total
			Electronic vote	Others	
May 31st, 2019	8.042 %	47.572 %	0.032 %	0.745 %	56.392 %
Of which is free float:	0.114 %	47.427 %	0.032 %	0.745 %	48.318 %
May 8th, 2020	7.941 %	39.314 %	0.049 %	0.953 %	48.257 %
Of which is free float:	0.043 %	39.222 %	0.049 %	0.953 %	40.267 %
March 26th, 2021	7.948 %	42.876 %	0.070 %	0.201 %	51.094 %
Of which is free float:	0.048 %	40.579 %	0.070 %	0.201 %	40.897 %

Right to information

Information and documentation on corporate governance and on the most recent general meetings are available on Repsol's corporate website (www.repsol.com), under the 'Shareholders and Investors - Corporate Governance' section, through the following links:

https://www.repsol.com/en/shareholders-and-investors/corporate-governance/index.cshtml

https://www.repsol.com/en/shareholders-and-investors/corporate-governance/annual-general-meeting/index.cshtml

At the Annual General Meeting held on March 26, 2021, the Chairman and the Chief Executive Officer notified shareholders, among other matters, of the following: (i) the Company's situation in view of the current health crisis caused by COVID-19; (ii) the macroeconomic environment, (iii) results and performance, (iv) the 2021-2025 Strategic Plan, and (v) progress in the energy transition.

It should also be noted that the Company continued to bring its procedures and internal regulations into line with the recommendations of the Good Governance Code approved by the CNMV and that, to said date, the Company had complied with all the recommendations applicable to it. All proposals on the agenda of the 2021 Meeting were approved by an ample majority of shareholders. The voting results for each of the resolutions are indicated below:

Results of the vote on the proposed resolutions for the items on the agenda

Resolutions		Number of shares	Percentage over the share capital attending
First. Review and approval, if appropriate, of the Annual Financial Statements and Management Report of Repsol, S.A. and the Consolidated Annual Financial Statements and Consolidated Management Report, for fiscal year ended 31 December 2020.	For	762,581,198	99.673
	Against	45,145	0.006
	Abstained	2,456,317	0.321
Second. Review and approval, if appropriate, of the proposal for the allocation of results in 2020.	For	754,276,604	98.588
	Against	10,572,647	1.382
	Abstained	233,409	0.031
Third. Review and approval, if appropriate, of the Statement of Non-Financial Information for fiscal year ended 31 December 2020.	For	764,776,148	99.960
	Against	66,522	0.009
	Abstained	239,99	0.031
Fourth. Review and approval, if appropriate, of the management of the Board of Directors of Repsol, S.A. during 2020.	For	730,850,975	95.526
	Against	27,787,364	3.632
	Abstained	6,440,883	0.842

[9] Also includes telematic attendance.

Resolutions	Number of shares		Percentage over the share capital attending
Fifth. Appointment of the Accounts Auditor of Repsol, S.A. and its Consolidated Group for fiscal year 2021.	For	762,645,726	99.681
	Against	335,102	0.044
	Abstained	2,101,832	0.275
Sixth. Conditional distribution of the fixed amount of thirty euros cents (€0.30) gross per share charged to free reserves. Delegation of powers to the Board of Directors or, by substitution, to the Delegated Committee or the CEO, to establish the terms of distribution for that which may go unforeseen by the General Meeting, to carry out the acts necessary for its execution and to issue as many public and private documents as may be required to fulfil the agreement.	For	756,694,414	98.904
	Against	8,200,734	1.072
	Abstained	187,512	0.025
Seventh. Approval of a reduction of share capital for a maximum amount of 40,494,510 euros, through the redemption of a maximum of 40,494,510 of the Company's treasury shares. Delegation of powers to the Board of Directors or, as its replacement, to the Delegate Committee or the Chief Executive Officer, to set the other terms for the reduction in relation to everything not determined by the General Meeting, including, among other matters, the powers to redraft Articles 5 and 6 of the Company's Articles of Association, relating to share capital and shares respectively, and to request the delisting and cancellation of the accounting records of the shares that are being cancelled.	For	764,804,139	99.964
	Against	98,571	0.013
	Abstained	179,95	0.024
Eighth. Delegation to the Board of Directors on the power to issue fixed income, convertible and/or exchangeable securities for Shares, as well as warrants (options to subscribe new shares or acquire circulating Shares). Setting of criteria to determine the terms and types of the conversion and/or exchange and allocation to the Board of Directors of the powers to increase capital as necessary, as well as fully or partially remove shareholders' pre-emptive subscription rights in these issuances. Authorisation for the Company to guarantee security issuances made by its subsidiaries. Nullify the portion of resolution eight B) of the General Shareholders Meeting held on 19 May 2017 that were not used.	For	720,355,327	94.154
	Against	39,333,875	5.141
	Abstained	5,393,458	0.705
Ninth. Re-election as Director of Mr. Manuel Manrique Cecilia.	For	724,157,766	94.651
	Against	34,979,901	4.572
	Abstained	5,944,993	0.777
Tenth. Re-election as Director of Mr. Mariano Marzo Carpio.	For	729,139,918	95.302
	Against	30,033,489	3.926
	Abstained	5,909,253	0.772
Eleventh. Re-election as Director of Ms. Isabel Torremocha Ferrezuelo.	For	732,182,891	95.700
	Against	26,985,188	3.527
	Abstained	5,914,581	0.773
Twelfth. Re-election as Director of Mr. Luis Suárez de Lezo Mantilla.	For	716,085,702	93.596
	Against	46,611,190	6.092
	Abstained	2,385,768	0.312
Thirteenth. Ratification of the appointment by co-optation and re-election as Director of Mr. Rene Dahan.	For	719,934,555	94.099
	Against	39,231,608	5.128
	Abstained	5,916,497	0.773

Resolutions		Number of shares	Percentage over the share capital attending
Fourteenth. Appointment of Ms. Aurora Catá Sala as Director.	For	762,257,337	99.631
	Against	444,249	0.058
	Abstained	2,381,074	0.311
Fifteenth. Amendment of Articles 19 (Calling of the General Shareholders' Meeting) and 23 (Right to attend and vote) of the Company's Bylaws in order to adjust the Company's corporate governance regulations to the recent reform of the Good Governance Code for listed companies.	For	759,598,146	99.283
	Against	70,354	0.009
	Abstained	5,414,160	0.708
Sixteenth. Amendment of Articles 5 (Call) and 7 (Right to attend and exercise the right to vote) of the Regulations of the General Shareholders' Meeting in order to adapt the Company's corporate governance regulations to the recent reform of the Good Governance Code for listed companies.	For	759,614,389	99.285
	Against	69,081	0.009
	Abstained	5,399,190	0.706
Seventeenth. Advisory vote on the Repsol, S.A. Annual Report on Directors´ Remuneration for 2020.	For	743,529,619	97.183
	Against	20,765,976	2.714
	Abstained	783,627	0.102
Eighteenth. Examination and approval, if applicable, of the Remuneration Policy for the Directors of Repsol, S.A. (2021-2023).	For	746,458,449	97.566
	Against	17,976,014	2.350
	Abstained	644,759	0.084
Nineteenth. Delegation of powers to interpret, supplement, develop, execute, rectify and formalize the resolutions adopted by the General Shareholders' Meeting.	For	764,640,031	99.942
	Against	216,427	0.028
	Abstained	226,202	0.030

3. Repsol's governance body

3.1. Composition of the Board of Directors

As established in the Company Bylaws, the Board of Directors must be formed by a maximum of sixteen (16) and a minimum of nine (9) Directors. The Annual General Meeting held on 31 May 2019 approved the number of members of the Board of Directors at fifteen (15). The current number of Directors is fourteen (14).

The composition of the Board of Directors at December 31, 2021 is shown in the table below:

Director	Profile	Committees	First appointment	Last appointment	Selection procedure	Date of birth
Mr. Antonio Brufau Niubó	Chairman - Other Non-Executive	Delegate Committee (C)	23/07/1996	31/05/2019	General Shareholders Meeting Resolution	12/03/1948
Mr. Josu Jon Imaz San Miguel	Chief Executive Officer - Executive	Delegate Committee	30/04/2014	31/05/2019	General Shareholders Meeting Resolution	06/09/1963
Mr. Manuel Manrique Cecilia	Deputy Chairman - Proprietary Non-Executive	Delegate Committee	25/04/2013	26/03/2021	General Shareholders Meeting Resolution	01/01/1954
Ms. Aurora Catá Sala	Director - Independent Non-Executive	Audit and Control Committee, Nomination Committee, Remuneration Committee	26/03/2021	26/03/2021	General Shareholders Meeting Resolution	13/06/1964
Ms. Arantza Estefanía Larrañaga	Director - Independent Non-Executive	Remuneration Committee, Sustainability Committee	31/05/2019	31/05/2019	General Shareholders Meeting Resolution	09/05/1963
Ms. Carmina Ganyet i Cirera	Director - Independent Non-Executive	Audit and Control Committee, Nomination Committee (C), Remuneration Committee (C)	11/05/2018	11/05/2018	General Shareholders Meeting Resolution	08/04/1968
Ms. Teresa García-Milá Lloveras	Director - Independent Non-Executive	Audit and Control Committee, Nomination Committee	31/05/2019	31/05/2019	General Shareholders Meeting Resolution	05/07/1955
Mr. Emiliano López Achurra	Director - Other Non-Executive	Nomination Committee, Sustainability Committee	24/11/2021	24/11/2021	Cooptation	14/02/1956
Mr. Ignacio Martín San Vicente	Director - Independent Non-Executive	Delegate Committee	11/05/2018	11/05/2018	General Shareholders Meeting Resolution	04/05/1955
Mr. Mariano Marzo Carpio[10]	Director - Independent Non-Executive	Nomination Committee, Remuneration Committee, Sustainability Committee (C)	19/05/2017	26/03/2021	General Shareholders Meeting Resolution	08/09/1951
Mr. Henri Philippe Reichstul	Director - Other Non-Executive	Delegate Committee	30/10/2018	31/05/2019	General Shareholders Meeting Resolution	12/04/1949
Ms. Isabel Torremocha Ferrezuelo	Director - Independent Non-Executive	Audit and Control Committee (C), Sustainability Committee	19/05/2017	26/03/2021	General Shareholders Meeting Resolution	25/01/1964
Mr. J. Robinson West	Director - Independent Non-Executive	Delegate Committee	28/01/2015	31/05/2019	General Shareholders Meeting Resolution	16/09/1946
Mr. Luis Suárez de Lezo Mantilla	Director Secretary - Other Non-Executive	Delegate Committee	02/02/2005	26/03/2021	General Shareholders Meeting Resolution	24/11/1951

Committees of the Board of Directors

- Delegate Committee
- Remuneration Committee
- Nomination Committee
- Audit and Control Committee
- Sustainability Committee
- C Chairman Committee

Resignations from the Board of Directors in 2021

Director	Position at the time of termination	Last appointment	Date of resignation	Committees of which he/she was member	Reason
Ms. Maite Ballester Fornés	Independent Non-Executive	19/05/2017	26/03/2021	• Audit and Control Committee	Termination of Ms. Maite Ballester's term of office as Director of the Company.
Mr. José Manuel Loureda Mantiñán	Proprietary Non-Executive	31/05/2019	27/10/2021	• Remuneration Committee • Sustainability Committee	Mr. Jose Manuel Loureda resigned as Director of the Company.
Mr. René Dahan	Independent Non-Executive	26/03/2021	21/11/2021	• Delegate Committee	Mr. Rene Dahan resigned as Director of the Company due to decease.

[10] The Board of Directors, at its meeting of 27 March 2018, appointed Mr. Mariano Marzo as Lead Independent Director.

MR. ANTONIO BRUFAU NIUBÓ

CHAIRMAN OF THE BOARD OF DIRECTORS

Other Non-Executive

Director of Repsol by resolution of the Board of Directors since 23 July 1996, subsequently ratified by the General Shareholders Meeting of 6 June 1997 and re-elected by the General Shareholders Meeting on 24 March 1999, 4 April 2003, 9 May 2007, 15 April 2011, 30 April 2015 and 31 May 2019.

Antonio Brufau Niubó has been Chairman of Repsol since 2004.

Education: Bachelor's degree in Economic Sciences from the Universidad de Barcelona. Honorary Doctorate from the Universidad Ramón Llull de Barcelona.

Experience: He commenced his professional career at Arthur Andersen, where he became Audit Director and Partner. In 1998, he joined the "La Caixa" Group as Deputy Chief Executive Officer, occupying the position of Chief Executive Officer between 1999 and 2004. He was also Chairman of the Gas Natural Group between 1997 and 2004.

His broad experience in the business world and his knowledge of the energy sector have allowed him to lead the Repsol's transformation process, today consolidated as a global multi-energy company, leading the transition to a more sustainable energy model and becoming the first company in its sector to commit to zero net emissions by 2050.

Other relevant positions: Mr. Antonio Brufau is a member of the Business Action Council of the Spanish Confederation of Business Organisations (CEOE), member of the Spanish Executives Association and the Círculo de Economía business organisation, trustee of the private foundation Instituto Ildefons Cerdà, trustee of Spanish Confederation of Directors and Executives (CEDE), trustee of the Real Instituto Elcano think tank, trustee of the Foundation for Energy and Environmental Sustainability (FUNSEAM), trustee of COTEC (Foundation for Technological Innovation) and trustee of the Fundación Princesa de Girona. He is also the Chairman of Fundación Repsol.

Board committees to which he belongs: Chairman of the Delegate Committee.

MR. JOSU JON IMAZ

CHIEF EXECUTIVE OFFICER

Executive

Josu Jon Imaz was appointed CEO of Repsol following Board resolution dated 30 April 2014 and subsequently ratified and re-elected by the General Shareholders Meeting on 30 April 2015 and 31 May 2019.

Education: Josu Jon Imaz has a PhD in Chemical Sciences from the Universidad del País Vasco. He graduated from the Faculty of Chemical Sciences of San Sebastián winning the Award for Excellence in Academic Career. He was also a visiting researcher at the Harvard Kennedy School in the United States.

Experience: Josu Jon Imaz commenced his professional career in research — he was sent by the INASMET Research Centre to the French technological centre CETIM, in Nantes — and the promotion of industrial (Mondragón Group) and business projects connected to the world of energy. He also held various political responsibilities, notably including the Basque Country Department of Industry, Trade and Tourism in 1999 and the Executive Presidency of the Basque Nationalist Party, EAJ-PNV.

He joined Repsol as Chairman of its subsidiary Petronor in 2008, where he successfully managed the challenges of modernisation, sustainability and environmental relations. From 2010, he combined this position with that of Director of New Energies. In 2012, he joined Repsol's Management Committee and was appointed General Manager of the Industrial and New Energies Area, responsible, among other functions, for coordinating the activities of all the industrial complexes. He was also Vice-Chairman of Gas Natural SDG, S.A. from September 2016 to February 2018.

Since he was appointed CEO in 2014, he has led the Company's transformation process, today consolidated as a global multi-energy company, a major player in the electricity and gas market in Spain, leading the development of sustainable mobility solutions and operating one of the most efficient refining systems in Europe. Under his management, Repsol has accelerated the decarbonization process of its assets, becoming one of the leaders of the energy transition in Spain and the first company in its sector to commit to zero net emissions by 2050.

Other relevant positions: Member of Repsol's Executive Committee and trustee of Fundación Repsol.

Board committees to which he belongs: Member of the Delegate Committee.

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

MR. MANUEL MANRIQUE CECILIA

DEPUTY CHAIRMAN

Propietary Non-Executive (proposed by Sacyr, S.A.)

Mr. Manrique was appointed Director of Repsol following Board resolution dated 25 April 2013 and subsequently ratified and appointed by the General Shareholders Meeting on 31 May 2013 and re-elected by the General Shareholders Meeting on 19 May 2017 and on 26 March 2021.

Education: Mr. Manrique has a bachelor's degree in Roads, Canals and Ports Engineering from the Escuela Técnica Superior de Madrid.

Experience: He commenced his professional career at Ferrovial. In 1987, he was part of the founding core of Sacyr, becoming its International Officer in the late-90s and Construction General Manager in 2001. In 2003, coinciding with the merger of Sacyr and Vallehermoso, Mr. Manrique was appointed Chairman and CEO of the construction division and Board member of the parent company of the new Sacyr Vallehermoso Group. In November 2004, he was appointed First Vice-Chairman and CEO of Sacyr Vallehermoso, S.A. and a member of the Group's Executive Committee. Since October 2011, Mr. Manrique has also occupied the position of Chairman of the Board of Sacyr, S.A. (previously Sacyr Vallehermoso, S.A.). He has over 35 years' professional experience in the sectors of construction, infrastructure concessions, services, equity, development and energy.

Other relevant positions: Director of other companies of the Sacyr Group and Chairman of the Sacyr Foundation.

Board committees to which he belongs: Member of the Delegate Committee.

MS. AURORA CATÁ SALA

Independent Non-Executive

Ms. Catá was appointed Director of Repsol at the Shareholders' Meeting on March 26, 2021.

Education: She holds a bachelor's degree in Industrial Engineering from Universidad Politécnica de Cataluña as well as an MBA and a PADE from IESE. She also completed the Massachusetts Institute of Technology (MIT) Mentoring Program.

Experience: She began her professional career in the financial sector, first at Bank of America and later as CFO at Nissan Motor Ibérica, where she led important capital market operations. Subsequently, she took over the general management of RTVE in Catalonia and later held the position of CEO at Planeta 2010, a company encompassing the audiovisual businesses of the Group, which was fundamental in its growth and diversification strategy. After that, and having also been a founding partner of the start-up Content Arena, she became general manager of Audiovisual Media at Recoletos Grupo de Comunicación, where she managed the Group's audiovisual business.

Between 2008 and 2020, Ms. Catá was a partner at Seeliger y Conde, where she carried out consulting work related to the development of organizations based on the identifying internal talent, developing competitive compensation policies, designing succession plans, attracting talent, and making cultural changes to adapt to new business scenarios.

Other relevant positions: She is currently the Chair of BARCELONA GLOBAL. She is also Independent Director and Chairwoman of the Nomination and Compensation Committees and member of the Risk Committee at Banco Sabadell. Moreover, Ms. Catá is a member of the Executive Committee of the IESE Business School Alumni Association.

Board committees to which she belongs: Member of the Audit and Control Committee, Member of the Nomination Committee, and Member of the Compensation Committee.

MS. ARANTZA ESTEFANÍA LARRAÑAGA

Independent Non-Executive

Ms. Estefanía was appointed Director of Repsol by the General Shareholders Meeting of 31 May 2019.

Education: She graduated in Law with First Class Honours at the Universidad de Deusto winning the Award for Excellence in Academic Career.

Experience: From its foundation in 2000 until January 2019, she was Managing Partner of Uría Menéndez Abogados, S.L.P. in Bilbao. During those years, she performed various roles at the firm, notably including that of Director of the Practical Area of Procedural, Public, Arbitration and Criminal Law in Bilbao. Furthermore, she has been a member of Uría Menéndez's Board of Directors, Professional Practice Management Committee and Criminal Risk Prevention Committee.

She has earned recognised standing in the area of Commercial Law. She has been Secretary of the Board of Directors of several trading companies and entities and she is currently Secretary of the Board of Bilbao Exhibition Centre, S.A. On several occasions, she has been appointed as an Arbitrator by the Court of Arbitration of the Bilbao Chamber of Commerce to resolve commercial conflicts.

Over more than thirty years, she has gained vast experience in the area of compliance and criminal risk prevention, as well as environment and security. In recent years, Ms. Estefanía has given multiple lectures with respect to the criminal liability and compliance of legal persons and she has also authored several publications in this field.

Since 2013, Ms. Estefanía has been constantly recognised on an annual basis by Best Lawyer in Spain as leading lawyer in the practices of arbitration and mediation and as lawyer of the year in the procedural area. She also has teaching experience as adjunct lecturer of the Civil law Department of the Universidad de Deusto.

Other relevant positions: As of 27 July 2021, she became Director and Secretary of the Board of Directors of Repsol Industrial Transformation, S.L. (Single-member Company) and on 28 July 2021 she was appointed Director and Secretary of the Board of Repsol Customer Centric, S.L.

She was appointed independent director of Cie Automotive, S.A. on 29 April 2020 and member of its Audit Committee. Since 15 December 2021, she is also Chairman of the Nomination and Remuneration Committee, member of the Sustainability Committee and Coordinating Director.

On 8 May 2020, she was appointed independent director of Global Dominion Access, S.A., being Chairman of its Audit Committee until 12 May 2021. Since that date, she is member of the Audit Committee and of the Sustainability Committee.

Since May 2019, she has formed part of the group of experts of the Basque Country Economic and Social Council, the advisory body of the Basque Government and Parliament, chairing that body's Economic Commission from December 2019.

Moreover, throughout her professional career, she has also been Secretary to the Board of Directors of various companies and entities and is currently the Secretary of the Board of Directors of Bilbao Exhibition Centre S.A. (Bilbao International Trade Fair).

Board committees to which she belongs: Member of the Compensation Committee and member of the Sustainability Committee.

MS. CARMINA GANYET I CIRERA

Independent Non-Executive

Ms. Ganyet was appointed Director of Repsol by the General Shareholders Meeting of 11 May 2018.

Education: Ms. Ganyet is an Economic Sciences and Business Administration graduate from the Universitat Autònoma de Barcelona. In addition, she has completed postgraduate studies at ESADE business school.

Experience: She is a specialist in Corporate Finance, M&A and capital markets. She commenced her professional career at Arthur Andersen. In 1995, she was appointed head of Investment and Management Control of the Financial, Property and Insurance Group of Caixa Holding (currently Criteria). In 1999, she led Colonial's IPO and, in 2000, she was appointed CFO, joining its Management Committee. In January 2009, she was appointed Corporate General Manager. She is also member of its ESG Committee and Investment Committee.

During these years, she has led the international extension through the takeover bid for Société Foncière Lyonnaise (property company listed on the Paris stock exchange) and has led the financial restructuring of Colonial and executed several corporate transactions consolidating Colonial as one of the largest and leading pan-European office property companies. Moreover, Ms. Ganyet has teaching experience as a lecturer in the Faculty of Business Administration of the Universitat Ramon Llull.

Other relevant positions: She is currently Corporate General Manager of Inmobiliaria Colonial and is part of its Management Committee and a Board member of Société Foncière Lyonnaise. She is a member of the Management Board of the Círculo de Economía business organisation, member of the Board of Trustees of Universidad Ramon Llull, member of the Ethos Ramon Llull Ethics and Business Council, member of the ULI Barcelona Council, member of the Management Board of ESADE Alumni and Vice President of the Barcelona Global Organisation. She has been an independent director of ICF (Instituto Catalán de Finanzas) and SegurCaixa Adeslas, and director of SIIC de Paris representing controlling shareholders. Moreover, she has won several awards and recognitions in her professional career.

Board committees to which she belongs: Chairman of the Nomination Committee, Chairman of the Compensation Committee and member of the Audit and Control Committee.

MS. TERESA GARCÍA-MILÁ LLOVERAS

Independent Non-Executive

Ms. García-Milá was appointed Director of Repsol by the General Shareholders Meeting of 31 May 2019.

Education: Ms. García-Milá has a bachelor's degree in Economic Sciences from the Universidad de Barcelona and a PhD in Economics from the University of Minnesota.

Experience: She commenced her professional career as interim tenured lecturer at the Department of Economics of the State University of New York and later at the Department of Economics of the Universitat Autònoma de Barcelona (UAB). She has been a tenured lecturer and is currently a professor at the Department of Economics and Business of the Universidad Pompeu Fabra in Barcelona, where she has occupied several academic roles: Dean of the Faculty of Economic and Business Sciences, Vice-Chancellor of Science Policy, and Economics and Business Head of Department. Furthermore, among other positions, she has been a Director of Banco Sabadell, Enagás and Vueling, and Economics Coordinator of the National Assessment and Perspective Agency (ANEP).

Other relevant positions: She is currently Director of the Barcelona School of Economics and a Professor of the Department of Economics and Business at the Universidad Pompeu Fabra in Barcelona. Ms. García-Mila is an honorary member of the Spanish Economics Association (of which she has been President), member of the Economic Affairs Advisory Board of the Ministry of Economic Affairs and Digital Transformation, member of the Management Board of the "Centre de Recerca en Economía Internacional" (CREI) research centre, and Vice-President of the board of trustees of the Institute for Political Economy and Governance (IPEG). Ms. García-Mila is a regular speaker at workshops and conferences and has authored numerous publications on economic matters. She has received distinctions such as the "Distinguished Member" of the Catalonia Association of Economists and the "Narcís Monturiol" Medal of the Regional Government of Catalonia.

Board committees to which she belongs: Member of the Audit and Control Committee and member of the Nomination Committee.

MR. EMILIANO LÓPEZ ACHURRA

Other Non-Executive

Mr. López Achurra was appointed Director of Repsol by co-option in accordance with a resolution of the of the Board meeting held on November 24, 2021.

Education: Mr. López Achurra holds an LLB from the Autonomous University of Barcelona and a Master's Degree in International Studies from the Paris Institute of Political Studies.

Experience: In 2003, he was appointed director of Gas Natural Fenosa, and in 2011, became chairman of IBIL, a company backed by the Basque government and Repsol to provide charging stations for electric vehicles in Spain. He was previously director of Caja de Ahorros Provincial de Gipuzkoa —Kutxa—, BBK Bank/Caja Sur, and Sareb. He was also a founding parner of the law firm IBK & LBR, specializing in Community law, infrastructure, energy, and the environment, as well as the consultancy firms CFI (Consultores de Financiación Internacional), DPA (Desarrollo y Protección Ambiental) and EF International Strategy. He also held the position of Chairman of the Tecnalia Corporation from 2016 until 2020.

Between May 2016 and April 2019, Mr. López Achurra was Executive Chairman of Petronor, where he promoted numerous projects related to energy transition and renewable hydrogen production. Mr. López Achurra is currently Non-Executive Chairman of the company.

Other relevant positions: Mr. López Achurra is also a Board member of the Basque Institute of Competitiveness, where he has presided over the Energy Chair and has been closely linked to the development of the Iberian Gas Hub.

In his academic capacity as professor, he has given numerous conferences and seminars at the Universities of the Basque Country, Deusto, Vigo, and Santiago de Compostela, the Autonomous University of Barcelona, IESE, the Universities of Bordeaux and Pau, and the Autonomous Technological Institute of Mexico (ITAM), as well as the Basque Institute of Public Administration.

He is currently member of the Advisory Board for Science, Technology and Innovation in Spain, the Group of Experts defining the RIS3 Galicia strategy, and the Executive Committee of the Basque Innovation Agency. Mr. López Achurra is also a Trustee of the Real Instituto Elcano and the Novia Salcedo Foundation.

Board committees to which he belongs: Member of the Nomination Committee and the Sustainability Committee.

MR. IGNACIO MARTÍN SAN VICENTE

Independent Non-Executive

Mr. Martín was appointed Director of Repsol by the General Shareholders Meeting of 11 May 2018.

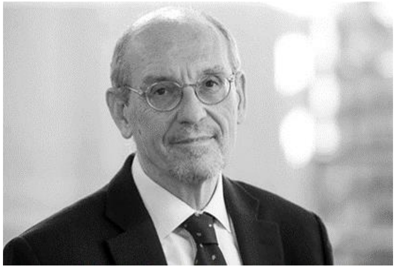
Education: Mr. Martín holds a degree in Industrial Electrical Engineering from the University of Navarra.

Experience: He has developed his professional career in several companies, mainly in the industrial sector, such as GKN Automotive International, where he has exercised the positions of Chief Executive Officer, member of the global Executive Committee and CEO, the latter in the United States.

Mr. Martín has also been Deputy Chief Executive Officer and Vice-Chairman of Alcatel España and, after his return to the GKN Driveline Group, in 1999, he was appointed General Manager for Europe, which was GKN's most important region. In 2001, he joined the GSB Group as Executive Vice-President, where he led the merger with Corporación Industrial Egaña, giving rise to CIE Automotive, where he performed the role of CEO until 2012, when he joined Gamesa as Chairman and CEO, until its merger with Siemens Wind Power in May 2017.

Other relevant positions: He currently occupies the position of Director at Indra Sistemas, S.A. and Acerinox, S.A.

Board committees to which he belongs: Member of the Delegate Committee.



MR. MARIANO MARZO CARPIO

LEAD INDEPENDENT DIRECTOR

Independent Non-Executive

Mr. Marzo was appointed Director of Repsol by the General Shareholders Meeting of 19 May 2017 and re-elected by the General Shareholders Meeting on 26 March 2021.

Education: Bachelor's degree in Geology from the Universidad de Barcelona; PhD in Geological Sciences from the Universidad de Barcelona.

Experience: Mr. Marzo has worked in Europe, the United States, South America, the Middle East and North Africa and is a member of the American Association of Petroleum Geologists and the European Association of Petroleum Geoscientists & Engineers.

Furthermore, Mr. Marzo has participated in several advisory boards on energy matters of the central and autonomous community administrations, as well as other institutions, and he has maintained a continuous connection with the oil and gas industry, through the research applied to the exploration sector and the sedimentological characterization of fields.

Mr. Marzo has also formed part of the editorial boards of journals of great international prestige in the field of geology, such as Basin Research, Geology and Sedimentology, and he has published numerous works and worked vastly as a lecturer. His educational activity was rewarded with the "Distinction of the Universidad de Barcelona for the Best Scientific and Humanist Education Activities" in 2014.

Other relevant positions: Mr. Marzo is Professor in the Faculty of Earth Sciences of the Universidad de Barcelona (Department of Earth and Ocean Dynamics), where he has developed his teaching career as a researcher, academic, columnist and lecturer. Since 2019, he is Director of the Chair in "Energy Transition University of Barcelona-Repsol Foundation". Likewise, he is a member of the Advisory Board of Club Español de la Energía and was Director of Section 4 (Earth Sciences) of the "Reial Acadèmia de Ciències i Arts de Barcelona" where he is currently a numerary member.

Board committees to which he belongs: Chairman of the Sustainability Committee, member of the Nomination Committee and member of the Compensation Committee.

MR. HENRI PHILIPPE REICHSTUL

Other Non-Executive

Mr. Reichstul was appointed Director of Repsol by co-option in accordance with a resolution of the Board meeting held on 30 October 2018 and ratified and re-elected by the General Shareholders Meeting on 31 May 2019. Previously, he held this position from December 2005 to May 2017.

Education: Mr. Reichstul has a bachelor's degree in Economic Sciences from the São Paulo University and has completed postgraduate studies at Hertford College, Oxford.

Experience: He has been Secretary of the State Companies Budgets Office and Brazil's Vice-Minister for Planning. Between 1988 and 1999, he performed the role of Vice-Chairman and CEO of Banco Inter American Express, S.A. Between 1999 and 2001, he was Chairman of Petrolera Estatal Brasileña Petrobras.

Other relevant positions: He is a member of the Advisory Board of Lhoist do Brasil Ltda., Chairman and Oversight Board member of Fives Group, Board member of LATAM Airlines Group, Board member of TAM Linhas Aéreas and Vice-Chairman of the Board of Directors of Eneva, S.A.

Board committees to which he belongs: Member of the Delegate Committee.

MS. ISABEL TORREMOCHA FERREZUELO

Independent Non-Executive

Ms. Torremocha was appointed Director of Repsol by the General Shareholders Meeting of 19 May 2017 and re-elected by the General Shareholders Meeting on 26 March 2021.

Education: Graduate of Chemical Sciences from the Universidad Autónoma de Madrid. Postgraduate Specialisation in Plastics and Rubber course with the Spanish National Research Council (CSIC), Leadership Programme at ISD Business School, Management Development Programme at IESE Business School and Corporate Finance at IE Business School.

Experience: Ms. Torremocha commenced her professional career at Philips Iberia, joining Andersen Consulting (currently Accenture) in 1991, where she has developed her career in the Telecommunications, Media and High Technology sector. She has been Chief Executive Officer at Accenture and a Board member of Accenture España.

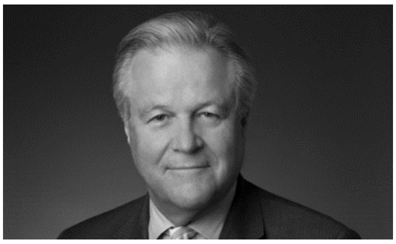
During her latest period at Accenture, working as Transformation Opportunities Director, Ms. Torremocha has led the creation and development of opportunities related to strategic transformations in the areas of information technologies, outsourcing of business processes and digital transformation in Spain, Portugal and Africa.

Previously, she has held international positions, the most relevant being that of Chief Operating Officer and member of the Executive Committee for Europe, Africa and Latin America, with responsibility for the implementation of the business strategy in these geographic areas.

She has also been responsible for diversity and equality in the Telecommunications, Media and High Technology division of Europe, Africa and Latin America, defining the plans for acceleration of the number of professional women in management positions and in succession plans. In addition, during 2018 and 2019 she has been a collaborator and mentor in the Start-Ups accelerator "Atelier by ISEM" of the University of Navarra.

Other relevant positions: She currently holds the position of Director and member of the Nomination and Remuneration and Audit and Control Committees at Indra Sistemas, S.A. She is also a Trustee and Chairman of the Nomination Committee at the "Plan Internacional" Foundation, member of the Strategic Board of the CEIT Technology Centre, member of the Institute of Directors and Administrators (ICA) and member of the Spanish Association of Executives (AED).

Board committees to which she belongs: Chairwoman of the Audit and Control Committee and member of the Sustainability Committee.



MR. J. ROBINSON WEST

Independent Non-Executive

Mr. West was appointed Director at Repsol by resolution of the Board of Directors on January 28th, 2015. His appointment was ratified and he was reelected at the Annual General Meeting on April 30th, 2015 and on May 31st, 2019.

Education: Graduate of the University of North Carolina Chapel Hill and Jurist Doctor from Temple University Law School in Philadelphia.

Experience: Mr. West is a renowned international expert in energy markets, especially areas related to oil & gas. In 1984 he founded PFC Energy, a company over which he presided until 2013.

Before founding PFC Energy, he held positions of responsibility in government with different administrations. During the Reagan administration, as an Assistant Secretary of the Interior, he developed and implemented the five-year leasing plan for the U.S. Outer Continental Shelf (OCS), the largest non-financial auction in the world at that time. He served in the Ford administration as the Deputy Assistant Secretary of Defense for International Economic Affairs, for which he received the Secretary of Defense Medal for Outstanding Civilian Service.

Other relevant positions: He is currently the Managing Director of The Center for Energy Impact of the Boston Consulting Group and is also a Member of the National Petroleum Council, the Council on Foreign Relations, Chairman of the Board of Trustees of the German Marshall Fund of the United States, Chairman Emeritus of the United States Institute of Peace. He is also Chairman of the Wyeth Foundation for American Art and on the Board of Trustees of the National Gallery of Art in Washington DC.

Board committees to which he belongs: Member of the Delegate Committee.

MR. LUIS SUÁREZ DE LEZO MANTILLA

Other Non-Executive and **Secretary of the Board of Directors**

Mr. Luis Suárez de Lezo Mantilla was appointed Director of Repsol following Board resolution dated 2 February 2005 and subsequently ratified and appointed by the General Shareholders Meeting on 31 May 2005 and re-elected by the General Shareholders Meeting on 14 May 2009, 31 May 2013, 19 May 2017 and 26 March 2021.

Education: Mr. Suárez de Lezo holds a law degree from the Universidad Complutense and is a State Lawyer (on leave). He specializes in Commercial and Administrative Law.

Experience: He was a Director of Legal Matters at Campsa until the end of the oil monopoly and has worked as an independent professional, particularly in the energy sector.

In 2005, he was appointed Chief Executive Officer of Repsol, a position he held until December 2019, when his executive duties ended.

Furthermore, Mr. Suárez de Lezo was a member of the Board of Directors of Exolum (previously Compañía Logística de Hidrocarburos, CLH, S.A.) from 2005 to 2010 and of Naturgy Energy Group, S.A. from 2010 to 2018.

Other relevant positions: He is currently Secretary of the Board of Directors of Repsol, S.A. and Vice-Chairman of Fundación Repsol.

Board committees to which he belongs: Member of the Delegate Committee.

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

Presence on other boards

In accordance with the Board of Directors Regulations, the Company's Directors may not hold more than four board mandates in other listed companies other than Repsol[11].

Directors who are also directors or managers, or representatives of directors who are legal entities, of other listed and unlisted entities, as well as other remunerated activities, are listed below.

Director name	Presence in other listed and unlisted entities	Other remunerated activities
Antonio Brufau Niubó	Mr Brufau is a member of the Business Action Council of CEOE, a Member of the Spanish Association of Directors and of the Cercle d"Economía, a Trustee of the Ildefons Cerdà Institute Private Foundation, a Trustee of the CEDE Foundation (Spanish Confederation of Directors and Executives), a Trustee of the Elcano Royal Institute, a Trustee of FUNSEAM, a Trustee of COTEC (Foundation for Technological Innovation) and a Trustee of the Princess of Girona Foundation. He is also Chair of the Repsol Foundation.	—
Josu Jon Imaz	Mr Imaz sits on the board of the Repsol Foundation.	—
Manuel Manrique Cecilia	Mr Manrique holds the position of Chair and CEO of Sacyr, S.A. (a company listed in official securities markets in Spain), Chair and Director of Sacyr Construcción, S.A. and Sacyr Concesiones, S.L. and Director of Sacyr Servicios, S.A. He is also Chair of the Sacyr Foundation.	—
Aurora Catá Sala	Ms Catá serves sits on the board of the Spanish listed companies Banco Sabadell, S.A.and Atrys Health. She is also the Chair of Barcelona Global and a member of the Executive Committee of the IESE Alumni Association.	Ms Catá also works as an independent business consultant for various companies.
Arantza Estefanía Larrañaga	Ms Estefanía serves on the boards of CIE Automotive, S.A. and Global Dominion Access, S.A., companies listed on official securities markets in Spain. She is also Secretary of the Board of Bilbao Exhibition Centre, S.A and holds the position of Chair of the Economic Commission of the Economic and Social Council of the Basque Country, and is a member and Secretary of the Board of FARLET, S.L.	—
Carmina Ganyet i Cirera	Ms Ganyet is Corporate General Manager of Inmobiliaria Colonial and is a member of its Steering Committee. She is also on the board of the foreign listed company Societe Fonciere Lyonnaise, S.A., the Board of the Cercle d"Economía, is a member of the Board of Trustees of the Ramon Llull University, a member of the Board of Ethos Ramon Llull-Ethics and Business, a member of the Board of ULI-Barcelona, a member of the Esade-Alumni Board and Deputy Chair of Barcelona Global.	—
Teresa García-Milá Lloveras	Ms García-Milá is an honourable member of the Spanish Economics Association, a member of the Advisory Board on Economic Affairs of the Ministry of Economic Affairs and Digital Transformation, a member of the Board of the Recerca Centre in International Economics (CREI) and Deputy Chair of the Board of the Institute for Political Economy and Governance (IPEG).	Ms García-Milá is Professor of Economics at Pompeu Fabra University, and holds the position of Director at the Barcelona School of Economics.
Emiliano López Achurra	Mr Achurra sits on the Board of the Basque Competitiveness Institute, and is a member of the Science, Technology and Innovation Advisory Board of Spain and the Executive Committee of the Basque Innovation Agency. He is also a Board member of the Royal Elcan Institute and the Novia Salcedo Foundation.	—

[11] Pursuant to Article 18 of the Board of Directors Regulations, and to these effects: (a) all boards of companies that form part of the same group, as well as those board memberships held as proprietary director proposed by any company of this group, will be calculated as a single board mandate; and (b) those board mandates on asset-holding companies or companies that are vehicles or ancillary to exercising the professional services by the Director, their spouse or domestic partner, or their close family members will not be calculated. Exceptionally and due to reasons properly justified, the Board may waive the Director from this prohibition. In addition, the Director must inform the Nomination Committee of any other professional obligations they may have and any material changes in their professional situation, as well as any that may affect the nature or condition by virtue of which they have been appointed Director.

Director name	Presence in other listed and unlisted entities	Other remunerated activities
Ignacio Martín San Vicente	Mr Martín is a board member of the companies Indra Systems, S.A. and Acerinox, S.A., entities listed on official securities markets in Spain.	—
Mariano Marzo Carpio	Mr Marzo sits on the Advisory Board of the Spanish Energy Club.	Mr Marzo is Professor Emeritus of the University of Barcelona, a Board Member of AGBAR, a columnist in different newspapers and an occaisonal collaborator with other written and online publications. He also participates as lecturer or panelist in various events.
Henri Philippe Reichstul	Reichstul serves on the boards of LATAM Airlines Group (a foreign listed company), Chair and member of the Fives Group Supervisory Board, a Board member of Lhoist do Brasil Ltda, a Board member of da TAM Linhas Aéreas and Deputy Chair of the Board of Directors of Eneva, S.A.	—
Isabel Torremocha Ferrezuelo	Torremocha sits on the Board of the Spanish listed company Indra Systems, S.A. She is also Sponsor and Chair of the Nomination Committee of the "International Plan" Foundation.	—
J. Robinson West	Mr. West is the Managing Director of The Center for Energy Impact of the Boston Consulting Group and is also a Member of the National Petroleum Council, the Council on Foreign Relations, Chairman of the Board of Trustees of the German Marshall Fund of the United States and, Chairman Emeritus of the United States Institute of Peace. He is also Chairman of the Wyeth Foundation for American Art and on the Board of Trustees of the National Gallery of Art in Washington DC.	—
Luis Suárez de Lezo Mantilla	Mr Suárez de Lezo is 1st Deputy Chair of the Repsol Foundation.	—

Director's positions in other companies or entities of the Group:

Director name	Group company name	Position
Emiliano López Achurra	Petróleos del Norte, S.A.	Non-Executive Chairman
Arantza Estefanía Larrañaga	Repsol Industrial Transformation, S.L. (Sociedad Unipersonal)	Director and Secretary
	Repsol Customer Centric, S.L.	Director and Secretary

Promoting diversity

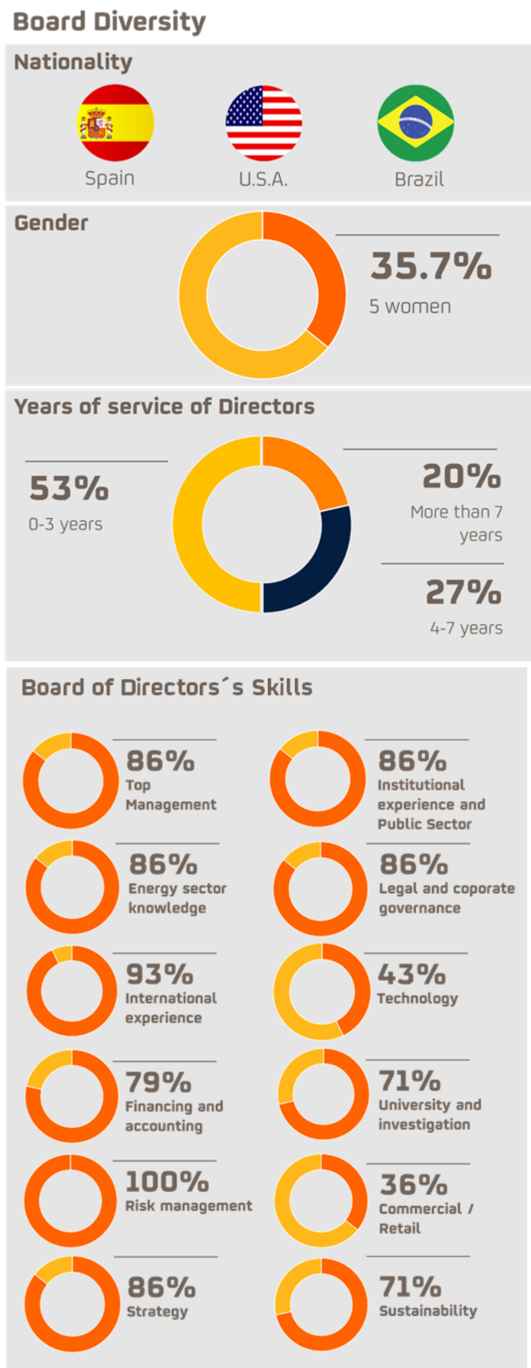
The Company has a Policy on Diversity in Board Composition and Director Selection, which was approved by the Board on 16 December 2015 and amended on 17 February 2021[12] to adapt it to the changes introduced in section 529 *bis* of the Spanish Corporate Enterprises Act [*Ley de Sociedades de Capital*] (and in Recommendations 14 and 15 of the CNMV's Good Governance Code for Listed Companies published on 26 June, 2020). This Policy establishes the diversity criteria that must generally be complied with regarding the composition of the Board. Under the policy, candidates for Directors must be persons whose appointment favours diversity of skills, knowledge, experience, nationalities, age and gender on the Board, so as to achieve a diverse and balanced Board as a whole, which enriches decision-making and brings a plurality of viewpoints to the discussion of the matters under its purview.

The Board Regulations also expressly state that the Nomination Committee must ensure that, when new vacancies arise or when new Directors are appointed, the selection procedures are not implicitly biased in such a way that could lead to discrimination of any type and that women who have the desired professional profile are deliberately sought out and included among the potential candidates, and it must inform the Board of the initiatives adopted and the outcome.

Likewise, article 32 of the Articles of Association states that both the General Meeting and the Board of Directors, performing their functions of submitting proposals to the General Meeting and co-option to fill vacancies, must attempt to ensure, in relation to the composition of the Board of Directors, that professional, knowledge and experience, international and gender diversity policies are applied.

Thus, in the process of selecting new candidates, the Nomination Committee is responsible for ensuring that the diversity of the Board is guaranteed so as to guarantee effectiveness in the performance of its duties. A combination of experience and skills is therefore sought in the selection process to engender an environment on the Board where different perspectives emerge and quality decision-making is ensured.

In any case, before an Independent Director is nominated, the Nomination Committee must confirm that the candidate adequately meets the requirements established for this purpose by law, in the Articles of Association and in the Board Regulations. In this way, the selection process seeks to ensure that the candidates for Directors of the Company are honourable, suitable persons, of recognised prestige, who possess the appropriate professional knowledge and experience to perform their duties, and that they have the necessary availability to undertake their functions. In particular, they must be professionals of integrity whose conduct and professional career are in line with the principles set out in the Repsol Group's Code of Ethics and Conduct and with the Company's vision and values.



[12] The Policy on Diversity in Board Composition and Director Selection is available on the corporate website.

Equality of opportunity and diversity

As a company, Repsol believes that generational, cultural, sexual and gender diversity and the integration of people with different abilities contribute to the generation of different and innovative ideas and perspectives, providing added value that make it possible to benefit from mutual learning based on the principle of equality and non-discrimination that governs, and must govern, everything we do. As regards gender diversity, the company has increased the presence of women on its Board.

Women's presence on the Council in 2021

35.7%

Thus, after the appointment of Ms. Aurora Catá Sala at the General Shareholders' Meeting, the percentage of women Directors at Repsol has risen from 20% in 2018 to 35.7% in 2021. This is not only intended to promote gender diversity, but also to maximize talent within the Board of Directors.

As a result, in terms of the presence of women on the Board, Repsol is above the average of the other listed companies in Spain (26.1% at EOY 2020) and the companies comprising the IBEX-35 (31.26%).[13]

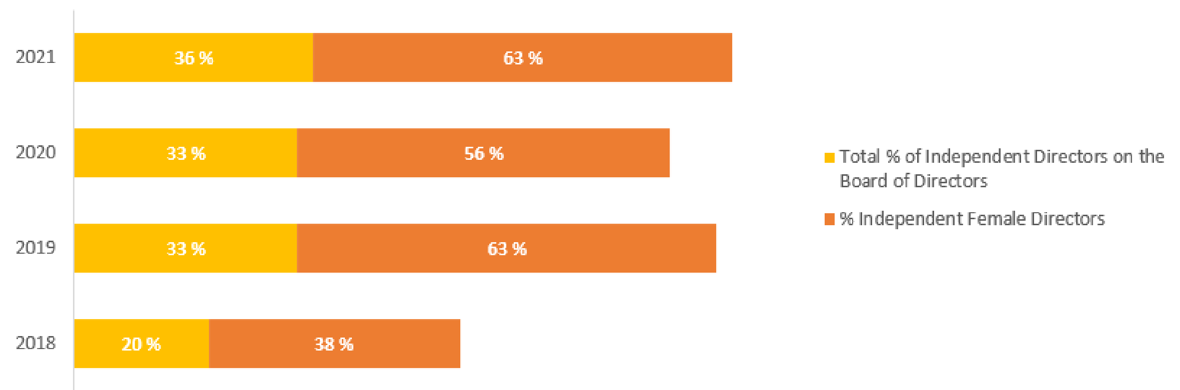
On the other hand, Repsol is also committed to achieving gender equality among its employees and works on this on a daily basis through various programmes. In this regard, the company's target is to reach 35% of women in leadership positions by 2025 (31.4% in 2021, 0.5% more than in 2020). In addition, the percentage of women out of the total number of members of senior management reaches 30% in 2021.

The following table reflects the trend in the presence of women on the Board and the Board Committees over the last four years:

	2021		2020		2019		2018	
	N.	%	N.	%	N.	%	N.	%
Board of Directors	5	36 %	5	33 %	5	33 %	3	20 %
Delegate Committee	—	—	—	—	—	—	—	—
Audit and Control Committee	4	100 %	4	100 %	4	100 %	3	60 %
Nomination Committee	3	60 %	3	75 %	3	75 %	1	25 %
Compensation Committee	3	75 %	2	50 %	2	50 %	1	25 %
Sustainability Committee	2	50 %	2	50 %	2	50 %	—	—

As regards the percentage of Independent External Directors, a category to which all the Board members belong, this figure has increased from 38% in 2018 to 63% in 2021, considerably exceeding the average of other listed companies, which was 35.5% at the end of 2020.[14]

Female Directors



[13] According to data published by the CNMV in May 2021, based on the annual corporate governance reports for 2020: https://www.cnmv.es/Portal/verDoc.axd?t=%7B17e108d0-2bfe-48f7-9da2-92567b8a75af%7D#:~:text=En%20lo%20que%20respecta%20a,de%20menos%20de%20500%20millones.

[14] According to data published by the CNMV in May 2021, based on the annual corporate governance reports for 2020: https://www.cnmv.es/Portal/verDoc.axd?t=%7B17e108d0-2bfe-48f7-9da2-92567b8a75af%7D#:~:text=En%20lo%20que%20respecta%20a,de%20menos%20de%20500%20millones.

Policy on Diversity in the Composition of the Board of Directors and the Selection of Board Members

Without prejudice to the right to proportional representation recognised in the Corporate Enterprises Act, the process of selecting candidates for directorship must be based on a prior assessment, to be carried out by the Nomination Committee, of the needs of the Repsol Group and the skills, knowledge and experience required on the Board in view of the nature and complexity of the business developed by the Group, considering the commitment assumed by the Board to promote an appropriate and diverse composition.

In compliance with the principles contained in the Policy on Diversity in Board Composition and Director Selection (the "Policy"), the Nomination Committee has carried out an analysis throughout the year on the structure, size and composition of the Board, as well as the necessary competences, knowledge and experience in carrying out its duties.

In 2021, a total of three vacancies opened on the Board of Directors, two of which were Independent Directors and the other was a Proprietary Director. These vacancies occurred at different times during the year, the first of them corresponding to the termination of the term of office of the Independent Director, Ms. Maite Ballester, on the date of the General Shareholders' Meeting of 26 March 2021. The second vacancy occurred following the resignation tendered by the Proprietary Director, Mr. José Manuel Loureda, of which the Board took notice on 27 October 2021. The third vacancy arose from the decease of the Independent Director, Mr. René Dahan, who resigned due to decease on 21 November 2021.

In relation to the two first vacancies, the Nomination Committee carried out a prior analysis on the Repsol Group's needs and the competences and skills that should be included or strengthened on the Board, and it analysed various profiles of a list of potential candidates for the position of Director, following the guidelines established in the Policy and, in particular, regarding the inclusion of women who have the desired professional profile, to promote gender diversity in the Board. The Nomination Committee has also ensured that there is no discrimination for any other reason and, in particular, due to age or disability.

By virtue of the foregoing, and after analysing the different profiles presented and confirming their availability and compatibility of the position with their other professional obligations and assessing their suitability to be Directors of Repsol in view of the Group's needs and the challenges facing the Company, the Nomination Committee agreed to propose to the Board of Directors -for subsequent submission to the General Shareholders' Meeting-, the appointment of Ms. Aurora Catá Sala as a Director of the Company, with the category of Independent. The General Shareholders' Meeting approved her appointment on 26 March 2021, contributing to increase gender diversity in the composition of the Board. In relation to the second vacancy, the Nomination Committee proposed to the Board of Directors the appointment by co-optation of Mr Emiliano López Achurra as Director, with the category of Other Non-executive, which was approved by the Board on 24 November.

With regard to the third vacancy, the Nomination Committee is currently analysing the skills, knowledge and experience that it may be appropriate for the Board to consider reinforcing in view of the challenges facing the Company, with a view to filling the above-mentioned vacancy in the near future.

Director selection process

The director selection process is governed by the Policy on Diversity in the Composition of the Board of Directors and Selection of Directors.

Selection and appointment process

1. Assessment and selection of candidates

The Nomination Committee is the body in charge of assessing the knowledge, expertise and experience required on the Board, determining the duties and skills required of the candidates who are to fill each vacancy and assessing the time and dedication necessary for them to perform their duties adequately.

2. Appointment of Directors

Board members are appointed by the General Meeting, without prejudice to the right of the Board to nominate shareholders by co-optation to fill any vacancies that arise, up to the next General Meeting.

The proposals for the appointment, ratification or re-election of Directors that are submitted at the General Meeting, as well as appointments by the co-optation, will be approved by the Board: (i) upon proposal by the Nomination Committee in the case of Independent Directors, or (ii) subject to a report by the Nomination Committee in the case of other Directors.

Within its powers to submit proposals at the General Meeting or appointment by co-optation, the Board may not propose as candidates or appoint as Directors any persons affected by any of the incompatibilities or prohibitions established by law, the Company Bylaws or regulations or any persons, companies or entities with a permanent conflict of interests with the Company, including its competitors or their directors, executives or employees, or any persons related to or proposed by them.

In order to be considered for appointment, candidates must have recognized prestige and sufficient professional experience and expertise to perform their duties, in addition to meeting the requirements stipulated for the position by law and the Company Bylaws.

Furthermore, those persons indicated in Article 13.2 of the Board of Directors Regulations may not be nominated or appointed as Independent Directors. A Director who holds a stake in the Company may be appointed as an Independent Director, provided they meet all the conditions established in the Board of Directors Regulations and inapplicable legislation, and they do not hold a significant interest.

For the purpose of assessing the independence of the Directors, the Appointments Committee takes into account the provisions of the Corporate Enterprises Act, the Good Governance Code for Listed Companies, internal regulations (Policy on Diversity in the Composition of the Board of Directors and Selection of Directors and Article 13.2 of the Board of Directors Regulations), and the policies of the most significant shareholders and proxy advisors, and verifies that Independent Directors do not have any significant direct or indirect relationship with Repsol that could interfere with the independent performance of their duties and carries out the necessary materiality tests.

The Company Bylaws and the Board Regulations do not establish any age limit for Directors or set any additional limit regarding the term of office for Independent Directors other than that stipulated in applicable legislation. Likewise, no specific requirements are established to be elected as Chairman of the Board in addition to those established for the selection of Directors.

It should also be noted that in 2021 no Proprietary Directors were appointed at the request of shareholders with a stake of less than 3% in the share capital, and there were no formal requests for a place on the Board from shareholders whose stake is equal to or greater than that of others that had been appointed Proprietary Directors.

3. Re-election of Directors

Directors will hold office for a maximum of four years, after which they will be eligible for re-election for one or several periods of equal duration. Directors appointed by co-optation will hold office until the next General Meeting following their appointment, at which their appointment will be subject to ratification.

The Nomination Committee is responsible for assessing the quality of their work and dedication of the Directors proposed during their previous term in office.

4. Cessation

Directors will stand down from office upon expiry of the term for which they were appointed and in all the other cases where this is required by law, the Company Bylaws and the Board of Directors Regulations.

The Board of Directors will not propose the removal of any Independent Non-Executive Director before the end of the period for which they were appointed, except where just cause is found by the Board, based on a proposal from the Nomination Committee. In particular, such a proposal will be justified if the Director (i) has failed to discharge the duties inherent to their position; (ii) is in any of the situations described in Article 16.2 of the Board of Directors Regulations, which is reproduced in subsection "Resignation of Directors" below; or (iii) falls into any of the circumstances of incompatibility to be considered an Independent Non-Executive Director.

The removal of an Independent Non-Executive Director may also be proposed as a result of takeover bids, mergers or other similar corporate transactions which involve a change in the Company's capital structure, to the extent that such removal is necessary in order to establish a reasonable equilibrium between Proprietary Non-Executive Directors and Independent Non-Executive Directors based on the ratio of capital represented by the former to the rest of the capital.

Directors who give up their place before their tenure expires, through resignation or otherwise, should state their reasons in a letter to be sent to all other members of the Board of Directors.

Resignation of Directors

Directors must tender their resignation to the Board of Directors and, if the Board considers it appropriate, resign in the following cases:

a) When they are involved in any of the situations of incompatibility or prohibition established by law, the Company Bylaws or applicable regulations.

b) When they have been seriously reprimanded by the Nomination Committee or by the Audit and Control Committee for having breached their duties as Directors.

c) When, in the opinion of the Board, based on a report by the Nomination Committee:

   i. Their remaining on the Board could jeopardize the interests of the Company or adversely affect the functioning of the Board or the standing and reputation of the Company; or

   ii. When the reasons for their appointment no longer exist. Directors will find themselves in this position, particularly in the following cases:

      - Proprietary Non-Executive Directors, when the shareholder they represent or who proposed their appointment transfers its entire shareholding. They will also offer their resignation and, should the Board deem fit, step down from the Board, in the corresponding proportion, if the shareholder reduces its shareholding interest to a level requiring a reduction in the number of its Proprietary Non-Executive Directors.

      - Executive Directors, when they cease to hold the executive positions outside the Board with which their appointment as Director is associated.

Article 19 of the Board of Directors Regulations provides that Directors will notify the Board as soon as possible and keep it up to date on any situations in which they may be involved and that could harm the Company's name or reputation, to enable the Board to assess the circumstances, particularly in this regard.

3.2. Competencies of the Board of Directors

The Board of Directors of Repsol met on 13 occasions in 2021. The Board of Directors has not registered any absences or attendance by proxy of any of its members.

Meetings of the Board and attendance of its members			
13	No. of meetings attended in person by at least 80% of the Directors.	**13**	Number of meetings attended in person by all directors (or by proxy with specific instructions).
100 %	Attendance in person over the total number of votes during the financial year.	**100 %**	Of votes cast in person (and proxies made with specific instructions) out of the total votes cast during the financial year.
The Chairman of the Board of Directors attended all meetings held during the financial year 2021.			

Attendance at Board of Directors meetings

Director	In person	By Proxy	% of attendance in person in 2021
Antonio Brufau Niubó	13	—	100 %
Josu Jon Imaz San Miguel	13	—	100 %
Manuel Manrique Cecilia	13	—	100 %
Maite Ballester Fornés (1)	3	—	100 %
Aurora Catá Sala (2)	10	—	100 %
Rene Dahan (3)	11	—	100 %
Carmina Ganyet i Cirera	13	—	100 %
Emiliano López Achurra (4)	1	—	100 %
José Manuel Loureda Mantiñán (5)	10	—	100 %
Ignacio Martín San Vicente	13	—	100 %
Henri Philippe Reichstul	13	—	100 %
Mariano Marzo Carpio	13	—	100 %
J. Robinson West	13	—	100 %
Luis Suárez de Lezo Mantilla	13	—	100 %
Isabel Torremocha Ferrezuelo	13	—	100 %
Arantza Estefanía Larrañaga	13	—	100 %
Teresa García-Milá Lloveras	13	—	100 %

(1) Ms. Ballester's term of office as Director ended on 26 March 2021.
(2) Ms. Catá was appointed Director on 26 March 2021.
(3) Mr. Dahan resigned due to decease on 21 November 2021.
(4) Mr. López Achurra accepted his appointment as Director after the meeting of 24 November 2021.
(5) Mr. Loureda resigned as Director prior to the meeting of 27 October 2021.

Duties of the Directors

The duties of the Directors are included in the Board of Directors Regulations. Article 17 indicates that Directors must perform their duties with the diligence of an orderly businessman and a loyal representative, working in good faith in the Company's best interest.

Articles 18 to 23 of the Board of Directors Regulations set out the obligations to be met by Directors in accordance with their duties of diligence and loyalty with regard to non-competition, use of information on corporate assets and taking advantage of business opportunities, and the requirements established in respect of related party transactions between the Company and the Directors, significant shareholders represented on the Board or persons related to them.

Voting procedures

The adoption of resolutions by the Board of Directors requires the vote in favor of the majority of the Directors attending in person or by proxy, except in those cases indicated below.

Matters that require larger majorities other than those stipulated by law

- Amendments to Articles 20 and 23 of the Board of Directors Regulations regarding the obligation of non-competition and related party transactions, respectively, requires the favorable vote of three-quarters of the Board members.
- The favorable vote of two-thirds of the members not involved in a conflict of interest is required to authorize the Directors to provide advisory or representation services to the Company's competitors, subject to a favorable report by the Nomination Committee. The favorable vote of two-thirds of the members not involved in a conflict of interest is also required to waive the conflict of interest incompatibility in respect of a proposal put to the General Meeting or an appointment of candidates or Directors by co-optation.
- The favorable vote of two-thirds of the members not involved in a conflict of interest is also required to authorize the Company's related party transactions with Directors, significant shareholders represented on the Board or persons related to them for an amount exceeding 5% of the Group's assets, in accordance with the most recent consolidated financial statements approved by the General Meeting, in respect of the Company's strategic assets, involving the transfer of significant technology of the Company, intended to establish strategic alliances and which are not mere agreements of action or execution of existing alliances. This is conditional upon the transaction being fair and efficient from the standpoint of the Company's interests, the Appointments Committee having issued a favorable report after obtaining the corresponding report from an independent expert of renowned prestige in the financial community indicating that the related party transaction will be made on reasonable, arm's length terms and if it is considered unadvisable to wait for the next General Meeting to obtain authorization, for reasons of opportunity.

Without prejudice to the Directors' duty to attend the meetings of the bodies they belong to or, failing this, if they are unable for justified reasons to attend the meetings to which they have been called, to issue the appropriate instructions to the director who is to represent them, if any, each Board member may grant a proxy to another member, with no limit on the number of proxies that may be held by any director for attendance of Board meetings, all subject to the provisions of the applicable laws.

Proxies for absent Directors may be granted by any written means, including a letter, telegram, telex, fax or email sent to the Chairman or the Secretary to the Board.

3.3. Activities of the Board of Directors

Repsol's Board of Directors is the holder of the Company's organic representation in charge of directing and managing the businesses and interests of the Company, unless reserved for the General Shareholders Meeting. In particular, the Board of Directors is responsible for approving the Company's strategy and the organization needed to put it into practice; overseeing and ensuring that Management meets the targets set and respects the Company's corporate purpose and interests; approving acquisitions and disposals of assets belonging to the Company or its subsidiaries that, for whatever reason and notwithstanding the involvement of the General Meeting when applicable by law, are considered especially significant.

The specific rules relating to its powers, composition, term of office, the convening of and quorum for meetings, the manner in which resolutions are passed and the distribution of positions on the Board are included in the Company Bylaws (Articles 31 to 36) and in the Board of Directors Regulations.

Main activities in 2021

In 2021 the Board examined, discussed and issued proposals and reports on those matters reserved for its competence, most notably including the following:

- Preparation of Financial Statements and Management Report, both individual and consolidated, for 2020.
- Approval of the quarterly financial information, corresponding to the 1st and 3rd quarter of 2021.
- Approval of the 2020 Annual Financial Report and the Half-Yearly Financial Report for the 1st half of 2021.
- Progress report for the year (activity report, business developments and income statement).
- 2020 Annual Corporate Governance Report.
- Issues related to remunerations:
  - 2020 Annual Director Remuneration Report.
  - Board Remuneration Policy Proposal for 2021 to 2023.
  - Approval of the directors' remuneration for their membership on the Board and its Committees, as well as, in the case of the Chief Executive Officer, for the performance of his executive duties.
  - Approval of the settlement of the 2017-2020 long-term incentive plan and the proposal for the 2021-2024 long-term incentive plan.
  - 2022 Share Buyback Plan.
- Call of the General Meeting 2021, preparing the proposals for resolutions and reports on those proposals and implementing the resolutions passed.
- 2021 Annual budget and monitoring of it, and the results of the 2020 exploratory activity.
- Company investments and transactions requiring Board approval.
- Approval of certain transactions with significant shareholders.
- Follow-up on the Addax arbitration proceedings.
- Follow-up on the judicial procedure relating to Cenyt's contracting.
- Issues related to issuing financial instruments:
  - Renewal of the Euro Medium Term Note Programme by Repsol International Finance, B.V.
  - Authorisation to issue hybrid bonds.
  - Transfer to Luxembourg and expansion of the Eurocommercial Paper (ECP) programme.
- Analysis and monitoring of the performance of Repsol, S.A.'s share price and market perceptions.
- Shareholder remuneration issues: proposed capital reduction through cancellation of treasury shares and proposed agreement on distribution of free reserves - January 2022.
- Report on the upcoming Repsol Low Carbon Day and roadshow.
- Issues related to the energy transition and technologies:
  - Analysis of compatibility of investment proposals with energy transition targets.
  - Hydrogen Strategy.
  - Carbon capture, use and storage (CCUS).
  - Electric mobility: technology and business vision.
  - Macro market vision: energy transition dynamics after Covid.
  - Report on technologies for the energy transition
- Issues related to the Company's strategy:
  - Update on the targets of the Strategic Plan.
  - Monitoring of strategic commitments.
- Monitoring of the Digital Programme.
- Assessment of the Board and its Committees.
- Matters related to the composition of the Board and its committees.
- Appointment and re-election of Board members of the Repsol Foundation.
- Adaptation of internal regulations to the partial reform of the Code of Good Governance of listed companies.
- Calendar of Board and Delegate Committee meetings for 2022.

In 2021, the Board of Directors reviewed the objectives of the Strategic Plan in order to increase the targets for renewable generation and emission reductions, as well as investments in low-carbon solutions to accelerate the Company's transformation until 2030. In this way, an additional 1,000 million euros will be allocated to increase renewable electricity generation and the production of emission-free hydrogen, as well as to promote other low-carbon initiatives. On the other hand, the ambition for renewable generation is increased by 60% and the intermediate decarbonisation targets have been enhanced, so the reduction in the Carbon Intensity Indicator now aims to be 15% in 2025, 28% in 2030 and 55% in 2040.

On the other hand, the Board of Directors has been regularly informed, directly and through the Audit and Control Committee, as well as through the Appointments Committee and the meeting of the Independent Directors, of the circumstances and internal investigations related to the contracting of the company Centro Exclusivo de Negocios y Transacciones, S.L. (Cenyt). Likewise, it has also been informed of the legal proceedings before the Central Court of Instruction of the National Court (Audiencia Nacional), having publicly reiterated its firm support for the Chairman and the Secretary Director for their impeccable professional performance and its total confidence in their full personal trustworthiness. The Central Court of Instruction number 6 of the National Court (Audiencia Nacional) declared, by rulings of July and September 2021, respectively, the provisional dismissal and filing of the proceedings with respect to Repsol, S.A. and its Chairman, as well as the provisional dismissal and filing of the investigation with respect to the Secretary of the Board of Directors. Both resolutions were appealed. For events after 31 December, see section 5.4 of the Integrated Management Report 2021.

3.4. Functioning of the Board of Directors

There is a working environment of open dialogue on the Board that enables Directors to freely express and adopt their positions.

The matters to be discussed at the meetings of the Board and the Committees are planned prior to the beginning of each year by the Chairman of the Board and by the Committee Chairs, who encourage the participation of the Directors, per the definition thereof, along with Company Management.

Main responsibilities of the Chairman

Mr. Antonio Brufau Niubó, the Non-Executive Chairman of the Board of Directors, is the maximum authority responsible for the efficient functioning of this body and as such is responsible for carrying out the following specific duties:

- Call and chair the meetings of the Board of Directors and the Delegate Committee, setting their agenda and leading the discussions and debates, in order to ensure that all matters are given sufficient time for discussion, encouraging the active participation of Directors at the meetings.
- Ensure that the Board has effective decision-making processes, in particular in relation to proposals of greater scale;
- Ensure that prior to the meeting the Directors receive the appropriate information necessary to discuss the items on the agenda;
- Ensure that the Board committees are adequately structured and have appropriate rules of operation;
- Regularly review and agree on with each Director their training and development needs;
- Ensure that the actions of the Board and its Committees are assessed at least once a year, and take action based on the results of this assessment;
- Maintain regular communication with the chief executive, providing the appropriate support, and report to the Board of Directors on their activity and performance.
- Chair the General Shareholders Meeting, in accordance with applicable regulations.

Main responsibilities of the Chief Executive Officer

Mr. Josu Jon Imaz is the chief executive of the Company and is responsible for the management of the business and the direction of the Company and has been delegated all the functions of the Board of Directors, except for those that cannot be delegated by law or by the Company's bylaws.

Main responsibilities of the Lead Independent Director

Mr. Mariano Marzo Carpio was appointed Independent Coordinating Director following Board resolution dated 27 March 2018 at the proposal of the Appointments Committee. Article 28 of the Board of Directors Regulations attributes him the following functions:

- Request that the Chairman of the Board of Directors call a Board meeting when he considers it appropriate.
- Request the inclusion of new points on the agenda of Board meetings, called or not, in the terms of article 9.3 of these Regulations.
- Coordinate, meet and transmit the opinions of the External Directors.
- Direct the regular appraisal of the Chairman of this body by the Board.
- Call and chair the meetings of the independent Directors he considers necessary or appropriate.
- Chair the Board of Directors meetings in the absence of the Chairman and Vice-Chairmen.
- Maintain contact with investors and shareholders to gauge their viewpoints to form an opinion on their concerns, in particular in relation to the Company’s corporate governance.
- Coordinate the Chairman’s succession plan.

Information provided to Directors

The Chairman, assisted by the Secretary to the Board, ensures that the Directors are provided with the information necessary, and sufficiently in advance, in order to effectively carry out their responsibilities and adequately prepare for the meetings.

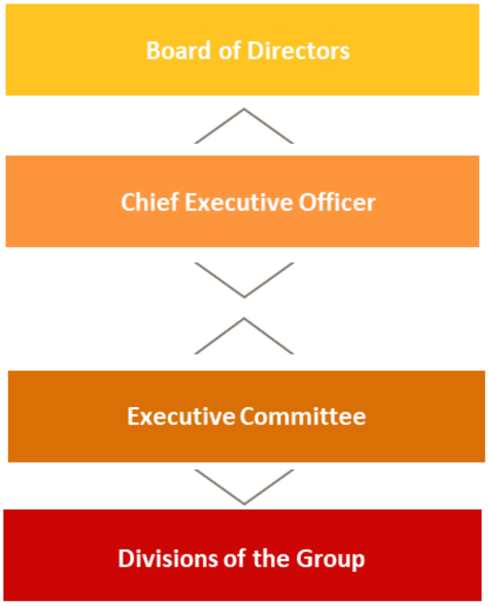
The call notices for Board and Committee meetings will be sent at least 48 hours prior to the meeting and include any documentation related to the agenda and minutes of the previous meeting. This information is accessible through the Director Portal, which is a specific computer application that facilitates the performance of the Directors' duties and the exercise of their right to information. This Portal includes the documentation and information deemed suitable for preparing the Board and Committee meetings in accordance with the agenda, including all presentations given, as well as any training materials aimed at Directors and any other information that may be of interest to them.

All Directors will also be provided with the minutes for all Committee meetings, which are also made available on the Director’s Portal.

Directors have access to all the Company's services and may obtain, with the broadest possible powers, the information and advice they need to perform their functions. The right to information is channeled through the Chairman or the Secretary to the Board of Directors, who responds to Directors' requests and directly furnish them with the information, offering them access to appropriate sources or taking all necessary measures to answer questions.

Interaction of the Board of Directors with executive personnel

The Board of Directors has a direct and ongoing relationship with the members of the Company's Senior Management. Key executives attend the meetings of the Board and its Committees so as to report on the matters within their competence, and on any other matter that may affect the Company's performance. However, when executives are required to attend Board and Committee meetings, they will remain only for those specific items on the agenda where their presence is required.



Likewise, the Chairmen of the different Board of Directors' Committees meet periodically with the heads of the different corporate and business areas with responsibility in their areas of competence.

Directors training

Repsol offers ongoing training programs and refresher courses on subjects in which the Directors have shown an interest. Among other matters, in 2021 training and information sessions were carried out, among others, in relation to the following content:

Board of Directors

- Energy transition and new technologies
- Market dynamics after COVID-19
- New regime for connected-party and intra-group transactions
- Digitalisation
- Reform of the Code of Good Governance of listed companies and its impact on internal regulations

Audit and Control Committee

- New European Single Electronic Format (ESEF)
- Internal Non-Financial Reporting Oversight System (CIINF)
- Aspects related to cybersecurity
- Emerging risks and climate change risks
- Risks inherent to the Company's activities
- The concept of materiality in financial information
- Non-financial information reporting frameworks

Sustainability Committee

- Report on Environmental, Social and Governance (ESG) analysts and investors and relevant events
- Emerging risks and climate change risks
- Non-financial information reporting frameworks
- Issues related to reducing emissions
- Culture of safety
- Digitalisation and sustainability
- Community Relations and Human Rights.
- Natural capital and biodiversity

The Company also has an induction process for new Directors so that they are able to rapidly acquire sufficient knowledge of the Company and its corporate governance rules.

Orientation Program for New Directors

Information pack

- General information on the Company and its strategic plan
- Presentation of the Company's governance bodies and organizational structure
- Ethics and Conduct Code
- Company Bylaws
- Regulations of the General Shareholders Meeting
- Board of Directors Regulations
- Internal Code of Conduct relating to the Securities Market

Training sessions

- Functioning of Repsol's main businesses and corporate areas: Exploration and Production, Refining, Chemistry and Marketing
- Economic and energy environment

Specific meetings

- Specific sessions with the various heads of the Company's business and corporate areas
- Visits to the Company's various facilities

External advisory services

The Directors have the power to propose to the Board of Directors the contracting at the Company's expense of legal advisers, accountants, technical, financial, and commercial experts, and experts of any other kind they consider necessary to the Company's interests, to provide assistance in the performance of their functions with regard to specific problems of particular importance and complexity relating to their positions.

The proposal must be submitted to the Chairman of the Company through the Secretary to the Board.

Assessment of the Board of Directors

Repsol is fully committed to developing its corporate governance by adopting the best international practices applicable to it. For the purpose of continuous improvement and in accordance with Article 45 quater of the Articles of Association and Article 11 of its Rules of Procedure, each year the Board assesses the functioning, quality and efficiency of its work and that of its Committees, and, based on the conclusions reached, prepares an action plan with the main areas of work. Likewise, at least once every three years, an external consultant helps the Board carry out the assessment.

The Board assessed its performance in 2021 based on questionnaires that included, among other factors, different issues related to its composition and that of its committees, its organisation and functioning and the performance of its responsibilities, as well as on the performance of the Chair of the Board, the Chief Executive Officer and the other Directors. When assessing 2021, the Directors showed high satisfaction as regards the functioning and effectiveness of the Board and its committees, as well as the role played by the Chair, the Chief Executive Officer and the Chief Executive Officer.

The assessment process concluded with the approval of the conclusions and action plan report at the Board meeting of 16 February 2022. With regard to these initiatives, it was agreed to (i) further develop Directors' training, especially in aspects relating to the energy transition and the implementation of new technologies and processes in the Company, through sessions and monographic reports; (ii) continue enhancing the diversity of the Board of Directors, reinforcing the priority skills, knowledge and experience; and (iii) continue with the adaptation of non-financial reporting with the most relevant frameworks and standards (e.g. Global Reporting Initiative -GRI-; Task Force on Climate-related Financial Disclosures -TCFD-; Sustainability Accounting Standards Board -SASB-; World Economic Forum - International Business Council; World Benchmarking Alliance; or Corporate Human Rights Benchmark), as well as to the recommendations of the most relevant institutions.

4. Committees of the Board of Directors

Without prejudice to the Board's capacity to create other Committees in accordance with the Bylaws, the Company currently has a Delegate Committee, Audit and Control Committee, Nomination Committee, Compensation Committee and Sustainability Committee.

Regulation

The composition, functioning and competencies of the Committees of the Board of Directors are governed by the provisions of Articles 37 to 39bis of the Bylaws and Articles 32 to 37 of the Board of Directors Regulations.

Functioning

The Committees will be considered validly convened when one half plus one of its members attend the meeting in person or by proxy.

The members of the Committees will be relieved of their duties once their tenure as Director ceases or when agreed by the Board. Any vacancies that arise will be promptly filled by the Board of Directors.

The Committees will meet as and when called by the Chairman or requested by the majority of its members.

In order to better carry out its duties, this Committee may seek out advice from lawyers and other external professionals, in which case the Secretary to the Board, at the request of the Chairman of the Committee, will take whatever action necessary to engage the services of such lawyers or other professionals, which will be provided directly to the Committee.

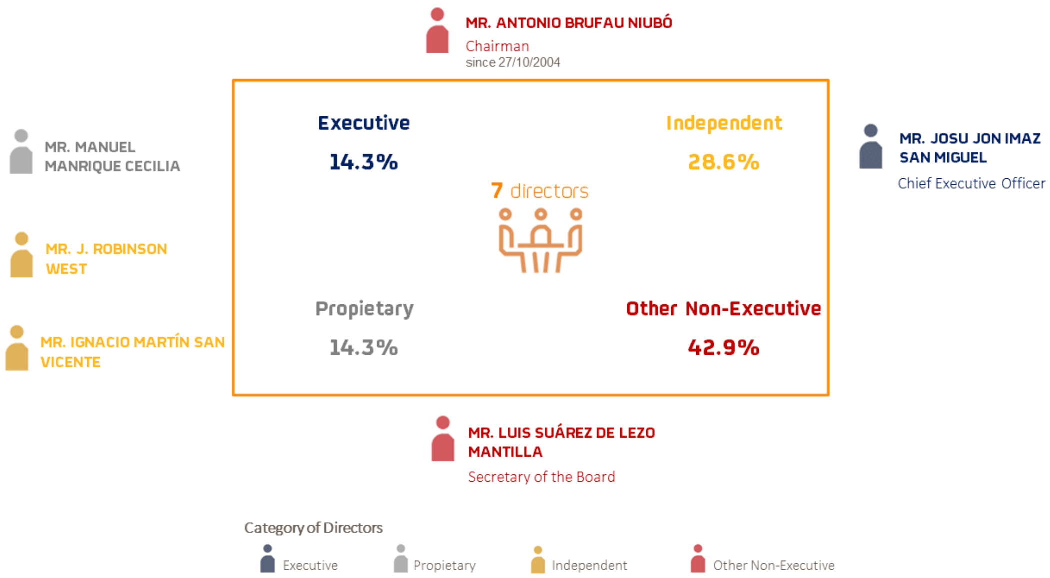
The Committees establishes an annual calendar of meetings, as well as an Action Plan for each year.

4.1. Delegate Committee

Composition

In accordance with the Board of Directors Regulations, the Delegate Committee will be composed of the Chairman of the Board of Directors and a maximum of eight Directors belonging to different categories. The Delegate Committee reflects the percentage on the Board of the various Directors by category. Committee members are appointed with a vote in favor of at least two-thirds of the current Board members. The Chairman and the Secretary of the Delegate Committee will be those of the Board of Directors.

The current composition of the Delegate Committee is as follows:



Competences and activities in 2021

All powers of the Board are permanently delegated to the Delegate Committee, except those that may not be delegated by law or under the Board Regulations. Whenever considered advisable owing to the importance of the business, in the opinion of the Chairman or three members of the Delegate Committee, or when required by the Board of Directors Regulations, the resolutions will be submitted to the Board in plenary session for ratification. The same will be applicable with regard to any matters referred by the Board to be studied by the Delegate Committee, which reserves the right to make the final decision on such matters. In all other cases, the resolutions passed by the Delegate Committee will be valid and binding with no need for subsequent ratification by the Board in plenary session.

Number of meetings in 2021: 5

Main activities

- Strategy alternatives and acceleration opportunities.
- Approval of investment projects for amounts exceeding EUR 40 million.
- Analysis and monitoring of projects relevant to the Company.
- Assessment of the functioning of the Committee.

Attendance at Delegate Committee meetings

Director	In person	By proxy	% of attendance in person 2021
Mr. Antonio Brufau Niubó	5	–	100 %
Mr. Josu Jon Imaz San Miguel	5	–	100 %
Mr. Manuel Manrique Cecilia	5	–	100 %
Mr. Rene Dahan (1)	3	–	100 %
Mr. Ignacio Martín San Vicente	5	–	100 %
Mr. Henri Philippe Reichstul	5	–	100 %
Mr. J. Robinson West	5	–	100 %
Mr. Luis Suárez de Lezo Mantilla	5	–	100 %

(1) Mr. Dahan resigned as a Director due to decease on 21 November 2021.

4.2. Audit and Control Committee

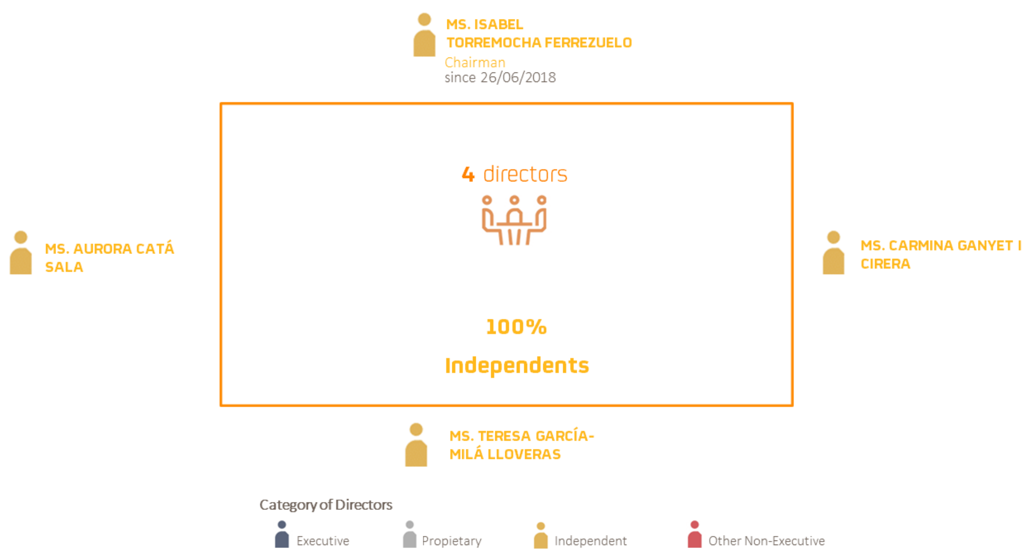
This Committee was voluntarily set up on February 27, 1995, although was not mandatory for listed companies until 2002. It is an internal body for information and advisory purposes created by the Board of Directors, without executive functions, but with information, advisory and proposal powers within its area of activity.

The Committee prepares an annual Activities Report that includes all matters discussed by the Committee. This document is made available to shareholders on the corporate website at the time of the call notice for the Annual General Meeting.

Composition

In accordance with the Board of Directors Regulations, the Audit and Control Committee will consist exclusively, and no fewer than three, of Independent Non-Executive Directors. Its members are appointed by the Board of Directors for a period of four years, taking into account their expertise and experience in accounting, auditing and risk management, both financial and non-financial. Without prejudice to one or more re-elections, they will be relieved of their duties at the end of the term, when their tenure as a Director ceases, when they are no longer considered Independent, or when agreed by the Board of Directors, subject to a prior report by the Nomination Committee. The Chairman will be appointed from among its members and will hold office as such for a maximum of four years, after which they may not be re-elected until one year has passed, without prejudice to their continuation as a member of the Committee. The Secretary will be the Secretary to the Board of Directors.

The current composition of the Audit and Control Committee is as follows:



All members of the Audit and Control Committee have knowledge and experience in accounting, auditing or risk management, as well as various other skills related to the telecommunications sector, information technology, finance, business economics, the energy sector, talent management or the stock market.

In accordance with the Board Regulations, the Chair of the Audit and Control Committee has experience in business and risk management and knowledge of accounting procedures.

Directors appointed based on their expertise and experience in accounting, auditing and risk management	▪ Aurora Catá Sala ▪ Carmina Ganyet i Cirera ▪ Teresa García-Milá Lloveras ▪ Isabel Torremocha Ferrezuelo

Competences and activities in 2021

The Committee supports the Board of Directors in its supervisory duties, by regularly reviewing the preparation of economic and financial and non-financial reporting, the efficacy of internal controls, and the independence of the Auditor, as well as verifying compliance with all the legal provisions and internal regulations applicable to the Company. The Committee is in charge of submitting proposals regarding the appointment, renewal and removal of the External Auditors, as well as proposals on the terms of their contract, monitoring and reviewing the internal control and information systems, and overseeing the independence and effectiveness of the internal audit function. Before they are presented to the Board and with the necessary requirements to check they are correct, reliable, sufficient and clear, the Committee also analyzes the financial statements of the Company and its consolidated Group, as well as any other financial and non-financial information that the Company is obliged to publish as a listed company, reviews the relevant changes regarding the accounting policies used and ensures that the Board of Directors submits the financial statements at the General Meeting without reservations or qualifications in the auditor's report.

Before each meeting of the Audit Committee, Ms. Torremocha has met with the Secretariat of the Committee to provide the appropriate explanations on the issues to be discussed according to the corresponding agenda.

Number of meetings in 2021: 11

Main activities

- Supervision and assessment of financial and non-financial information.
- Approval of the contracting of external auditor services, issuance of the report on the independence of the external auditor and proposed fees.
- Supervision of information systems and internal risk control.
- Supervision of the Company's tax policies.
- Supervision of the work of the Chief Compliance Officer and of the Ethics and Compliance Committee.
- Supervision of hydrocarbon reserve control.
- Supervision of discretionary treasury share transactions.
- Review of the Risk Map and reports on the management of trading, reputational, emerging and climate change risks.
- Review of the Reports and recommendations issued by Internal Audit.
- Analysis of communications received in relation to accounting matters, internal accounting controls and audits.
- Report on compliance with the obligations in relation to the securities market in Spain.
- Adaptation of internal regulations to the amendments to the recommendations of the CNMV's Code of Good Governance of listed Companies.
- Scheduling of meetings and calendar for the Audit and Control Committee in 2022.
- Assessment of the Committee's performance in 2021.

Without prejudice to the functions described above, the Audit and Control Committee will study any other matter that is submitted by the Board in plenary session, by the Delegate Committee or by the Chairman of the Board of Directors.

Attendance at Audit and Control Committee meetings

Director	In person	By proxy	% of attendance in person in 2021
Ms. Isabel Torremocha Ferrezuelo	11	—	100 %
Ms. Maite Ballester Fornés (1)	3	—	100 %
Ms. Aurora Catá Sala (2)	8	—	100 %
Ms. Carmina Ganyet i Cirera	11	—	100 %
Ms. Teresa García-Milá Lloveras	11	—	100 %

(1) Ms. Ballester's term of office as Director ended on 26 March 2021.
(2) Ms. Catá was appointed member of the Audit and Control Committee on 26 March 2021.

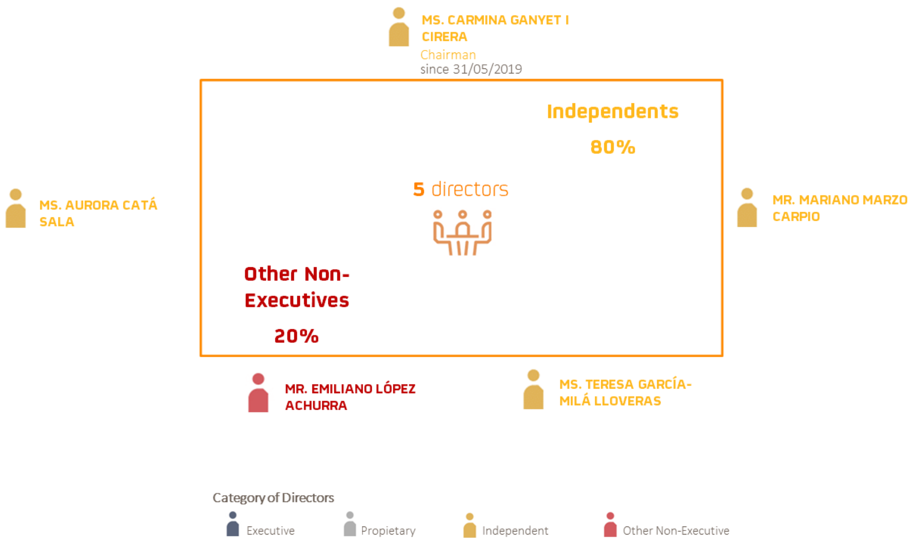
4.3. Nomination Committee

This Committee was created by the Board of Directors, with information, advisory and proposal powers within its area of activity.

Composition

In accordance with the applicable rules, the Nomination Committee consists of no fewer than three Non-Executive Directors, the majority of which must be Independent. Its members are appointed by the Board of Directors for a period of four years, taking into account the expertise, skills and experience of the Directors and the duties of the Committee. Without prejudice the possible re-elections, they will be relieved of their duties at the end of the term, when their tenure as a Director ceases, when they are no longer considered Independent, or when agreed by the Board of Directors, subject to a prior report by the Audit and Control Committee. The Chairman of this Committee will be one of its members, who must be an Independent Director, and the Secretary will be the Secretary to the Board.

The current composition of the Nomination Committee is as follows:



Competences and activities in 2021

The duties of this Committee include, among others, submitting proposals and reporting to the Board of Directors on the selection, appointment, re-election and removal Directors, establishing a representation target for the less well-represented gender on the Board, preparing guidelines on how to reach this target, reporting on the proposed appointment and removal of Senior Managers of the Group, reporting to the Board on compliance by Directors with the corporate governance principles and other obligations, and on matters relating to the non-competition obligations of the Directors and related party transactions.

Number of meetings in 2021: 7

Main activities

- Analysis of the competences and skills required in the Board in view of the Group's needs.
- Proposals on the composition of the Board and its committees.
- Verification of the nature attributed to the Directors.
- Verification of compliance with the Policy on Diversity in Board Composition and Director Selection.
- Review reports on the functioning of the Board and its Committees for 2020 carried out with the advice of the independent expert firm KPMG and performance evaluation of the Board and its Committees for 2021.
- Analysis, monitoring and reporting of related-party transactions.
- Analysis of the partial reform of the Code of Good Governance of listed companies and adaptation of internal regulations to the amendments to its recommendations.
- Report and analysis on the contracting circumstances of Cenyt.
- Scheduling of the Appointments Committee's calendar of meetings and activities for 2022.

Attendance at Nomination Committee meetings

Director	In person	By proxy	% of attendance in person in 2021
Ms. Carmina Ganyet i Cirera	7	—	100 %
Ms. Aurora Catá Sala (1)	4	—	100 %
Ms. Arantza Estefanía Larrañaga (2)	7	—	100 %
Mr. Mariano Marzo Carpio	7	—	100 %
Ms. Teresa García-Milá Lloveras	7	—	100 %
Mr. Emiliano López Achurra (3)	—	—	—

(1) Ms Catá was appointed member of the Appointments Committee on 26 March 2021.
(2) Ms Estefanía ceased to be a member of the Appointments Committee on 24 November 2021.
(3) Mr. López Achurra accepted his appointment as Director and member of the Appointments Committee after the meeting held on 24 November 2021.

4.4. Remuneration Committee

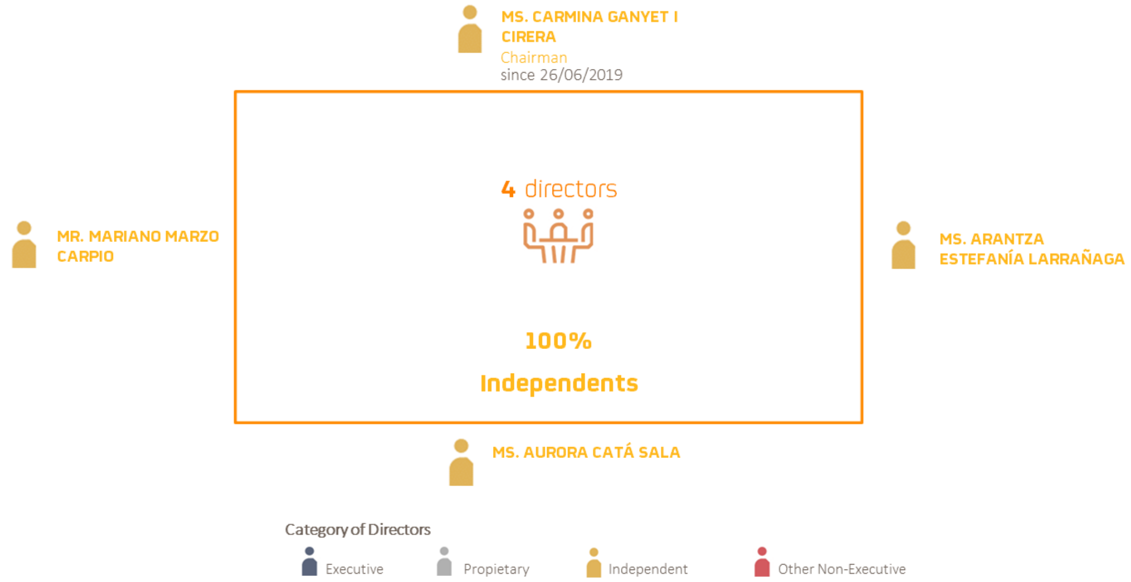
This Committee was created by the Board of Directors, with information, advisory and proposal powers within its area of activity.

Composition

The Remuneration Committee consists of no fewer than three Non-Executive Directors, the majority of which must be Independent. Its members are appointed by the Board of Directors for a period of four years, taking into account the expertise, skills and experience of the Directors and the duties of the Committee. Without prejudice to one or more re-elections, they will be relieved of their duties at the end of the term, when their tenure as a Director ceases, when they are no longer considered Independent, or when agreed by the Board of Directors, subject to a prior report by the Audit and

Control Committee. The Chairman of this Committee will be one of its members, who must be an Independent Director, and the Secretary will be the Secretary to the Board.

The current composition of the Compensation Committee is as follows:



Competences and activities in 2021

The duties of this Committee include, among others, submitting proposals and reporting to the Board of Directors on the remuneration policy for Directors and Senior Management and its application , including the share- based remuneration systems, on the standard terms of the contracts of Senior Management, verifying compliance with the remuneration policy established by the Company, ensuring that any potential conflicts of interest do not impair the independence of the external advisory services provided the company, verifying the information on remuneration contained in the various corporate documents or reporting on the use of company information and assets for private purposes.

Number of meetings in 2021: 3

Main activities

- Report on the settlement of the 2017-2020 long-term incentive plan and the proposal for the 2021-2024 long-term incentive plan.
- Proposal for remuneration for Board members and their committees for 2021, including that of the Chair of the Board.
- Proposal for additional remuneration of the Chief Executive Officer for performing executive duties.
- Verification of the directors' and senior directors' remuneration information included in the 2020 consolidated financial statements.
- Proposals and reports for the 2020 General Meeting related to:
  - 2020 Annual Directors Remuneration Report.
  - 2021-2023 Remuneration Policy for Board Members of Repsol, S.A.
- Report by Corporate Human Resources and Organisation Department on the commitments undertaken in the 2021-2025 Strategic Plan.
- Scheduling of the Committee's calendar of meetings and activities for 2022.
- Assessment of the functioning of the Committee.

Attendance at the Remuneration Committee meetings

Director	In person	By proxy	% of attendance in person in 2021
Ms. Maite Ballester Fornés (1)	1	—	100 %
Ms. Aurora Catá Sala (2)	2	—	100 %
Ms. Carmina Ganyet i Cirera	3	—	100 %
Ms. Arantza Estefanía Larrañaga (3)	—	—	— %
Mr. José Manuel Loureda Mantiñán (4)	3	—	100 %
Mr. Mariano Marzo Carpio	3	—	100 %

(1) Ms. Ballester's term of office as Director ended on 26 March 2021.
(2) Ms Catá was appointed member of the Remuneration Committee on 26 March 2021.
(3) Ms Estefanía was appointed member of the Remuneration Committee on 24 November 2021.
(4) Mr. Loureda resigned as Director prior to the meeting of 27 October 2021.

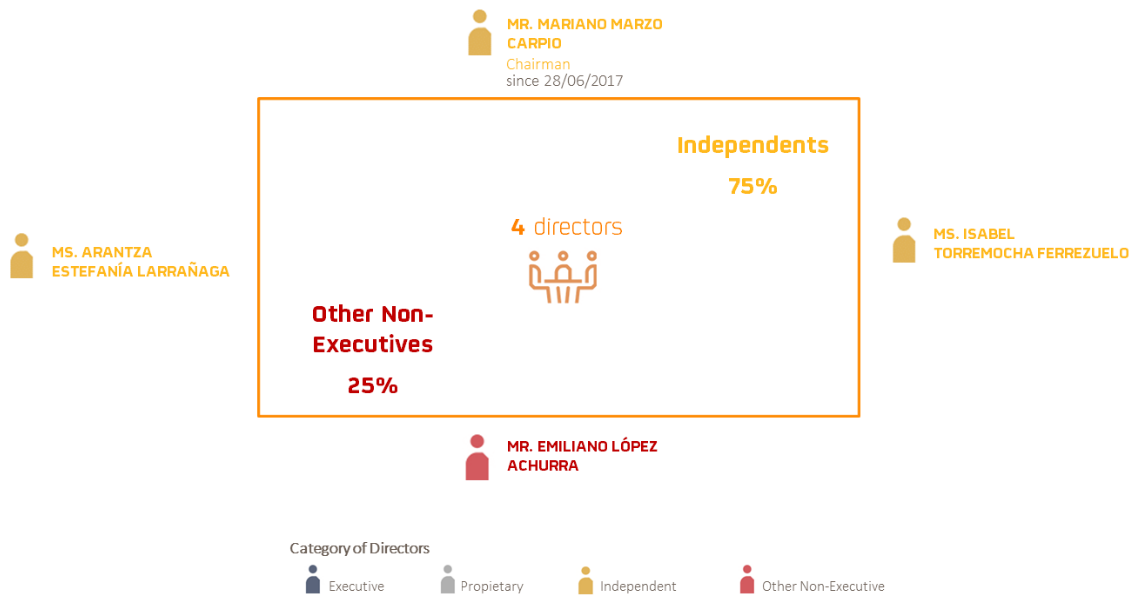
4.5. Sustainability Committee

This Committee is an internal body for information and advisory purposes created by the Board of Directors, without executive functions, but with information, advisory and proposal powers within its area of activity.

Composition

The Committee consists of no fewer than three Directors, who must be exclusively External or Non-Executive Directors, being the majority of them Independent Non-Executive Directors. Its members are appointed by the Board of Directors, taking into account the expertise, skills and experience of the Directors and the duties of the Committee, for a term of four years. Without prejudice to one or more re-elections, they will be relieved of their duties at the end of the term, when their tenure as a Director ceases, or when agreed by the Board of Directors, subject to a prior report by the Nomination Committee. One of the members of this Committee will be appointed Chairman and the Secretary will be the Secretary to the Board.

The current composition of the Sustainability Committee is as follows:



Competences and activities in 2021

The duties of this Committee include, among others, being familiar with and shaping the Group's policies, objectives and guidelines on environmental, safety and social responsibility matters, analyzing and reporting to the Board of Directors on the expectations of the Company's various stakeholders and supervising the relations with them, proposing to the Board of

Directors the approval of a Sustainability Policy and reviewing and evaluating the management and control systems for non-financial risks.

The Committee will also prepare an annual Activities Report that includes all matters discussed by the Committee. This document is made available to shareholders on the corporate website along with the call notice for the Annual General Meeting.

Number of meetings in 2021: 4

Main activities

- Emergency Risk and Climate Change Map (2021-2050) and Sustainability Risk Map.
- Map of Greenhouse Gas Emissions and on the evolution of CO_2 emissions in Spain.
- Supervision of non-financial information: 2020 Consolidated Directors' Report.
- Supervision of the Company's sustainability strategy: proposal and monitoring of 2021 targets; assessment and closure of 2020 targets.
- Global Sustainability Plan.
- Analysis and periodic monitoring of performance in:
  - Safety: accidents, and safety and environment indicators and strategy dashboard.
  - Community Relations and Human Rights.
  - Circular Economy
  - Natural Capital and Biodiversity
- Report on Environmental, Social and Governance (ESG) analysts and investors.
- Non-financial reporting frameworks.
- Activities related to the Energy Transition and Climate Change.
- Report on the metrics and targets of the Repsol decarbonisation path.
- Strategic Security and Environment Projects
- Culture of safety at Repsol.
- 2021 Materiality Analysis.
- Sustainable Development Goal (SDG) promotion plan.
- Assessment of the functioning of the Committee.

Attendance at the Sustainability Committee meetings

Director	In person	By proxy	% of attendance in person in 2021
Mr. Mariano Marzo Carpio	4	–	100 %
Mr. José Manuel Loureda Mantiñán (1)	3	–	100 %
Ms. Arantza Estefanía Larrañaga	4	–	100 %
Mr. Emiliano López Achurra (2)	1	–	100 %
Ms. Isabel Torremocha Ferrezuelo	4	–	100 %

(1) Mr. Loureda resigned as Director prior to the meeting of 27 October 2021.
(2) Mr. López Achurra accepted his appointment as Director and member of the Sustainability Committee after the meeting of 24 November 2021.

5. Remuneration of Directors and Senior Management

10,872
Remuneration accrued in 2021 by the Board of Directors (thousand of euros)

0
Amount of funds accumulated by former directors through long-term savings schemes (thousands of euros)

128
Amount of funds accumulated by current directors through long-term savings schemes with vested economic rights (thousands of euros)

2,592
Amount of funds accumulated by current directors for long-term savings schemes with non-vested economic rights (thousands of euros)

11,380
Total remuneration of Senior Management in 2021[15] (thousands of euros)

Breakdown of the members of Senior Management in 2021 that are not Executive Directors

Name	Category
Mr. Luis Cabra Dueñas	EMD of Energy Transition, Sustainability and Technology; Deputy to the CEO
Ms. Carmen Muñoz Pérez	CD of People & Organization
Mr. Arturo Gonzalo Aizpiri	EMD of Communications, Institutional Relations and Chairman's Office
Mr. Miguel Klingenberg Calvo	EMD of Legal Affairs
Mr. Antonio Lorenzo Sierra	Chief Financial Officer (CFO)
Ms. Isabel Moreno Salas	D. Audit, Control and Risk
Ms. María Victoria Zingoni	EMD of Customer and Low Carbon Generation
Mr. Tomás García Blanco	EMD of Exploration and Production
Mr. Valero Marín Sastrón	CD of Digitalization and Global Services
Mr. Juan Abascal Heredero	ED of Industrial Transformation and Circular Economy

Termination benefits, guarantee or golden parachute clauses agreed between the Company and its directors, executives or employees

The Company has established a single legal statute for executive personnel, comprised of six Managing Directors and another 219 Directors.

This legal statute is specified in the *Executive Contract*, approved by the Board of Directors, which governs the indemnity terms applicable in cases where the employment relationship is terminated and which considers grounds for termination to be those envisaged in current legislation. In the case of Managing Directors, these grounds for termination include its resignation as a result of a takeover of the company or a major change in its ownership, leading to a renewal of its governance bodies or the content of and approach to its main business activity.

The amount of severance pay for the Managing Directors and the rest of the executives appointed before December 2012 is calculated according to the age, seniority and salary of each executive. In the case of executives appointed after that date, the amount is calculated based on their salary and years of service, within a range between 12 and 24 months, or the amount stipulated by law if higher.

For Chief Executive Officers contracted after 2012, compensation of one year's total remuneration (six months in the case of one of them) included within the 24 monthly payments of their compensation is established for the post-contractual non-compete commitment. For the other executives, one year of remuneration, total or fixed, is established in accordance with the duration of the contract, in addition to their compensation. The contracts of executives of some countries do not envisage the post-contractual non-compete commitment or do not establish any compensation for it.

For the CEO, on the other hand, deferred financial compensation equivalent to two years' fixed and variable annual remuneration — including the non-compete remuneration — is established, which will apply in case of termination of the contract due to causes attributable to Repsol or by mutual agreement, if it takes place in the Company's interest.

[15] The amount indicated under this heading includes the remuneration of the Audit, Control and Risk Director because, for the purposes of this Report, "Senior Management" is considered to be those executives who report directly to the board or the chief executive of the company and, in any case, the internal auditor.

6. Related party and intra-group transactions

Competent body and procedure for approval of related party and intra-group transactions

The procedure and bodies competent to approve transactions with connected parties and intra-group transactions are regulated in the Articles of Association, in the Board Regulations and in the internal rule on "Commercial Authorisation of Certain Transactions with Connected Parties and Intra-Group Transactions" (the "Rule"). Connected-party transactions will be assessed from the viewpoint of equal treatment and market conditions.

Especially relevant connected-party transactions

Under Article 22 *bis* of the Articles of Association, article 23 of the Board Regulations and the Rules, transactions performed directly or indirectly by the Company with Connected Parties (i) that are greater than 5% of the assets of the Repsol Group according to the most recent consolidated financial statements approved by the General Meeting of Shareholders of Repsol, S.A; (ii) that have as their object strategic assets of the Repsol Group; (iii) that involve the transfer of relevant technology of the Repsol Group; or (iv) that aim to establish strategic alliances, and do not consist of mere agreements to take action or the performance of partnerships already established, may only be performed if the following conditions are met:

the transaction must be fair and efficient from the perspective of the Repsol Group's interest and, where applicable, that of the shareholders other than the Connected Party;

a. after having obtained the corresponding report from an independent expert of renowned prestige in the financial community on the reasonableness and adaptation to market conditions of the terms of the Connected Transaction, the Appointments Committee must issue a report assessing compliance with the requirement set out in point (a) above; and

b. the General Meeting of Repsol, S.A., must authorises the Connected-Party Transaction with a favourable vote of 75% of the capital present and represented at the Meeting. However, in those cases where special circumstances make it inadvisable to wait until the next General Meeting, so long as its value is not greater than 10% of assets, the transaction may be approved by the Board under certain conditions: (i) the report issued by the Appointments Committee referred in point (b) above must be in favour of the transaction; and (ii) the resolution must be adopted with the affirmative vote of two thirds of the Board members not affected by the conflict of interest. In this case, the Board will inform the next General Meeting of the terms and conditions of the transaction.

At the time of the call of the General Meeting of Repsol, S.A. to deliberate or be informed on the authorisation of the Connected-Party Transaction, the Board must make the reports of the Appointments Committee and the independent expert envisaged in point (b) above available to shareholders along with, if deemed appropriate, its own report on this matter.

Related-party transactions other than those of Special Relevance

Connected Transactions other than those above will only require the authorisation of the Board, following a report from the Appointments Committee.

Pursuant to the Corporate Enterprises Act, the Board has delegated approval of the Connected-Party Transactions indicated below to the appropriate persons of the Repsol Group in accordance with the applicable internal regulations:

a. Transactions related to other Repsol Group companies that are carried out in the ordinary management of Repsol Group business and on market terms; and
b. Connected transactions that: (i) are carried out by virtue of contracts whose terms and conditions are standardised and applied *en masse* to a large number of customers; (ii) are carried out at prices or rates generally established by the supplier of the goods or services in question; and (iii) the amount does not exceed 0.5% of the net turnover of the Repsol Group.

For this case, an internal reporting and periodic control process has been established to verify the fairness and transparency of those Connected Transactions and, where applicable, compliance with the legal criteria applicable to the above exceptions, reporting to the Appointments Committee, which in turn reports to the Board.

Repsol will publicly report, no later than the time it is held, on those connected-party transactions that amount to or exceed 5% of assets or 2.5% of annual turnover.

Intra-group transactions

Under the Corporate Enterprises Act and the Rules, if the value or amount of the Intra-group Transaction, or the total amount of all transactions envisaged in a contract or master agreement, is greater than 10% of the total assets of the Group company, or if the transaction, by its very nature, is legally reserved to the competence of this body, authorisation must be granted by the corresponding Group company's general shareholders meeting.

In other Intra-group Transactions, the authorisation must be granted by the Company's governing body. However, the relevant management bodies have formally delegated the relevant persons of the Repsol Group in accordance with the applicable internal regulations, for intra-group transactions carried out in the ordinary course of business, including those resulting from the performance of a contracts and master agreements executed under market conditions. For this purpose, an internal control process has been established to periodically verify compliance with the above requirements.

Finally, as regards the general internal rules governing the directors' abstention obligations, Article 19 of the Board Regulations establishes, among the basic obligations arising from the directors' duty of loyalty, that of refraining from participating in deliberation and voting on resolutions or decisions in which they or their connected persons have a direct or indirect conflict of interest, as well as the obligation to adopt the necessary measures to avoid incurring in situations in which their interests may, whether on their own or on behalf of others, conflict with the company's interests and their duties to the Company.

Directors must also inform the rest of the Board, through the Chair or Secretary, of any direct or indirect conflict of interest that they or persons related to them may have with the Company's interests.

Operations carried out in 2021

During the 2021 financial year, the Company or its subsidiaries did not carry out any related-party or intra-group transactions that are significant due to their amount or relevant due to their subject matter that should be specifically reported in this report in accordance with the provisions of Circular 3/2021 of the Spanish National Securities Market Commission (CNMV). Furthermore, the Company has not carried out any intra-group transactions with entities established in countries or territories that are considered tax havens.

Notwithstanding the foregoing and in accordance with accounting regulations, Note 27 of the Group's 2021 consolidated financial statements discloses the income, expenses and other transactions recognised in the year, as well as the balances receivable and payable at 31 December in respect of transactions with related parties. In addition, Notes 28 and 29 to the consolidated annual accounts contain information on the remuneration of the directors and executives of Repsol, S.A.

Mechanisms established to detect, determine and resolve possible conflicts of interest between the company and/or its group and its directors, executives or significant shareholders or other related parties

The Regulations of the Board of Directors require Directors to adopt the necessary measures to avoid situations in which their interests, whether their own or those of others, may conflict with the corporate interest and with their duties to the Company, to inform the Board of Directors, through its Chairman or Secretary, of any situation of direct or indirect conflict that they or persons related to them may have with the interests of the Company and, in the event of such a conflict, to abstain from sharing in the deliberation and voting on the corresponding resolutions.

In addition, Directors must inform the Nomination Committee of their other professional obligations and remunerated activities, whatever their nature, as well as of significant changes in their professional situation and any circumstance that may affect the nature or status by virtue of which they were appointed as Directors. As a last resort, Directors must tender their resignation to the Board and formalise the corresponding resignation, if the Board considers it appropriate, when they are involved in any of the cases of incompatibility or prohibition provided for by law, the Articles of Association or regulations. Likewise, the internal rule on "*Commercial authorisation of certain connected-party transactions and intra-group transactions*" establishes the necessary authorisations required for transactions with connected parties and certain group companies and the procedures to obtain them. Finally, the Repsol Group's Code of Ethics and Conduct, which applies to the Company's directors and all Repsol employees, also defines and regulates the procedure for action in situations that may give rise to a potential conflict of interest. Likewise, the Repsol Group's Internal Code of Conduct in the Securities Market, with the same scope of application, includes the mechanisms for preventing and resolving conflicts of interest.

7. Financial reporting and audits

7.1. Required financial reporting

The Company's separate and consolidated financial statements that were submitted to the Board of Directors for authorization for issue are first certified by the Chief Executive Officer, Mr. Josu Jon Imaz San Miguel, and by the CFO, Mr. Antonio Lorenzo Sierra.

The Board of Directors has established mechanisms to prevent the separate and consolidated financial statements prepared from being submitted to the General Meeting with a qualified auditor's report. To that effect and as mentioned in section B.4.2. the Audit and Control Committee regularly review the preparation of economic and financial reporting, its internal controls and the independence of the external auditor, supervision of Internal Audit.

For that, the Committee regularly receives information from the External Auditor on the audit plan and results of their work, and checks that executive personnel are acting on its recommendations. At least once a year, the External Auditor is also required to assess the quality of the Group's internal control systems regarding financial information. The Committee is also responsible for being informed of any situations requiring adjustments that may be detected over the course of the external auditor's work whenever they are significant, and consideration as such will be left to the discretion of the External Auditor, who, if there is any doubt, must opt to report the issue and notify the Chair of the Committee as soon as it becomes aware of the situation in question. The Committee must also be informed of the degree of fulfillment by the audit units of the corrective measures recommended by Internal Audit and will be informed of any significant irregularities, anomalies or breaches, provided they are considered significant, detected by Internal Audit in the course of its work.

For such purpose, the members of the Audit and Control Committee have the dedication, skills and experience necessary to carry out their duties; and the Committee's Chairman must have experience in business and risk management and expertise in accounting procedures Additionally, at least, one of its members must have the financial experience that may be required by the bodies regulating the securities markets on which the Company's shares or securities are listed.

7.2. Accounts audit

External auditor

In 2018, PricewaterhouseCoopers Auditores, S.L. ("PwC") was appointed as the Company's external auditor for 2018, 2019 and 2020. The General Meeting of 26 March 2021 also agreed to re-elect PwC as the external auditor of the Company and its Consolidated Group for 2021, which was therefore the fourth year audited by that firm.

Mechanisms to preserve independence of the Externa Auditor

One of the functions of the Audit and Control Committee is to ensure the independence of the External Audit and, to this end:

a. Avoiding any factors that may compromise the warnings, opinions and recommendations of the Auditors, and
b. Overseeing any incompatibilities between auditing services and any others, the limits on concentration of the Auditor's business and, in general, all other rules established to guarantee the Auditor's independence.

The Audit and Control Committee has established a procedure for preliminary approval of all services, auditing or otherwise, provided by the External Auditor, whatever their extent, scope and nature. This procedure is regulated in an Internal Rule that is mandatory for the entire Repsol Group.

Likewise, the Committee must receive annual written confirmation from the External Auditor of its independence towards the Company or entities directly or indirectly related thereto, as well as information on additional services of any kind provided to these entities by the Auditors or by individuals or entities related to them and the fees charged, in accordance with the regulations governing the activity of auditors.

The Committee will issue, prior to the delivery of the auditor's report, an annual report expressing an opinion on the independence of the External Auditor. This report must contain a reasoned assessment of any non-auditing services rendered, considered both individually and as a whole, in relation to the rules governing independence or the regulations of the auditing profession.

On the other hand, part of the meetings with the auditor takes place without the presence of the entity's management, so that the specific issues arising from the reviews carried out can be discussed exclusively with them.

Other work for the Company carried out by the external auditor

The audit firm carried out other non-audit work for the Company and/or its Group. The amount of the approved fees16 for this work and the percentage they represent of the approved fees to the Company and/or its Group, for the year 2021:

	Company	Group companies	Total
Amount of non-audit work (thousands of euros)(1)	880	473	1,353
Amount of non-audit work / Amount of audit work (%)	32.3%	14.3%	22.4%

(1) Includes mainly, the amount of non-audit services (review of the Internal Financial Reporting Control System, the limited review of the consolidated financial statements as at 30 June, verifications and certifications for partners and official bodies, reports for the issuance of bonds and other marketable securities -Comfort letter-, as well as the verification of the non-financial information of the consolidated management report).

Reservations or qualifications in the auditor's report

The auditor's report on the financial statements for 2019 presented by the External Auditor has been presented without qualifications.

Number of consecutive years that the auditors have been carrying out the audit

	Separate	Consolidated
No. of consecutive years	4	4
No. of years audited by current audit firm / No. of years that the Company or its Group has been audited (%)	0.11%	0.12%

[16] Amounts approved by the Audit and Control Committee for the year 2021.

8. Risk Control and Management Systems

8.1. Risk Control and Management Systems

The information requested in sections E.1, E.2, E.3, E.4, E.5 and E.6 of Circular 3/2021 is included in "Annex II Risks" of the Consolidated Report, of which this Annual Corporate Governance Report forms part as Annex VII.

8.2. Systems of Internal Control over Financial Reporting (ICFR)

Control environment

Bodies responsible

According to the Articles of Association, Repsol, S.A.'s the Board of Directors is the body in charge of governing, managing and directing the Company's business and interests in all cases not reserved to the General Meeting. Its activity focuses on the general supervisory function and consideration of those matters of particular importance to the Company.

The Board Regulations stipulates which powers are reserved for this body to exercise, such as preparing the Annual Accounts and Directors' Report, both individual and consolidated, and submitting them to the General Meeting. The Board must prepare these documents in clear and precise terms. It must also ensure that they present a true and fair view of the Company's assets, financial position and results, in accordance with the law. It also has the reserved power to approve the risk control and management policy, including tax risks, the supervision of internal information and control systems, the determination of the Group's tax strategy, the definition of the corporate structure, and the approval of the financial information that, as a listed company, the Company must periodically publish.

This Regulation also makes the Board responsible for approving the Company's codes of ethics and conduct, developing its own organisation and functioning and that of senior management, as well as specific functions relating to the Company's activity in securities markets.

The Board maintains a direct relationship with the members of the Company's Senior Management and its auditors, always respecting their independence.

Section B.3.1 of this Report includes information on the Board's structure and its composition.

The Board has constituted various Committees, such as the Audit and Control Committee, which has as its main function, in accordance with the Board Regulations, to support this body in its oversight tasks, by periodically reviewing the process of preparing economic/financial and non-financial information, the effectiveness of its executive controls and the independence of the External Auditor, as well as reviewing compliance with all applicable legal provisions and internal rules.

The Audit and Control Committee is fully formed by Independent External Directors. All the members, and in particular its Chair, must be appointed on the strength of their expertise and experience in accounting, auditing and/or risk management, both financial and non-financial. Likewise, any of them must have the financial experience that may be required by the regulatory bodies overseeing the securities markets where the Company's shares or securities are listed.

The structure and functioning of this Committee are included in section B.4.2 of this Report, which expressly refers to the appointment regime for the Chair of this Committee.

Under the Board Regulations in relation to internal control and information systems, the Audit and Control Committee is responsible for, among other duties, periodically reviewing the effectiveness of the internal control systems, and the internal audit and risk management systems, including tax risks, so that the main risks are properly identified, managed and disclosed.

Furthermore, in accordance with those Regulations, the Audit and Control Committee is responsible for the following duties related to the process of preparing financial information:

- Supervising and evaluating the process of preparing and presenting, as well as the integrity of the mandatory financial and non-financial information of the Company and the Group and its completeness, compliance with regulatory requirements, the proper definition of the scope of consolidation, and the correct application of accounting principles.

- Before they are submitted to the Board, analysing the financial statements of the Company and its consolidated Group included in the annual, half-year and quarterly reports and any other financial and non-financial information that the Company is obliged to publish regularly by virtue of being a listed Company, with the necessary requirements to ensure that they are correct, reliable, adequate and clear. For this purpose it will have all the necessary information and such degree of aggregation as it may consider fit, assisted as necessary by the Senior Management of the group.
- Ensuring that the Financial Statements that are to be submitted to the Board of Directors are certified pursuant to the internal or external regulations applicable at any time.
- Reviewing all significant changes in the accounting principles applied and the presentation of financial statements, ensuring that adequate notification is given of those changes.
- Ensuring that the Board of Directors presents the accounts to the General Shareholders" Meeting without any limitations or qualifications in the audit report and, in exceptional cases where they do exist, ensuring that both the Chair and auditors clearly explain the content and scope of the limitations or qualifications to the shareholders, making a summary of that opinion available to shareholders when the meeting announcement is published.
- Examining the draft codes of conduct and ethics and their amendments prepared by the corresponding area of the Group and issue an opinion before proposals are submitted to the corporate bodies.
- Monitoring compliance with the company's Internal Codes of Ethics and Conduct, also ensuring that the corporate culture is aligned with its purpose and values and especially ensuring compliance with the laws and regulations on market conduct, and supervising the work of the Company's Internal Transparency Committee.
- Supervising the sufficiency, adequacy and efficient functioning of the recording and internal control systems and procedures in the measuring, valuation, classification and accounting of the Group's hydrocarbon reserves, ensuring that they are included in the regular financial reporting in accordance with the sector standards and applicable laws and regulations.
- Ensuring the independence and effectiveness of the Internal Audit function and that it has the appropriate training and means to perform its functions in the Group; analysing and approving, where applicable, the annual Internal Audit planning and knowing the degree of compliance by the audited units with the corrective measures recommended by the Internal Audit in previous audits. The Audit and Control Committee must keep the Board informed of any situations that may entail a major risk for the Group.

Elements of the financial reporting process

- **Departments and/or mechanisms responsible for designing and reviewing the organisational structure and defining lines of responsibility**

The internal regulations attribute to the Corporate Human Resources and Organisation Department responsibilities associated with the study, design, approval and implementation of organisational structures and dimensions, as well as the maintenance of the company's body of regulations and their availability to all employees.

The organisational structure establishes the hierarchical and functional level for the normal development of the different areas of activity of the Group and determines the levels of responsibility, decision-making and the functions of each of the organisational units.

Each structure is represented in a defined organisation chart and dimensioning. For their approval, the approval of the line and of the Corporate Human Resources and Organisation Department is required, in accordance with the established levels and the principle set out in internal regulations, under which a structure should not be approved by its direct manager, but by the direct manager's hierarchical superior.

The Corporate Human Resources and Organisation Department is responsible for implementing organisational changes in the human resource management system, which ensures compliance with the requirements established in terms of internal control.

On the other hand, the internal regulations are configured as a management tool, the main objectives of which are to reinforce the control systems and ensure compliance with external and internal requirements; to provide action criteria that facilitate employees' understanding of their responsibilities; to help in the management and control of risks, and to contribute to a more agile and orderly performance of the company's activities.

The Corporate Human Resources and Organisation Department is responsible for keeping the company's body of regulations up to date, through a process that ensures the participation of the areas affected in the preparation of the different regulatory documents, their consistency with the hierarchy and structure of the body of regulations, and their approval at the appropriate level. It also ensures that the regulations are properly disseminated and made available to all employees.

- **The Code of Ethics and Conduct and the body responsible for oversight and compliance with it**

Repsol has a Code of Ethics and Conduct, approved by the Board of Directors, following a favourable report from the Audit and Control Committee, the Sustainability Committee and the Ethics and Compliance Committee, which is applicable to all directors, executives and employees of the Repsol Group, regardless of the type of contract that determines their professional or employment relationship. Repsol's business partners (which include its partners, non-operated joint ventures, contractors, suppliers and other collaborating companies) are an extension of Repsol. Therefore, they must act in accordance with the Company Code, as well as with any other applicable contractual provisions when acting on behalf of or in collaboration with Repsol. The Code establishes the minimum standards of conduct that must guide the behaviour of all those to whom it is addressed in the way they act during their professional activity and the regime applicable in the event of non-compliance with it.

The Code covers, among other aspects, the basic principles of action in matters of integrity and conduct, reliability of information and control of records, as well as the treatment of sensitive information and intellectual property, including specific obligations in matters of human rights, relations with communities, the fight against bribery, corruption, money laundering and the commitment to carry out their activities in accordance with the legislation in force in all spheres of action and countries.

Those who join the Company have a Welcome Plan to ensure their quick adaptation to the team. This Plan includes information on the essential regulations that all employees must know and adhere to from when they are hired, regardless of the area or business in which they are working or going to work, including direct access to each regulation for consultation. The framework of these regulations is the "Code of Ethics and Conduct".

Employees also perform communication actions and training courses on the "Code of Ethics and Conduct" to strengthen their knowledge and proper compliance. This year, Repsol again developed a new Code of Ethics and Conduct training action for all its employees, with a special emphasis on anti-corruption, competition, crime prevention and personal data protection. On top of this, it has also deployed a global training and awareness-raising plan on ethics and compliance regulations with high-impact, innovative and disruptive initiatives, with excellent internal and external reception, including the "People Compliance" Campaign (creation and organisation of a network of volunteer employees and managers throughout the company to promote a culture of compliance through informal channels); and continuous synchronous and online training for the most exposed groups with interactive formats: television series, escape rooms, microlearnings, etc. In addition, the Company's executives agree to comply with the Management Staff Statute, as an appendix to their contracts.

This statute refers to the principles that must form the foundation of their professional work, as well as the Company's principles of action and regulations, with special attention to the "Code of Ethics and Conduct".

The Ethics and Compliance Committee ensures that the Code is monitored and complied with, and it is responsible for resolving any communications it considers appropriate that are received over the hotline.

Under the Regulations of the Ethics and Compliance Committee, this is multidisciplinary in nature and, at the date of this report, is composed of the General Manager of Legal Affairs, the Corporate Director of Human Resources and Organisation, the General Manager of Communication, Institutional Relations and the Chair's Office, the Corporate Director of Legal Services and Chief Compliance Officer, the Director of Audit, Control and Risks and the Director of Labour Relations, Labour Law Management and Occupational Safety.

The company has twelve policies, which make up Repsol's regulatory body within the framework of the Code of Ethics and Conduct. These policies define its public commitment and management fundamentals, establishing principles and guidelines for all Repsol employees for the purpose of fostering relationships, processes and decision-making that align with the Company's values.

These policies include the "Anti-corruption Policy" reiterating Repsol's commitment to strict compliance with legislation on the prevention and fight against bribery, extending its compliance not only to all employees of the companies in which the Repsol Group exercises direct or indirect management control, but also to our Business Partners.

Likewise, in its "Third-Party Commercial Relationships Policy", the Company agrees to ensure that its commercial and business relationships with partners, suppliers, contractors and customers are legal and based on Repsol's ethical principles and values.

Furthermore, Repsol also has a mandatory "Tax Policy" for all of its employees and Group companies that includes various commitments aimed at ensuring that tax matters are managed according to best tax practices and acting with transparency, including responsible and efficient payment of taxes, the fostering of cooperative relationships with governments and the firm intention to strive to avoid significant risks and unnecessary conflicts.

The "Privacy and Personal Data Protection" policy, the aim of which is to guaranty the fundamental right to personal data protection of all individuals who relate to Repsol Group companies; ensuring respect for the right to honour and privacy in processing different types of personal data.

On top of this, the Company also has an "Internal Regulations of Conduct for the Repsol Group in the Securities Market Area," approved by the Board, and previously reported on by the Audit and Control Committee, which develops aspects such as the rules of conduct in relation to the performance, by persons subject to the Regulations, of transactions with securities and financial instruments issued by the Group that are traded on securities markets, the processing and communication of insider information, transactions with treasury shares, the prohibition on manipulation of stock prices and the processing and management of conflicts of interest. The Company has formally established mechanisms that promote dissemination and compliance with its precepts. For these purposes, in accordance with these Regulations, the Audit and Compliance Committee is responsible for supervising the obligations established in them, and failure to comply with its provisions will be considered an occupational offence, the seriousness of which will be determined in the procedure followed in accordance with the provisions in force, without prejudice to the infringement that may arise from contravention of securities market regulations and the civil or criminal liability that may be demanded of the offender.

Finally, in relation to Spanish companies and in accordance with the Spanish regulatory framework regarding the criminal liability of legal entities, the Ethics and Compliance Committee acts as the Criminal Prevention Body. It also has a rule on "Management of the Crime Prevention Model" and another on "Internal Investigations of the Ethics and Compliance Committee" through which the prevention model and response mechanisms on information or evidence of possible offences committed in the Crime Prevention Model or on suspected breaches of it are structured. The company has internal rules and guidelines on due diligence with third parties, conflicts of interest, gifts and hospitality, social investment, and relations with public officials, specifically focused on mitigating potential anti-corruption risks, and a Crime Prevention Manual to improve understanding of criminal risks and the actions and conduct expected of employees, whose global training plan includes synchronous actions on the role of the Repsol leader or representative for managers and administrators, as well as an online course on the Crime Prevention Model (CPM) for those responsible for managing CPM controls and whistleblower channels susceptible to receiving communications related to the CPM.

- **Ethics and Compliance Channel**

In accordance with the Board Regulations, the Audit and Control Committee is responsible for establishing a mechanism that allows employees to report any potential significant irregularities, particularly financial and accounting irregularities, confidentially and, if possible, anonymously.

In this regard, the Company has a communication channel, the "Repsol Whistleblower Channel," which allows Company employees and any third party to make queries or report, among other matters, possible breaches of the Code of Ethics and Conduct and the Crime Prevention Model, anonymously and confidentially. It is operated by an independent agency and is accessible 24 hours a day, 7 days a week, by telephone and online.

The protocols governing the Whistleblower Channel do not allow any type of retaliation against anyone who in good faith reports a breach or raises questions about the Code, internal regulations or legislation, or who collaborates in an investigation. In particular, all of the above is guaranteed and above all the principles of impartiality, confidentiality, professionalism and independence.

- **Training and periodic refresher programmes**

Repsol training aims to develop the professional skills necessary to effectively perform the entrusted functions, complemented by others that encourage and support people's professional progression. It is based on initiatives aimed at structuring knowledge, developing skills and fostering the commitment of the Organisation's people to the Company's plans, culture and values throughout their professional career.

To do this, the Company has a broad catalogue of training activities that range from technical issues, which are organised specifically for certain groups, to other cross-disciplinary, management and safety awareness activities.

Through collaboration between the Repsol Training and Learning area and each of the Group's units, Repsol ensures the acquisition and updating of fundamental knowledge for the performance of the economic/administrative, risk management and audit and internal control function. To this end, a plan is drawn up with the training needs to be covered in both the short- and medium-term and the corresponding annual plan is designed, identifying and paying attention not only to the training action best suited to each group, but also facilitating the monitoring of the degree of compliance with the objectives established. As part of this planning, various actions are envisaged to disseminate the formalised internal control models, in particular the Internal Control over Financial Reporting System (ICFR), to the different areas and persons involved in these models.

To respond to these needs, internal resources are used, with training actions designed and imparted by in-house staff with experience and references in their field, as well as the contracting of prestigious firms selected under criteria of quality and specialisation, in addition to other resources such as conferences, talks, forums, workshops and virtual libraries.

Risk assessment in financial reporting

Characteristics of the risk identification process, including error and fraud

- **Risk identification process**

The Repsol Group has an integrated risk management process, as indicated in section 8.1 of this Report. This process establishes an homogeneous method for identifying and assessing them by the responsible areas in the Organisation. As a result of this process, the Repsol Group Risk Map is drawn up, which includes the financial reporting risks.

Identifying the main risks that could affect the financial reporting objectives related to the existence or occurrence, integrity, assessment and allocation, presentation and breakdown of transactions, and to the rights and obligations that could have a significant impact on the reliability of the Group's financial information, leads to the preparation of a Financial Report Risk Map, in which the following risks have been identified:

- Leaks of confidential or privileged information.
- Regulatory changes that impact the financial statements.
- Valuations subject to analysis and complex estimates.
- Late and improper detection of transactions with an impact on the financial statements, as well as inadequate analysis and valuation of transactions through existing processes, manual means and systems.
- Fraud in generating regulated financial information.
- Failure to comply with the requirements of economic and financial reporting in due time and form.

The risk of fraud in financial reporting is analysed specifically as it is a relevant element in the design, implementation and assessment of the internal control model. This analysis is carried out mainly taking into account the references in relation to the consideration of fraud in the risk assessment, which are included in the COSO 2013 methodological framework ("Assesses Fraud Risk" Principle 8) and in the framework of the AICPA (American Institute of Certified Public Accountants) in its document "Consideration of Fraud in a Financial Statement Audit", Section 316 (Standard Auditing Statement 99). As a result of this analysis, the following categories of causal factors for the risk of financial reporting fraud have been defined:

- Inadequate control environment.
- Intentional misstatement of financial statements.
- Asset misappropriation.

- **Scope and updates**

The process of identifying and evaluating financial reporting risks covers all financial reporting objectives related to existence or occurrence, integrity, valuation and assignment, presentation and disclosure of operations, and rights and obligations, that may have a significant impact on the reliability of the financial reporting.

Each of the aforementioned risk categories consists, in turn, of one or more specific risks, which are linked to the corresponding headings of the financial statements, the respective processes and to the different companies of the Group.

Lastly, the potential impact of each of the financial reporting risks is assessed, as well as the probability of their occurrence. From these two factors, the severity of each of the risks is established.

The risk inventory and the assessment of these risks in terms of impact and probability is reviewed on an annual basis in accordance with the Repsol Group's integrated risk management process, as indicated in Annex II regarding risks of the 2020 Consolidated Integrated Report.

- **Process for identifying the scope of consolidation**

There is a process in place for identifying changes in shareholding structure of Group companies. Once the changes are reported, the control structure is analyzed on the basis of the applicable accounting standards and principles in order to determine which consolidation method should be used for that company.

From the scope of consolidation and in coordination with the process of identification and regular updating of the inventory of financial reporting risks, a ICFR Scope Model is determined, along with the and companies that should be included in the scope on account of their relevance and materiality. This identification is made on the basis of both quantitative and qualitative criteria.

The determination of companies that are part of the model takes into account those in which control is exercised directly or indirectly. For these purposes, an investor is deemed to control an investee when it is exposed, or has rights, to variable returns from its involvement in the Group and has the ability to affect those returns through its power over the investee. Therefore, companies in which there is joint control are not included in the model, since the strategic decisions require the unanimous consent of the parties sharing control. However, controls are established in the model to ensure the homogeneity, validity and reliability of the financial information validated by them for incorporation into the consolidated financial statements.

- **Other types of risks**

In the process of identifying and evaluating financial reporting risk, the Repsol Group considers other types of risk that could have a relevant impact on the attainment of the organization's operational and strategic goals, such as compliance, insofar as these may have a significant effect on the preparation of financial statements.

- **Body in charge of supervising the process**

The Board of Directors reserves the power to approve the risk management and control policies, including financial reporting and tax risks, and to supervise internal information and control systems.

In accordance with the Board of Directors Regulations of Repsol, the Audit and Control Committee periodically reviews the efficiency of internal control, internal audit and risk management systems, including tax risks, so as to identify, manage and properly communicate the main risks.

The Executive Committee approves the governance elements required within the area of risk management, oversees their correct application and monitors the Company's performance in respect of risks.

The Internal Audit Unit is responsible for evaluating the design and operation of the Group's risk management systems.

Control activities

Procedures for reviewing and authorising financial information and description of the ICFR

The Repsol Group has an Internal Control Over Financial Reporting (ICFR) that allows compliance with the requirements established by the regulations applicable to listed public companies.

The ICFR model is defined on the basis of the COSO (2013) methodological framework (Committee of Sponsoring Organizations of the Treadway Commission) set out in its report Internal Control-Integrated Framework, with the aim of helping to ensure that transactions are faithfully recorded, in accordance with the corresponding accounting framework, providing reasonable assurance regarding the prevention or detection of errors that could have a material impact on the information contained in the consolidated financial statements. This internal control over financial reporting model is articulated through an integrated process comprising 5 components, developed through 17 principles in accordance with the 2013 COSO framework.

a) The existence of an adequate control environment.

b) Risk identification, analysis and assessment.

c) The definition and implementation of control activities that mitigate the identified risks.

d) Information and reporting, which make it possible to determine and assume the different control responsibilities.

e) Supervision of the operation of the system, so as to assess its design, the quality of its performance, and its adaptation, implementation and effectiveness.

The ICFR system is integrated into the organisation through the establishment of a scheme of roles and responsibilities for the different bodies and functions, set out in the procedures duly approved and disseminated within the Group. In addition to what is described above in this report in relation to the processes of review and authorisation of the financial information carried out by the Board of Directors and the Audit and Control Committee, the following is a detail of those governing bodies and organisational units of the Group that have been assigned relevant roles in this area:

- *Chief Executive Officer and General Manager CFO.*

  All those in charge of the controls that make up the ICFR, in relation to compliance with the requirements established in the area of internal control, certify that all the controls, associated with processes and risks, for which they are responsible, are in force at year-end and are operating properly at that date. This is an annual certification process that concludes with certification by the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO).

- *Internal Transparency Committee.*

  The purpose of the Internal Transparency Committee is to promote and strengthen the policies necessary to ensure that the information reported to shareholders, markets and regulatory entities is accurate and complete, that it adequately represents the financial situation, as well as the outcome of the transactions and that it is reported in compliance with the deadlines and other requirements established in the applicable rules and general principles for the functioning of the markets and good governance that the Company has assumed, with it configured as a supporting body for the Chair of the Board and the Chief Executive Officer.

  In accordance with the Internal Transparency Committee Regulations, the Committee is assigned the following functions, including:

  - Overseeing the establishment and maintenance of procedures relating to the preparation of the information that the Company must report publicly under the rules applicable to it or that, in general, it reports to the markets, as well as the controls and procedures aimed at ensuring that (i) the information is recorded, processed, summarised and communicated fairly and on time, and that (ii) the information is collected and communicated to Senior Management so that it may decide early on the information that must be reported publicly, proposing any improvements it may consider appropriate.
  - To review and assess the accuracy, reliability, adequacy and clarity of the information contained in the documents that must be presented publicly, and in particular of the communications that must be made to regulators and agents of the securities markets in which their securities are traded.

  The Internal Transparency Committee is made up of the heads of the units in charge of economic and tax functions, legal services, communication, strategy, audit and control, investor relations, corporate governance, reserve control, management planning and control, human resources and organisation and the different business units.

- *Business Units and Corporate Areas identified as "responsible for controls":*

  Within the Group, the various Business Units and Corporate Areas identified as "responsible for controls" are responsible for ensuring the validity, performance and proper functioning of the processes and controls associated with them. These Units include those that have a particularly relevant role in the development, maintenance and operation of the ICFR:

  - The unit that prepares the financial statements and the economic and financial reporting defines the inventory of ICFR controls and processes required to ensure the reliability of financial information, without prejudice to those that may be added or amended by the Audit, Control and Risk Division as a result of its process of defining and assessing the Group's ICFR.
  - The Unit ensures compliance with tax obligations, tax advice, monitoring, assessment and implementation of regulatory changes, identification, control, monitoring, assessment and management of tax risks, and preparation of tax information for the financial statements. Furthermore, in accordance with the Code of Good Tax Practices (to which the Company has adhered since 23 September 2010), with Law 31/2014, which reformed the Corporate Enterprises Act to improve corporate governance, and the Repsol Group's Tax Policy, each year the Board verifies, within its non-delegable powers in the tax area, the correct application of the Company's tax policies.
  - The Unit that monitors, analyses, reviews and interprets the accounting regulations contained in the regulatory framework applicable to the Group.
  - The Units that guarantee the efficient use of financial resources, optimisation of financial results and adequate monitoring and control of financial, market and credit risks, in order to ensure the continuity and development of business plans.
  - The Unit that establishes the guidelines for defining the organisational structure and sizing of the Group, as well as the guidelines and criteria governing the development of the internal regulatory framework and defines the Annual Training Plan.

- The Unit that ensures that the Group's hydrocarbon reserve estimates comply with the regulations issued by the various stock markets where the Company is listed, performs internal reserve audits, coordinates the certifications of external reserve auditors and evaluates the quality controls relating to reserve information.
- The Units responsible for the Group's legal and tax function, which provide legal advice and legal management and defence in all kinds of legal proceedings or contentious matters, providing legal support for the Group's actions, rights and expectations, with the aim of providing them with efficiency and legal certainty, and minimising possible legal risks.
- The Units that define the guidelines, criteria and indicators for management control, monitor the activity of the businesses and approved investments and control compliance with the commitments assumed, proposing corrective measures if necessary.

- *Processes, activities and controls*

The documents comprising the ICFR is basically made up of the following elements:

- Financial reporting risk map.
- Scope model.
- Documentation of the processes achieved by the ICFR.
- Inventory of controls identified in the different processes.
- Results of the assessment of the design and functioning of the controls.
- Certificates of the validity and effectiveness of the controls, issued for each year.

The ICFR model is based on a series of rules and procedures and is described in the Internal Financial Reporting Control Manual.

The internal financial reporting control system is articulated through a process in which, based on the identification and assessment of financial reporting risks, a scope model is defined that includes the relevant headings of the financial statements, the companies covered, the set of relevant processes for preparing reports, review and subsequent disclosure of financial information, and the control activities aimed at the prevention and detection of errors, including fraud, which may arise from them.

To define the companies covered, the process of updating the scope of consolidation is used as a starting point. The ICFR includes operational controls for companies in which control is exercised directly or indirectly. In addition, for the rest of the relevant non-controlled companies included in the scope of consolidation, controls are established to ensure the homogeneity, validity and reliability of the financial information provided by these companies for their inclusion in the consolidated financial statements.

For each of the relevant processes and companies included in the scope of consolidation, significant financial reporting risks and the control activities that mitigate these risks are identified.

The following types of controls are distinguished in the ICFR:

- Manual: those whose performance is based on actions carried out by individuals, who may use computer tools or applications.
- Automatic: those whose performance relies on the operation of computer tools or applications.
- General computer controls: those that reasonably ensure the reliability, integrity, availability and confidentiality of the information contained in the applications considered relevant for financial reporting.
- In turn, the controls can be characterised as:
    - Preventive: intended to prevent errors or fraud situations that may give rise to an error in the Repsol Group's financial information.
    - Detecting: the aim of which is to detect errors or fraud situations that have already occurred and that may give rise to an error in the Repsol Group's financial information.

- *Relevant judgements, estimates, valuations and forecasts*

The financial reporting process sometimes requires applying valuation judgements and making estimates that may affect the amount of assets and liabilities recorded, the presentation of contingent assets and liabilities, as well as recognised expenses and income. These estimates may be affected by, *inter alia*, changes in competitive, economic, political, legal, regulatory, social, industrial, business and financial conditions.

In this regard, the Group identifies responsible areas and establishes uniform criteria for judgements, estimates and valuations in the processes considered relevant for the preparation of financial information. Specifically, and in accordance with Note 3.5 "Accounting estimates and judgements" of the Repsol Group's Consolidated Financial Statements for 2021, these relate to the determination of crude oil and natural gas reserves, the evaluation of investments in Venezuela, provisions for litigation, dismantling and other contingencies such as those caused by environmental damage, income tax, tax credits and contingencies and deferred tax assets, the recoverable amount of assets and the expected loss on financial instruments. The results of these estimates are reported to the Group's management and administrative bodies.

Those bodies are regularly informed on any matter that may affect the progress of the businesses and that may have a significant effect on the Group's financial statements. Likewise, the main environment variables are periodically monitored that have or may have an impact, either directly or through estimates and valuations, on the quantification of Group assets, liabilities, income and expenses.

Internal control policies and procedures for supervising management of the activities subcontracted to third parties and any aspects of assessment, calculation or valuation outsourced to independent experts, which may affect materially to the financial statements

The Repsol Group has a procedure for identifying, establishing control criteria and supervising the activities of third party subcontractors in different business processes. According to this procedure, the group analyzes the types of activities carried out by these suppliers and their impact and draws conclusions as to whether the activities have a material impact on the financial statements from the following perspectives:

- Significant transactions for the Group’s financial statements.
- Manual or automated procedures for initiating, recording, processing or reporting significant transactions from the beginning until they are included in the financial statements.
- Manual or automatic accounting records that support the collection, recognition, processing and reporting of specific transactions, information or accounts on the Group’s financial statements.
- Relevant information systems for capturing significant events and conditions for inclusion in the operating results and preparation of the financial statements.
- Financial reporting process used to prepare the financial statements, including the accounting estimates and the disclosure of significant information.

Once the subcontracted activities that can have a material effect on the financial statements have been identified, the internal controls of the services rendered are supervised to ensure their adequacy. In this regard, in accordance with the COSO 2013 methodology and ISA 402 (International Standard on Auditing), the Repsol Group adapts based on the characteristics of the supplier or third party subcontracted, carrying out supervision tasks based on the following approaches:

- Request independent auditors’ reports from third party subcontractors to obtain relevant information on their internal control systems. Some examples of the reports include SOC (Service Organization Control) under Standard SSAE 16 of the American Institute of Certified Public Accountants (AICPA) or standard ISAE 3402 (International Standards on Assurance Engagements 3402).
- Understanding on the part of the user of the service of the nature of the service and identification of mitigating controls within the financial reporting process of the Repsol Group.
- Conduct independent evaluations of the supplier’s internal control systems.

Information and communication

Units responsible for the accounting policies

The Group has a Unit responsible for monitoring, analyzing and reviewing the accounting principles and policies established in the regulatory framework that applies to the preparation of financial statements, analyzing and answering consultations on their interpretation and adequate application. The organizational units involved in preparing financial information are periodically informed of any new aspects of accounting techniques and regulations and the outcome of the different analyzes made.

There are also accounting principles manuals, which establish the accounting standards, policies and principles applied by the Group. These manuals are revised and updated periodically and whenever there is a material change in the applicable regulations. The manuals are available on the internal communication network.

In 2021, the Group's accounting manuals were updated as a result mainly of changes in International Financial Reporting Standards adopted by the European Union and of mandatory application from 1 January 2019.

Mechanisms for collecting and preparing financial information

The Group has integrated IT systems for both recognizing transactions in the accounts and preparing the separate and consolidated financial statements. It also has processes for centralized coding and parameterization processes which, together with the accounting principles manuals, guarantee the integrity and homogeneity of the information. Finally, there are also tools used for processing the information in order to obtain and prepare the breakdowns provided in the notes to the financial statements. The systems linked to the preparation and reporting of financial information meet the security standards established by the general computer controls defined for IT systems. (See section 8.2. of this report regarding the internal policies and procedures over information systems).

Supervision of the functioning of the system

Role of the Audit Committee, internal audit function, scope of ICFR assessment and action plans

According to the Board of Directors Regulations, the Audit and Control Committee is responsible for supervising the assessment and presentation, as well as the integrity of the financial information on the Company and the Group, checking compliance with legal provisions, adequate definition of the consolidated group and correct application of the accounting principles, and regularly checking the effectiveness of the internal control, internal audit and risk management systems, including tax risks, ensuring that the principal risks, are identified, managed and reported adequately.

The Audit and Control Committee also analyzes and approves, where appropriate, the annual planning of the Internal Audit Department and other occasional or specific additional plans required as a result of changes in legislation or the needs of the business organization of the Group.

The annual planning of the Internal Audit Department is structured to assess and supervise the correct functioning and adequacy of the Group’s internal control and risk management systems (operational, strategic, financial and compliance).

The Audit, Control and Risks Division reports to the Audit and Control Committee and performs its duties established in international standards in line with the best market practices, as well as the requirements of the different regulatory frameworks applicable in the countries in which the Repsol Group has businesses and activities. It has a “Quality Assurance and Enhancement Plan”, assessed regularly, to assure quality in its duties, the results of which are reported to the Audit and Control Committee.

The Audit, Control and Risks Division is responsible for seeing that the design and functioning of the Internal Control and Risk Management Systems in the Group are reasonable and adequate, contributing towards their improvement and covering the following control objectives:

- Any risks that may affect the organization are adequately identified, measured, prioritized and controlled in accordance with that established in the Risks Management Policy signed by the Board of Directors.
- Transactions are efficient and effective.
- Transactions are made in compliance of applicable laws, regulations and contracts and prevailing policies, rules or procedures.
- The assets are adequately protected and reasonably controlled.
- The most significant financial, management and operating information is prepared and reported adequately.

The Audit, Control and Risks Division reports to the Audit and Control Committee on the conclusions of all work performed, as well as the corrective measures proposed and the degree of compliance with these measures. This Division provides support for any significant irregularities, anomalies or non-compliance on the part of the audited units, reporting any cases that may entail a significant risk for the Group to the Board of Directors.

With regard to the System for Internal Control over Financial Reporting (ICFR), the Audit, Control and Risks Division provides support in the ICFR supervisory tasks carried out by the Board of Directors, the Audit and Control Committee and the Internal Transparency Committee and notifies the owners of the controls of any weakness or incident detected in the process of updating and assessing the ICFR system.

After the reporting date, the Audit, Control and Risks Division informs the Internal Transparency Committee, the Audit and Control Committee and the Board of Directors on the outcome of the ICFR system assessment and any defects found during the assessment.

The Audit, Control and Risks Division has assessed the effectiveness of the ICFR system corresponding to 2020, and did not find any significant or material weaknesses, concluding that it is effective, in accordance with the criteria established by COSO 2013.

Procedure for discussion with Senior Management, the Audit Committee and the Company's directors regarding any significant internal control weaknesses identified during the review processes and action plans

As indicated in a section below of this Report, the Audit, Control and Risks Division reports to the Audit and Control Committee on the conclusions of all work performed, as well as the corrective measures proposed and the degree of compliance with these measures.

One of the duties of the Audit and Control Committee is to establish appropriate relations with the External Auditor to receive regular information on the audit plan and the results of its implementation, and on any other issues concerning the audit process and corresponding rules and regulations. It also verifies that the management team bears in mind the recommendations made by the External Auditor.

The Audit and Control Committee also requires the External Auditor periodically, at least once a year, to assess the quality of the internal control procedures and systems and discuss with it any significant weaknesses detected during audit and requests the External Auditor's opinion on the effectiveness of the ICFR system. In this regard, the external auditor carried out its review of reasonable assurance on the design and effectiveness of the ICFR system for 2021 as well as the description of this system included in this Report.

External auditor's report

The Group submitted for review by the External Audit (PricewaterhouseCoopers Auditores, S.L.) the design and effectiveness of the System of Internal Control over Financial Reporting (ICFR), in relation to the financial information contained in the Repsol Group's consolidated financial statements at December 31, 2020, and the description thereof included in this Report.

Appendix I: Analysis of compliance with the recommendations of the Good Governance Code for Listed Companies

1. That the articles of incorporation of listed companies should not limit the maximum number of votes that may be cast by one shareholder or contain other restrictions that hinder the takeover of control of the company through the acquisition of its shares on the market.

Complies	Complies partially	Explain	Not applicable	Explanation
X				

2. That when the listed company is controlled by another entity in the meaning of Article 42 of the Commercial Code, whether listed or not, and has, directly or through its subsidiaries, business relations with said entity or any of its subsidiaries (other than the listed company) or carries out activities related to those of any of them it should make accurate public disclosures on:

a) The respective areas of activity and possible business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries.

b) The mechanisms in place to resolve any conflicts of interest that may arise.

Complies	Complies partially	Explain	Not applicable	Explanation
			X	

3. That, during the ordinary General Shareholders' Meeting, as a complement to the distribution of the written annual corporate governance report, the chairman of the Board of Directors should inform shareholders orally, in sufficient detail, of the most significant aspects of the company's corporate governance, and in particular:

a) Changes that have occurred since the last General Shareholders' Meeting.

b) Specific reasons why the company has not followed one or more of the recommendations of the Code of Corporate Governance and the alternative rules applied, if any.

Complies	Complies partially	Explain	Not applicable	Explanation
X				

4. That the company should define and promote a policy on communication and contact with shareholders and institutional investors, within the framework of their involvement in the company, and with proxy advisors that complies in all aspects with rules against market abuse and gives equal treatment to similarly situated shareholders. And that the company should publish this policy on its website, including information on how it has been put into practice and identifying the contact persons or those responsible for implementing it.

And that, without prejudice to the legal obligations regarding dissemination of inside information and other types of regulated information, the company should also have a general policy regarding the communication of economic-financial, non-financial and corporate information through such channels as it may consider appropriate (communication media, social networks or other channels) that helps to maximise the dissemination and quality of information available to the market, investors and other stakeholders.

Complies	Complies partially	Explain	Not applicable	Explanation
X				

5. That the Board of Directors should not submit to the General Shareholders' Meeting any proposal for delegation of powers allowing the issue of shares or convertible securities with the exclusion of preemptive rights in an amount exceeding 20% of the capital at the time of delegation.

And that whenever the Board of Directors approves any issue of shares or convertible securities with the exclusion of preemptive rights, the company should immediately publish the reports referred to by company law on its website.

Complies	Complies partially	Explain	Not applicable	Explanation
X				

6. That listed companies that prepare the reports listed below, whether under a legal obligation or voluntarily, should publish them on their website with sufficient time before the General Shareholders' Meeting, even if their publication is not mandatory:

a) Report on the auditor's independence.

b) Reports on the workings of the audit and nomination and remuneration committees.

c) Report by the audit committee on related party transactions.

Complies	Complies partially	Explain	Not applicable	Explanation
X				

7. That the company should transmit in real time, through its website, the proceedings of the General Shareholders' Meetings.

And that the company should have mechanisms in place allowing the delegation and casting of votes by means of data transmission and even, in the case of large-caps and to the extent that it is proportionate, attendance and active participation in the General Meeting to be conducted by such remote means.

Complies	Complies partially	Explain	Not applicable	Explanation
X				

8. That the audit committee should ensure that the financial statements submitted to the General Shareholders' Meeting are prepared in accordance with accounting regulations. And that in cases in which the auditor has included a qualification or reservation in its audit report, the chairman of the audit committee should clearly explain to the general meeting the opinion of the audit committee on its content and scope, making a summary of this opinion available to shareholders at the time when the meeting is called, alongside the other Board proposals and reports of the Board.

Complies	Complies partially	Explain	Not applicable	Explanation
X				

9. That the company should permanently publish on its website the requirements and procedures for certification of share ownership, the right of attendance at the General Shareholders' Meetings, and the exercise of the right to vote or to issue a proxy.

And that such requirements and procedures promote attendance and the exercise of shareholder rights in a non-discriminatory fashion.

Complies	Complies partially	Explain	Not applicable	Explanation
X				

10. That when a duly authenticated shareholder has exercised his or her right to complete the agenda or to make new proposals for resolutions in advance of the General Shareholders' Meeting, the company:

a) Should immediately distribute such complementary points and new proposals for resolutions.

b) Should publish the attendance, proxy and remote voting card specimen with the necessary changes such that the new agenda items and alternative proposals can be voted on in the same terms as those proposed by the Board of Directors.

c) Should submits all these points or alternative proposals to a vote and apply the same voting rules to them as to those formulated by the Board of Directors including, in particular, assumptions or default positions regarding votes for or against.

d) That after the General Shareholders' Meeting, a breakdown of the voting on said additions or alternative proposals be communicated.

Complies	Complies partially	Explain	Not applicable	Explanation
			X	

11. That if the company intends to pay premiums for attending the General Shareholders' Meeting, it should establish in advance a general policy on such premiums and this policy should be stable.

Complies	Complies partially	Explain	Not applicable	Explanation
			X	

12. That the Board of Directors should perform its functions with a unity of purpose and independence of criterion, treating all similarly situated shareholders equally and being guided by the best interests of the company, which is understood to mean the pursuit of a profitable and sustainable business in the long term, promoting its continuity and maximising the economic value of the business.

And that in pursuit of the company's interest, in addition to complying with applicable law and rules and conducting itself on the basis of good faith, ethics and a respect for commonly accepted best practices, it should seek to reconcile its own company interests, when appropriate, with the interests of its employees, suppliers, clients and other stakeholders that may be affected, as well as the impact of its corporate activities on the communities in which it operates and on the environment.

Complies	Complies partially	Explain	Not applicable	Explanation
X				

13. That the Board of Directors should be of an appropriate size to perform its duties effectively and in a collegial manner, which makes it advisable for it to have between five and fifteen members.

Complies	Complies partially	Explain	Not applicable	Explanation
X				

14. That the Board of Directors should approve a policy aimed at favouring an appropriate composition of the Board and that:

a) Is concrete and verifiable;

b) Ensures that proposals for appointment or re-election are based upon a prior analysis of the skills required by the Board of Directors; and

c) Favours diversity of knowledge, experience, age and gender. For these purposes, it is considered that the measures that encourage the company to have a significant number of female senior executives favour gender diversity.

That the result of the prior analysis of the skills required by the Board of Directors be contained in the supporting report from the nomination committee published upon calling the General Shareholders' Meeting to which the ratification, appointment or re-election of each director is submitted.

The nomination committee will annually verify compliance with this policy and explain its findings in the annual corporate governance report.

Complies	Complies partially	Explain	Not applicable	Explanation
X				

15. That proprietary and independent directors should constitute a substantial majority of the Board of Directors and that the number of executive directors be kept to a minimum, taking into account the complexity of the corporate group and the percentage of equity participation of executive directors..

And that the number of female directors should represent at least 40% of the members of the Board of Directors before the end of 2022 and thereafter, and no less 30% prior to that date.

Complies	Complies partially	Explain	Not applicable	Explanation
X				

16. That the number of proprietary directors as a percentage of the total number of non-executive directors not be greater than the proportion of the company's share capital represented by those directors and the rest of the capital.

a) This criterion may be relaxed:

b) In large-cap companies where very few shareholdings are legally considered significant.

c) In the case of companies where a plurality of shareholders is represented on the Board of Directors without ties among them.

Complies	Complies partially	Explain	Not applicable	Explanation
X				

17. That the number of independent directors should represent at least half of the total number of directors.

That, however, when the company does not have a high level of market capitalisation or in the event that it is a large-cap company with one shareholder or a group of shareholders acting in concert who together control more than 30% of the company's share capital, the number of independent directors should represent at least one third of the total number of directors.

Complies	Complies partially	Explain	Not applicable	Explanation
X				

18. That companies should publish the following information on its directors on their website, and keep it up to date:

a) Professional profile and biography.
b) Any other Boards to which the directors belong, regardless of whether or not the companies are listed, as well as any other remunerated activities engaged in, regardless of type.
c) Category of directorship, indicating, in the case of individuals who represent significant shareholders, the shareholder that they represent or to which they are connected.
d) Date of their first appointment as a director of the company's Board of Directors, and any subsequent re-elections.
e) Company shares and share options that they own.

Complies	Complies partially	Explain	Not applicable	Explanation
X				

19. That the annual corporate governance report, after verification by the nomination committee, should explain the reasons for the appointment of any proprietary directors at the proposal of shareholders whose holding is less than 3%. It should also explain, if applicable, why formal requests from shareholders for presence on the Board were not honoured, when their shareholding was equal to or exceeded that of other shareholders whose proposal for proprietary directors was honoured.

Complies	Complies partially	Explain	Not applicable	Explanation
			X	

20. That proprietary directors representing significant shareholders should resign from the Board when the shareholder they represent disposes of its entire shareholding. They should also resign, in a proportional fashion, in the event that said shareholder reduces its percentage interest to a level that requires a decrease in the number of proprietary directors.

Complies	Complies partially	Explain	Not applicable	Explanation
X				

21. That the Board of Directors should not propose the dismissal of any independent director before the completion of the director's term provided for in the articles of incorporation unless the Board of Directors finds just cause and a prior report has been prepared by the nomination committee. Specifically, just cause is considered to exist if the director takes on new duties or commits to new obligations that would interfere with his or her ability to dedicate the time necessary for attention to the duties inherent to his or her post as a director, fails to complete the tasks inherent to his or her post, or is affected by any of the circumstances which would cause the loss of independent status in accordance with applicable law.

The dismissal of independent directors may also be proposed as a result of a public takeover bid, merger or other similar corporate transaction entailing a change in the shareholder structure of the company, provided that such changes in the structure of the Board are the result of application of the proportionate representation criterion provided in Recommendation 16.

Complies	Complies partially	Explain	Not applicable	Explanation
X				

22. That companies should establish rules requiring that directors inform the Board of Directors and, where appropriate, resign from their posts, when circumstances arise which affect them, whether or not related to their actions in the company itself, and which may harm the company's standing and reputation, and in particular requiring them to inform the Board of any criminal proceedings in which they appear as suspects or defendants, as well as of how the legal proceedings subsequently unfold.

And that, if the Board is informed or becomes aware in any other manner of any of the circumstances mentioned above, it must investigate the case as quickly as possible and, depending on the specific circumstances, decide, based on a report from the nomination and remuneration committee, whether or not any measure must be adopted, such as the opening of an internal investigation, asking the director to resign or proposing that he or she be dismissed. And that these events must be reported in the annual corporate governance report, unless there are any special reasons not to do so, which must also be noted in the minutes. This without prejudice to the information that the company must disseminate, if appropriate, at the time when the corresponding measures are implemented.

Complies	Complies partially	Explain	Not applicable	Explanation
X				

23. That all directors clearly express their opposition when they consider any proposal submitted to the Board of Directors to be against the company's interests. This particularly applies to independent directors and directors who are unaffected by a potential conflict of interest if the decision could be detrimental to any shareholders not represented on the Board of Directors.

Furthermore, when the Board of Directors makes significant or repeated decisions about which the director has serious reservations, the director should draw the appropriate conclusions and, in the event the director decides to resign, explain the reasons for this decision in the letter referred to in the next recommendation.

This recommendation also applies to the secretary of the Board of Directors, even if he or she is not a director.

Complies	Complies partially	Explain	Not applicable	Explanation
			X	

24. That whenever, due to resignation or resolution of the General Shareholders' Meeting, a director leaves before the completion of his or her term of office, the director should explain the reasons for this decision, or in the case of non-executive directors, their opinion of the reasons for cessation, in a letter addressed to all members of the Board of Directors.

And that, without prejudice to all this being reported in the annual corporate governance report, insofar as it is relevant to investors, the company must publish the cessation as quickly as possible, adequately referring to the reasons or circumstances adduced by the director.

Complies	Complies partially	Explain	Not applicable	Explanation
X				

25. That the nomination committee should make sure that non-executive directors have sufficient time available in order to properly perform their duties.

And that the Board regulations establish the maximum number of company Boards on which directors may sit.

Complies	Complies partially	Explain	Not applicable	Explanation
X				

26. That the Board of Directors meet frequently enough to be able to effectively perform its duties, and at least eight times per year, following a schedule of dates and agendas established at the beginning of the year and allowing each director individually to propose other items that do not originally appear on the agenda.

Complies	Complies partially	Explain	Not applicable	Explanation
X				

27. That director absences occur only when absolutely necessary and be quantified in the annual corporate governance report. And when absences do occur, that the director appoint a proxy with instructions.

Complies	Complies partially	Explain	Not applicable	Explanation
X				

28. That when directors or the secretary express concern regarding a proposal or, in the case of directors, regarding the direction in which the company is headed and said concerns are not resolved by the Board of Directors, such concerns should be included in the minutes at the request of the director expressing them.

Complies	Complies partially	Explain	Not applicable	Explanation
			X	

29. That the company should establishes adequate means for directors to obtain appropriate advice in order to properly fulfil their duties including, should circumstances warrant, external advice at the company's expense.

Complies	Complies partially	Explain	Not applicable	Explanation
X				

30. That, without regard to the knowledge necessary for directors to complete their duties, companies make refresher courses available to them when circumstances make this advisable.

Complies	Complies partially	Explain	Not applicable	Explanation
X				

31. That the agenda for meetings should clearly indicate those matters on which the Board of Directors is to make a decision or adopt a resolution so that the directors may study or gather all relevant information ahead of time.

When, in exceptional circumstances, the chairman wishes to bring urgent matters for decision or resolution before the Board of Directors which do not appear on the agenda, prior express agreement of a majority of the directors shall be necessary, and said consent shall be duly recorded in the minutes.

Complies	Complies partially	Explain	Not applicable	Explanation
X				

32. That directors be periodically informed of changes in shareholding and of the opinions of significant shareholders, investors and rating agencies of the company and its group.

Complies	Complies partially	Explain	Not applicable	Explanation
X				

33. That the chairman, as the person responsible for the efficient workings of the Board of Directors, in addition to carrying out the duties assigned by law and the articles of incorporation, should prepare and submit to the Board of Directors a schedule of dates and matters to be considered; organise and coordinate the periodic evaluation of the Board as well as, if applicable, the chief executive of the company, should be responsible for leading the Board and the effectiveness of its work; ensuring that sufficient time is devoted to considering strategic issues, and approve and supervise refresher courses for each director when circumstances make this advisable.

Complies	Complies partially	Explain	Not applicable	Explanation
X				

34. That when there is a coordinating director, the articles of incorporation or Board regulations should confer upon him or her the following powers in addition to those conferred by law: to chair the Board of Directors in the absence of the chairman and deputy chairmen, should there be any; to reflect the concerns of non-executive directors; to liaise with investors and shareholders in order to understand their points of view and respond to their concerns, in particular as those concerns relate to corporate governance of the company; and to coordinate a succession plan for the chairman.

Complies	Complies partially	Explain	Not applicable	Explanation
X				

35. That the secretary of the Board of Directors should pay special attention to ensure that the activities and decisions of the Board of Directors take into account such recommendations regarding good governance contained in this Good Governance Code as may be applicable to the company.

Complies	Complies partially	Explain	Not applicable	Explanation
X				

36. That the Board of Directors meet in plenary session once a year and adopt, where appropriate, an action plan to correct any deficiencies detected in the following:

a) The quality and efficiency of the Board of Directors' work.
b) The workings and composition of its committees.
c) Diversity in the composition and skills of the Board of Directors.
d) Performance of the chairman of the Board of Directors and of the chief executive officer of the company.
e) Performance and input of each director, paying special attention to those in charge of the various Board committees.

In order to perform its evaluation of the various committees, the Board of Directors will take a report from the committees themselves as a starting point and for the evaluation of the Board, a report from the nomination committee.

Every three years, the Board of Directors will rely for its evaluation upon the assistance of an external advisor, whose independence shall be verified by the nomination committee.

Business relationships between the external adviser or any member of the adviser's group and the company or any company within its group must be specified in the annual corporate governance report.

The process and the areas evaluated must be described in the annual corporate governance report.

Complies	Complies partially	Explain	Not applicable	Explanation
X				

37. That if there is an executive committee, it must contain at least two non-executive directors, at least one of whom must be independent, and its secretary must be the secretary of the Board.

Complies	Complies partially	Explain	Not applicable	Explanation
X				

38. That the Board of Directors must always be aware of the matters discussed and decisions taken by the executive committee and that all members of the Board of Directors receive a copy of the minutes of meetings of the executive committee.

Complies	Complies partially	Explain	Not applicable	Explanation
X				

39. That the members of the audit committee, in particular its chairman, be appointed in consideration of their knowledge and experience in accountancy, audit and risk management issues, both financial and non-financial.

Complies	Complies partially	Explain	Not applicable	Explanation
X				

40. That under the supervision of the audit committee, there should be a unit in charge of the internal audit function, which ensures that information and internal control systems operate correctly, and which reports to the non-executive chairman of the Board or of the audit committee.

Complies	Complies partially	Explain	Not applicable	Explanation
X				

41. That the person in charge of the unit performing the internal audit function should present an annual work plan to the audit committee, for approval by that committee or by the Board, reporting directly on its execution, including any incidents or limitations of scope, the results and monitoring of its recommendations, and present an activity report at the end of each year.

Complies	Complies partially	Explain	Not applicable	Explanation
X				

42. That in addition to the provisions of applicable law, the audit committee should be responsible for the following:

1. With regard to information systems and internal control:

   a) Supervising and evaluating the process of preparation and the completeness of the financial and non-financial information, as well as the control and management systems for financial and non-financial risk relating to the company and, if applicable, the group - including operational , technological, legal, social, environmental, political and reputational risk, or risk related to corruption - reviewing compliance with regulatory requirements, the appropriate delimitation of the scope of consolidation and the correct application of accounting criteria.
   b) Ensuring the independence of the unit charged with the internal audit function; proposing the selection, appointment and dismissal of the head of internal audit; proposing the budget for this service; approving or proposing its orientation and annual work plans for approval by the Board, making sure that its activity is focused primarily on material risks (including reputational risk); receiving periodic information on its activities; and verifying that senior management takes into account the conclusions and recommendations of its reports.
   c) Establishing and supervising a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report any potentially serious irregularities, especially those of a financial or accounting nature, that they observe in the company or its group. This mechanism must guarantee confidentiality and in any case provide for cases in which the communications can be made anonymously, respecting the rights of the whistleblower and the person reported.
   d) Generally ensuring that internal control policies and systems are effectively applied in practice.

2. With regard to the external auditor:

   a) In the event that the external auditor resigns, examining the circumstances leading to such resignation.
   b) Ensuring that the remuneration paid to the external auditor for its work does not compromise the quality of the work or the auditor's independence.
   c) Making sure that the company informs the CNMV of the change of auditor, along with a statement on any differences that arose with the outgoing auditor and, if applicable, the contents thereof.
   d) Ensuring that the external auditor holds an annual meeting with the Board of Directors in plenary session in order to make a report regarding the tasks performed and the development of the company's accounting situation and risks.
   e) Ensuring that the company and the external auditor comply with applicable rules regarding the provision of services other than auditing, limits on the concentration of the auditor's business, and, in general, all other rules regarding auditors' independence.

Complies	Complies partially	Explain	Not applicable	Explanation
X				

43. That the audit committee be able to require the presence of any employee or manager of the company, even stipulating that he or she appear without the presence of any other member of management.

Complies	Complies partially	Explain	Not applicable	Explanation
X				

44. That the audit committee be kept abreast of any corporate and structural changes planned by the company in order to perform an analysis and draw up a prior report to the Board of Directors on the economic conditions and accounting implications and, in particular, any exchange ratio involved.

Complies	Complies partially	Explain	Not applicable	Explanation
X				

45. That the risk management and control policy identify or determine, as a minimum:

a) The various types of financial and non-financial risks (including operational, technological, legal, social, environmental, political and reputational risks and risks relating to corruption) which the company faces, including among the financial or economic risks contingent liabilities and other off-balance sheet risks.

b) A risk control and management model based on different levels, which will include a specialised risk committee when sector regulations so require or the company considers it to be appropriate.

c) The level of risk that the company considers to be acceptable.

d) Measures in place to mitigate the impact of the risks identified in the event that they should materialise.

e) Internal control and information systems to be used in order to control and manage he aforementioned risks, including contingent liabilities or off-balance sheet risks.

Complies	Complies partially	Explain	Not applicable	Explanation
X				

46. That under the direct supervision of the audit committee or, if applicable, of a specialised committee of the Board of Directors, an internal risk control and management function should exist, performed by an internal unit or department of the company which is expressly charged with the following responsibilities:

a) Ensuring the proper functioning of risk management and control systems and, in particular, that they adequately identify, manage and quantify all material risks affecting the company.
b) Actively participating in drawing up the risk strategy and in important decisions regarding risk management.
c) Ensuring that the risk management and control systems adequately mitigate risks as defined by the policy laid down by the Board of Directors.

Complies	Complies partially	Explain	Not applicable	Explanation
X				

47. That in designating the members of the nomination and remuneration committee – or of the nomination committee and the remuneration committee if they are separate – care be taken to ensure that they have the knowledge, aptitudes and experience appropriate to the functions that they are called upon to perform and that the majority of said members are independent directors.

Complies	Complies partially	Explain	Not applicable	Explanation
X				

48. That large-cap companies have separate nomination and remuneration committees.

Complies	Complies partially	Explain	Not applicable	Explanation
X				

49. That the nomination committee consult with the chairman of the Board of Directors and the chief executive of the company, especially in relation to matters concerning executive directors.

And that any director be able to ask the nomination committee to consider potential candidates that he or she considers suitable to fill a vacancy on the Board of Directors.

Complies	Complies partially	Explain	Not applicable	Explanation
X				

50. That the remuneration committee exercise its functions independently and that, in addition to the functions assigned to it by law, it should be responsible for the following:

a) Proposing the basic conditions of employment for senior management to the Board of Directors.
b) Verifying compliance with the company's remuneration policy.
c) Periodically reviewing the remuneration policy applied to directors and senior managers, including share-based remuneration systems and their application, as well as ensuring that their individual remuneration is proportional to that received by the company's other directors and senior managers.
d) Making sure that potential conflicts of interest do not undermine the independence of external advice given to the committee.
e) Verifying the information on remuneration of directors and senior managers contained in the various corporate documents, including the annual report on director remuneration.

Complies	Complies partially	Explain	Not applicable	Explanation
X				

51. That the remuneration committee should consult with the chairman and the chief executive of the company, especially on matters relating to executive directors and senior management.

Complies	Complies partially	Explain	Not applicable	Explanation
X				

52. That the rules regarding the composition and workings of the supervision and control committees should appear in the regulations of the Board of Directors and that they should be consistent with those applying to legally mandatory committees in accordance with the foregoing recommendations, including:

a) That they be composed exclusively of non-executive directors, with a majority of independent directors.
b) That their chairpersons be independent directors.
c) That the Board of Directors select members of these committees taking into account their knowledge, skills and experience and the duties of each committee; discuss their proposals and reports; and require them to render account of their activities and of the work performed in the first plenary session of the Board of Directors held after each committee meeting.
d) That the committees be allowed to avail themselves of outside advice when they consider it necessary to perform their duties.
e) That their meetings be recorded and the minutes be made available to all directors.

Complies	Complies partially	Explain	Not applicable	Explanation
X				

53. That verification of compliance with the company's policies and rules on environmental, social and corporate governance matters, and with the internal codes of conduct be assigned to one or divided among more than one committee of the Board of Directors, which may be the audit committee, the nomination committee, a specialised committee on sustainability or corporate social responsibility or such other specialised committee as the Board of Directors, in the exercise of its powers of self-organisation, may have decided to create. And that such committee be composed exclusively of non-executive directors, with a majority of these being independent directors, and that the minimum functions indicated in the next recommendation be specifically assigned to it.

Complies	Complies partially	Explain	Not applicable	Explanation
X				

54. The minimum functions referred to in the foregoing recommendation are the following:

a) Monitoring of compliance with the company's internal codes of conduct and corporate governance rules, also ensuring that the corporate culture is aligned with its purpose and values.
b) Monitoring the application of the general policy on communication of economic and financial information, non-financial and corporate information and communication with shareholders and investors, proxy advisors and other stakeholders. The manner in which the entity communicates and handles relations with small and medium-sized shareholders must also be monitored.
c) The periodic evaluation and review of the company's corporate governance system, and environmental and social policy, with a view to ensuring that they fulfil their purposes of promoting the interests of society and take account, as appropriate, of the legitimate interests of other stakeholders.
d) Supervision of the company's environmental and social practices to ensure they are in alignment with the established strategy and policy.
e) Supervision and evaluation of the way in which relations with the various stakeholders are handled.

Complies	Complies partially	Explain	Not applicable	Explanation
X				

55. That environmental and social sustainability policies identify and include at least the following:

a) The principles, commitments, objectives and strategy relating to shareholders, employees, clients, suppliers, social issues, the environment, diversity, tax responsibility, respect for human rights, and the prevention of corruption and other unlawful conduct
b) Means or systems for monitoring compliance with these policies, their associated risks, and management.
c) Mechanisms for supervising non-financial risk, including that relating to ethical aspects and aspects of business conduct.
d) Channels of communication, participation and dialogue with stakeholders.
e) Responsible communication practices that impede the manipulation of data and protect integrity and honour.

Complies	Complies partially	Explain	Not applicable	Explanation
X				

56. That director remuneration be sufficient in order to attract and retain directors who meet the desired professional profile and to adequately compensate them for the dedication, qualifications and responsibility demanded of their posts, while not being so excessive as to compromise the independent judgement of non-executive directors.

Complies	Complies partially	Explain	Not applicable	Explanation
X				

57. That only executive directors should receive variable remuneration linked to corporate results and personal performance, as well as remuneration in the form of shares, options or rights to shares or instruments referenced to the share price and long-term savings plans such as pension plans, retirement schemes or other provident schemes.

Consideration may be given to delivering shares to non-executive directors as remuneration providing this is conditional upon their holding them until they cease to be directors. The foregoing shall not apply to shares that the director may need to sell in order to meet the costs related to their acquisition.

Complies	Complies partially	Explain	Not applicable	Explanation
X				

58. That as regards variable remuneration, remuneration policies should incorporate the necessary limits and technical safeguards to ensure that such remuneration is in line with the professional performance of its beneficiaries and not based solely on general developments in the markets or in the sector in which the company operates, or other similar circumstances.

And, in particular, that variable remuneration components:

a) Are linked to pre-determined and measurable performance criteria and that such criteria take into account the risk incurred to achieve a given result.
b) Promote the sustainability of the company and include non-financial criteria that are geared towards creating long term value, such as compliance with the company's rules and internal operating procedures and with its risk management and control policies.
c) Are based on balancing the attainment of short-, medium- and long-term objectives, so as to allow remuneration of continuous performance over a period long enough to be able to assess its contribution to the sustainable creation of value, such that the elements used to measure performance are not associated only with one-off, occasional or extraordinary events.

Complies	Complies partially	Explain	Not applicable	Explanation
X				

59. That the payment of variable remuneration components be subject to sufficient verification that previously established performance or other conditions have effectively been met. Entities must include in their annual report on director remuneration the criteria for the time required and methods used for this verification depending on the nature and characteristics of each variable component.

That, additionally, companies consider the inclusion of a reduction ('malus') clause for the deferral of the payment of a portion of variable remuneration components that would imply their total or partial loss if an event were to occur prior to the payment date that would make this advisable.

Complies	Complies partially	Explain	Not applicable	Explanation
X				

60. That remuneration related to company results should take into account any reservations that might appear in the external auditor's report and that would diminish said results.

Complies	Complies partially	Explain	Not applicable	Explanation
			X	

61. That a material portion of executive directors' variable remuneration be linked to the delivery of shares or financial instruments referenced to the share price.

Complies	Complies partially	Explain	Not applicable	Explanation
X				

62. That once shares or options or financial instruments have been allocated under remuneration schemes, executive directors be prohibited from transferring ownership or exercising options or rights until a term of at least three years has elapsed.

An exception is made in cases where the director has, at the time of the transfer or exercise of options or rights, a net economic exposure to changes in the share price for a market value equivalent to at least twice the amount of his or her fixed annual remuneration through the ownership of shares, options or other financial instruments.

The forgoing shall not apply to shares that the director may need to sell in order to meet the costs related to their acquisition or, following a favourable assessment by the nomination and remuneration committee, to deal with such extraordinary situations as may arise and so require.

Complies	Complies partially	Explain	Not applicable	Explanation
X				

63. That contractual arrangements should include a clause allowing the company to demand reimbursement of the variable remuneration components in the event that payment was not in accordance with the performance conditions or when payment was made based on data subsequently shown to have been inaccurate.

Complies	Complies partially	Explain	Not applicable	Explanation
X				

64. That payments for contract termination should not exceed an amount equivalent to two years of total annual remuneration and should not be paid until the company has been able to verify that the director has fulfilled all previously established criteria or conditions for payment.

For the purposes of this recommendation, payments for contractual termination will be considered to include any payments the accrual of which or the obligation to pay which arises as a consequence of or on the occasion of the termination of the contractual relationship between the director and the company, including amounts not previously vested of long-term savings schemes and amounts paid by virtue of post-contractual non-competition agreements.

Complies	Complies partially	Explain	Not applicable	Explanation
X				

Annex II: Independent reasonable assurance report on the design and effectiveness of the System of Internal Control over Financial Reporting (ICFR) as at 31 December 2021

Repsol, S.A.

Independent reasonable assurance report
on the design and effectiveness of the
Internal Control over Financial Reporting (ICFR)
as at December 31, 2021

This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Independent reasonable assurance report on the design and effectiveness of the Internal Control over Financial Reporting (ICFR)

To the Board of Directors of Repsol, S.A.:

We have carried out a reasonable assurance engagement of the design and effectiveness of the Internal Control over Financial Reporting (hereinafter, ICFR) and the description of it that is included in the attached Report that forms part of the corresponding section of the Annual Corporate Governance Report of the Consolidated Directors Report accompanying the consolidated financial statements of Repsol, S.A. and investees comprising the Repsol Group (hereinafter, the Repsol Group) as at December 31, 2021. This system is based on the criteria and policies defined by the Repsol Group in accordance with the guidelines established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in its "Internal Control-Integrated Framework" report.

An Internal Control System over Financial Reporting is a process designed to provide reasonable assurance over the reliability of financial information in accordance with the applicable financial reporting framework and includes those policies and procedures that: (i) enable the records reflecting the transactions performed to be kept accurately and with a reasonable level of detail; (ii) provide reasonable assurance as to the proper recognition of transactions to make it possible to prepare the financial information in accordance with the accounting principles and standards applicable to it and that they are made only in accordance with established authorizations; and (iii) provide reasonable assurance in relation to the prevention or timely detection of unauthorised acquisitions, use or sales of the Group's assets that could have material effect on the financial information.

Inherent Limitations

In this regard, it should be borne in mind that, given the inherent limitations of any Internal Control over Financial Reporting, regardless of the quality of the design and operation of the system, it can only allow reasonable, but not absolute security, in relation to the objectives it pursues, which may lead to errors, irregularities or fraud that may not be detected. On the other hand, the projection to future periods of the evaluation of internal control is subject to risks such that said internal control being inadequate as a result of future changes in the applicable conditions, or that in the future the level of compliance of the established policies or procedures may be reduced.

Director's responsibility

The directors of Repsol, S.A. are responsible for taking the necessary measures to reasonably ensure the implementation, maintenance and supervision of an appropriate Internal Control over Financial Reporting, as well as the evaluation of its effectiveness, the development of improvements to that system and the preparation and establishment of the content of the information relating to the ICFR attached.

R. M. Madrid, hoja 87.250-1, folio 75, tomo 9.267, libro 8.054, sección 3ª
Inscrita en el R.O.A.C. con el número S0242 - CIF: B-79 031290

Our Responsability

Our responsibility is to issue a reasonable assurance report on the design and effectiveness of the Repsol Group Internal Control over Financial Reporting, based on the work we have performed and on the evidence we have obtained. We have performed our reasonable assurance engagement in accordance with “International Standard on Assurance Engagements 3000 (ISAE 3000)” (Revised), "Assurance Engagements other than Auditing or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC).

A reasonable assurance report includes the understanding of the Internal Control over Financial Reporting, assessing the risk of material weaknesses in the internal control, that the controls are not properly designed or they do not operate effectively, the execution of tests and evaluations on the design and effective implementation of this ICFR, based on our professional judgment, and the performance of such other procedures as may be deemed necessary.

We believe that the evidence we have obtained provides a sufficient and adequate basis for our opinion.

Our Independence and Quality Control

We have complied with the independence requirements and other ethical requirements of the Accounting Professionals Code of Ethics issued by the International Ethics Standards Board for Accountants (IESBA), which is based on the fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality and professional behavior.

Our firm applies the “International Standard on Quality Control 1 (ISQC 1)” and maintains an exhaustive qualitative control system that includes documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory provisions.

Opinion

In our opinion, the Repsol Group maintained, as at December 31, 2021, in all material respects, an effective Internal Control over Financial Reporting for the period ended at December 31, 2021, which is based on the criteria and the policies defined by the Repsol Group’s management in accordance with the guidelines established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in its "Internal Control-Integrated Framework" report.

In addition, the attached description of the ICFR Report as at December 31, 2021 has been prepared, in all material respects, in accordance with the requirements established by article 540 of the Consolidated Text of the Capital Companies Act and with the Circular 5/2013 of June 12, 2013 of the CNMV, and subsequent amendments, the most recent being Circular 3/2021, of September 28 of the CNMV, for the purposes of the description of the ICFR in the Annual Reports of Corporate Governance.

This work does not constitute an audit nor is it subject to the regulations governing the audit activity in force in Spain, so we do not express any audit opinion in the terms provided in the aforementioned regulations.

PricewaterhouseCoopers Auditores, S.L.

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2022-02-17 00:02:09 (UTC +01:00)

Iñaki Goiriena Basualdu

February 17, 2022

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REPSOL S.A.

Annual Report on the Remuneration of Directors

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

REPSOL

Content

1. PRESENTATION OF THE REPORT

This Annual Report on Directors' Remuneration corresponding to 2021 (the "**Report**") has been prepared by the Compensation Committee of Repsol, S.A. ("**Repsol**" or the "**Company**") pursuant to section 541 of the Spanish Companies Act (*Ley de Sociedades de Capital*) and based on the model and instructions stated in Circular 3/2021 of the National Securities Market Commission ("CNMV")[1].

In accordance with the option offered by Circular 3/2021, Repsol has chosen to prepare the report, as in previous years, in a free format, including the content required by the regulations, the statistical appendix included in Circular 3/2021 itself, as well as other relevant information to understand the remuneration system for Repsol Directors. This report therefore responds to Repsol's desire to remain at the forefront of transparency and to make it easier for shareholders to understand the remuneration systems currently in place.

This Report provides complete and detailed information about the implementation of the directors' remuneration policy approved in a binding manner by the General Shareholders Meeting on March 26, 2021 (the "**Remuneration Policy**"), both in the performance of their executive functions and the supervision and decision-making functions inherent to the office.

Please consult the Remuneration Policy available on Repsol's website at the following link:

https://www.repsol.com/content/dam/repsol-corporate/es/accionistas-e-inversores/pdf/politica-remuneraciones-consejeros-2021-2023.pdf

In terms of business, Repsol posted net income of €2.499 billion last year. In the first year of the 2021-2025 Strategic Plan, the application of measures aimed at efficiency and transformation, with the ambition of becoming a carbon neutral company by 2050, allowed the company to take advantage of the context of progressive recovery of the global economy. As a result, pre-pandemic earnings levels were reached, both in terms of results and business cash flow generation, which enabled a considerable reduction in net debt and the promotion of renewable projects.

In addition, higher cash generation from commodity prices thar were higher than those contemplated in the Strategic Plan scenario, together with the performance of the businesses, allowed the company to improve share-holder remuneration for 2022 compared to the initial announcement in the Strategic Plan.

To accompany the energy transition process, Repsol approved a comprehensive sustainable financing strategy, becoming the first company in its sector to present a comprehensive framework that incorporates both instruments aimed at financing specific projects (green and transition), as well as those linked to sustainable company commitments (Sustainability Linked Bonds).

In parallel, in the second half of the year Repsol announced an increase in its renewable generation and emissions reduction targets, along with increased investment in low-carbon solutions to accelerate its transformation. Specifically, it announced an increase in investment in the 2021-2025 period of an additional €1 billion compared to the initial forecast. Likewise, in the last quarter of the year, the company increased its intermediate decarbonization targets, with a reduction in the Carbon Intensity Indicator compared to 2016 of 15% in 2025, 28% in 2030 and 55% in 2040.

[1] Circular 3/2021, of September 28, of the National Securities Market Commission, amending Circular 4/2013, of June 12, which establishes the models for the annual report on remuneration of directors of listed companies and of the board members and members of the control committee of savings banks that issue securities admitted to trading on regulated markets, and Circular 5/2013, of June 12, which establishes the models for the annual corporate governance reports of listed public limited companies and savings banks that issue securities admitted to trading on regulated markets.

Finally, in 2021 Repsol continued its engagement campaign with its ESG (Environmental, Social and Governance) shareholders, which at the end of 2021 accounted for 39.9% of the Company's institutional shareholders. Dialog was mainly based on updating investors on the Company's decarbonization strategy, thus consolidating a pioneering initiative in Spain for two-way communication with these shareholders on these matters[2]. Communication was carried out virtually in 2021, with almost 112 investors visiting specific ESG forums. Dialog was also strengthened with stakeholders specializing in the energy transition and climate change, Climate Action 100+[3] and the Institutional Investors Group on Climate Change (IIGCC)[4], among others. This two-way dialog has taken the form of recognition[5] of Repsol's progress in these aspects and in the Company's participation in the working group created by the IIGCC to define a common standard in the industry to achieve net zero emissions. In addition, Federated Hermes[6], a leader in interaction services with socially responsible investors at a global level, has highlighted the results of the dialog held with Repsol[7] since 2013, and praised the participation of the Chairman of the Board of Directors and the CEO in this working group.

As established in section 541 of the Spanish Companies Act, this Annual Remuneration Report, that has been unanimously approved by the Board of Directors at its meeting of February 16, 2022 will be subject to a consultative vote by shareholders at the 2022 General Shareholders Meeting as a separate item on the agenda.

Madrid, February 16, 2022

[2] For more information about the engagement carried out in 2021 with ESG investors, please see Engagement Report 2020-2021.
[3] https://www.climateaction100.org/
[4] https://www.iigcc.org/download/investor-expectations-for-paris-aligned-accounts/?wpdmdl=4001&refresh=61718494a82ac1634829460
[5] https://www.climateaction100.org/wp-content/uploads/2020/12/CA100-Progress-Report.pdf
[6] https://www.hermes-investment.com/about-us/
[7] https://www.hermes-investment.com/eos-insight/eos/repsol-case-study/

2. COMPENSATION COMMITTEE

In accordance with the Bylaws and Regulations of the Board of Directors, as of December 31, 2021 the Compensation Committee was comprised entirely of Independent Non-Executive Directors. All the Committee members have extensive experience and expertise in the duties to be performed.

The functions of the Board of Directors of Repsol and its Compensation Committee in matters of remuneration are regulated in the Bylaws (articles 45, 45 bis and 45 ter) and the Regulations of the Board of Directors (articles 5 and 36).

Chairwoman
Ms. Carmina Ganyet i Cirera
(Independent Director)

Ms. Aurora Catá Sala
(Independent Director)

Ms. Arantza Estefanía Larrañaga
(Independent Director)

Mr. Mariano Marzo Carpio
(Independent Director)

The Compensation Committee has, among others, the following functions:

- Propose to the Board the remuneration policy thereof, assessing the responsibility, dedication and incompatibilities required of Directors; and, for Executive Directors, propose to the Board the additional remuneration for their executive functions and other terms of their contracts;
- Propose to the Board of Directors the remuneration policy for general managers or whomever performs the senior executive functions under the Board's direct supervision. Likewise, this Committee will analyze the proposals for the long-term incentives plans that affect the Group's Senior Executives and, in particular, those that may be established in relation to the value of the share and will be familiar with the fundamental aspects related to the Company's general salary policy.
- Propose to the Board of Directors the basic terms for Senior Executives' contracts;
- Verify that the remuneration policy established by the Company is observed;
- Periodically review the remuneration policy applied to Directors and Senior Executives, including share-based remuneration systems and their application;
- Ensure that possible conflicts of interest do not jeopardize the independence of the external advisory services provided to the Committee;
- Verify the information on the remuneration of Directors and Senior Executives contained in the various corporate documents, including the Annual Report on Directors' Remuneration;
- Any other functions related to matters for which they are responsible and that they are asked to perform by the Board of Directors or by its Chairman;
- Report, in advance, to the Board of Directors the cases envisaged under the law and the Company's internal regulations and, in particular, in those cases contained in articles 21 and 22 of the Regulations of the Board of Directors related to the use of corporate information and assets for private purposes, as well as the exploitation of business opportunities; and
- Report to the Board of Directors in all cases in which the Board itself or its Chairman request a report.

Accordingly, it should be noted that the Committee has the power to require any member of the management team or the Company's personnel to attend its meetings, who must accept any invitation from the Chair of the Committee to attend under the terms stated therein.

Notwithstanding the fact that the Chair of the Committee reports on the content of its meetings and the Committee's activities at the Board meetings, every quarter all Directors are given a copy of the minutes of all Committee meetings held during the period.

2.1. Most relevant activities carried out by the Committee in 2021 and 2022

In 2021, the Compensation Committee convened on three occasions. In 2022, as of the publication date of this Report, the Committee has met on one occasion.

At the aforementioned meetings, the Committee has discussed, among others, the following issues, and resolved, where appropriate, to submit them to the Board of Directors for approval:

- Report on the proposals to settle the 2017-2020 and 2018-2021 Long-Term Incentive Programs.
- Report on the proposals for new 2021-2024 and 2022-2025 Long-Term Incentive Programs with partial allocation in shares.
- Remuneration proposal for serving on the Board of Directors and its Committees for the financial years ending 2021 and 2022, including for the Chairman of the Board of Directors and for the Lead Independent Director.
- Additional remuneration proposal for Directors who perform executive functions, specifically:
  - Proposal of fixed remuneration for the CEO for 2021 and 2022.
  - Assessment of compliance by the Chief Executive Officer with the targets for 2020 and corresponding proposal to settle the annual variable remuneration for 2020.
  - Proposal of targets and maximum annual variable remuneration for the CEO for 2021 and 2022.
  - Assessment of compliance by the Chief Executive Officer with the targets for 2021 and corresponding proposal to settle the annual variable remuneration for 2021.
  - Assessment of compliance by the Chief Executive Officer with the targets corresponding to the 2017-2020 Long-Term Incentive Program and corresponding proposal to settle the long-term variable remuneration.
  - Proposal of targets and maximum long-term variable remuneration for the CEO for the 2021-2024 and 2022-2025 Long-Term Incentive Programs with partial allocation in shares.
  - Assessment of compliance by the Chief Executive Officer with the targets corresponding to the 2018-2021 Long-Term Incentive Program and corresponding proposal to settle the long-term variable remuneration.
- Proposal of Annual Reports on Directors' Remuneration for 2020 and 2021.
- Verification of information pertaining to the remuneration of Directors and Senior Executives contained in the annual consolidated financial statements for 2020 and 2021.
- Verification of compliance with the Directors' Remuneration Policy approved at the Annual General Meeting.
- Proposals and reports for the 2021 General Shareholders Meeting relating to:
  - Annual Report on Directors' Remuneration for 2020.
  - Directors' Remuneration Policy of Repsol, S.A. for 2021-2023.
- Report on the People and Organization commitments included in the 2021-2025 Strategic Plan.

- Planning the Compensation Committee's schedule of meetings and activities for 2021 and 2022.
- Internal assessment of the Compensation Committee's performance in 2021.

2.2. External consultants

In accordance with the provisions of the Regulations of the Board of Directors, for the better performance of its functions the Compensation Committee may apply to the Board to engage the services of specialized external consultants at the Company's expense.

Therefore, in 2022 Willis Towers Watson advised the Compensation Committee on the preparation of benchmarking for the CEO's remuneration.

2.3. Proposed resolutions for the General Shareholders Meeting regarding Director remuneration in 2022

This year the following proposed resolutions are expected to be submitted for approval at the 2022 General Shareholders Meeting:

- Annual Report on Directors' Remuneration for 2021.
- Approval of the new cycles of Long-Term Incentive Program with partial allocation in shares.

2.4. Actions taken to mitigate risk in the Remuneration Policy

The measures designed to ensure the Directors' Remuneration Policy addresses the Company's long-term results are:

- CEO's total compensation consists of various remunerative elements that include, essentially: (i) fixed remuneration, (ii) short-term variable remuneration, and (iii) long-term variable remuneration (LTI). The variable remuneration has a weight of around 69% of total remuneration of the CEO in a scenario of 100% compliance with targets and it is linked to the objectives established in the Strategic Plan.
- LTI Plans are part of a multi-year framework (four years) to ensure that the evaluation process is based on long-term results and considers the underlying economic cycle of the Company, as well as the achievement of strategic objectives. Moreover, the Company has established a three-year period, beginning when the shares are delivered, during which the CEO may not transfer or hedge (directly or indirectly) the Company shares delivered in payment for such programs, notwithstanding the shareholding policy described below.
- The Company has a Share Purchase Plan for the beneficiaries of the Long-Term Incentive Programs aimed at aligning the interests of the participants with those of the shareholders.
- Repsol has a permanent shareholding policy, according to which, for the duration of their tenure, Executive Directors must retain ownership of the shares in their portfolio, as well as other shares received as payment under the LTI Programs or linked to the Share Purchase Plan, until they reach, at least, an amount equivalent to twice their fixed remuneration.
- At December 31, 2021, the Compensation Committee consisted of four members, two of whom are also members of the Audit and Control Committee. The existence of a cross-presence on these two committees helps

when assessing the risks associated with remunerations during deliberations and in their proposals to the Board of Directors, when determining and evaluating annual and multiannual incentives.

- In addition, two members of the Compensation Committee are also members of the Sustainability Committee aspects related to the sustainability of the Company, the maximization of long-term value, and the fulfillment of indicators related to the target of becoming a zero net emission company by 2050. As such, the cross-presence of Directors also allows for the consideration of aspects relevant to the issues that concern the remuneration of the CEO and Senior Executives.

The Remuneration Policy, meanwhile, establishes an adequate and efficient balance between the fixed and variable components of remuneration in line with best corporate governance practices. The variable components are set so that, in the event minimum objectives are not achieved, no payment will be made, and there are no guaranteed variable remunerations.

The Compensation Committee may recommend the Board of Directors to adjust to the elements, criteria, thresholds and limits of variable remuneration, whether annual or multiannual, in exceptional circumstances prompted by extraordinary internal or external factors, which will not imply that the targets will be less challenging. In the event that such an adjustment occurs, the Company will provide detailed information on the reasons justifying its application.

The Compensation Committee is also responsible for examining and analyzing the Remuneration Policy for Directors and Senior Executives and its application, in as much as the professional activities of these personnel can have a material impact on the Company's risk profile. Moreover, the Compensation Committee assesses compliance with the objectives established in the long-term variable remuneration plans and submits them to the Board of Directors to approve the level of incentive to be paid.

3. PAY FOR PERFORMANCE

The compliance of the predetermined and measurable targets established at the beginning of the financial year, by the Board of Directors, at the proposal of the Compensation Committee, to calculate the annual variable remuneration of the CEO is aligned with the performance of the Company in 2021. Thus, the main milestones achieved in the year have been:

- The execution of the 2021-2025 Strategic Plan and the company's integrated business model have enabled the company to return to its pre-pandemic results, with a net in-come of €2.499 billion.

- Adjusted net income, which measures the performance of the businesses, was €2.454 billion in 2021, the best in more than a decade, with positive figures in all business segments that have led to an acceleration of decarbonization targets to achieve zero net emissions.

- Net debt decreased by 15% during the year due to higher operating cash flow, driven by a significant improvement in EBITDA which tripled in 2021 to €8.170 billion.

- Exploration and Production income was €1.687 billion, a product of prioritizing value over volume and of the rise in the price of raw materials. The Industrial business posted a profit of €606 million in an environment of gradually recovering demand.

- The recovery in sales and the greater contribution of low-carbon generation following the start-up of new projects led to an improved result from the Commercial and Renewables unit, which reached €542 million.

- The solid financial position, together with the business performance and improved pricing environment, underpin the proposed cash dividend increase of 5% to 0.63 euros per share this year, which will be submitted for approval to the General Shareholders' Meeting, together with a share capital reduction of 75 million shares, equivalent to 4.91%.

- The results demonstrate the fulfillment and effectiveness of the pillars of the 2021-2025 Strategic Plan in its first year of implementation. They reinforce a solid financial position accompanied by the Company's commitment to increase shareholder remuneration, its commitment to industry as a vehicle for the energy transition, and its progress in our ambition to be a carbon neutral company by 2050.

In 2022 the specialized firm Willis Towers Watson carried out a benchmarking analysis for the total remuneration of the CEO. The following criteria have been taken into consideration in order to determine the comparison group:

a) Listed companies in the energy and utilities sector comprising the following indices (EURO STOXX 600 Oil & Gas/DJ Titans Oil & Gas 30, Stoxx Europe 600 Utilities/ S&P 500 Utilities).

b) Headquarters location: Europe and USA.

c) Global and international geographic scope.

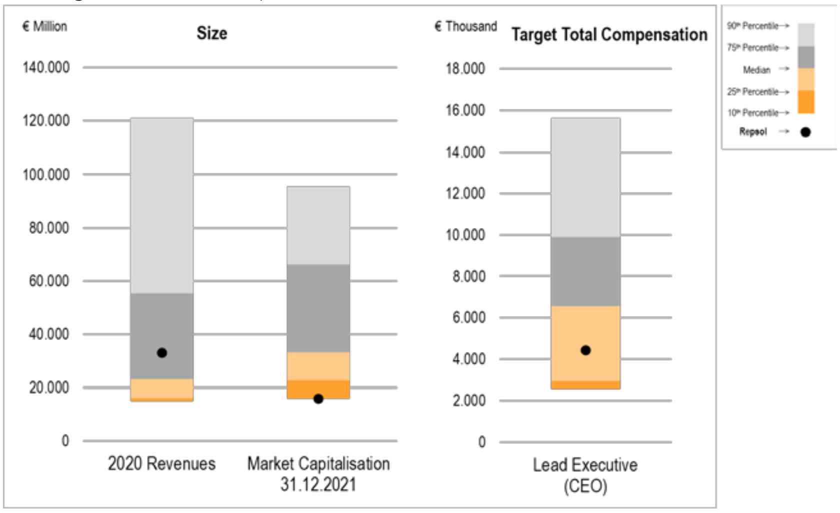
d) Companies that are part of the peer group that Repsol has defined for the purposes of measuring Total Shareholder Return ("TSR") within its Long-Term Incentive Programs.

e) Companies that are part of the peer group considered by the proxy advisor Institutional Shareholder Services ("ISS") for carrying out the pay for performance analysis in their Voting Recommendation Report.

The above-mentioned group excludes companies in the financial sector and those companies that have considerable state involvement and are not considered highly comparable with Repsol.

Taking into consideration the above, the resulting comparison group would be composed of the following 18 companies: BP, Centrica, Cepsa, ConocoPhillips, Endesa, ENGIE, ENI, Iberdrola, Marathon Petroleum Corporation, National Grid, Naturgy, Phillips 66, Royal Dutch Shell, Schlumberger, Snam, Suez, Total and Veolia Environment.

The following are the results of the analysis in which the position of the Chief Executive Officer is shown against the comparison group in relation to the Total Target Compensation in which the following remuneration items are included: fixed remuneration for its supervisory duties as Directors; executive duties fixed remuneration; annual variable remuneration; long-term incentive plan; social welfare schemes.



Source: Willis Towers Watson

In terms of total target compensation, the CEO lies between the 25th percentile and the median of the comparison group.

4. REMUNERATION POLICY 2022

Pursuant to section 529 *novodecies* of the Companies Act, the new Repsol Directors' Remuneration Policy for 2021, 2022 and 2023 was approved, at the proposal of the Board of Directors, at the General Shareholders Meeting held on March 26, 2021.

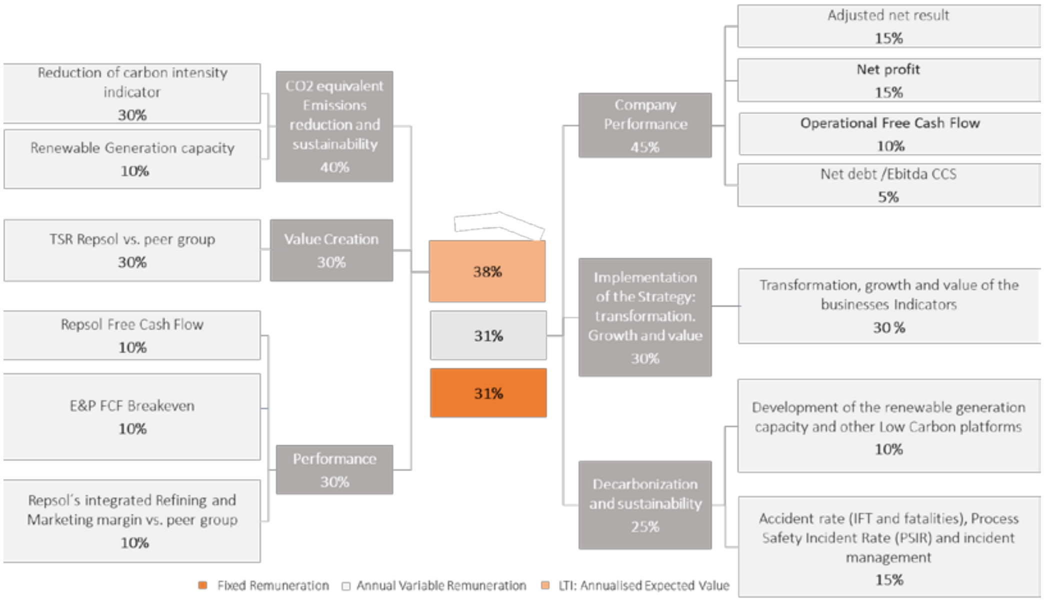
The defining principle of the Remuneration Policy is the creation of reciprocal value for the Group and for the directors and the alignment of their interests over the long-term with those of the shareholders, ensuring total transparency.

The Remuneration Policy is reviewed on a regular basis to ensure it is in line with best corporate governance practices and market trends, and is submitted for approval at the General Shareholders Meeting whenever it is necessary or when it is recommended that it be amended and at least every three years, as provided for under the Companies Act.

4.1. Regarding the Chief Executive Officer

The remuneration package for the Chief Executive Officer for the performance of executive duties, in accordance with the Remuneration Policy, essentially consists of a fixed item, a short-term variable item and a long-term variable item, aligned with Company's management objectives under the Strategic Plan with the sustained maximization of the Company's value. Furthermore, his Remuneration Package also includes pension schemes and specific in-kind payment systems.

In line with previous years, the proposed pay package for 2022 is a suitably balanced and efficient mix of fixed and variable pay items in which the fixed component accounts for a sufficiently high percentage of the total remuneration. The variable pay items must be flexible to the point that they can be completely removed from the pay package, in a given year, if the targets linked to those items have not been achieved. In this case, the CEO will only receive fixed remuneration, as well as other items relating to their participation in pension schemes and in-kind benefits. The CEO's remuneration mix reflects the Company's philosophy of competitive compensation that encourages the achievement of corporate objectives while preventing excessive risk assumption.



Assuming a scenario where the 100% of the targets are met in 2022, fixed remuneration for the CEO would account for 31% of the total remuneration (fixed, annual variable and long-term variable) and the variable remuneration 69% (approximately 45% short-term variable pay and 55% long-term variable pay).

Source: Willis Towers Watson

This compensation structure allows the variable remuneration package of the CEO to vary depending on Repsol's earnings and may vary between zero (in the case of insufficient achievement of targets) and a maximum of 220% of his fixed remuneration (100% for short-term and 120% for long-term[8]). Notwithstanding the above, the Board of Directors retains the ability to increase or decrease, by up to a maximum of 20%, the final result of the annual and long-term variable remuneration, in view of the quality of the results, individual performance or other matters that require qualitative measurement.

Thus, the maximum amounts of the long-term variable remuneration for the CEO are the following:

Chief Executive Officer	Maximum amount of annual variable remuneration 100% of his fixed remuneration +/- 20% of qualitative adjustment to be approved, as the case may be, by the Board of Directors at the time of payment.
	Maximum amount of long-term variable remuneration 120% of his fixed remuneration[9] +/- 20% of qualitative adjustment to be approved, as the case may be, by the Board of Directors at the time of payment.

In case the Board of Directors, based on a proposal of the Compensation Committee, agrees to adjust –upwards or downwards– the variable remuneration of the CEO, the Company will provide detailed information of the rationale that justifies the qualitative adjustment.

When establishing the remuneration package of the CEO, the Compensation Committee considers, among others, the provisions of the Remuneration Policy, guidelines from institutional investors and proxy advisors' guidelines, the information received by the latter in the engagement process carried out by Repsol, as well as market data.

Listed below are the items of the remuneration package of the CEO for 2022 and its main characteristics:

4.1.1. *Fixed Remuneration*

The fixed remuneration of the CEO for the performance of his executive duties considers the level of responsibility of these functions, his position, and his professional experience. This remuneration is reviewed on a regular basis, considering the Company's results, market data and the remuneration conditions within the organization, ensuring that it is competitive with respect to the reference market.

Based on this, the Compensation Committee proposes annually to the Board, for its approval, the fixed remuneration for the CEO for performing their executive functions, considering the framework of the Remuneration Policy approved.

In order to determine the fixed remuneration and any possible updates to it, the Compensation Committee considers, among other matters, the specific characteristics of each position and the dedication required, market analyses and average increases in the remuneration of the Company's Senior Executives. All the foregoing in order to establish compensation that befits the function performed, guaranteeing that it is competitive with respect to the reference market.

[8] To the extent that the new 2021-2024 Long-Term Incentive Program implies partial allocation in shares, this reference value calculated on the date of granting of the Incentive could be modified by the fluctuation of the value of Repsol's share during the validity of the Program until its settlement.
[9] See Note 8 above.

The Board of Directors resolved, at its meeting of February 16, 2022, at the proposal of the Compensation Committee, to keep the fixed remuneration of the CEO for 2022 at the same amount as that established for 2021, i.e., 1,200 thousand euros.

The fixed remuneration of the CEO has remained unchanged since his appointment in 2014.

4.1.2. *Annual Variable Remuneration*

The annual variable remuneration appraises the individual contribution of the CEO towards the fulfillment achievement of predetermined, specific and measurable targets. The Compensation Committee performs an annual review of the conditions of the system in response to Repsol's strategy, its needs and the business situation and establishes the corresponding objectives at the beginning of each year.

The following table details the goals, indicators and weightings proposed by the Compensation Committee for the current year, in respect of the CEO's annual variable remuneration, and approved by the Board of Directors at its meeting of February 16, 2022[10]:

CATEGORY	WEIGHT	METRIC	WEIGHTING
COMPANY PERFORMANCE	45%	Adjusted net income	15%
		Net profit	15%
		Cash flows from operations	10%
		Net debt/EBITDA CCS	5%
IMPLEMENTATION OF THE STRATEGY: TRANSFORMATION, GROWTH AND VALUE	30%	Transformation, growth and value: • Hydrocarbon production (5%) • Profit over the Refining Margin Indicator (5%) • Reliability in Chemical industrial plants (5%) • Digital and Electricity and Gas customers (5%) • Performance (Ebitda) Low Carbon Generation (5%) • Digital Program (5%)	30%
DECARBONIZATION AND SUSTAINABILITY	25%	Development of renewable generation capacity and other low carbon platforms	10%
		Accident rate (IFT: 1.12 and 0 fatalities), Process Safety Incident Rate (PSIR: 0.67) and incident management.	15%

The Company maintains a continuous dialog on ESG (environmental, social and governance) matters with its main shareholders and proxy advisors, in order to know first-hand their opinion and positioning regarding these matters and to explain the practices of the Company. As a result of this engagement and the resolution passed by the Board of Directors on December 2, 2019 to align the Company with the objectives of the Paris Agreement, the objectives related to decarbonization and sustainability in the annual variable remuneration of the CEO represent 25% and 40% of the long-term variable remuneration as indicated in subsection 4.1.3 below.

Each metric has an associated scale of achievement defined based on its variability and level of demand. These scales have a minimal compliance threshold, below which they do not generate a right to an incentive, and a maximum level,

[10] Some of the data relating to performance targets is sensitive information and disclosure of this information prior to the reporting period could be detrimental to the Company's interests. However, after the end of the measurement period in question, target values and compliance levels will be reported in the relevant annual Remuneration Report, provided that the information is no longer considered to be of a sensitive nature.

set at 110%, although the degree of achievement overall the objectives to be determined by the Compensation Committee shall not exceed 100%.

For the calculation of the amount of the variable remuneration the fulfillment and the weighting of each of the targets will be considered. In order to ensure that the annual variable remuneration retains an effective relationship with the professional performance of the beneficiaries, when determining the level of compliance with the quantitative objectives, positive or negative economic effects that arise from extraordinary events and that could distort the assessment results are eliminated.

At year-end, the Compensation Committee conducts an appraisal based on the information provided by the Financial and Persons and Organization areas on the results obtained by the Company. Depending on the level of compliance of each objective and its weighting, a weighted average fulfillment level is calculated.

With regards to the CEO, the structure of his annual variable remuneration for 2022 is maintained in the same terms as those established in the Remuneration Policy, with amounts varying between 0%, if the minimum fulfillment threshold is not reached, and 100% of his fixed remuneration, if 100% of the established targets is reached.

Therefore, in a scenario where 100% of the targets are achieved, the CEO would receive 1,200 thousand euros as annual variable remuneration. Notwithstanding the above, the Board of Directors retains the ability to increase or decrease, by up to a maximum of 20%, the final result of the annual variable remuneration, in view of the quality of the results, individual performance or other matters that require qualitative measurement. Therefore, the maximum short-term variable remuneration for the CEO could amount to 1,440 thousand euros if the targets have been exceeded and in the case of extraordinary performance both on the part of the Company and the Chief Executive Officer. Should the Board of Directors agree to this adjustment, detailed information will be provided on the reasons justifying its application.

The annual variable remuneration is paid entirely in cash.

4.1.3. Long-Term Variable Remuneration

Repsol has implemented many long-term incentive plans (LTIs) for managers and other employees of the Group, including the CEO, to promote the reciprocal generation of value for the Group, for its shareholders and for its employees; to foster the commitment of its beneficiaries as well as to compensate the creation of sustainable value for shareholders at long-term.

These programs are independent of each other, but their main characteristics are the same:

- They are structured in overlapping cycles of 4 years and are linked to the fulfillment of objectives and commitments set out in the Company's Strategic Plan in force at any given time.
- Their objectives are linked to maximizing the Company's value, the performance of Repsol's businesses and sustainability.
- They are linked to their beneficiaries remaining until the end of the measurement period, except under special circumstances that can cause their early settlement.

Each metric in the LTI has an associated scale of achievement defined based on its variability and level of demand. These scales will have a minimum compliance threshold, below which they will not generate incentive rights, and a maximum set at 100%.

At the proposal of the Compensation Committee, the Board establishes the weighting of the objectives and metrics associated with the LTIs, taking into account Repsol's strategy, its needs and the situation of the business.

Once the measurement period has ended, the Compensation Committee will assess the level of compliance achieved in each of the objectives and the plan as a whole according to the information provided by the Finance and the People and Organization areas, as well as the beneficiary's personal performance, and will propose the corresponding incentive amounts based on the achievement scales established.

In 2020, the Company implemented a new Long-Term Incentive Program, where the main difference with regard to the previous programs is based on the partial allocation of shares, through performance shares, as part of the long-term incentive granted, and not only as part of the payment under this plan. This new LTI is in line with regulations, corporate governance recommendations and best market practices.

The 2020 General Shareholders Meeting approved three cycles of the new Long-Term Incentive Program for 2020-2023 (First Cycle), 2021-2024 (Second Cycle) and 2022-2025 (Third Cycle).

Therefore, the long-term incentive plans in which the Chief Executive Officer participates and that will be in force in 2022 will be as follows:

PLAN	CASH VALUE IN THOUSANDS OF EUROS	NUMBER OF PERFORMANCE SHARES GRANTED	% OF FIXED REMUNERATION
2022-2025 Long-Term Incentive Program	720	68,090	120%
2021-2024 Long-Term Incentive Program	720	84,791	120%
2020-2023 Long-Term Incentive Program	720	51,633	120%
2019-2022 Long-Term Incentive Program	1,440	0	120%

4.1.3.1. 2022-2025 Long-Term Incentive Program (LTI)

At its meeting of February 16, 2022[11], the Board of Directors, at the proposal of the Compensation Committee, approved the targets, metrics and weights of the Third Cycle of the Long-Term Incentive for the period 2022-2025 as indicated below:

CATEGORY	WEIGHT	METRIC	WEIGHTING
ENERGY TRANSITION	40%	Reduction of the Carbon Intensity Index compared to 2016, in line with the new targets announced at Low Carbon Day (15% by 2025[1])	30%
		Achieve renewable generation capacity in line with the new targets announced at Low Carbon Day (6.0 GW by 2025[1])	10%
PERFORMANCE	30%	Free Cash Flow of the Repsol Group	10%
		Breakeven Free Cash Flow of Exploration and Production ($/bbl)	10%
		Integrated Refining and Marketing Margin vs. comparable companies (Eni, Total, Cepsa, Galp, Saras, OMV, MOL, Neste Oil, Hellenic)	10%
VALUE CREATION	30%	TSR Repsol vs. comparable companies (Total, RD Shell, BP, ENI, OMV, Equinor, GALP, MOL, Iberdrola and Endesa)	30%

(1) The decarbonization path and the goal for renewable generation capacity have been updated with regard to that envisaged in the 2021-2025 Strategic Plan (12% and 5.2 GW, respectively, by 2025) in line with the more ambitious targets announced at Repsol's Low Carbon Day held last October 5, which will accelerate the Company's energy transition to reach net zero emissions by 2050.

The linking of the 40% of the long-term variable remuneration of the Company's executives and leaders, including the Chief Executive Officer and senior executives, to objectives aimed at aligning the Company with the Paris Agreement and, therefore, to the gradual decarbonization of Repsol, shows the Company's strong commitment to sustainability and its leadership in the energy transition, having also updated the objectives initially established in the 2021-2025 Strategic Plan to make them more ambitious and accelerate the Company's energy transition in order to achieve net zero emissions by 2050, as announced at the Low Carbon Day held on October 5.

Total Shareholder Return (TSR) is a metric that measures the relative performance of Repsol's total shareholder return in the period compared with the TSRs of a benchmark group (the "Benchmark Group") made up of the following listed companies: Total, Shell BP, ENI, OMV, Equinor, GALP, MOL, Iberdrola and Endesa. A degree of compliance is assigned based on the relative position of Repsol's TSR with regard to the Benchmark Group, which will be determined according to the below table, so that if the position reached by Repsol is below the median, the degree of achievement of the target will be zero:

Position Repsol TSR	Degree of compliance
1st or 2nd	100%
3rd or 4th	75%
5th	50%
6th	25%
≥ 7th	0%

[11] Some of the data relating to performance targets is sensitive information and disclosure of this information prior to the reporting period could be detrimental to the Company's interests. However, after the end of the measurement period in question, target values and compliance levels will be reported in the relevant annual Remuneration Report, provided that the information is no longer considered to be of a sensitive nature.

TSR is the difference (expressed as a percentage) between the end value of an investment in ordinary shares of Repsol and the initial value of this same investment during the period in question, factoring in to the calculation of the final value the gross dividends or other similar instruments (such as the Repsol Flexible Dividend Program) received by shareholders in relation to this investment during the corresponding period of time as if an investment had been made in more shares of the same type at the first date on which the dividend or similar instrument was payable to shareholders and at the closing share price at that date. To obtain this calculation, the *Cumulative_Tot_Return_Gross_DVDS* function of the Bloomberg tool –or a similar tool if it is no longer available– will be used, taking the average value for the month of December of each appraisable year as a reference and adjusting, for each company of the Benchmark Group and Repsol, the resulting TSR by the percentage of change in the benchmark index of each market.

In the case of the Chief Executive Officer, the long-term variable remuneration structure is implemented by granting the right to receive a certain number of Repsol, S.A. shares (performance shares), as well as an amount in cash, in a proportion of 50% each with regard to the total incentive at the time of granting[12].

In this regard, the total incentive that the Board of Directors has resolved to assign to the CEO as the 2022-2025 Long-Term Incentive is 120% of his fixed remuneration, in a proportion of 68,090 Repsol performance shares[13] and 720 thousand euros.

Once the measurement period for the 2022-2025 Long-Term Incentive Program has ended, in the first four months of 2026 the Compensation Committee will assess the level of compliance achieved with regard to each of the objectives and the 2022-2025 LTI as a whole, and the personal performance of the Chief Executive Officer, and will propose the corresponding incentive amounts based on the achievement scales established, which may vary between 0%, if a level of compliance above the minimum threshold is not reached, and 68,090 Repsol shares and 720 thousand euros if the level of overall compliance with the objectives is 100%.

Notwithstanding the above, the Board of Directors retains the ability to increase or decrease, by up to a maximum of 20%, the final result of the long-term variable remuneration, in view of the quality of the results, individual performance or other matters that require qualitative measurement. Therefore, the maximum long-term variable remuneration of the Chief Executive Officer could amount to 81,708 Repsol, S.A. shares and 864 thousand euros, if objectives have been exceeded and in the case of extraordinary performance both on the part of the Company and the Chief Executive Officer. Should the Board of Directors agree to this adjustment, detailed information will be provided on the reasons justifying its application.

The Chief Executive Officer may not transfer the Company shares received, or directly or indirectly hedge them until three years have elapsed since the shares were received, unless he has already, at the time of the transfer, a net economic exposure to the change in the price of the shares for a market value equivalent to an amount of at least twice his annual fixed remuneration. Nor may he directly or indirectly hedge the shares prior to receiving them.

The shares delivered, where applicable, to the Chief Executive Officer pursuant to this long-term variable remuneration plan may be calculated for the purpose of the investment in shares referred to in the Share Purchase Plan for Beneficiaries of the Long-Term Incentive Programs described in the section below.

[12] For the rest of the beneficiaries of the LTI, the proportion of the incentive award is 70% in cash and 30% in performance shares, except for members of the Executive Committee, where the proportion is equal to that of the Chief Executive Officer (50% in cash and 50% in performance shares).

[13] The 68,090 performance shares results from dividing 720 thousand euros by the market share price of 10.5743 euros, which is the average of the share price of Repsol, S.A. in December 2021 and January 2022. Each performance share gives the right to receive, in case of fulfillment of the established objectives, a Repsol share, so that the reference value calculated on the concession date could be modified by the fluctuation of the Repsol share value itself during the validity of the Program until its settlement.

4.1.4. *Share Purchase Plan for Beneficiaries of the Long-Term Incentive Programs*

The purpose of this plan is to promote the alignment of the interests of its beneficiaries (which include the CEO and high-potential employees) with the long-term interests of shareholders and the Company.

The Plan (whose first ten cycles have already been approved by the General Meeting in 2011 and 2016 and the last three at the 2020 General Meeting) allows its beneficiaries to invest a maximum amount in Repsol shares, so that if they hold those shares for a period of three years and comply with the Plan's other conditions, the Company will give them one additional share for every three shares initially bought by them at the end of the specified period.

In order to simplify its implementation, only the beneficiaries of the Long-Term Incentive programs —as the group of employees targeted by both programs— can participate in the Plan and the maximum amount to be invested is 50% of the gross amount vested of the LTI corresponding to each beneficiary under such programs.

Beneficiaries that are Executive Directors or have Senior Management status, meaning those directors who are part of the Executive Committee —or any other equivalent committee that may replace it in the future— have additional performance targets. These beneficiaries will only be entitled to receive the extra share if the overall a level of compliance of the targets established for the Long-Term Incentive Program closed in the financial year immediately preceding the date of delivery of the shares is at least 75%.

At 2021 year-end, the Ninth (2019-2022), Tenth (2020-2023) and Eleventh (2021-2024) cycles of the Share Purchase Plan for Beneficiaries of the Long-Term Incentive Programs were in force.

In 2022 the Ninth Cycle of the Plan (2019-2022) is expected to be completed, which the CEO participates in, and the Twelfth Cycle of the Share Purchase Plan for Beneficiaries of the Long-Term Incentive Program (2022-2025) will be launched.

4.1.5. *Control of the annual and long-term variable remuneration*

In accordance with the terms of the Remuneration Policy, the Compensation Committee has the power to propose the cancellation of the payment of the short and long-term variable remuneration, upon the emergence of circumstances that show that the remuneration was paid based on inaccurate or erroneous data. Thus, the Compensation Committee may claim for the reimbursement (clawback) of the variable components of the CEO's remuneration when the payment has not been adjusted to the performance conditions or when it has been awarded based on data that is subsequently shown to be inaccurate.

In particular, the terms of the Share Purchase Plan for Beneficiaries of the Long-Term Incentive Programs establish that the accrual of the extra shares is conditional on, during the period prior to each allocation of shares, in the opinion of the Board of Director and based on a report by the Compensation Committee, there being no material restatement of the Company's financial statements if this affects the degree of fulfillment of the objectives set for the relevant cycle of the long-term remuneration program, except when this is due to a change to the accounting principles.

The Regulations of the Board of Directors, the Internal Code of Conduct for the Repsol Group as regards securities markets, and the Code of Ethics and Conduct (www.repsol.com) regulate the framework of actions that must be followed by individuals facing a potential conflict of interest.

4.1.6. *Long-Term Savings Systems*

The CEO participates in the Group's Executives' Benefits Plan, a defined contribution system. According to the formula envisaged in its Regulations, the annual retirement contributions are equivalent to approximately 20.5% of his fixed remuneration. The contingencies covered in the Plan are retirement, total or absolute permanent disability, severe disability and death.

Should the Chief Executive Officer's contractual relationship with the Company be terminated, as a result of the factors indicated below, the capital accumulated in the Plan will only be received at the time of his actual retirement or in the event of death or permanent disability prior to retirement:

- A unilateral decision by the Company, provided that it is not based on the grounds envisaged in articles 40, 41 or 50 of the Spanish Workers' Statute (Estatuto de los Trabajadores).
- An unjustified disciplinary dismissal.
- An objective dismissal or if the relationship is terminated due to organizational, economic, productive or technical grounds, whether or not it is declared or recognized as justified or unjustified.
- A termination according to the CEO's decision for any of the reasons envisaged in articles 40, 41 or 50 of the Spanish Workers' Statute.

Additionally, the CEO participates in the Repsol pension scheme, also a defined contribution plan, the maximum contribution to which is set at 7 thousand euros per year.

The long-term savings systems do not stipulate that the CEO must be paid when he ceases to perform his executive functions or cease to be director of the Company. However, the amount of the CEO' long-term savings systems, which he will receive when any of the contingencies covered by the Plan occurs, are compatible with the benefits in the event of termination of the relationship envisaged in his contract and that is explained in subsection 4.1.8 of this Report.

The expectation is that in 2022 contributions will be made to the CEO' pension plan and benefits plan, amounting to 254 thousand euros.

4.1.7. *Other benefits*

The CEO is the beneficiary of certain payments in kind that include, among other matters, life and disability insurance and health insurance. As applicable, these payments also include the payments on accounts linked to cash remuneration. The amount of these benefits for 2022 will be in line with the amount paid in 2021 and will be detailed in the corresponding Annual Report on Directors' Remuneration.

Repsol's policy does not provide for the Company granting any advances, loans or guarantees to the CEO.

4.1.8. *Main terms and conditions of the contract of the CEO*

The remuneration, rights and financial rewards of the CEO are determined in his contract, in accordance with the provisions of the Company's Bylaws and the Remuneration Policy.

The contract signed with the CEO is indefinite, does not provide a notice period for Repsol for its termination and establish a post-contractual non-compete obligation in companies similar to Repsol and activities of a similar nature during its term and for one year after its extinction.

The contractual conditions of the CEO include a severance pay limit agreed for new executive directors, equivalent to two years' fixed and annual variable remuneration —including remuneration for the non-competition obligation—, pursuant to the commitment assumed by the Board of Directors at its meeting of February 25, 2014, at the proposal of the Compensation Committee. This severance payment will apply when the contract is terminated for grounds attributable to Repsol or by mutual agreement, if it is in the interest of the Company. If the contract is terminated by unilateral decision of the CEO, he must notify the Company three months in advance and will only receive one year of his fixed and variable remuneration as compensation for the non-competition clause.

4.2. Regarding Directors in their capacity as such

In accordance with the Directors' Remuneration Policy approved by the General Shareholders Meeting on March 26, 2021, the remuneration of the Directors, in their capacity as such, seeks to adequately and sufficiently compensate the dedication, qualification and responsibilities of the Directors, without going so far as to jeopardize their independence of judgment. Such remuneration is in line with the recommendations issued by supervisory bodies, as well as market practices and trends in remuneration, considering the remuneration in other listed business groups of similar size, complexity of their business and operations and geographical distribution of their assets.

This remuneration is made up exclusively of fixed items and does not apply to variable remuneration systems or pension schemes.

Furthermore, as provided in article 45 of the Bylaws, the Company has taken out a collective liability insurance policy that covers to the Directors, managers and other employees of the Group who exercise management-related functions. The policy covers the different companies of the Group under certain circumstances and conditions.

4.2.1. Maximum limit

In accordance with article 45 of the Bylaws, the Directors, as members of the Board and for performing the collective supervision and decision-making functions specific to this body, are entitled to receive a fixed emolument that may not exceed the amount approved for such purposes by the General Shareholders Meeting directly or in the Directors' Remuneration Policy. The current Directors' Remuneration Policy approved by the General Shareholders Meeting on March 26, 2021, establishes a maximum limit for these purposes of 8.5 million euros, including the remuneration of the Chairman of the Board of Directors.

The Board is responsible for determining the exact amount to be paid within the aforementioned limit and its distribution among the various Directors, taking into account the functions and responsibilities attributed to each one, the committees they belong to, the roles they perform within the Board and other objective circumstances it considers relevant.

4.2.2. Calculation of remuneration

Directors' remuneration for carrying out their collegiate supervision and decision-making duties, except for that relating to the Chairman of the Board of Directors, is calculated by assigning points, with an equivalent remuneration, for belonging to the Board of Directors or to the various Committees or for the performance of particular duties.

The Board of Directors resolved, at its meeting of February 16, 2022, at the proposal of the Compensation Committee, to maintain the value of the point for 2022 at the same amount as that set for 2021, i.e., 88,297.11 euros gross/year. In this way, remuneration for membership of the Board of Directors has risen only 2.5% since 2009.

The Board has also agreed to specifically remunerate the performance of the duties of the Lead Independent Director with the allocation of 0.25 points, which is equal to an amount of EUR 22,074.28.

The approved points table for 2022 is as follows:

Body	Points
Board of Directors	2
Delegate Committee	2
Audit and Control Committee	1
Appointments Committee	0.25
Compensation Committee	0.25
Sustainability Committee	0.5
Lead Independent Director	0.25

4.2.3. *Remuneration for Board members for serving on the managing bodies of subsidiaries*

Non-Executive Directors will receive the remuneration that corresponds to them for belonging to the managing bodies of certain subsidiaries of the Repsol Group.

4.3. Regarding the Chairman of the Board of Directors

The remuneration of the Chairman of the Board of Directors is established in the Directors' Remuneration Policy approved at the 2021 General Shareholders Meeting and reflects the importance of the Chairman's role, his active involvement in the institutional representation of the Company and his contribution, as well as any other criteria contained in this Policy.

The remuneration of the Chairman of the Board of Directors is formed exclusively by fixed items and its amount, which includes amounts for sitting on the Board of Directors and Committees of Repsol's Group, multi-group and associated companies, amounts to 2,500 thousand euros per year. This amount has not varied since his re-election by the General Shareholders Meeting in 2015.

Also, the Chairman of the Board of Directors is also the beneficiary of certain in-kind benefits that include medical insurance, the cost of the residence that the Company provides him as a home and for the institutional representation of the Company, the corresponding payments on account arising from such items and the economic compensation for the applicable personal taxation arising from the aforementioned in-kind remuneration (withholdings). The amount of these benefits for 2022 will be in line with the amount paid in 2021 and will be detailed in the relevant Annual Report on Directors' Remuneration.

The remuneration, rights and economic compensation of the Chairman of the Board of Directors is contained in his new contractual conditions, in force as from May 1, 2015 that contemplate a one-year post-contractual non-compete commitment, although he will no longer receive any financial compensation for the termination of his contract.

5. IMPLEMENTATION OF THE REMUNERATION POLICY IN 2021

This section details the remuneration received by the Directors in 2021 in line with the Remuneration Policy approved by the General Shareholders Meeting.

5.1. Regarding the Chief Executive Officer

5.1.1. Fixed Remuneration

The total amount of the fixed remuneration of the CEO, for performing executive duties, in 2021 has been the following:

	Fixed remuneration 2021 in thousands of euros
Mr. Josu Jon Imaz	1,200

5.1.2. Annual Variable Remuneration

The categories of targets, metrics and weightings in the CEO's 2021 annual variable remuneration, as well as their corresponding degree of fulfillment, determined by the Board of Directors at the proposal of the Compensation Committee, are as follows:

CATEGORY	WEIGHT	METRIC	WEIGHTING	TARGET VALUE 2021	VALUE ACHIEVED	DEGREE OF ACHIEVEMENT (1)
COMPANY PERFORMANCE	50%	Adjusted net income	17.5%	€1,313 M	2021: €2,454 M	19.25%
		Net profit	17.5%	€1,182 M	2021: €2,499 M	19.25%
		Net debt and Net debt/EBITDA CCS	15%	Net debt: €6,997 M(2) Net debt/EBITDA CCS: 1.32	Net debt: €6,471 M(2) Net debt/EBITDA CCS: 0.92	16.50%
TRANSFORMATION / IMPLEMENTATION OF THE STRATEGY	25%	Implementation of the Company's strategy towards its transformation • Industrial: Progress of energy transition projects • E&P: Focus on efficiency through Breakeven FCF • Customer Centric: focus on the customer, with an impact on the internal organization and operations • Efficiency of the Corporation: Recurring costs • Deployment of cross-cutting digitization and procurement programs	15%	To be assessed by the Compensation Committee on the basis of available evidence	90% based on the evidence detailed below(3).	13.50%
		Improvement of the portfolio in line with the Company's strategy	10%	To be assessed by the Compensation Committee on the basis of available evidence	110% based on the evidence detailed below(4).	11%
DECARBONIZATION AND SUSTAINABILITY	25%	Low-carbon generation capacity	10%	Additional capacity of 709.1 MW	Additional capacity of 567.9 MW	6.68%
		Accident rate and process safety	15%	TRIFR: 1.23 and 0 fatalities PSIR = 0.77	TRIFR: 0.89 and 0 fatalities PSIR = 0.25	8.25%
	100%			DEGREE OF ACHIEVEMENT 1		94.43%

(1) The total Degree of Achievement of Objectives (DAO) to be applied shall not exceed 100%.
(2) Net debt before any hybrid bond issue in 2021.
(3) In 2021 numerous initiatives were carried out to advance the Company's transformation, which most notably include the following:

a. Industrial businesses: In 2021 there was a significant boost in energy efficiency projects (reduction of -153 Kt CO2 verified), advanced biofuels (significant progress on the new HVO project in Cartagena) and circular economy to improve the positioning of our industrial complexes for the energy transition. With regard to hydrogen, decisive steps have been taken since the launch of our leadership goal in Spain; various agreements have been reached throughout the year, including an agreement with the Spanish H2 Association, the Basque H2 Corridor Association, with Sener for the production of electrolyzers and with Enagás for a photoelectrocatalysis demo plant; and construction began on the first 2.5 MW electrolyzer in Bilbao, among other milestones. With regard to the Chemicals business, important projects have be implemented as part of the transformation plan aimed at differentiating the range of energy and energy efficiency, most notably including the second gas phase reactor at PP2 Tarragona, in addition to the approval of a major project to expand the Sines Complex, which consists of the construction of two new polyethylene and polypropylene plants at the forefront of technology in Europe. In Refining, the completion of the polymer-grade propylene plant project and the expansion of the ILBOC's facilities are noteworthy of mention.

b. The E&P business continues to reduce its Breakeven FCF thanks to its efficiency and cost optimization plans. In addition, FIDs have been taken for several projects, in line with the Strategic Plan, including the Shenzi North (GoM) development project, the complete development of Akacias in Colombia, and phases 1 and 2 of the Eagle Ford and Marcellus development in the United States.
c. The Customer Centric business has continued to focus on attracting customers and building loyalty, driving the current levers of development. This most notably includes the acquisition of a majority interest in Gana Energía, the partnership with Testa Home and the launch of Repsol Mas Energías, a loyalty program that brings together all the energies offered by Repsol. Steady progress was made during the year towards a digital business, including the collaboration agreement between Wible and Cabify, the launch of Vivit and reaching a figure of 3 million registered users on Waylet. It also takes the form of a multi-energy offer with significant progress at the Solmatch and Solify facilities and through the agreements reached to develop new distributed generation communities.
d. With regard to Corporate, the focus continues to be placed on efficiency, with costs being lower than expected in 2021. The impact of the Digital and Purchasing Programs has been greater than expected.

(4) In 2021, the first year of the Strategic Plan, the strategic goal was practically achieved by reducing the presence of the E&P business in several countries with the divestments in Malaysia, Vietnam, Ecuador and Russia, and the exit of Marketing Italia. In addition, GBC's portfolio was improved during the year through the acquisition of an interest in Hecate (a project developer in the US) and the sale of a minority interest (49%) in the Delta I wind farm, among others. In addition, Rockdale, the E&P company in the US, was acquired.

Based on the degree of compliance with the established metrics, as well as the extraordinary contribution of the Chief Executive Officer to the achievement of the Company's objectives, the Board of Directors has determined that his 2021 annual variable remuneration amounts to 1,360 thousand euros, equivalent to 113.32% of his fixed remuneration.

To reach this decision, the Board of Directors has considered the extraordinary and decisive contribution of the Chief Executive Officer in the 2021 financial year to convert Repsol into a carbon neutral company by 2050, making significant progress in the energy transition through initiatives such as the decarbonization of its industrial complexes, its transformation into multi-energy hubs, the implementation of energy efficiency projects, the production of advanced biofuels and the acceleration of the circular economy. In addition, the CEO has made the company a leader and mobilizer of the industry in the commitment to emission-free hydrogen as a transition vector. As a culmination of this progress, he announced a significant increase in the ambition of renewable generation and emissions reduction, anticipating a reduction in the Carbon Intensity Indicator of 55% by 2040 compared to 2016, along with an increase in investment in low-carbon solutions to accelerate its transformation.

On the other hand, the operations carried out in 2021 have allowed, in this first year of the Strategic Plan, to anticipate the achievement of important indicators such as the reduction of CO_2 emissions, the reduction of the Carbon Intensity Indicator, methane emissions intensity and flaring, with respect to what was foreseen in the Strategic Plan, which materializes a real energy transition.

Additionally, to accompany the energy transition process, in 2021 Repsol approved a comprehensive sustainable financing strategy, becoming the first company in its sector to present a comprehensive framework that incorporates both instruments aimed at financing specific projects (green and transition), as well as those linked to sustainable company commitments (Sustainability Linked Bonds). Under this strategy, the first issue of Eurobonds linked to sustainability objectives in Spain was carried out, with a great reception by investors, as demonstrated by the fact that demand exceeded supply several times over. This new financing strategy ensures the company a sustainable financial framework for its development.

In the field of sustainability, the CEO's leadership has also materialized in the consolidation of Repsol in the top positions of the most relevant ratings (MSCI, Sustainalytics, Vigeo Eiris, CHRB -recognized as a reference in Human Rights-) and in compliance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), as well as in pioneering initiatives such as the publication of the book "Human Rights and Repsol" and an annual report on the impact of the company's activity on the Sustainable Development Goals.

All these actions have been accompanied by the achievement of exceptional financial results, including the highest net profit in more than a decade (since 2008) and a cash generation that has allowed us to advance and accelerate the defined strategy, increasing investments in low-carbon businesses and shareholder remuneration. At the same time, debt has been reduced by 15%, by approximately 1,000 million euros, and the execution of the digitalization program and the optimization of purchases and working capital has had a greater impact on cash generated than expected. As a result, Repsol has exceeded expectations and in the first year of the current strategic plan it has surpassed almost all of its strategic objectives, making progress in the transformation of the company and its transition towards carbon neutrality.

Consequently, the Board of Directors approved at its meeting on February 16, 2022, at the proposal of the Compensation Committee, the following amount as the annual variable remuneration of the CEO corresponding to 2021.

2021 annual variable remuneration in thousands of euros	
Mr. Josu Jon Imaz	1,360

For these purposes, the control mechanism —provided for in the Remuneration Policy pursuant to subsection 4.1.5. of this report— has not been applied to the annual variable remuneration of the CEO.

5.1.3. Long-Term Variable Remuneration

The 2018-2021 Long-Term Incentive Program closed on December 31, 2021 as per its terms and condition. The categories of targets, indicators and weightings, as well as their corresponding degree of fulfillment, determined by the Board of Directors at the proposal of the Compensation Committee, are as follows:

CATEGORY	WEIGHT	METRIC	WEIGHTING	CUMULATIVE VALUE 2018-2021	% individual achievement	% overall achievement
UPSTREAM	26.25%	Annual Breakeven FCF	12.5%	Actual E&P Breakeven FCF < predicted E&P Breakeven FCF E&P FCF has been below predicted in all years due to the efficiency and cost optimization plans, working capital and investments executed during the period.	100%	85.7%
		Operating Cash Flow generation	10%	Actual Operating Cash Flow ≥ predicted Operating Cash Flow. Cumulative Operating Cash Flow in 2018-2021 was 8% more than predicted.	100%	
		Growth in production	3.75%	Average annual growth of target production: 2.6% Average annual growth of actual production: -2.3% in 2018-2020	0%	
DOWNSTREAM	22.5%	Repsol's integrated refining and marketing margin vs. sector	12.5%	Among the Top 2 in 2018-2019 and among the Top 4 in 2020-2021 in relation to the comparison group (Eni, Total, Cepsa, Galp, Saras, OMV, MOL, Neste Oil, Hellenic)	81.3%	67.4%
		Operating Cash Flow generation	10%	Actual Operating Cash Flow ≥ predicted Operating Cash Flow. Cumulative Operating Cash Flow in 2018-2021 was 14% less than predicted.	50%	
VALUE CREATION	35%	Adjusted net income	15%	Actual adjusted net income compared to predicted Adjusted net income. Adjusted net income was 12% higher than predicted.	100%	67.9%
		Shareholder remuneration (TSR)	15%	Repsol ranks between 5th and 7th in TSR vs. comparable companies in the different periods (Total, RD Shell, BP, ENI, OMV, Equinor, GALP, Iberdrola, Naturgy and Endesa)	25%	
		Digitalization	5%	Positive pre-tax impact on actual OFCF compared to the target. Achievement of the target above that expected	100%	
SUSTAINABILITY	16.25%	Development of low carbon businesses	6.25%	Number of electricity customers, wholesale gas market share, GW generation and EBITDA. Wholesale gas market share above that expected. Number of electricity customers and GW generation achieved by approximately 90% and 95%, respectively, compared to that expected. Cumulative EBITDA for 2018-2020 was 20% lower than expected.	75%	90.4%
		Process safety (PSIR)	5%	Actual PSIR ≤ target PISR Target PSIR: 2018 (0.93), 2019 (0.82), 2020 (0.74), and 2021 (0.77) Actual PSIR: 2018 (0.47), 2019 (0.55), 2020 (0.62) and 2021 (0.25) For all years of the plan the values have been more than 15% below the target PSIR, ending the period with a PSIR of 0.25	100%	
		Reduction in emissions	5%	Actual value of emissions reduction ≥ Target value of emissions reduction. More than 1.4 million tons of CO_2 equivalent emissions reduced in the 2018-2021 period, being above the target	100%	
				DEGREE OF ACHIEVEMENT (DAO)		76.1%

The Compensation Committee has employed mathematical formulae to calculate the degree of fulfillment of the pre-established targets based on the information received from the Financial and the People and Organization areas on the results obtained and based on the objective values initially defined.

Likewise, to determine the amounts of long-term variable remuneration payable to the CEO, the Compensation Committee has also valued his personal performance during the plan. In this way, the final settlement of the Long-Term Incentive is determined as the product of the initial target incentive amount granted for said program (LTI target) by the Overall Degree of Achievement of Objectives (DAO) and by the average reached in his individual performance evaluation during the years included in the measurement period of each program (D).

Incentive payable = LTI target x D x DAO

Consequently, the Board of Directors approved at its meeting on February 16, 2022, at the proposal of the Compensation Committee, the following amount as the long-term variable remuneration 2018-2021 of the Chief Executive Officer, which represents 63.84% of its maximum attainable and equivalent to 76.61% of its annual fixed remuneration.

2021 annual variable remuneration in thousands of euros	
Mr. Josu Jon Imaz	919

In accordance with the resolutions passed by the General Shareholders Meetings on May 19, 2017 and as indicated under subsection 4.1.3 above, the amount of the Long-Term Incentive 2018-2021 will be paid to the CEO in a proportion of 70% in cash and 30% in Company shares, so that he will receive 773 thousand euros in cash and 13,184 Company shares –equivalent to 146 thousand euros–.

For these purposes, the control mechanism —provided for in the Remuneration Policy pursuant to subsection 4.1.5 of this report— has not been applied to the annual variable remuneration of the CEO.

5.1.4. Share Purchase Plan for Beneficiaries of the Long-Term Incentive Programs

In May 2021, the process of voluntary inclusion in the Eleventh Cycle of the Share Purchase Plan for Beneficiaries of the Long-Term Incentive Program (2021-2024) took place. The CEO allocated a total of 51,108 shares to the Plan, of which 19,337 correspond to shares delivered as partial payment for the 2017-2020 LTI, and 31,771 shares were acquired by Mr. Imaz in order to reach the maximum possible investment in the Plan, equal to 50% of the gross amount of the long-term incentive. At the end of the Cycle, in June 2024, and provided that the conditions established in its Regulations are met, the CEO may receive a maximum of 17,036 shares.

Additionally, it should be noted that on May 31, 2021 the vesting period of the Eighth Cycle of the Share Purchase Plan for Beneficiaries of the Long-Term Incentive Program (2018-2020) was completed. As a result of this the CEO consolidated, rights to delivery of 10,525 gross shares valued at 11.35 euros per share, which entails an amount equivalent to 119,438 euros. In June 2021, after deducting the prepayment to be made by the Company, he received 7,189 shares.

As of the date of this Report, the CEO has 526,662 Repsol shares representing more than four times his current annual fixed remuneration.

5.1.5. Long-Term Savings Systems

In 2021, Repsol has contributed 246 thousand euros to the Executives' Benefits Plan explained in subsection 4.1.6 above in which the CEO participates. In addition, the CEO is also unitholder of a defined contribution company pension scheme of Repsol, the contribution to which for 2021 was seven thousand euros.

5.1.6. Other benefits

During 2021, the CEO was the beneficiary of certain payments in kind that include, among other matters, life and disability insurance and health insurance. The expenditure associated with the in-kind benefits received in 2021 amounts to 34 thousand euros. Meanwhile, in 2021 the Company has not granted any advance payments, loans or guarantees to the CEO.

5.1.7. Main terms and conditions of the contract of the CEO

The remuneration, rights and financial rewards of the CEO are determined in his contract, always adhering to the Company's Bylaws and Remuneration Policy and are described under subsection 4.1.8 of this Report.

5.2. Regarding Directors in their capacity as such

The Board of Directors resolved, at its meeting of February 17, 2021, at the proposal of the Compensation Committee, to maintain the value of the point in 2021 at the amount of 88,297.11 euros gross/year. During the year the total amount of compensation of the Directors for their non-executive functions amounted to 6.884 million euros, including the remuneration of the Chairman of the Board of Directors. In the Individual Remuneration Tables section, the detail of each Director's compensation is broken down.

Non-Executive Directors also received the remuneration corresponding to them for belonging to the managing bodies of certain subsidiaries of the Repsol Group, which amounted to a total of 84 thousand euros.

The overall amount of the premium for the collective liability insurance policy that covers the Directors, managers and other employees of the Group who exercise management-related functions, and that also extends to different companies of the Group under certain circumstances and conditions amounted to 4.5 million euros in 2021. This amount corresponds to all the insured of the Group and therefore does not refer exclusively to the members of the Board of Directors of Repsol, S.A.

5.3. Regarding the Chairman of the Board of Directors

The total fixed remuneration of the Chairman of the Board of Directors in 2021 amounted to 2,500 thousand euros. In addition, as provided in the Remuneration Policy, the Chairman is the beneficiary of certain in-kind benefits that include, among others, medical insurance, the cost of the residence that the Company provides him as a home and for the institutional representation of the Company, the corresponding payments on account arising from such items and the economic compensation for the applicable personal taxation arising from the aforementioned in-kind remuneration (withholdings). The expenditure associated with payments in kind to the Chairman of the Board of Directors in 2021 amounted to 273 thousand euros.

The Chairman of the Board of Directors has not received any advance payment, loan or guarantee by the Company.

6. INDIVIDUAL REMUNERATION TABLES

6.1. Remuneration of the CEO for 2021

The following table shows a summary of the gross total remuneration earned by the CEO in 2021:

(In thousands of euros)

Director	Fixed Remuneration	Annual Variable Remuneration	Remuneration for duties as Director[1]	2018-2021 LTI Long-Term Variable Remuneration in cash[2]	2018-2021 LTI Long-Term Variable Remuneration in shares[3]	Total
Mr. Josu Jon Imaz	1,200	1,360	353	773	146	3,832

1. **Remuneration for duties as Director**: includes the fixed emolument for belonging to the Board and Committees of Repsol S.A.
2. **Long-Term Variable Remuneration in cash**: refers to the remuneration corresponding to the 2018-2021 Long-Term Incentive Program paid in cash.
3. **Long-Term Variable Remuneration in shares**: refers to the remuneration corresponding to the 2018-2021 Long-Term Incentive Program paid in shares.

With regards to the **Share Purchase Plan for Beneficiaries of the Long-Term Incentive Programs**, on May 31, 2021 the vesting period of the Eighth Cycle (2018-2021) was completed, whereby the CEO earned the right to receive the gross shares for total value shown:

Director	No. gross shares	Total value (in thousands of euros)	No. net shares delivered
Mr. Josu Jon Imaz	10,525	119	7,189

Shown below are the number of shares purchased by the CEO in the 2021-2024 Cycle:

Number of shares acquired by the CEO

Director	2021-2024 Cycle
Mr. Josu Jon Imaz[1]	51,108

1. These shares will generate, in the event that the CEO holds them for a period of three years and the plan's other conditions are met, a delivery of one additional share for every three shares initially purchased.

The following table shows a breakdown of the cost incurred by the Company for contributions to **pension plans** and **welfare schemes** for the CEO for 2021, as well as other **remuneration in kind** received in that period:

(In thousands of euros)

Director	Contributions to Pension Plans	Contributions to Long-Term Savings Plans	Total Long-Term Savings Systems
Mr. Josu Jon Imaz	7	246[1]	254

1. **Contributions to the Executives' Benefits Plan** that imply a defined contribution equivalent to approximately 20.5% of the annual fixed remuneration of the CEO.

(In thousands of euros)

Director	Life Insurance Premiums	Health Insurance and Other Benefits	Total Remuneration In Kind
Mr. Josu Jon Imaz	25	9	34

6.2. Directors' compensation in their capacity as such for 2021

All of the Directors attended in person the Board and Committees meetings in 2021, as detailed as follows:

	Board of Directors	Delegate Committee	Audit and Control Committee	Appointments Committee	Compensation Committee	Sustainability Committee
Number of meetings	13	5	11	7	3	4
Executive						
Josu Jon Imaz San Miguel	13/13	5/5	--	--	--	--
Institutional						
Manuel Manrique Cecilia	13/13	5/5	--	--	--	--
José Manuel Loureda Mantiñán[1]	10/10	--	--	--	3/3	3/3
Independent						
Maite Ballester Fornés	3/3	--	3/3	--	1/1	--
Aurora Catá Sala[3]	10/10	--	8/8	4/4	2/2	--
Rene Dahan[4]	11/11	3/3	--	--	--	--
Arantza Estefanía Larrañaga[5]	13/13	--	--	7/7	--	4/4
Carmina Ganyet i Cirera	13/13	--	11/11	7/7	3/3	--
Teresa García-Milá Lloveras	13/13	--	11/11	7/7	--	--
Ignacio Martín San Vicente	13/13	5/5	--	--	--	--
Mariano Marzo Carpio	13/13	--	--	7/7	3/3	4/4
Isabel Torremocha Ferrezuelo	13/13	--	11/11	--	--	4/4
J. Robinson West	13/13	5/5	--	--	--	--
Other External						
Antonio Brufau Niubó	13/13	5/5	--	--	--	--
Emiliano López Achurra[6]	1/1	--	--	--	--	1/1
Henri Philippe Reichstul	13/13	5/5	--	--	--	--
Luis Suárez de Lezo Mantilla	13/13	5/5	--	--	--	--

(1) Mr. Loureda resigned from his position as Director of Repsol, S.A. and as member of the Compensation Committee and Sustainability Committee prior to the meeting of October 27, 2021.
(2) The term of office of Ms. Ballester as Director ended on March 26, 2021.
(3) Ms. Catá was appointed Director and member of the Audit and Control Committee, Appointments Committee and Compensation Committee on March 26, 2021.
(4) Mr. Dahan ceased to hold his position due to his decease on November 21, 2021.
(5) Ms. Estefania stepped down as member of the Appointments Committee on November 24, 2021 and was appointed member of the Compensation Committee on that same date.
(6) Mr. López Achurra accepted his position as Director and member of the Appointments Committee and Sustainability Committee after the meeting of November 24, 2021.

The amounts accrued individually by the Board members during the last year in their condition as such and their membership of the various Board Committees are as follows:

(in thousand euros)

	Repsol, S.A.				Other Group companies			
Director	Fixed emoluments	Remuneration for membership of Board Committees	Total Repsol, S.A. 2021	Relative proportion compared to Total Repsol, S.A. 2021	Fixed emoluments	Total Group companies 2021	TOTAL 2021	TOTAL 2020
Executive								
Josu Jon Imaz San Miguel	177	177	354	5.14%	--	--	354	354
Institutional								
Manuel Manrique Cecilia	177	177	354	5.14%	--	--	354	354
José Manuel Loureda Mantiñán (1)	132	50	182	2.64%	--	--	182	243
Independent								
María Teresa Ballester Fornés(2)	44	28	72	1.05%	--	--	72	287
Aurora Catá Sala(3)	132	99	231	3.35%	--	--	231	--
Rene Dahan(4)	162	162	324	4.70%	--	--	324	354
Arantza Estefanía Larrañaga(5)	177	66	243	3.53%	--	--	243	243
Carmina Ganyet i Cirera	177	132	309	4.49%	--	--	309	309
Teresa García-Milá Lloveras	177	110	287	4.17%	--	--	287	287
Ignacio Martín San Vicente	177	177	354	5.14%	--	--	354	354
Mariano Marzo Carpio(6)	199	88	287	4.17%	--	--	287	287
Isabel Torremocha Ferrezuelo	177	132	309	4.49%	--	--	309	309
J. Robinson West	177	177	354	5.14%	--	--	354	354
Other External								
Antonio Brufau Niubó	2,500	--	2,500	36.29%	--	--	2,500	2,500
Emiliano López Achurra (7)	15	6	21	0.30%	84	84	105	--
Henri Philippe Reichstul	177	177	354	5.14%	--	--	354	354
Luis Suárez de Lezo Mantilla	177	177	354	5.14%	--	--	354	354

(1) Mr. Loureda resigned from his position as Director of Repsol, S.A. prior to the meeting of October 27, 2021.
(2) The term of office of Ms. Ballester as Director of Repsol, S.A. ended on March 26, 2021.
(3) Ms. Catá was appointed Director of Repsol, S.A. and member of the Audit and Control Committee, Appointments Committee and Compensation Committee on March 26, 2021.
(4) Mr. Dahan ceased to hold his position due to his decease on November 21, 2021.
(5) Ms. Estefania stepped down as member of the Appointments Committee on November 24, 2021 and was appointed member of the Compensation Committee on that same date.
(6) Mr. Marzo received additional remuneration of 22,074.28 euros for carrying out his duties as Lead Independent Director.
(7) Mr. López Achurra accepted his position as Director and member of the Appointments Committee and Sustainability Committee after the meeting of November 24, 2021.

The table below shows a breakdown of the total remuneration earned by the Directors:

(In thousands of euros)

	Remuneration earned at Repsol, S.A.										Remuneration earned at other Group companies				
Director	Remuneration for Board membership	Remuneration for Committee membership	Fixed Remuneration	Short-Term Variable Remuneration	Long-Term Variable Remuneration	Severance	Other Items[1]	Total 2021	Total 2020	Contributions to long-term savings plans[2]	Remuneration for serving on the Board of other Group companies	Total 2021	Total 2020	Total Repsol, S.A. and Group 2021	Total Repsol, S.A. and Group 2020
Executive															
Josu Jon Imaz San Miguel	177	177	1,200	1,360	919	--	153	3,986	3,432	254	--	--	--	3,986	3,432
Institutional															
Manuel Manrique Cecilia	177	177	--	--	--	--	--	354	354	--	--	--	--	354	354
José Manuel Loureda Mantiñán [3]	132	50	--	--	--	--	--	182	243	--	--	--	--	182	243
Independent															
María Teresa Ballester Fornés [4]	44	28	--	--	--	--	--	72	287	--	--	--	--	72	287
Aurora Catá Sala [5]	132	99	--	--	--	--	--	231	--	--	--	--	--	231	--
Rene Dahan[6]	162	162	--	--	--	--	--	324	354	--	--	--	--	324	354
Arantza Estefanía Larrañaga	177	66	--	--	--	--	--	243	243	--	--	--	--	243	243
Carmina Ganyet i Cirera	177	132	--	--	--	--	--	309	309	--	--	--	--	309	309
Teresa García-Milá Lloveras	177	110	--	--	--	--	--	287	287	--	--	--	--	287	287
Ignacio Martín San Vicente	177	177	--	--	--	--	--	354	354	--	--	--	--	354	354
Mariano Marzo Carpio [7]	199	88	--	--	--	--	--	287	287	--	--	--	--	287	287
Isabel Torremocha Ferrezuelo	177	132	--	--	--	--	--	309	309	--	--	--	--	309	309
J. Robinson West	177	177	--	--	--	--	--	354	354	--	--	--	--	354	354
Other External															
Antonio Brufau Niubó	2,500	--	--	--	--	--	273	2,773	2,786	--	--	--	--	2,773	2,786
Emiliano López Achurra [8]	15	6	--	--	--	--	--	21	--	--	84	84	--	105	--
Henri Philippe Reichstul	177	177	--	--	--	--	--	354	354	--	--	--	--	354	354
Luis Suárez de Lezo Mantilla	177	177	--	--	--	--	--	354	354	--	--	--	--	354	354
TOTAL	4,954	1,935	1,200	1,360	919	--	426	10,794	**10,307**	254	84	84	--	10,878	**10,307**

(1) Other Items: Total amount of the remaining compensation accrued in the year and not covered by any of the other headings, including remuneration in kind and the amount of the shares received under the Share Purchase Plan for Beneficiaries of the Long-Term Incentive Programs.
(2) The amount of contributions to long-term savings systems is not included in the calculation of total remuneration since none of the contingencies giving rise to entitlement to their payment occurred during the year.
(3) Mr. Loureda resigned from his position as Director of Repsol, S.A. prior to the meeting of October 27, 2021.
(4) The term of office of Ms. Ballester as Director of Repsol, S.A. ended on March 26, 2021.
(5) Ms. Catá was appointed Director of Repsol, S.A. and member of the Audit and Control Committee, Appointments Committee and Compensation Committee on March 26, 2021.
(6) Mr. Dahan ceased to hold his position due to his decease on November 21, 2021.
(7) Mr. Marzo received additional remuneration of 22,074.28 euros for carrying out his duties as Lead Independent Director.
(8) Mr. López Achurra accepted his position as Director and member of the Appointments Committee and Sustainability Committee after the meeting of November 24, 2021. In addition, he received the fixed remuneration indicated in the table as non-executive Chairman of the Board of Directors of Petronor, S.A.

Below is the information relating to the changes over the last 5 years in the amount and percentage variation in the remuneration earned by each of the Directors, the Company's consolidated results and the average remuneration on a full-time equivalent basis of the employees of the Company and its subsidiaries who are not Directors of Repsol, S.A.

(in thousand euros)

	Total amounts earned (in thousand euros) and annual change (%)								
Director	2021	% change 2021/2020	2020	% change 2020/2019	2019	% change 2019/2018	2018	% change 2018/2017	2017
Executive									
Josu Jon Imaz San Miguel	4,240	15%	3,685	-4%	3,829	-11%	4,282	0%	4,287
Institutional									
Manuel Manrique Cecilia	354	0%	354	0%	354	0%	354	0%	354
José Manuel Loureda Mantiñán	182	-25%	243	-4%	252	-5%	265	0%	265
Independent									
María Teresa Ballester Fornés	72	-75%	287	0%	287	2%	280	58%	177
Aurora Catá Sala	231	--	--	--	--	--	--	--	--
Rene Dahan	324	-8%	354	0%	354	0%	354	0%	354
Arantza Estefanía Larrañaga	243	0%	243	55%	157	--	--	--	--
Carmina Ganyet i Cirera	309	0%	309	3%	300	56%	192	--	--
Teresa García-Milá Lloveras	287	0%	287	58%	182	--	--	--	--
Ignacio Martín San Vicente	354	0%	354	-2%	363	45%	250	--	--
Mariano Marzo Carpio	287	0%	287	12%	256	5%	243	50%	162
Isabel Torremocha Ferrezuelo	309	0%	309	6%	291	10%	265	50%	177
J. Robinson West	354	0%	354	0%	354	0%	354	0%	354
Other External									
Antonio Brufau Niubó	2,773	0%	2,786	-5%	2,919	-6%	3,105	1%	3,089
Emiliano López Achurra	105	--	--	--	--	--	--	--	--
Henri Philippe Reichstul	354	0%	354	0%	354	510%	58	-61%	148
Luis Suárez de Lezo Mantilla	354	0%	354	-89%	3,143	-7%	3,375	-1%	3,396
Consolidated income of the Company (*in millions of euros*)	4,329	231%	-3,304	-3%	-3,201	-196%	3,333	7%	3,107
Adjusted net income (*in millions of euros*)	2,454	309%	600	-71%	2,042	-13%	2,352	-2%	2,405
Average remuneration of employees *(in thousands of euros)*	57	-2%	58	-3%	59	2%	58	-2%	59

In accordance with Circular 3/2021, of September 28, of the Spanish National Securities Market Commission, to facilitate the uniformity and comparability of the data, and to adequately explain any changes in the remuneration received by the Company's Directors over the last five years that are included in the table, the following observations are made:

- Mr. José Manuel Loureda Mantiñán (% change 2020/2021): the figure indicated shows the change between the remuneration actually earned in 2020 and in 2021. These remuneration figures are not comparable given that Mr. Loureda resigned from his position as Director of Repsol, S.A. on October 27, 2021 and, therefore, the remuneration for that year corresponds to the period from January 1 to October 27.
- María Teresa Ballester Fornés:
    - % change 2020/2021: the figure indicated shows the change between the remuneration actually earned in 2020 and in 2021. These remuneration figures are not comparable given that Ms. Ballester ended her term of office on March 26, 2021 and, therefore, the remuneration for that year corresponds to the period from January 1 to March 26.
    - % change 2017/2018: the figure indicated shows the change between the remuneration actually earned in 2017 and in 2018. These remuneration figures are not comparable given that Ms. Ballester was appointed Director of Repsol, S.A. on May 19, 2017 and, therefore, the remuneration for that year corresponds to the period from May 19 to December 31. In 2018, the remuneration for the full year is included.
- Ms. Aurora Catá Sala: Ms. Catá was appointed Director of Repsol, S.A. and member of the Audit and Control Committee, Appointments Committee and Compensation Committee on March 26, 2021, therefore the remuneration shown for that year does not correspond to the full year.
- Mr. Rene Dahan (% change 2020/2021): the figure indicated shows the change between the remuneration actually earned in 2020 and in 2021. These remuneration figures are not comparable given that Mr. Dahan ceased to hold his position as Director and member of the Executive Committee on November 24, 2021 and, therefore, the remuneration for that year corresponds to the period from January 1 to November 24.
- Ms. Aránzazu Estefanía Larrañaga (% change 2019/2020): the figure indicated shows the change between the remuneration actually earned in 2019 and in 2020. These remuneration figures are not comparable given that Ms. Estefanía was appointed Director of Repsol, S.A. on May 31, 2019 and, therefore, the remuneration for that year corresponds to the period from May 31 to December 31. In 2020, the remuneration for the full year is included.
- Ms. Carmina Ganyet i Cirera (% change 2018/2019): the figure indicated shows the change between the remuneration actually earned in 2018 and in 2019. These remuneration figures are not comparable given that Ms. Ganyet was appointed Director of Repsol, S.A. on May 11, 2018 and, therefore, the remuneration for that year corresponds to the period from May 11 to December 31. In 2019, the remuneration for the full year is included.
- Ms. Teresa García-Milá Lloveras (% change 2019/2020): the figure indicated shows the change between the remuneration actually earned in 2019 and in 2020. These remuneration figures are not comparable given that Ms. García-Milá was appointed Director of Repsol, S.A. on May 31, 2019 and, therefore, the remuneration for that year corresponds to the period from May 31 to December 31. In 2020, the remuneration for the full year is included.
- Mr. Ignacio Martín San Vicente (% change 2018/2019): the figure indicated shows the change between the remuneration actually earned in 2018 and in 2019. These remuneration figures are not comparable given that Mr. Martín was appointed Director of Repsol, S.A. on May 11, 2018 and, therefore, the remuneration for that year corresponds to the period from May 11 to December 31. In 2019, the remuneration for the full year is included.
- Mr. Mariano Marzo Carpio:
    - % change 2019/2020: the figures indicated show the change between the remuneration actually earned in 2019 and in 2020. The change is due to the fact that since 2020 Mr. Marzo has received additional remuneration of 22,074.28 euros for carrying out his duties as Lead Independent Director.
    - % change 2017/2018: the figure indicated shows the change between the remuneration actually earned in 2017 and in 2018. These remuneration figures are not comparable given that Mr. Marzo was appointed Director of Repsol, S.A. on May 19, 2017 and, therefore, the remuneration for that year corresponds to the period from May 19 to December 31. In 2018, the remuneration for the full year is included.
- Ms. Isabel Torremocha Ferrezuelo (% change 2017/2018): the figure indicated shows the change between the remuneration actually earned in 2017 and in 2018. These remuneration figures are not comparable given that Ms. Torremocha was appointed Director of Repsol, S.A. on May 19, 2017 and, therefore, the remuneration for that year corresponds to the period from May 19 to December 31. In 2018, the remuneration for the full year is included.
- Mr. Emiliano López Achurra: Mr. López Achurra was appointed Director and member of the Appointments Committee and Sustainability Committee on November 24, 2021, therefore the remuneration shown for that year does not correspond to the full year.
- Mr. Henri Philippe Reichstul (% change 2017/2018/2019): the figures indicated show the change between the remuneration actually earned in 2017, 2018 and 2019. These remuneration figures are not comparable given that Mr. Reichstul resigned from his position on May 19, 2017 and was reappointed on October 30, 2018; therefore, the remuneration for those years relates only to the periods in which he served as Director. As of 2019, the remuneration for the full year is included.
- Mr. Luis Suárez de Lezo Mantilla: To facilitate the comparability of the remuneration received over the last five years, 2019 (the last year in which he performed executive duties) includes the amounts earned — as is the case in 2018 and 2017 — as fixed remuneration (including that received for being a member of the Board of Directors), annual variable remuneration, long-term variable remuneration and remuneration in kind. In addition, when he ceased to carrying out his executive duties on December 31, 2019, that year he was paid other remuneration items that were disclosed in the Report on Directors' Remuneration for that year, earned during the time he served as Executive Director and not fully attributable to 2019.
- Calculations: to calculate the average remuneration of employees, the average number of employees and the amount indicated under "Remuneration and other" in Note 19.6 "Personnel expenses" of the Financial Statements have been taken into account for each year.
- Adjusted Net Income specifically measures the performance of the Company's businesses, so that it reflects the reality of its businesses and allows for better comparability with companies in the sector, not including equity effects or special items that are not related to the ordinary management of operations.

7. TABLES OF VOTING RESULTS AT GENERAL MEETINGS

The following table lists the vote percentages obtained at the Company's Annual General Meeting held in 2021 in relation to the Annual Report on Directors' Remuneration:

Annual Report on Directors' Remuneration

	Number	% of votes cast
Votes in favor	743,529,619	97.183%
Votes against	20,765,976	2.714%
Abstaining	783,627	0.102%

As the 2020 Report on Directors' Remuneration was approved with a favorable vote of 97.18%, the remuneration of the Board of Directors is considered consistent with the expectations of the Company's shareholders and will therefore remain unchanged.

Mr. Luis Suárez de Lezo Mantilla, Secretary of the Board of Directors of Repsol, S.A.

I certify: That the preceding pages contain the Consolidated Financial Statements and the Consolidated Management Report of Repsol, S.A. as its subsidiaries for the fiscal year ended December 31, 2021, as approved by its Board of Directors on February 16, 2022, following which this page was signed by the members of the Board of Directors at the date of such approval.

The members of the Board of Directors of Repsol, S.A. declare that, to the best of their knowledge, the Consolidated Financial Statements for the fiscal year ended on December 31, 2021, approved at its meeting held on February 16, 2022 and prepared in accordance with applicable accounting principles, fairly present the equity, financial position and results of Repsol, S.A., and the companies that form part of consolidation taken as a whole, and that the Consolidated Management Report includes a fair depiction of the development and business results and the financial position of Repsol, S.A., and the companies that form part of the consolidation taken as a whole, together with a description of its principal risks and uncertainties.

Mr. Antonio Brufau Niubó *Chairman*	Mr. Manuel Manrique Cecilia *Vice Chariman*
Mr. Josu Jon Imaz San Miguel *CEO*	Ms. Aurora Catá Sala *Director*
Ms. Aránzazu Estefanía Larrañaga *Director*	Ms. María del Carmen Ganyet i Cirera *Director*
Ms. María Teresa García-Milà Lloveras *Director*	Mr. Emiliano López Achurra *Director*
Mr. Ignacio Martín San Vicente *Director*	Mr. Mariano Marzo Carpio *Director*
Mr. Henri Philippe Reichstul *Director*	Ms. Isabel Torremocha Ferrezuelo *Director*
Mr. J. Robinson West *Director*	Mr. Luis Suárez de Lezo Mantilla *Director and Secretary*

The Secretary of the Board of Directors also certifies that Mr. Mariano Marzo Carpio, attended to the meeting of the Board of Directors held on February 16, 2021 by videoconference, has not signed this document. However, the Board minutes will include the vote in favor of all the member of the Board of Directors to the approval of the Consolidated Financial Statements and the Consolidated Management Report of Repsol, S.A. and its subsidiaries for the fiscal year ended December 31, 2021.

Mr. Luis Suárez de Lezo Mantilla
Director and Secretary