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 CO2 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.

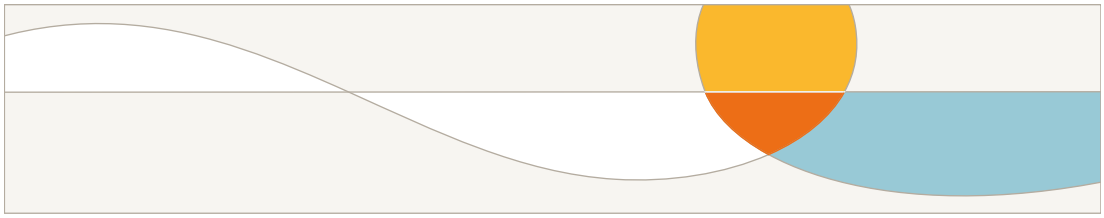
The use of this sustainable fuel, which reduces CO2 emissions by 90% over the entire life of the vehicle, also shows that the combustion engine will have an important role to play in decarbonizing mobility. At Repsol, we believe that it is a mature technology that has enormous potential as we continue 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 CO2 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.

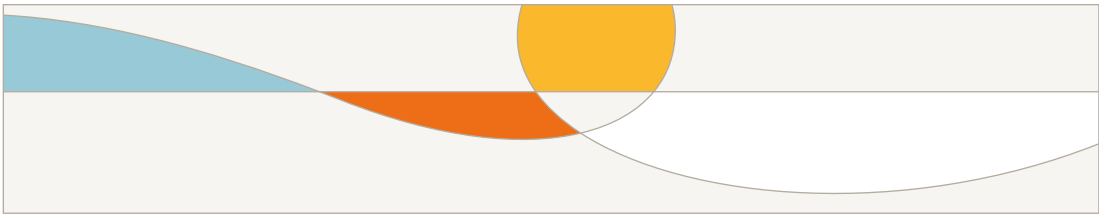
Thank you all for your ongoing support and trust.

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

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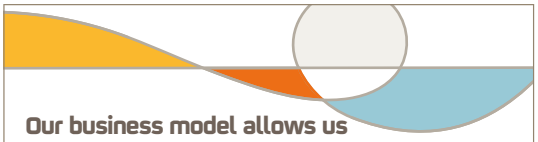
1. 2021 Overview



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

Recovery scenario

Rallying prices and demand

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

Improved results and solid cash generation

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)**	**-**

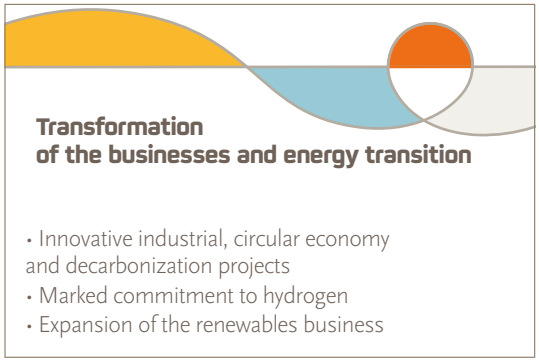
Adjusted net income, which seeks to shows the Company's performance from the normal course of its businesses, amounted to 2,454 million euros in 2021 (600 million euros in 2020 and 2,042 million euros in 2019), with the Upstream, Chemicals and Mobility businesses all outperforming.

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.



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).

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

Transformation of industrial complexes

Expansion of the renewables business

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.

More ambitious targets to accelerate the decarbonization process

5% reduction in the Carbon Intensity Indicator

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 CO_2e emissions (Mt)	19.4	22.4
Annual CO_2e 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
CO_2 (€/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.

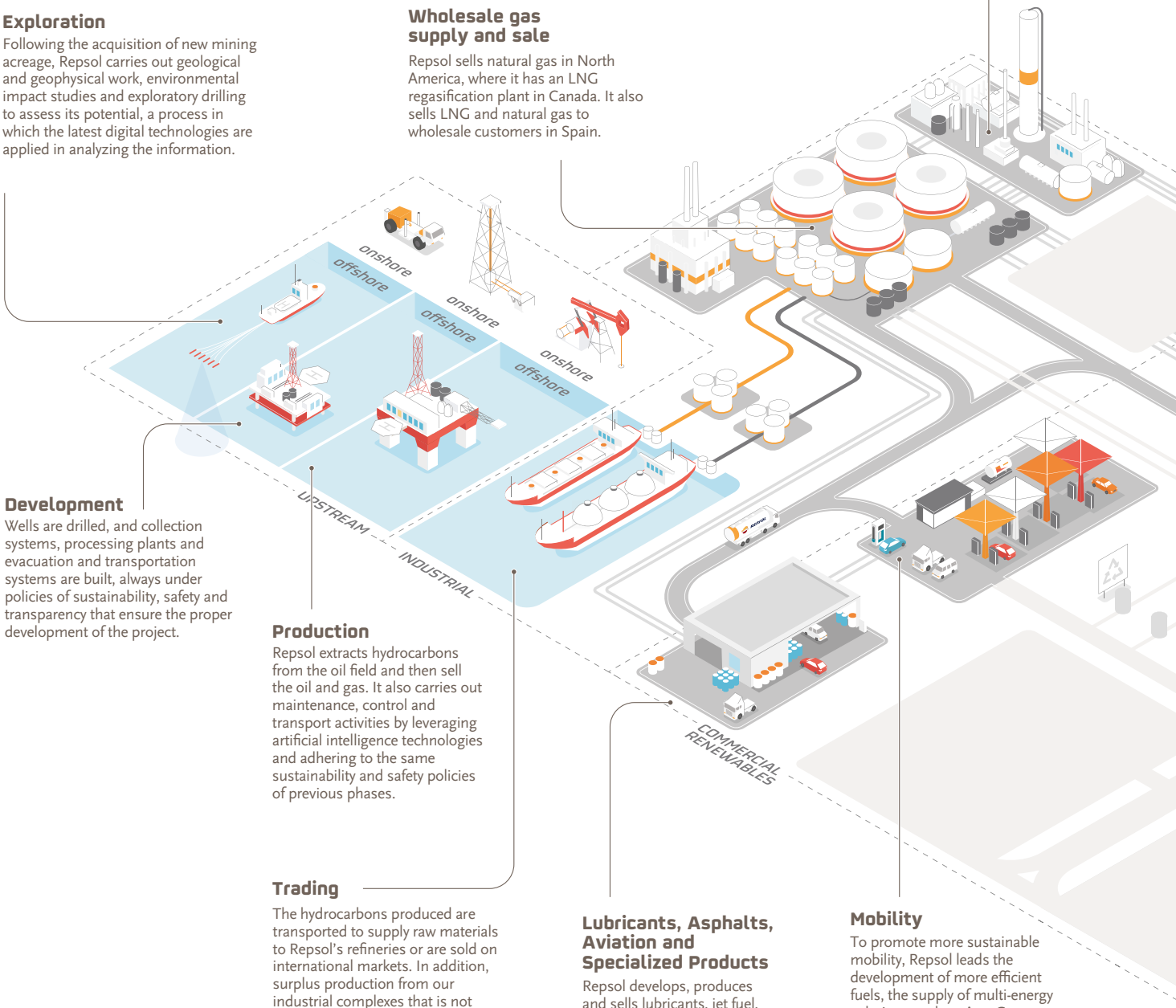
2. Our company

2.1 Value chain and business segments

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.

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.



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.

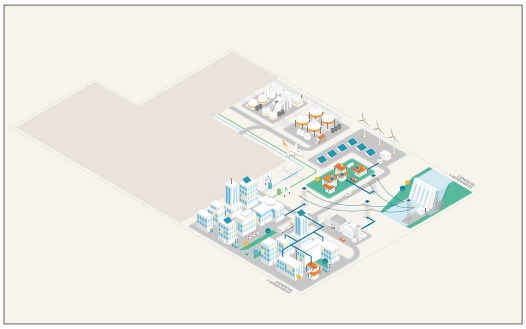
Mobility
To promote more sustainable mobility, Repsol leads the development of more efficient fuels, the supply of multi-energy solutions such as AutoGas or Gas Natural Vehicular, and the commitment to electric charging and shared mobility through Wible, all while seeking to provide unrivaled levels 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.*



Chemicals

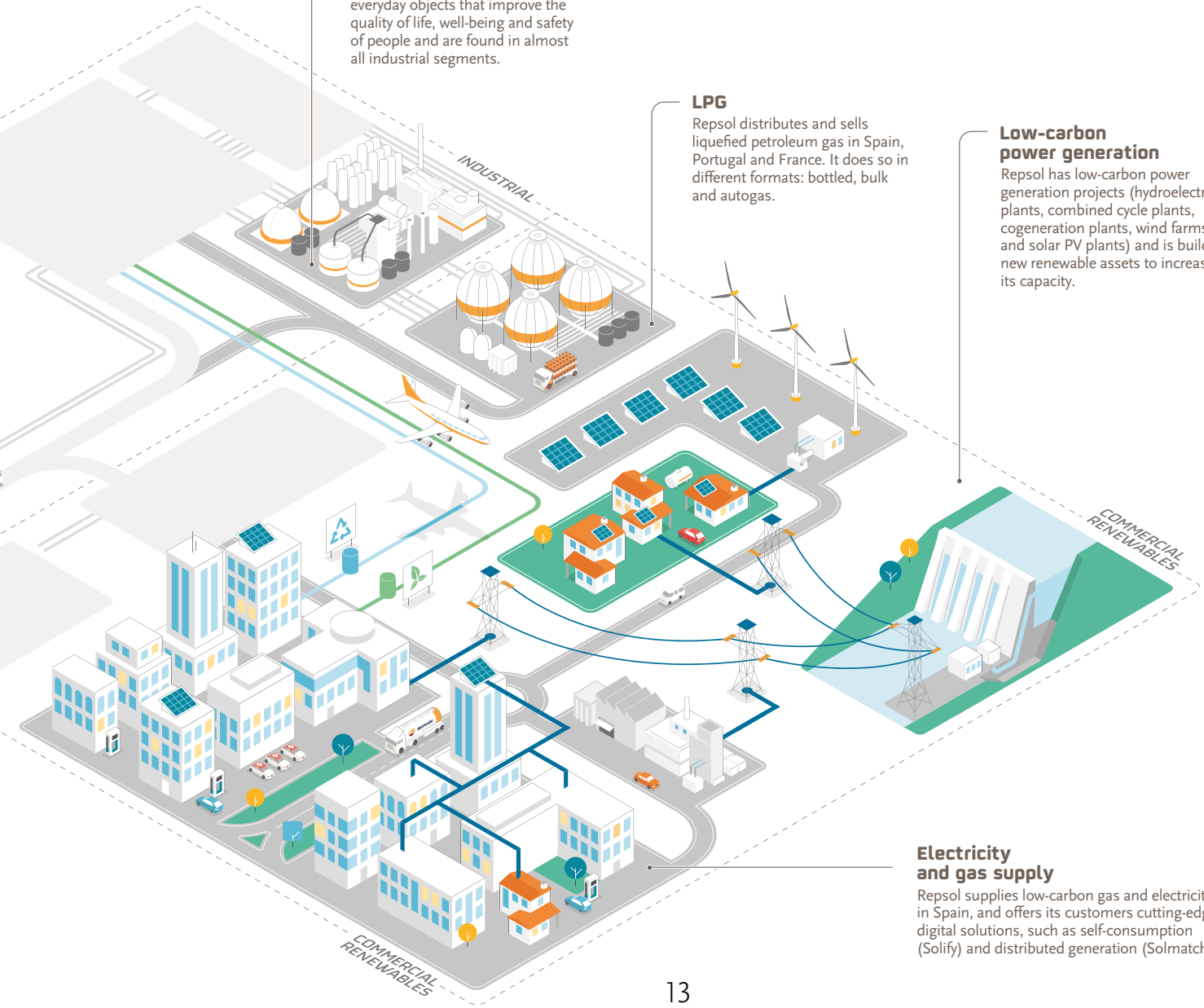
Repsol produces and sells a wide variety of petrochemical products, which are used to manufacture everyday objects that improve the quality of life, well-being and safety of people and are found in almost all industrial segments.

LPG

Repsol distributes and sells liquefied petroleum gas in Spain, Portugal and France. It does so in different formats: bottled, bulk and autogas.

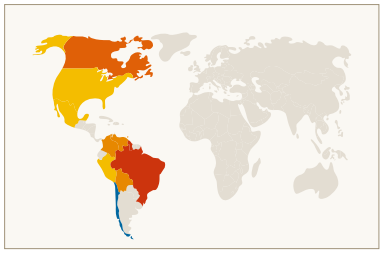
Low-carbon power generation

Repsol has low-carbon power generation projects (hydroelectric plants, combined cycle plants, cogeneration plants, wind farms and solar PV plants) and is building new renewable assets to increase its capacity.

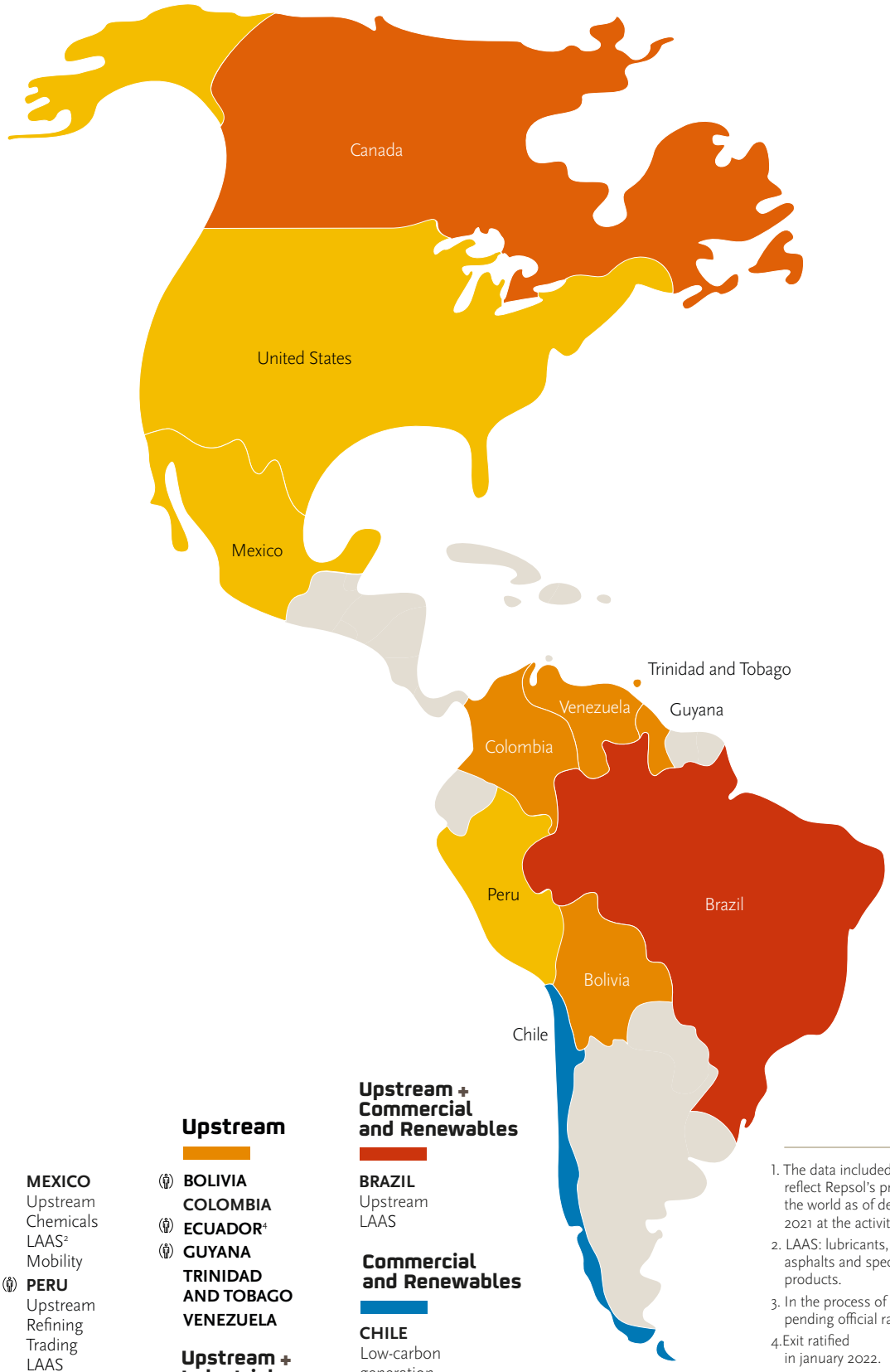


Electricity and gas supply

Repsol supplies low-carbon gas and electricity in Spain, and offers its customers cutting-edge digital solutions, such as self-consumption (Solify) and distributed generation (Solmatch).



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

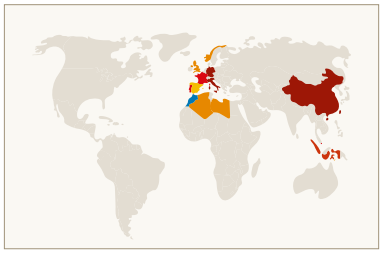
- **BRAZIL**
  Upstream
  LAAS

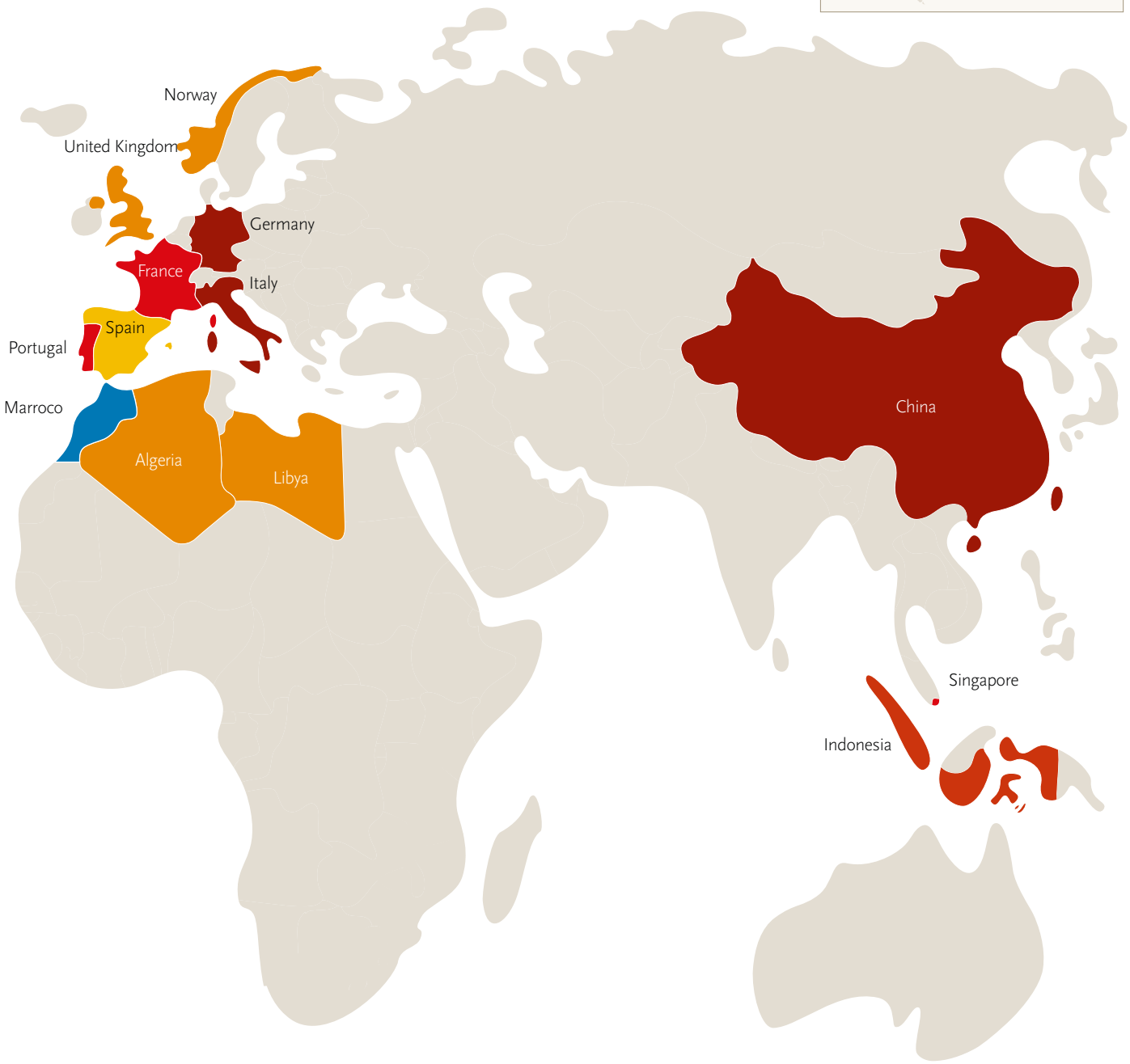
Commercial and Renewables

- **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

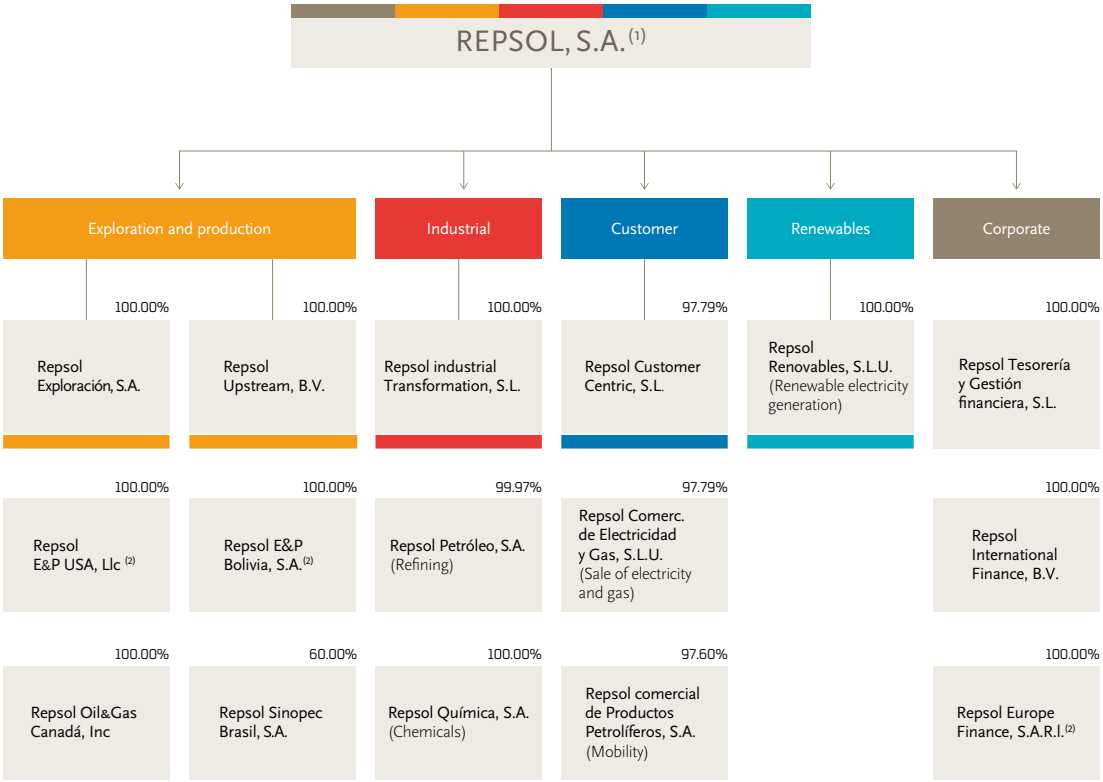
Industrial + Commercial and Renewables

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%

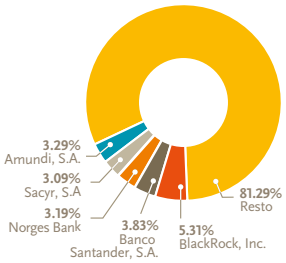
Other non-executive
28.6%

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.

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.

35% of planned investment for 2021-25 to be channeled into low emissions projects

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.

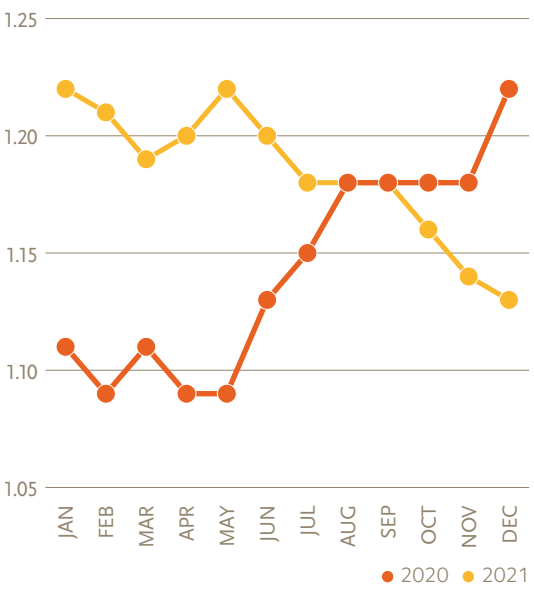
Recent macroeconomic developments have been shaped by various factors: i) developments surrounding the pandemic; ii) its impact on global supply chains, causing unanticipated supply delays and pushing up inflation; iii) the release of excess savings accumulated during the initial phase of the pandemic 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

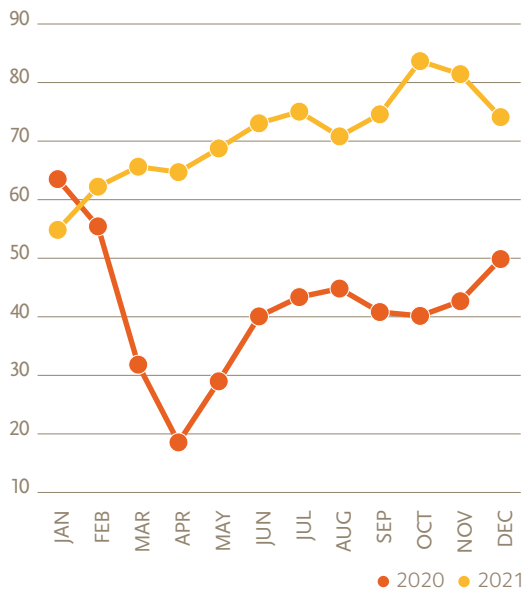
Benchmark Brent crude oil has gone from trading at $50/bbl in early 2021 to levels not seen since November 2014, at above $86/bbl at the end of October. The annual average in 2021 was $70.9/bbl (up 70% in the year).

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*

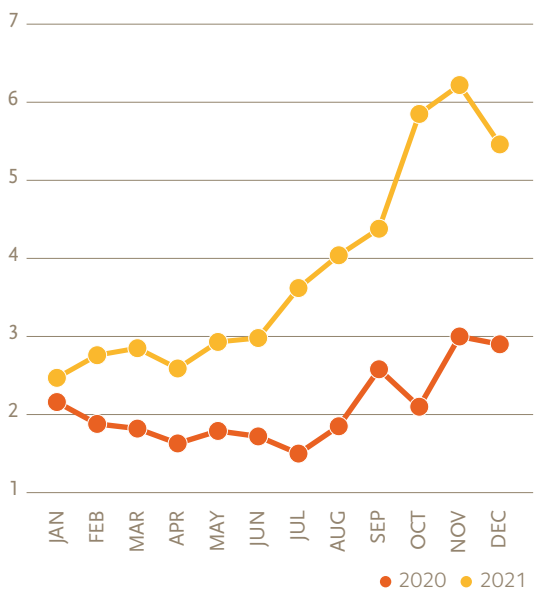
There is also uncertainty about how quickly US shale production will recover. The pandemic had a major impact on production in this region and led to a near complete cessation of drilling activity, which even before the pandemic had been suffering from a lack of investment as a result of the financial 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 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.

Adjusted net income at pre-pandemic levels

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**

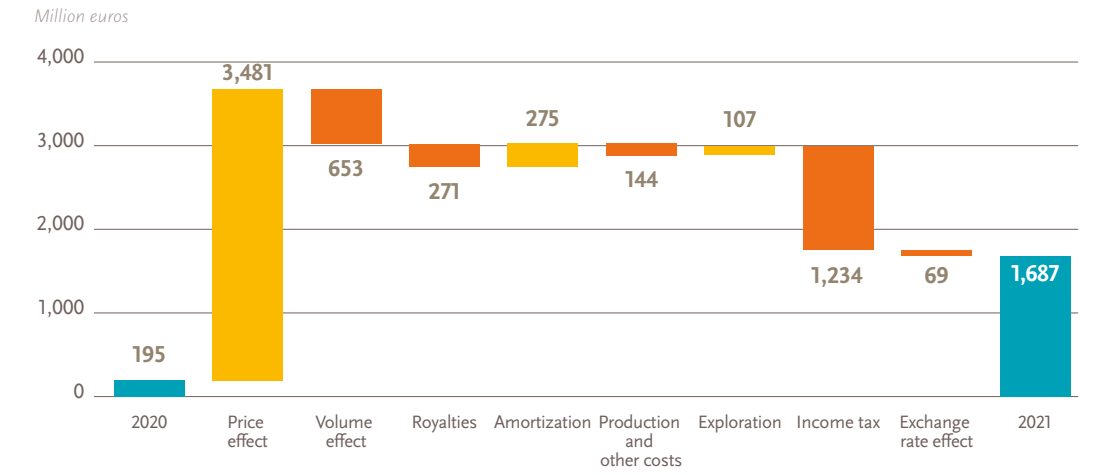
Upstream

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



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:

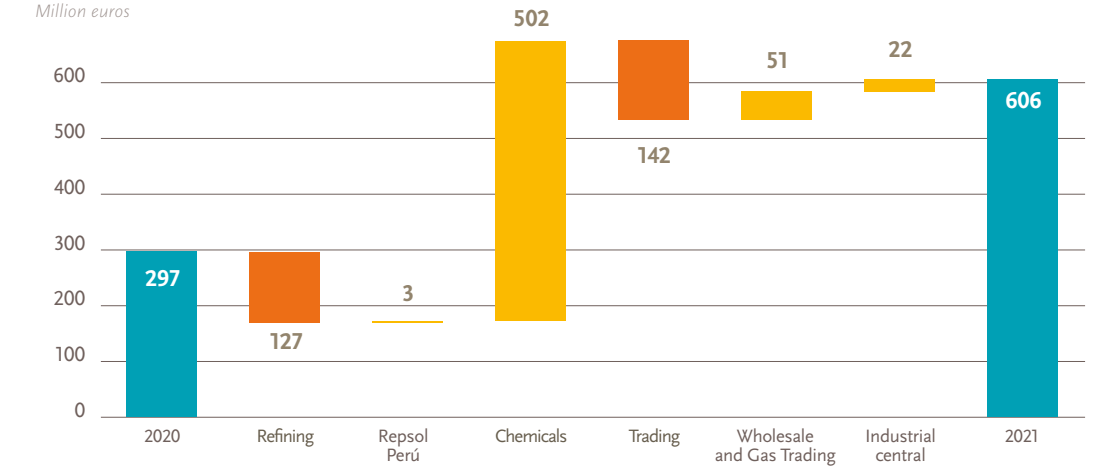
- At Refining, the drop in results due to international profit margins which, while certainly recovering, remain weak, coupled with low levels of demand (also steadily rising). These factors were partially offset by the production and logistics adjustment measures put in place at the refineries.
- Improved 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.

Gradual recovery of Refining margins

Extraordinary margins at Chemicals

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.

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.

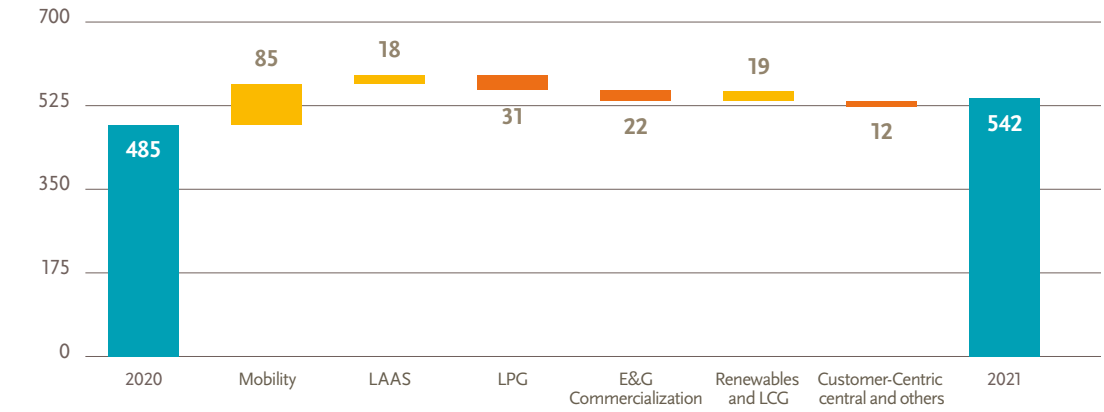
Corporate and others

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

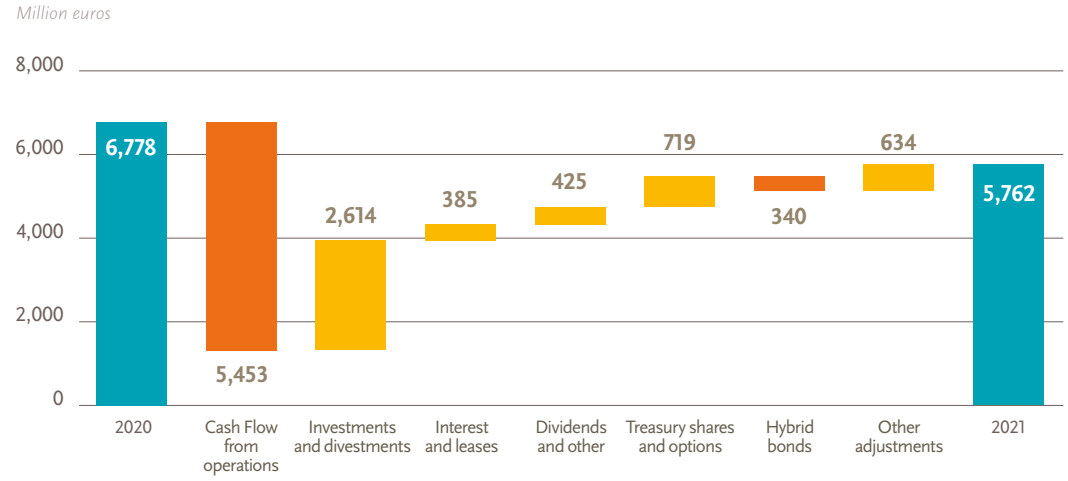
the Carbon Intensity Indicator defined by Repsol, which measures the CO2e emissions for every unit of energy that the Company delivers to society (g CO2e/MJ). The first issue of these bonds was completed in July (see "Main financing operations" below).

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.

Net debt variation

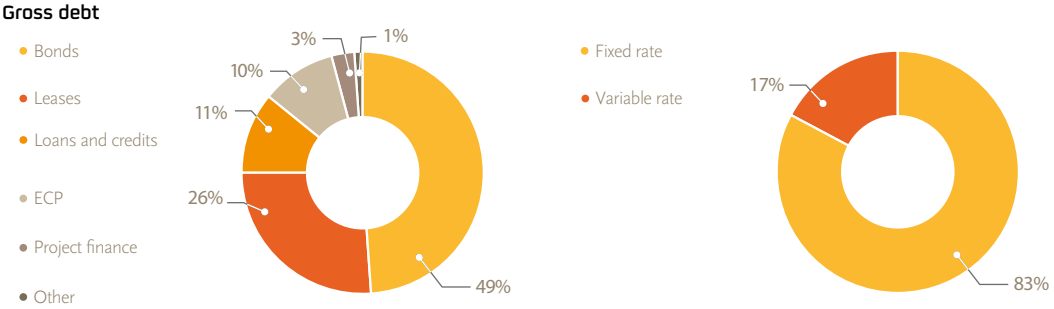


Reduction in net debt to 5,762 million euros

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.

Main financing transactions

First sustainable bond issue (SLB)

High liquidity and debt coverage

Investment grade mantained

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.

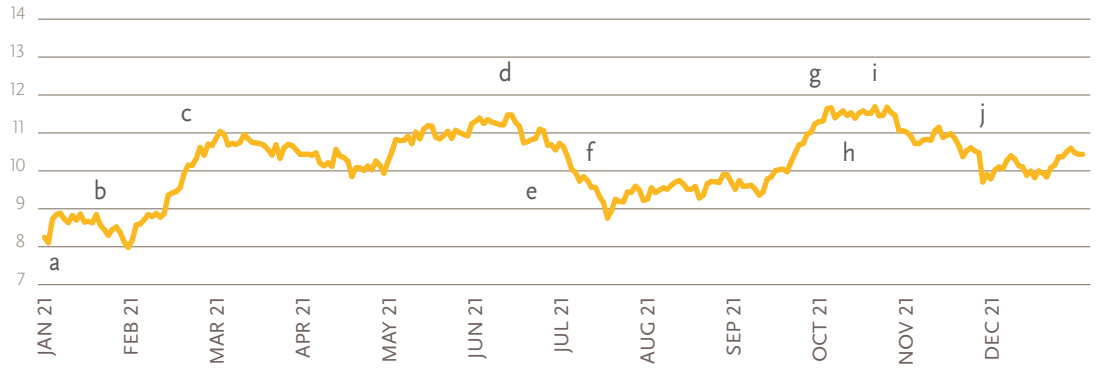
2 Remuneration paid on outstanding shares of Repsol, S.A. that confer the right to receive the dividend.

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

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).

Value ahead of volume

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

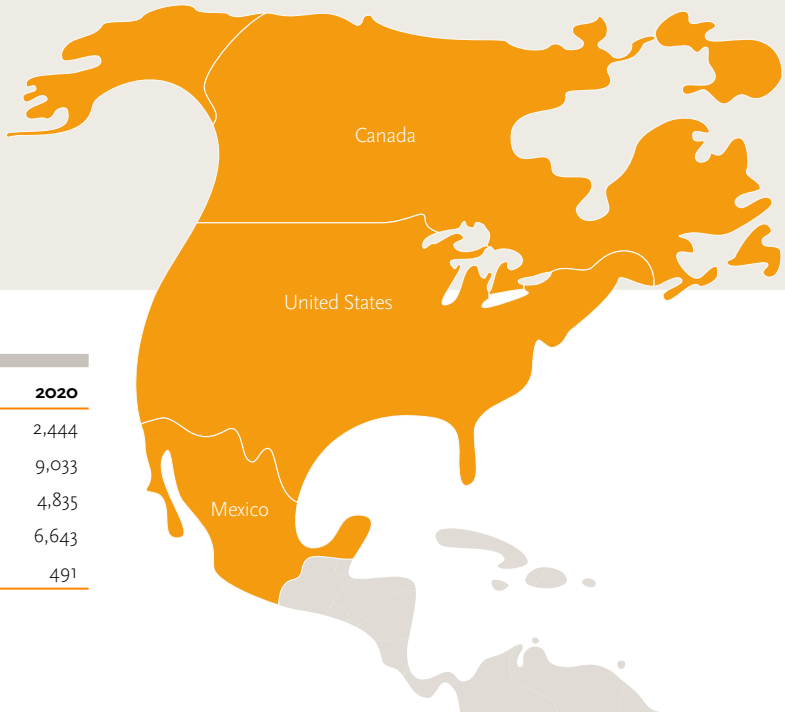
4 Level one in CO_2 emissions

- 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 (Km²)	704	704
Net undeveloped acreage (Km²)	28,500	30,805
Net development acreage (Km²)	4,531	4,528
Net exploration acreage (Km²)	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	—
CO2e 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

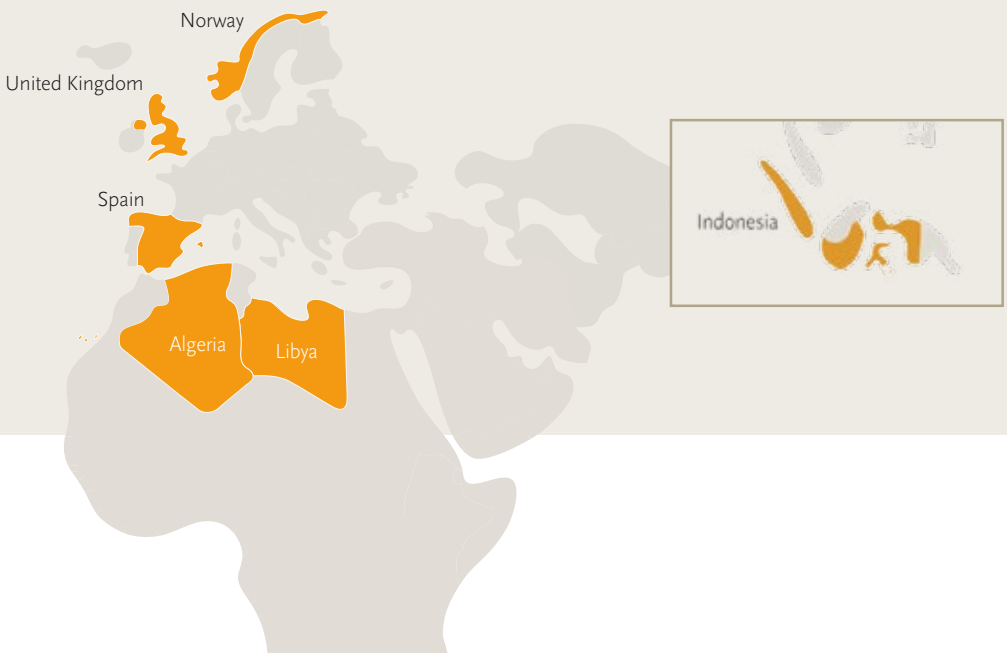
(1) Oil spills of more than one barrel to have reached the environment.
(2) The Company's direct and indirect emissions (Scope 1 and Scope 2) will be subject to additional verification according to EU-ETS and international standard ISO 14064-1. Once verified, the data will be updated in the next edition 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



	Europe		Africa		Rest of the world	
Main figures	**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 2021	Europe 2020	Africa 2021	Africa 2020	Rest of the world 2021	Rest of the world 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 2021	Europe 2020	Africa 2021	Africa 2020	Rest of the world 2021	Rest of the world 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.

Refining capacity	Primary distillation Thousands of bbl/d)	Conversion rate (2) (%)	Lubricants (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.

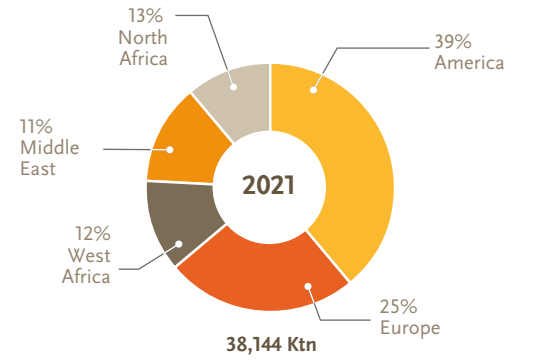
Performance: activity recovery and development of leading decarbonization projects.

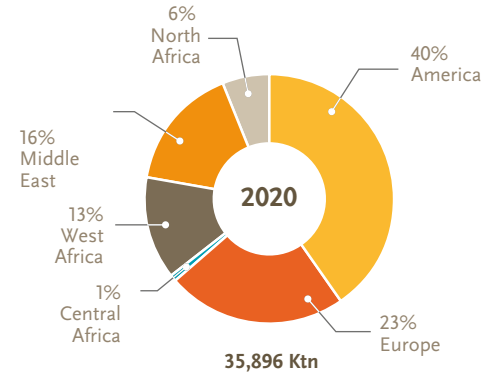
During the COVID-19 crisis, utilization of the refining system has fallen short of the levels reported in 2019 but is above not only the 2020 level, but also the world and European average, thus illustrating its competitive strength.

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.

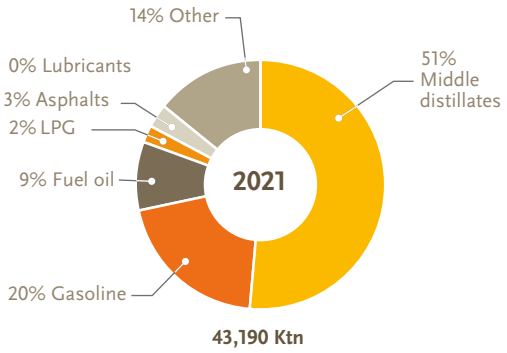
In this international context of slow recovery and weak demand, the refining margin indicator in Spain in 2021 stood at 2.4 dollars per barrel, slightly higher than in 2020 (5.0 dollars in 2019).

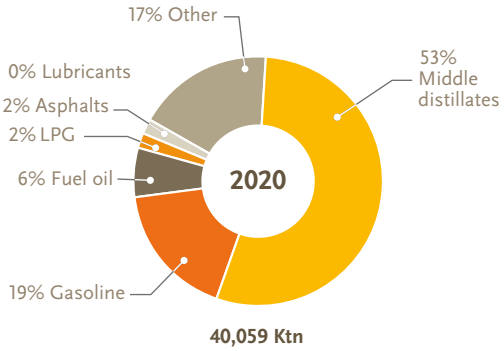
Source of crude oil processed





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.

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

Activity recovery and new decarbonization projects

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.

5.2.2. Chemicals

2,819 Mt
sales of petrochemical products in 2021

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.

Acquisition of 70% of Gana Energía

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

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
CO2e 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%

- 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)	—	—
CO2e 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

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.*

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 CO_2 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

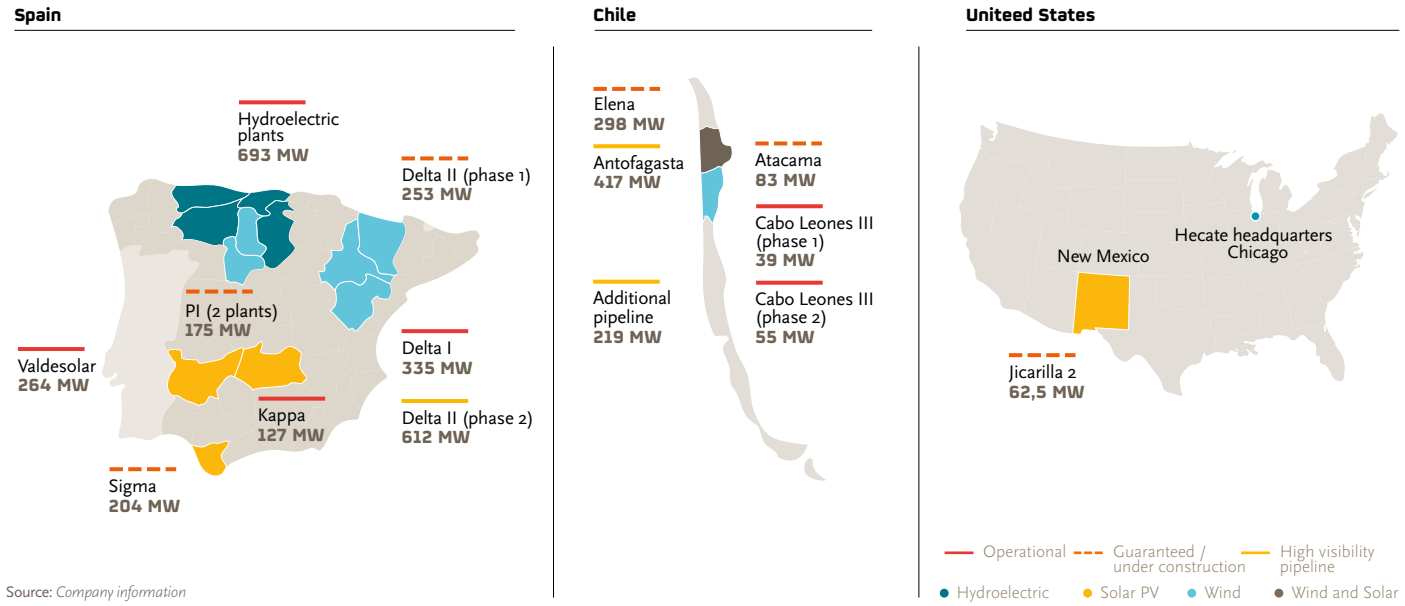
In 2021 electricity production totaled 5,283 GWh, compared with 5,940 GWh in 2020 (excluding generation at the cogeneration plants[2]). The increased contribution made by solar and wind power generation (following the entry into production of Delta I, Kappa and Valdesolar in Spain and Cabo Leones III 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
CO_2e 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

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

Clean water and sanitation

101% increase in water reused vs. 2015

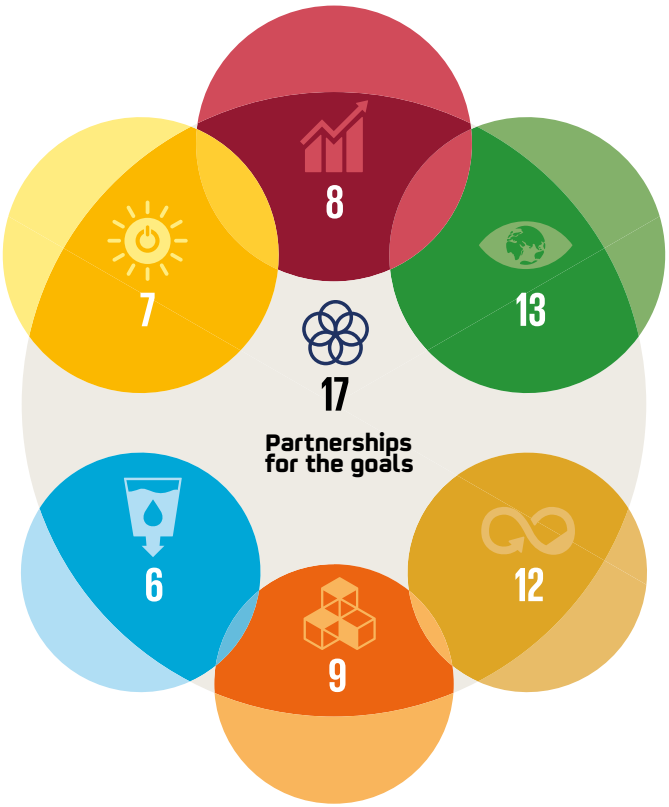
25% water reused of total water used in the Company's operations[1]

Decent work and economic growth

Industry, innovation and infrastructure

+370 digital initiatives | **9** new patents

€64 M R&D investment



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

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.

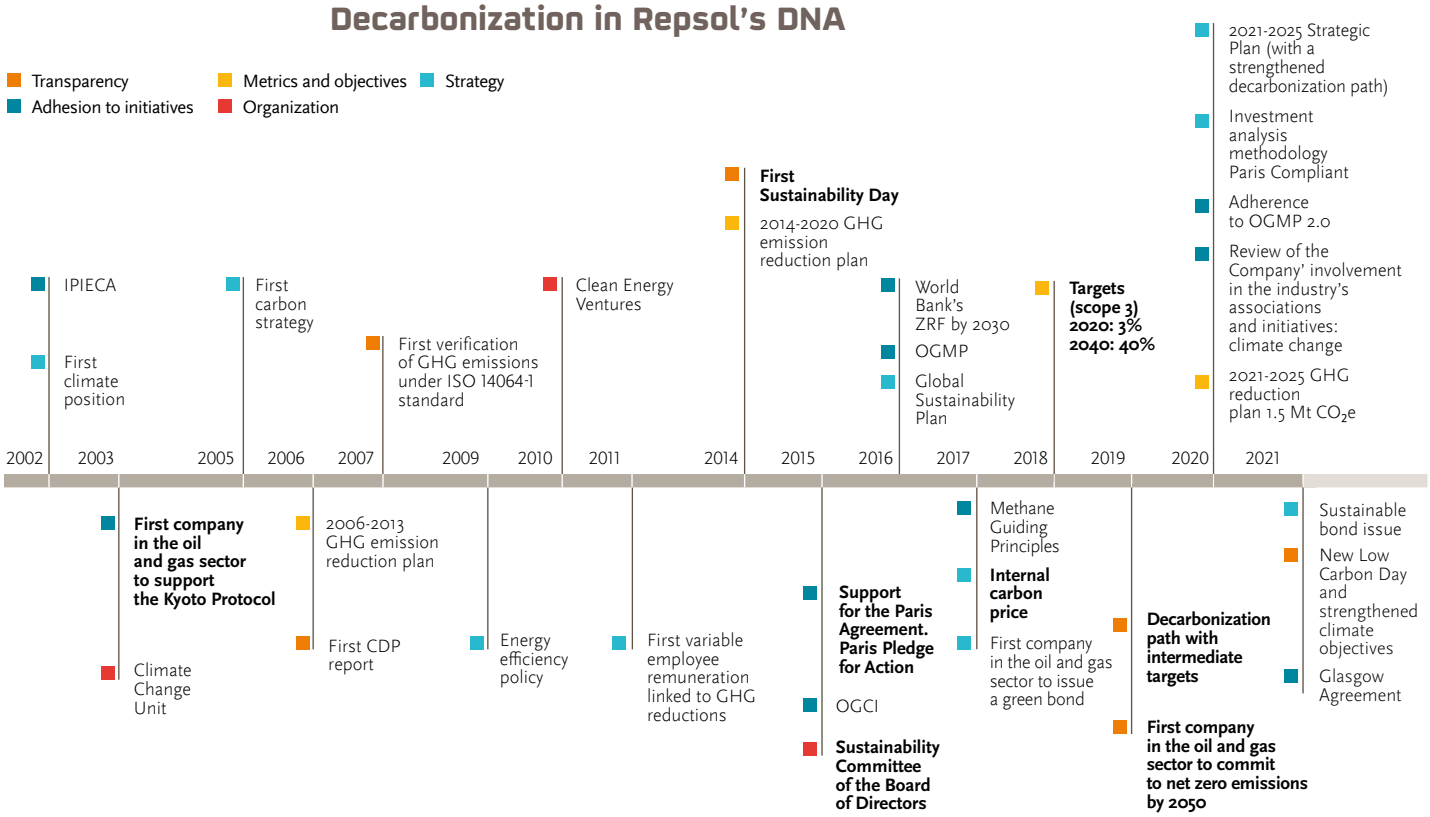
Repsol wants to be an active part of the solution to climate change while supplying the energy that society needs in a reliable, sustainable and efficient manner. Its commitment to the energy transition is in line with the objectives of the Paris and Glasgow summits and the United Nations Sustainable 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

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

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

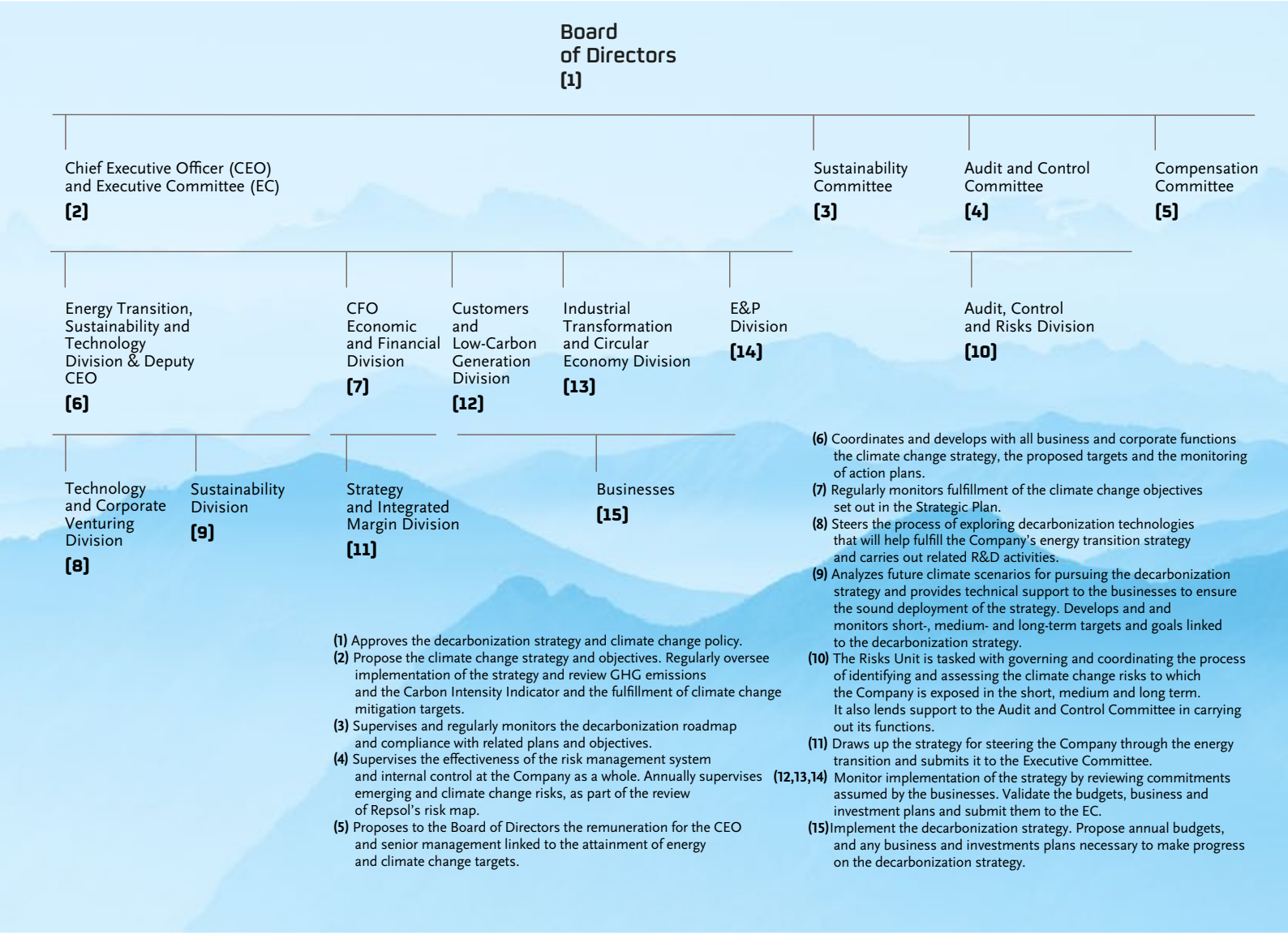
INVESTMENT

- 65%-90% of capital employed in low-carbon business for 2041-2050

2050 NET ZERO EMISSIONS

(1) For more information see "From scenario analysis to the path of net zero emissions. Resilience of the strategy"

Climate change governance



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.

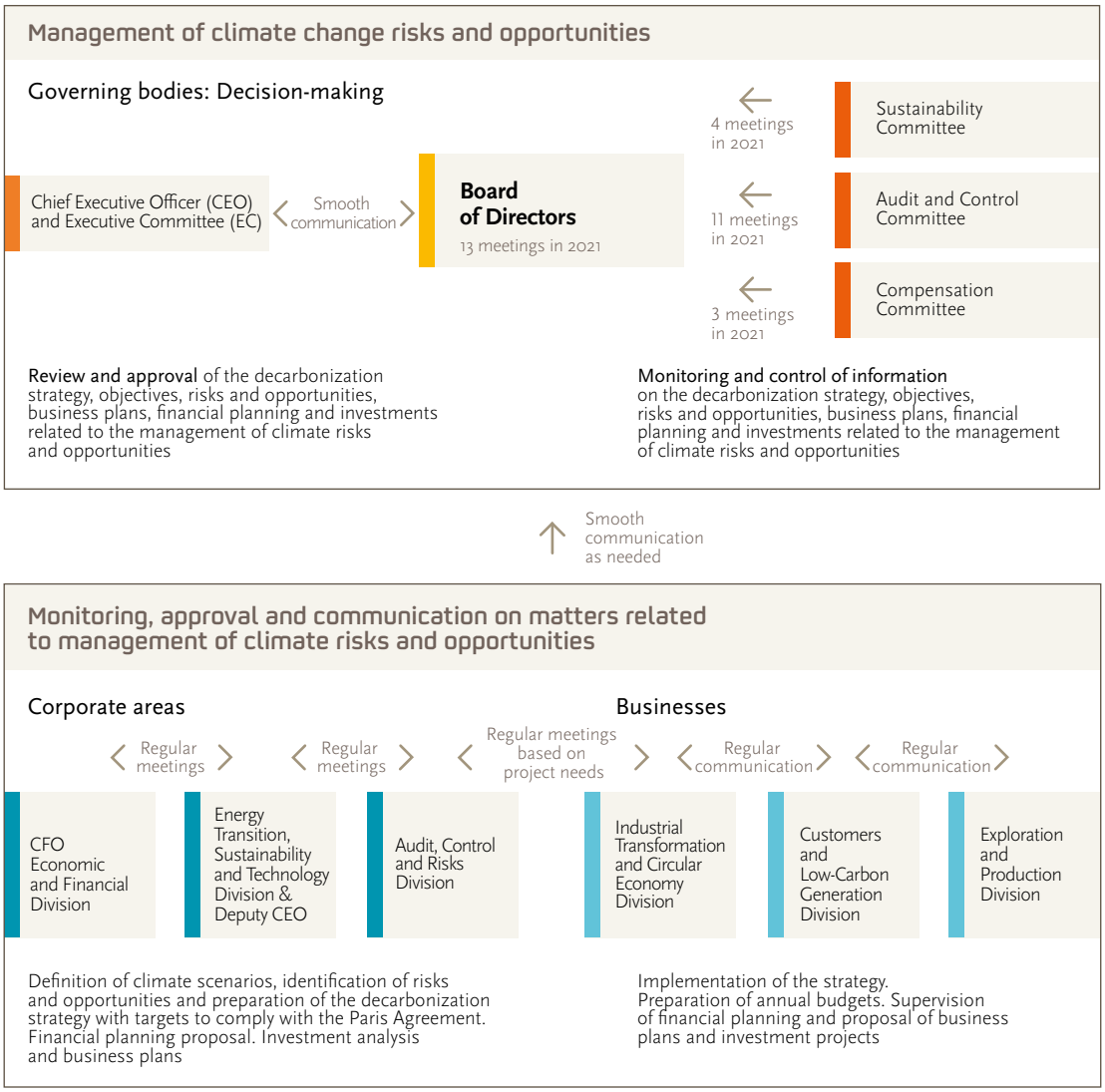
The Executive Committee is directly responsibility for managing matters related to climate change:

- 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

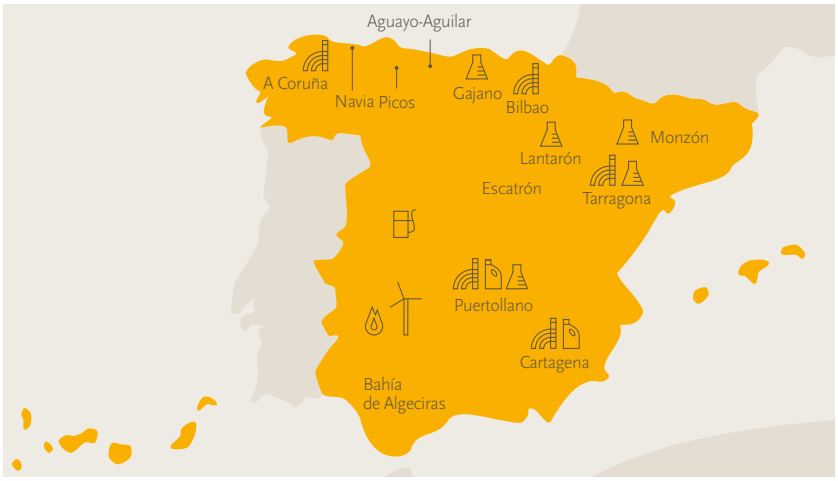
Scenario analysis is particularly important in preparing the long-term strategy. Through this process, business scenarios are developed, based on assumptions about the energy context over different time horizons (demand for oil and gas, growth of renewables, changes in technologies and regulation, etc.), 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

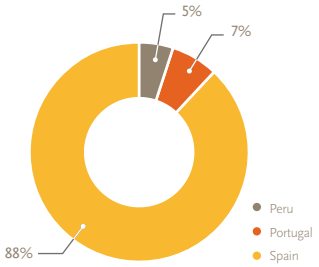
5 Further information in the annual reports of the Audit and Control Committee and the Sustainability Committee.

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.

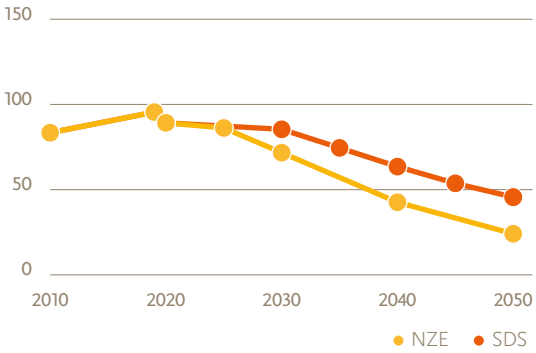
  Repsol's industrial operations are mainly located on the Iberian Peninsula, where the energy regulations established by the European Union have a significant influence on demand trends. It is worth pointing out the recent publication by the European Commission of the Fit for 55 legislative package, which 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.

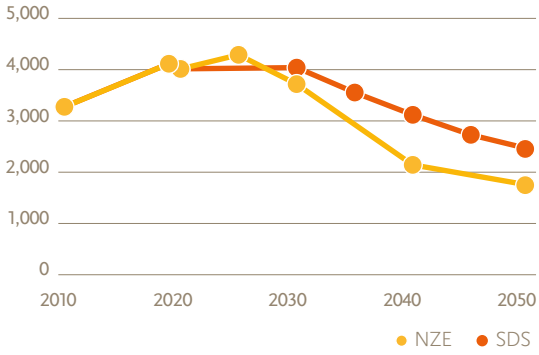
Under these macro conditions relating to demand, the Company has developed scenarios based on certain assumptions about the progress of technologies (renewable electrification, fuels with a low carbon footprint, carbon sinks) that will allow for the gradual decarbonization of its energy portfolio until 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 CO2 capture and storage (CCUS) has been included in the Sakakemang project (Indonesia), although new opportunities are being explored for this decade.

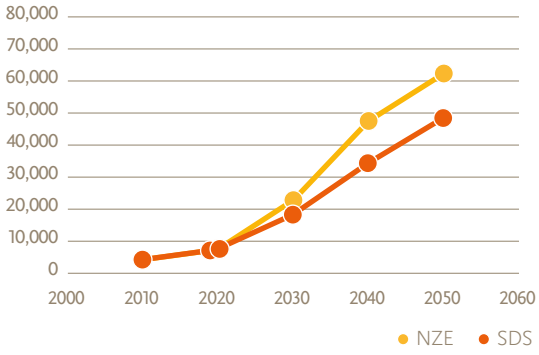
Global oil production (mb/d)



Global gas production (bcm)



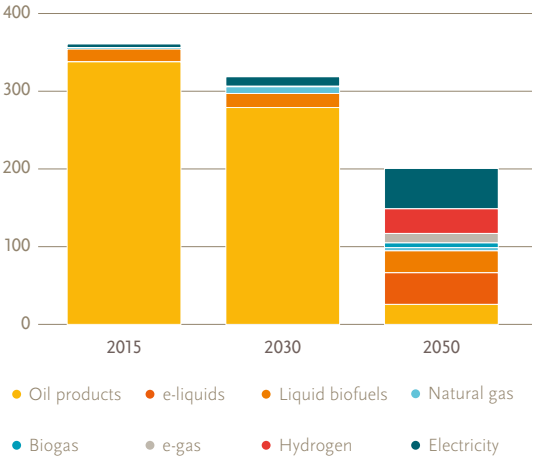
Global renewable electricity generation (TWh)



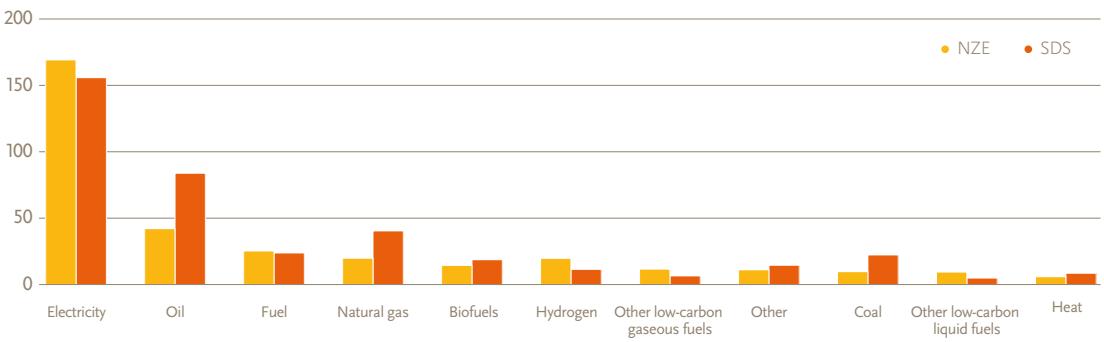
- **In the long term (2031-2050 horizon)** two central scenarios have been developed under the macro conditions set out in the SDS and NZE reference scenarios of the IEA for the Upstream and Renewable Electricity Generation businesses, maintaining a single macro environment for the Industrial and Customer 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).

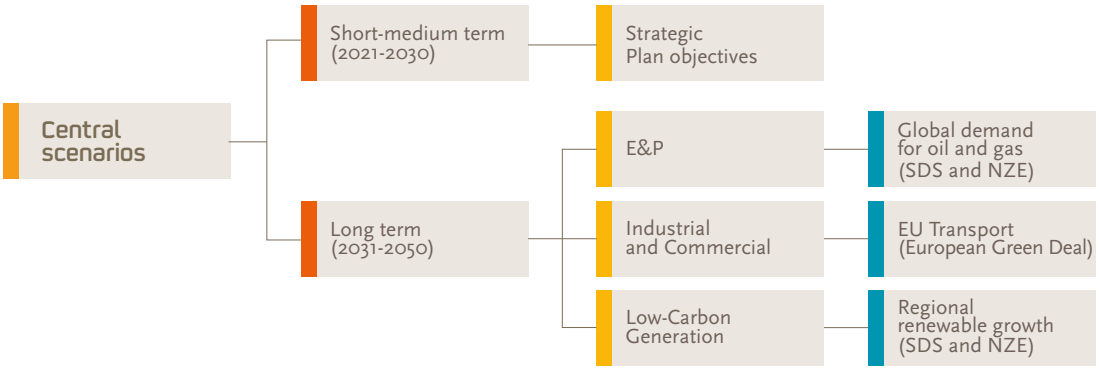
Fuel consumption in the transport sector by 2050 (Mtoe) EU Green Deal Scenario



Total global consumption 2050 (EJ)



Scenario analysis

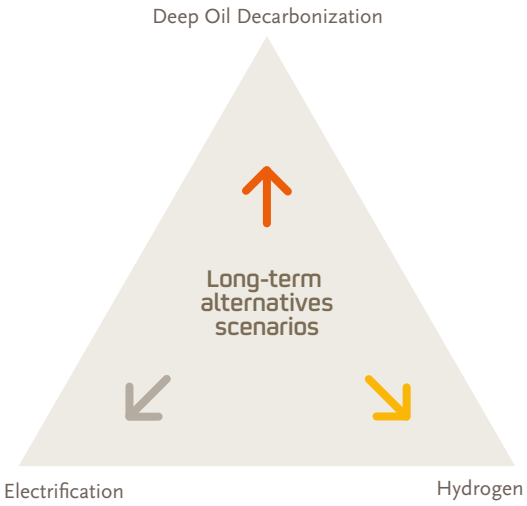


Thus, for the long-term scenario, two central business scenarios have been drawn up for Repsol: one consistent with SDS (SDS for E&P, SDS for Renewables and European Green Deal for Refining and Customer) and another consistent with NZE (NZE for E&P, NZE for Renewables and European Green Deal for Refining and Customer).

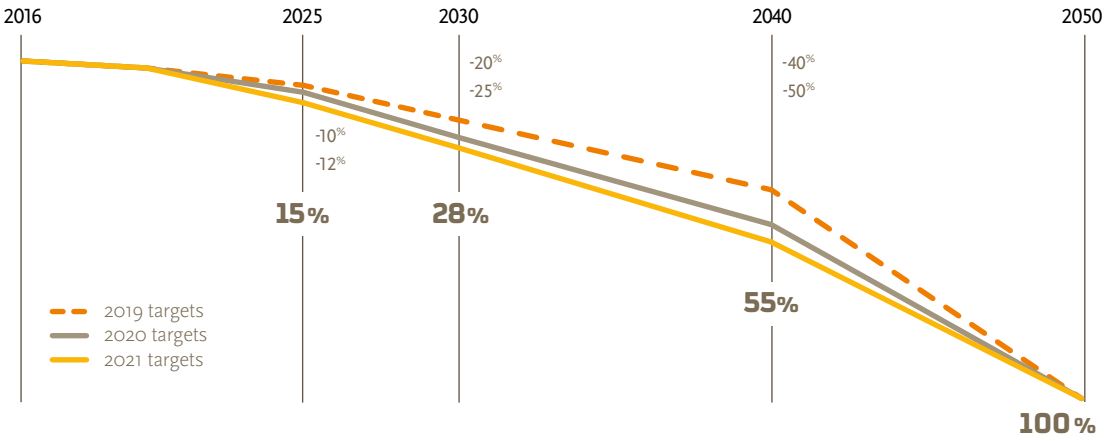
Given the uncertainty in the very long term (2031-2050) regarding the development of technologies that enable decarbonization and, in particular, regarding the assumptions made on transportation under the EU Green Deal scenario, three alternative scenarios to the central scenarios have been developed 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 CO2 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



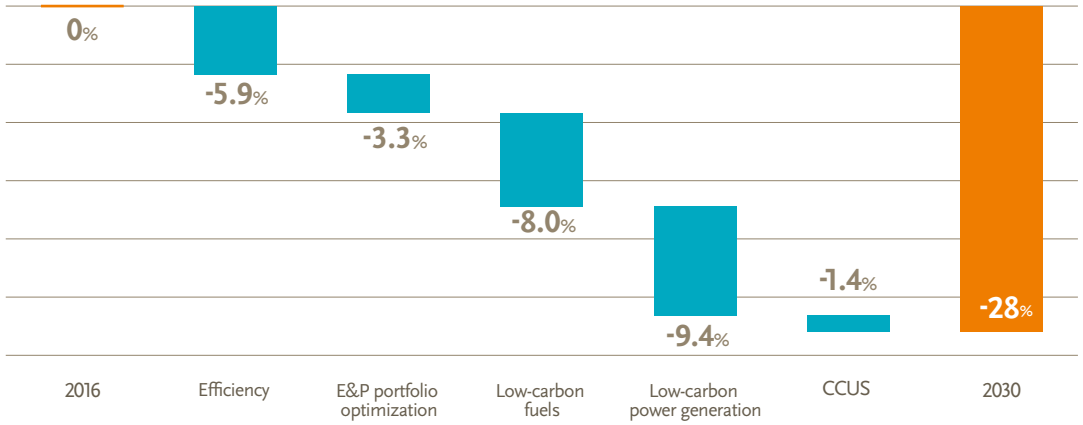
From scenario analysis to the path of net zero emissions. Resilience of the strategy

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 CO2 (CCUS) on the one hand and natural climate solutions (NCS) on the other:

- The Company's central scenarios estimate a reduction of CO2 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.

10 BECCS: Bioenergy with CCS. DAC: Direct Air Capture.

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.

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 CO_2 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.

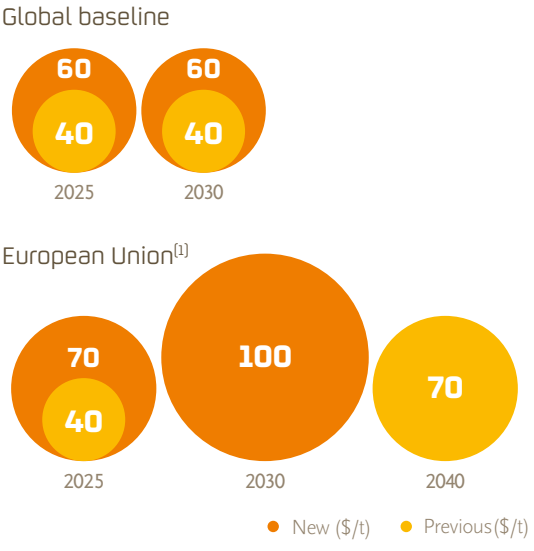
Furthermore, in 2021 Repsol developed its own methodology to assess whether an investment is in line and compatible with its path towards decarbonization.

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.

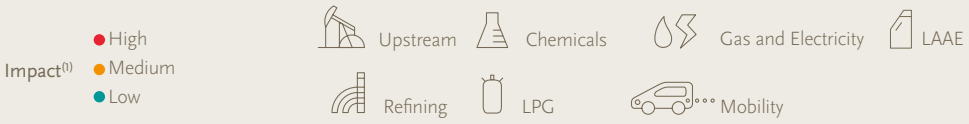
13 See Section 9, 'Risks', and Appendix II, 'Alternative Performance Measures'.

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

	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.
	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.
	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)
	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.
	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.
	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.
	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.
	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 CO_2 or urban waste as raw materials in the production process (circular economy).



(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 2021

2050 target: To achieve net-zero emissions by 2050.

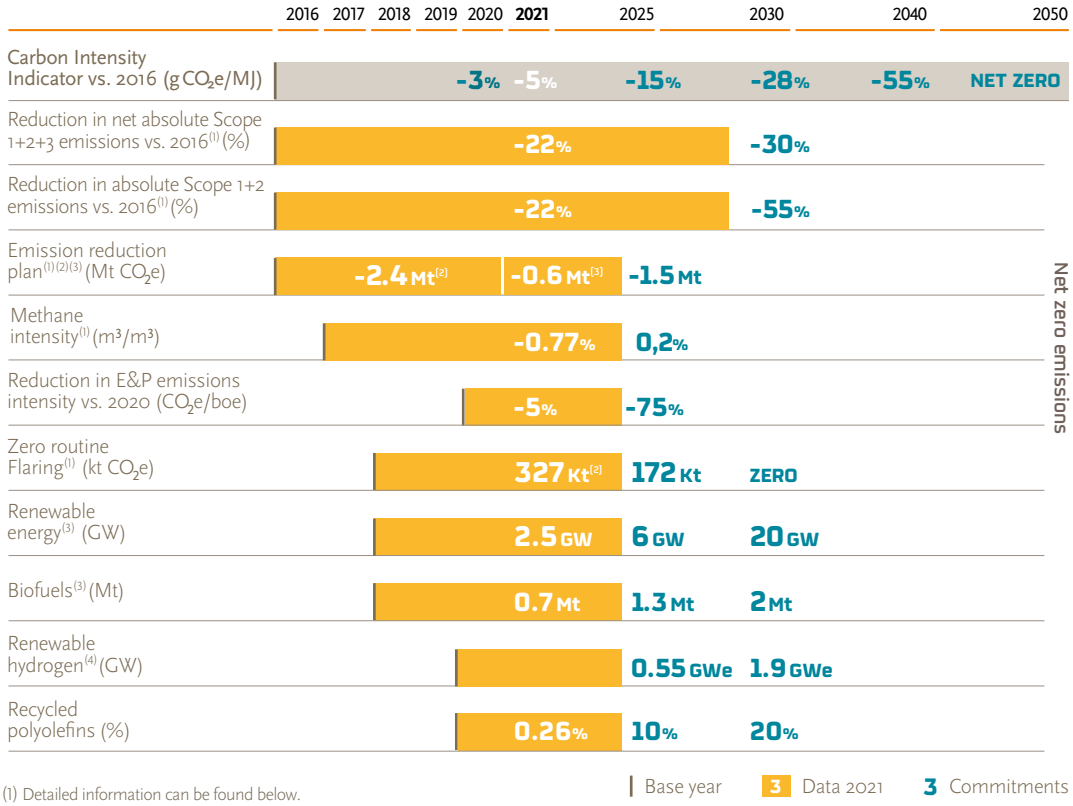
climate projections being used for this purpose are, among others, those of the Copernicus services (the EU's Earth observation program coordinated and managed by the European Commission). For the time being, the work carried out to examine these physical risks does not point to conclusions that differ 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.

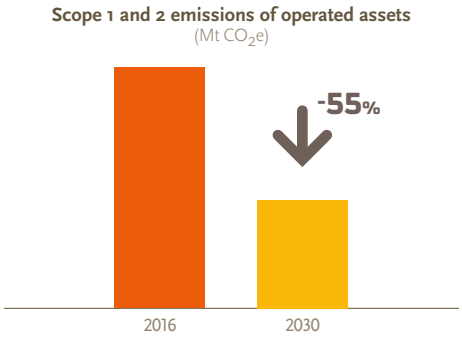
The numerator of the CII shows the emissions generated by the Company's activities (direct and indirect emissions derived from E&P, Refining and Chemicals, and from electricity generation), as well as emissions generated by the use of fuel products derived from primary energy production (oil and natural 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].

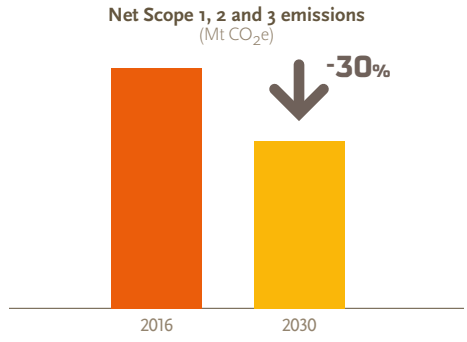
Carbon Intensity Indicator

$$CII = \frac{\text{Scope 1 + 2 operational} + \text{Scope 3 O\&P Upstream base} - \text{Displacement of low-carbon emissions} - \text{Carbon sinks}}{\text{Power from energy products} + \text{Power from non-energy products} + \text{Power from low-carbon sources}}$$

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.

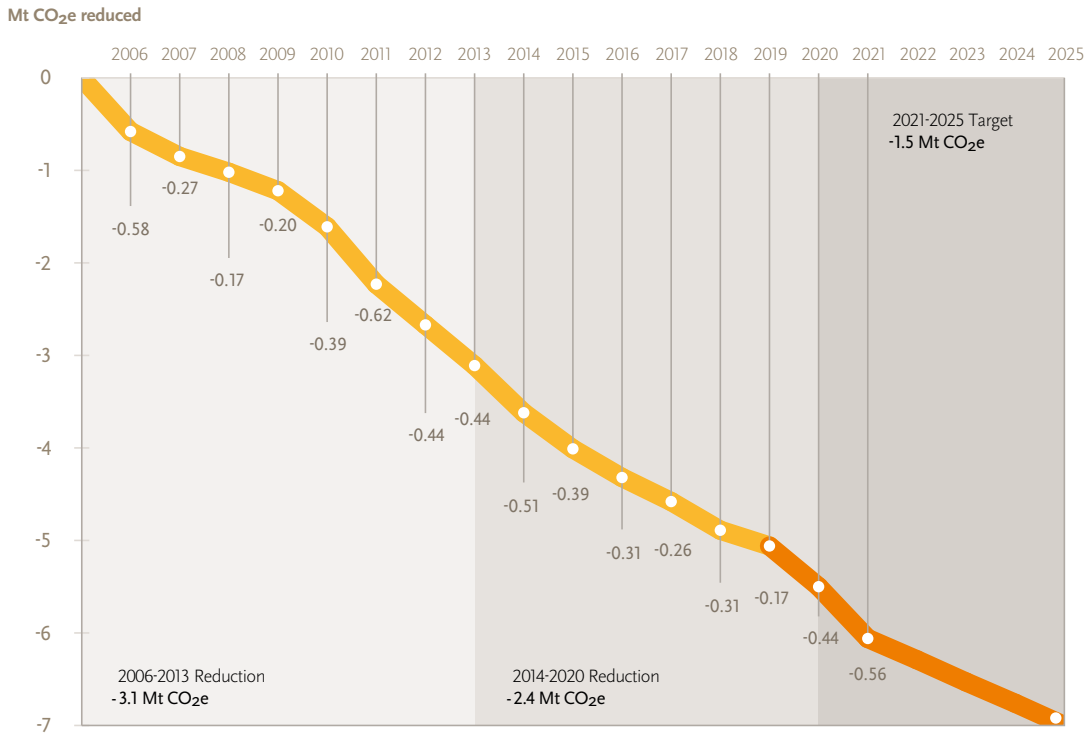
In 2021, a 22% reduction was achieved. One third corresponds to the reduction of Scope 1+2 emissions through the levers explained above, while the rest has been achieved through a reduction in Scope 3 emissions, impacted by a drop in E&P production partly due to the ongoing pandemic.

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 CO_2 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 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

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.

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.

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.

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.

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)

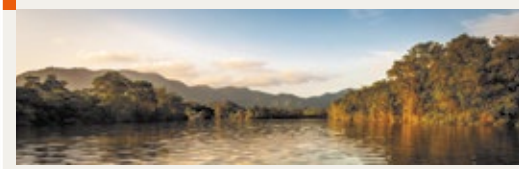
The following management measures have been implemented (all actions have been agreed and approved by the competent environmental authorities):

- 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

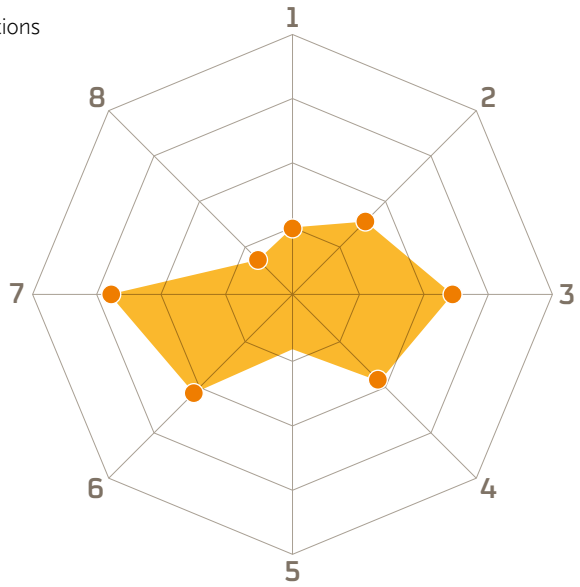
4. Water sources
Assessment of the water bodies from which the Company draws water (availability, water stress, quality)

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

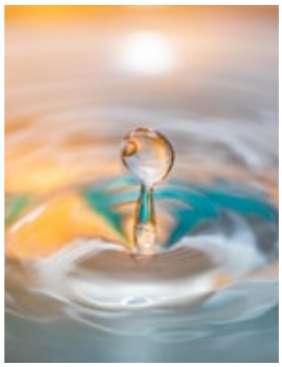
External reuse
of water

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.

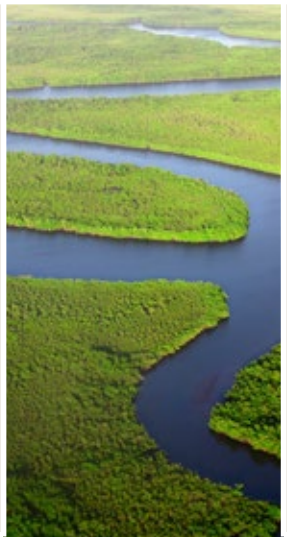
Internal reuse
of water

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.

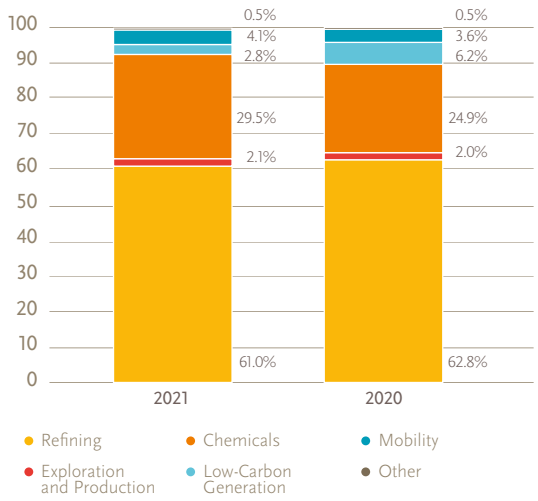
Reducing
the impact of discharges

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:

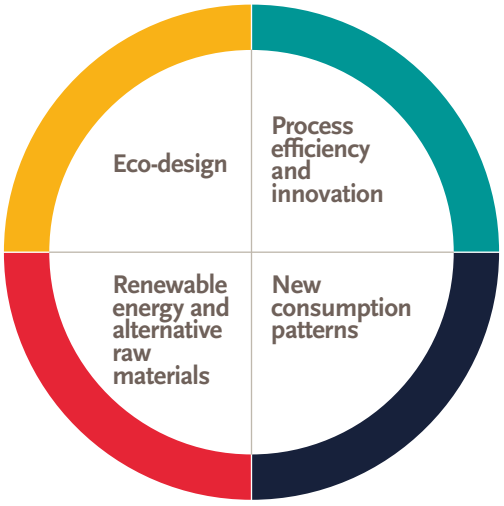
- More than 270 circular projects across 14

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.

Product manufacturing
Renewable energy sources and alternative raw materials of residual origin are used in the manufacturing of our products.



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.

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

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.

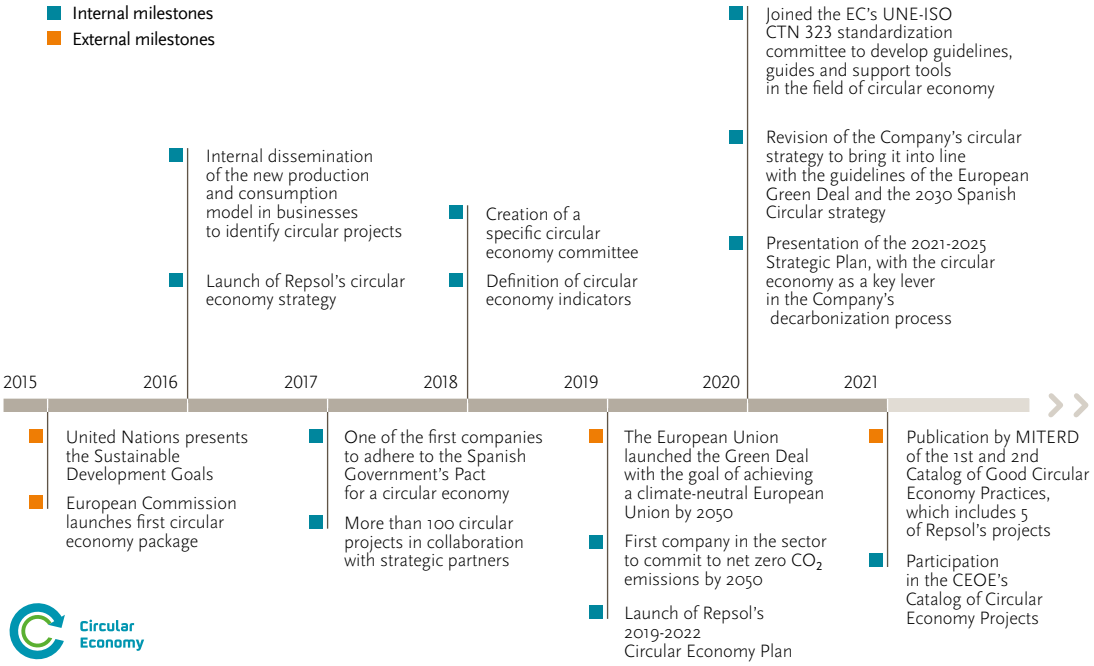
Repsol prioritizes efficient management of resources, focusing on the circular economy.

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



+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.

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.

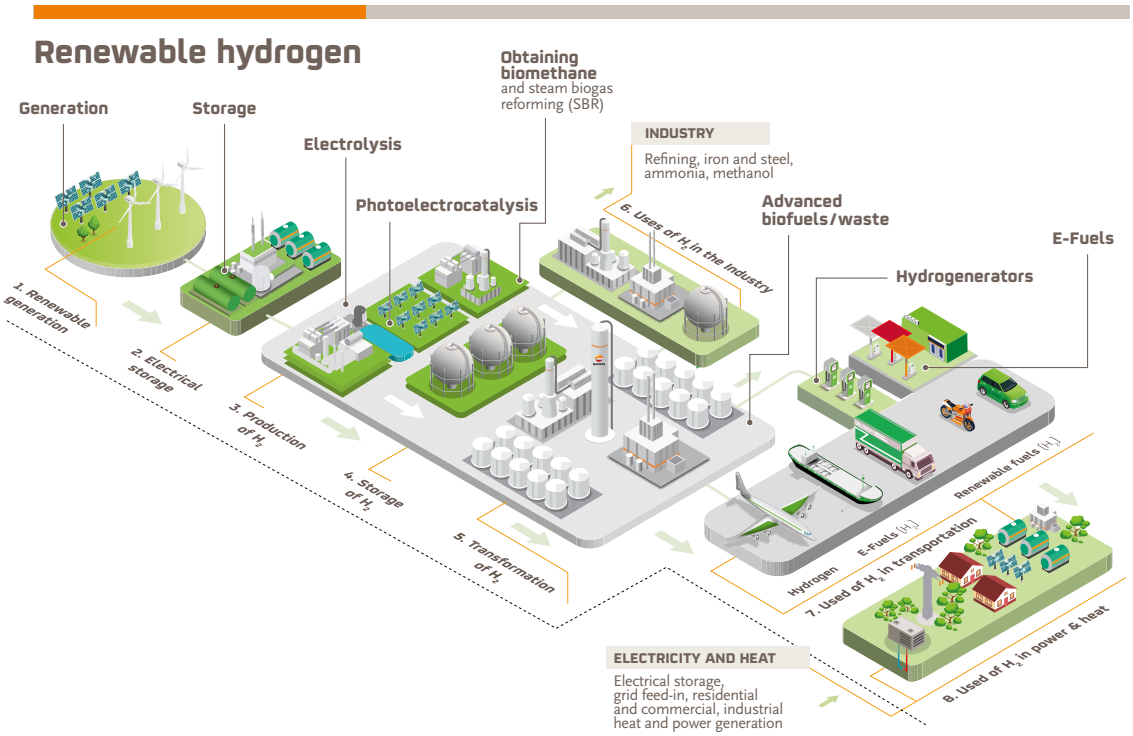
The plan drawn up for all these technological initiatives calls for their incorporation into the hydrogen valleys — where there is high demand for renewable hydrogen with different requirements depending on users' demand — promoted by Repsol throughout Spain. These valleys should, on the one hand, help 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

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.



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 CO_2 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.

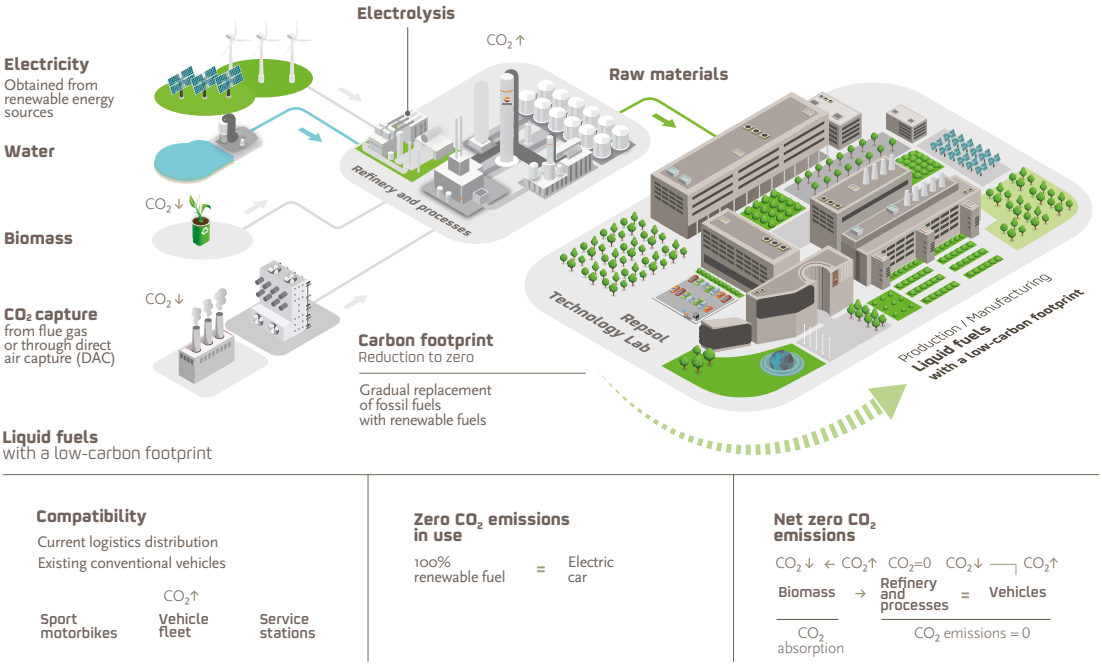
Production of synthetic fuels from renewable hydrogen and CO2 captured at the refinery itself

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 CO_2 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 CO_2, with a potential of 1.6 Mt/year.

The captured CO_2 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 CO_2. 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 CO_2 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.

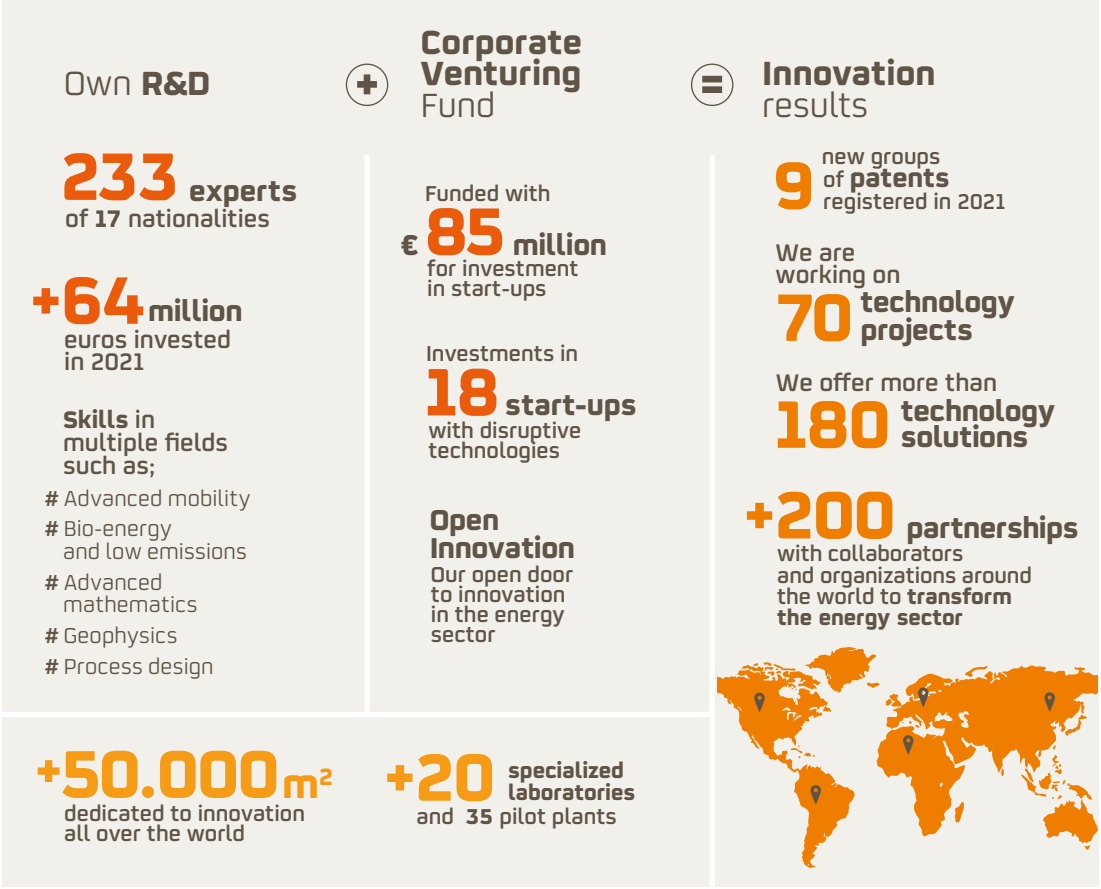
In addition, after seven years as a shareholder and as part of the natural venture capital cycle, the Company has divested its interest in Scutum-Silence, a Spanish company that manufactures and markets electric motorcycles.

GSP 2021

Ambition

Drive technological innovation as a lever of transformation towards more sustainable business models.

Repsol Technology Lab



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:

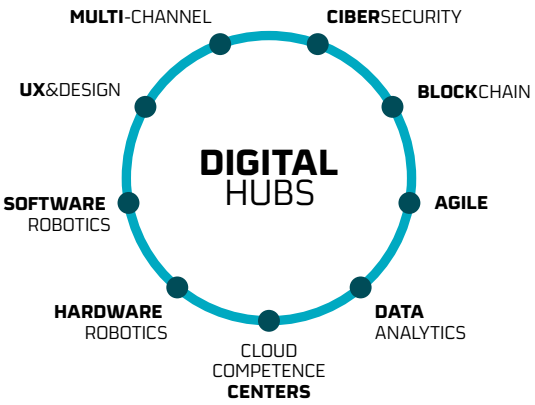
- Obtaining economic benefits along the entire value chain through the implementation of digital tools.
- Promoting the transformation of work methods and develop employees' digital capabilities.
- Making a positive contribution to achieving net zero emissions by 2050 through digitalization.

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.

Technologies for digitalization



Juan José Casado, Best Chief Data Officer 2021 at the 3rd edition of the Best CDO and Data Strategies Awards 2021.

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

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

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

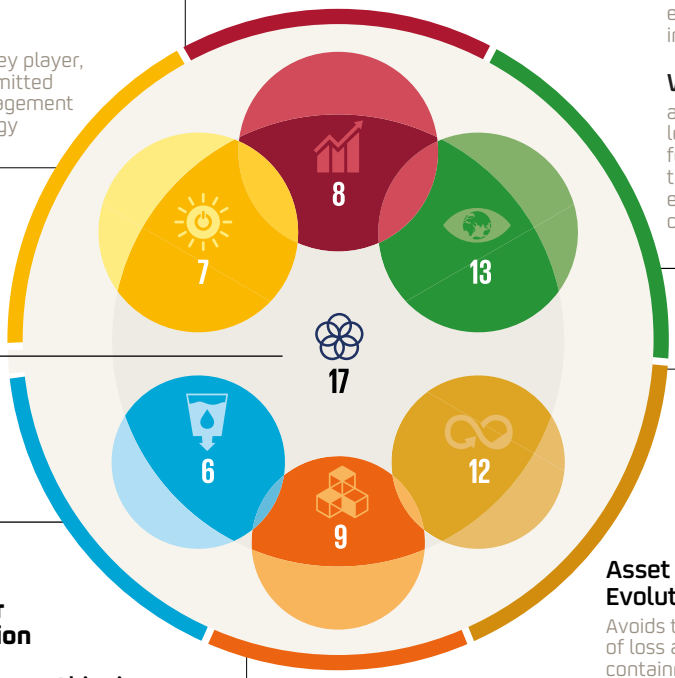
SMART Energy Management
End-to-end optimization of energy use

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
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 CO_2 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

waylet

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.

ARiA

- 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

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.

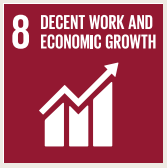
In 2021, against an economic backdrop of immense pressure within the industry — further aggravated by the uncertainty of the energy transition and the pandemic —, Repsol remained firmly committed to protecting jobs across the globe.

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

Through its people management policy, Repsol promotes a work environment based on equal opportunities, diversity and inclusion.



GSP 2021

2025 target

Achieve a 35% increase of women in leadership positions.

Employees

24,134

Gender indicators

38% women at the company

31% women in leadership positions

41% of new hires with indefinite-term contracts are women

Presence in 32 countries

77 nationalities

Direct hiring of differently-abled employees

475 people

2.29% LGD Spain

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

- **Pension** plans
- Medical **insurance**
- 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

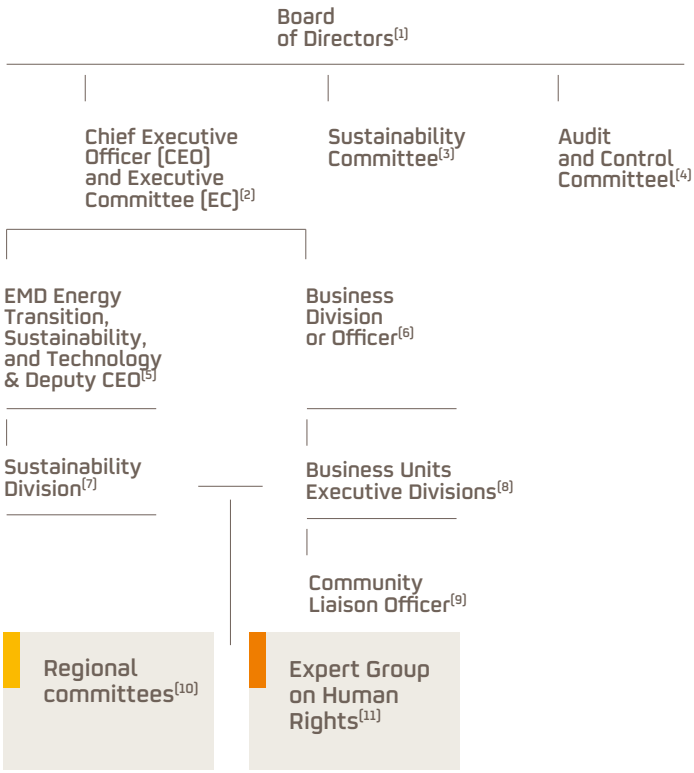
Since its approval in 2008, the Human Rights and Community Relations Policy has been adapted to comply with the highest international standards. It represents the formal commitment of senior management to steer the Company's endeavors in this area. This policy and the management of all its activities 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 2021

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.

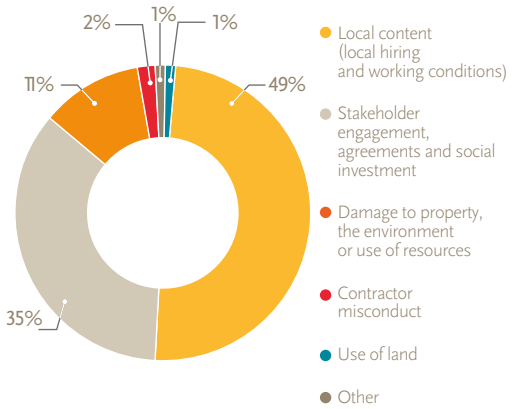
Relevant complaints are handled at the local level and forwarded to the communities and human rights expert team of the Sustainability Department

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

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.).

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.

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

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 (H2S) 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

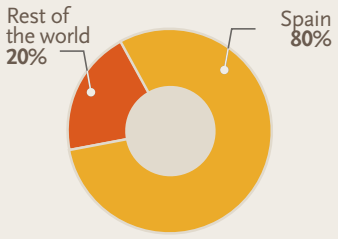
Repsol has been voluntarily publishing a Country by Country Report (CbCR) since 2018. The published CbCR not only shows the key economic figures related to Repsol's performance in the countries in which it is present, but also provides a description of its business model and value chain with contextual 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 CO_2 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

- 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
Tax governance, control, and risk management

- 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
Stakeholder engagement and advocacy

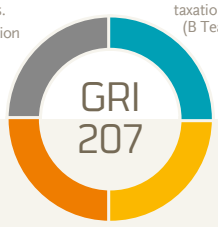
- Applying the Spanish Code of Good Tax Practices.
- Voluntary filing of the Tax Transparency Report to the Spanish tax authorities.
- Classified as an Authorized Economic Operator in the European Union and Peru.
- Founding member of the Extractive Industries Transparency Initiative and fully committed 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
Country-by-country reporting

- 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).

B Team Responsible Tax Principles

- Responsibility and governance
- Corporate structure
- Transparency
- Compliance
- Tax incentive
- Support to effective tax system
- Stakeholder engagement



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.

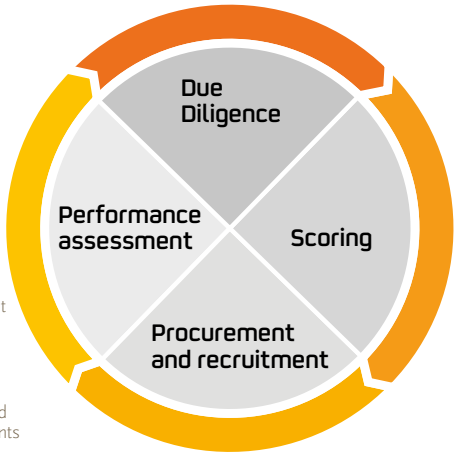
Supply chain risk management

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.

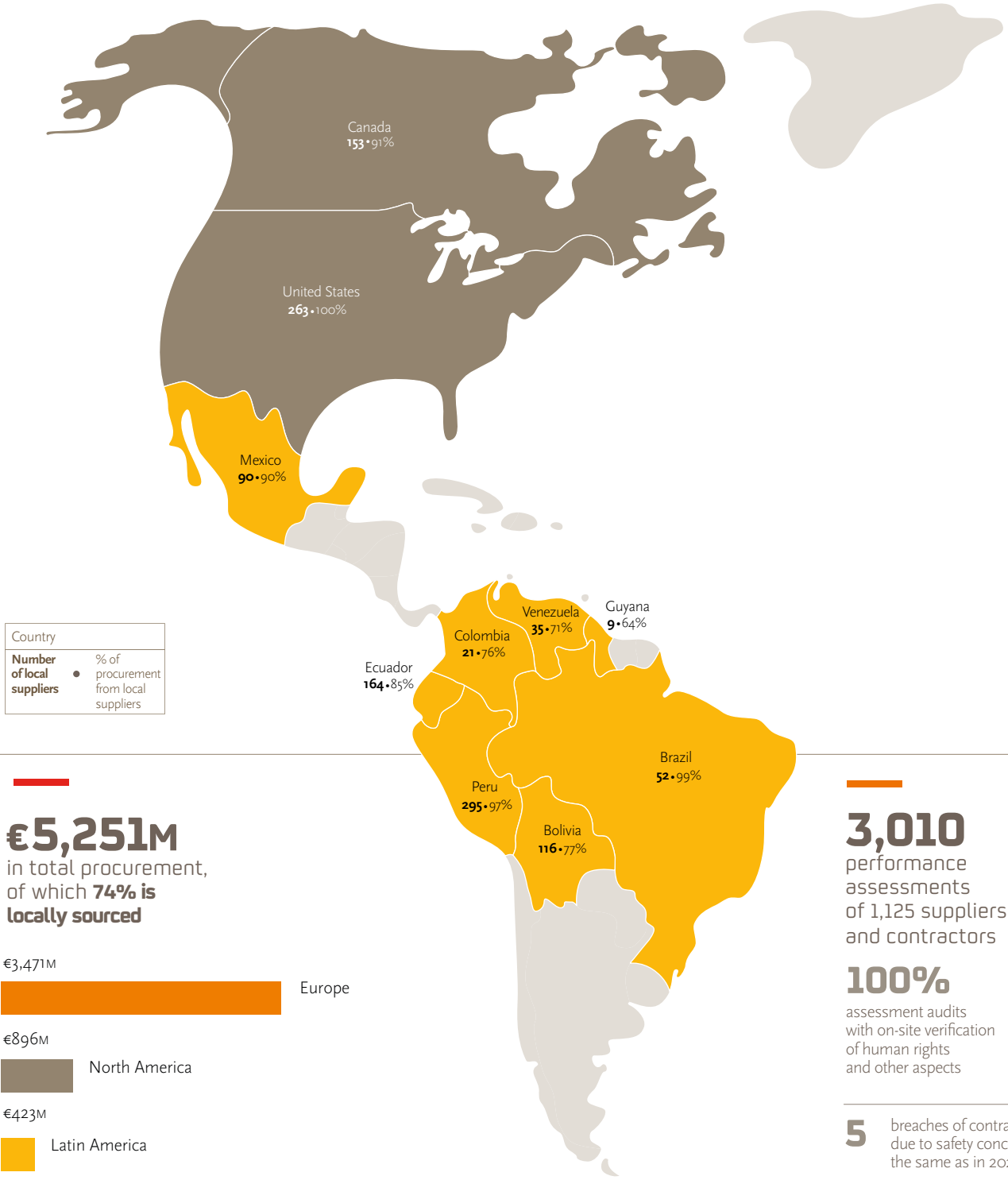
Indirect economic impact

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

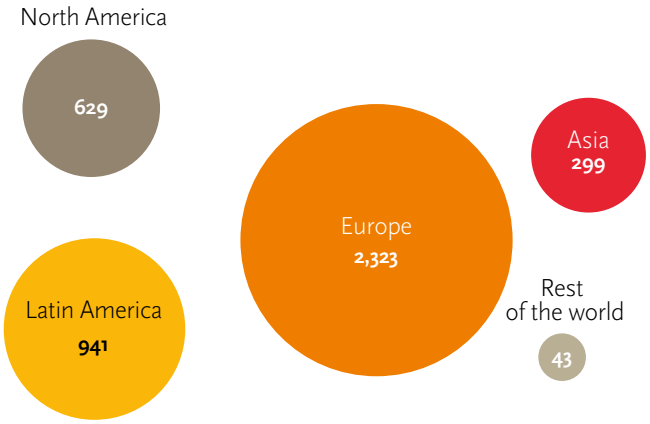
In 2020, a total of **5** assessment audits were carried out. A total of **2,007** performance assessments were conducted among **1,056** suppliers and contractors and **1,541** suppliers were scored. In 2020, total procurement came to **€4,433 billion** from **4,571** suppliers, **78%** of which were 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*).

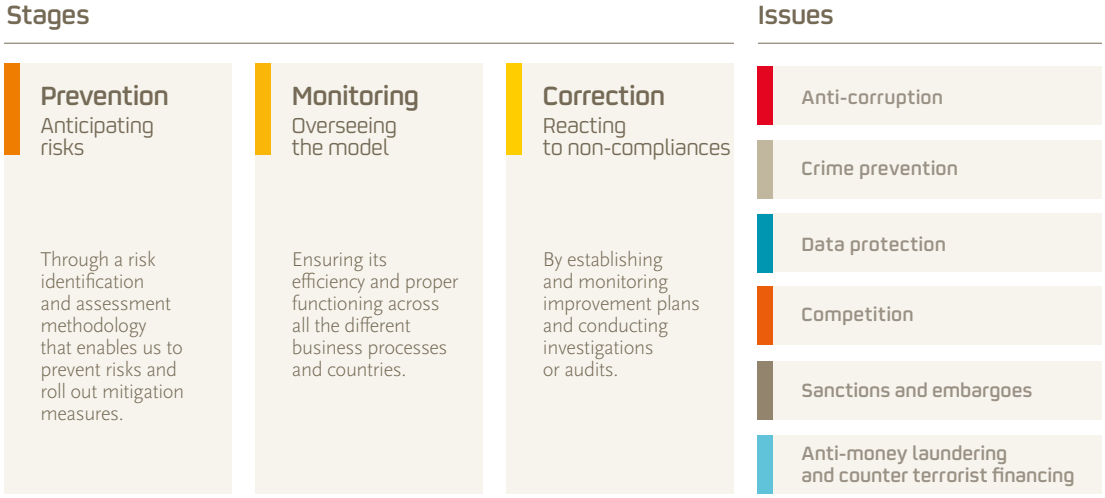
No matter the type of customer, claims or queries relating to sustainability issues are handled with the aim of minimizing or mitigating potential environmental or social impacts. The process for handling claims is as follows:

- 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



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.

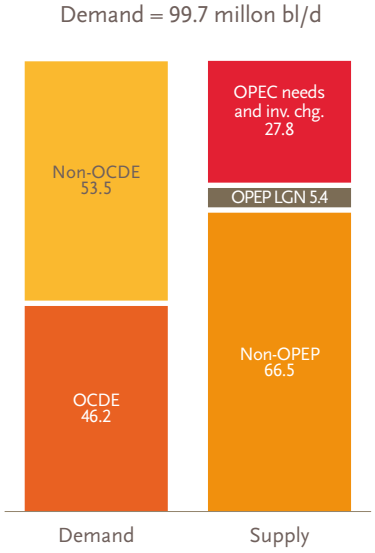
Against this backdrop, forecasts and projections will be fraught with uncertainty. And the risks to these growth forecasts are skewed to the downside.

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

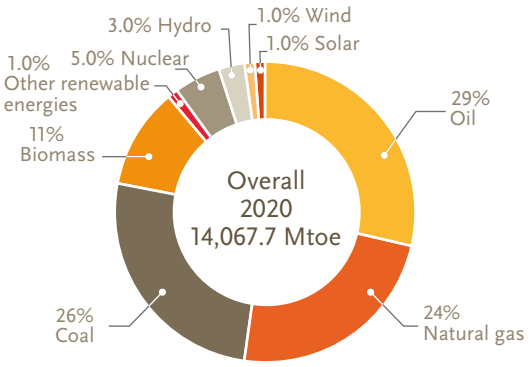
in Europe and taking advantage of the situation. The LNG capacity increases planned for 2022 will come at the right time and with a secure market, so exports are expected to continue to grow at a good pace. Beyond the fundamentals, the energy/climate policies pursued by the government and the severity 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

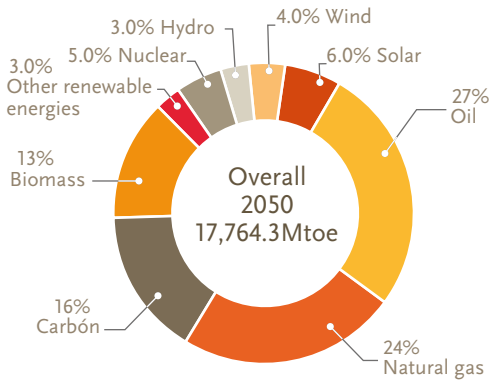
On a global scale, hydrocarbons account for over half of the primary energy consumed. Specifically, 29% of global primary energy consumption is derived from oil, which is the most commonly used energy source, followed by coal (26%) and natural gas (24%). Other renewable sources besides hydropower and biomass contribute barely 2%.

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%.

World primary energy matrix in the IEA's STEPS scenario



Source: *AIE* and Repsol Research Unit



Source: *AIE* and Repsol Research Unit

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, CO2 emission reduction plans and cash generation.

At the Industrial businesses, Repsol will continue to pursue its decarbonization program in 2022 through plans to reduce CO2 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

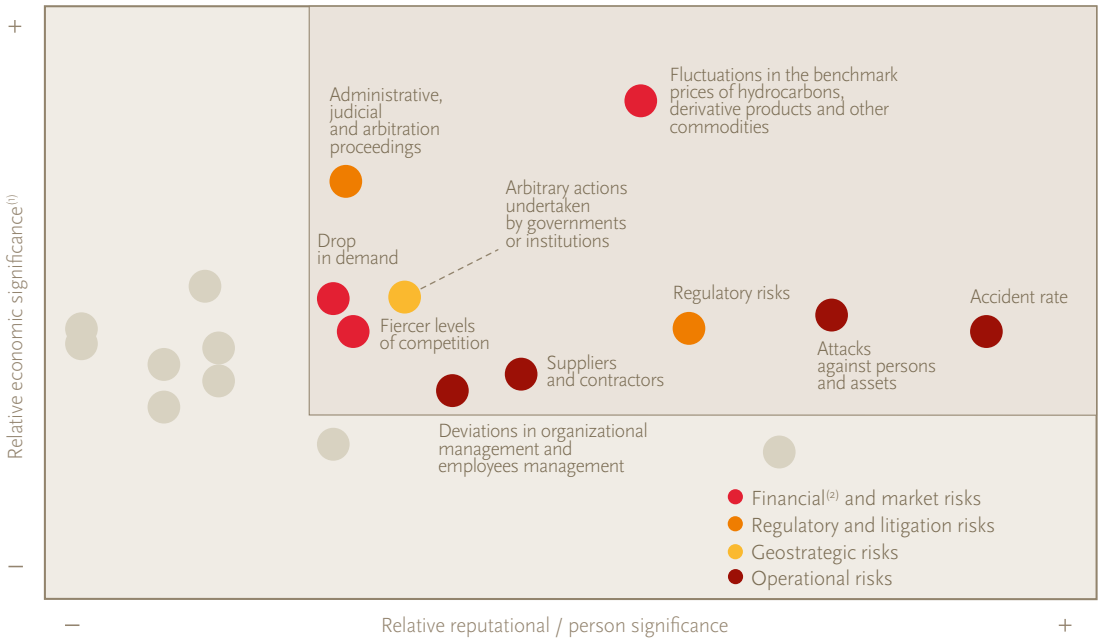
More information can be found in Appendix IV "Risks".

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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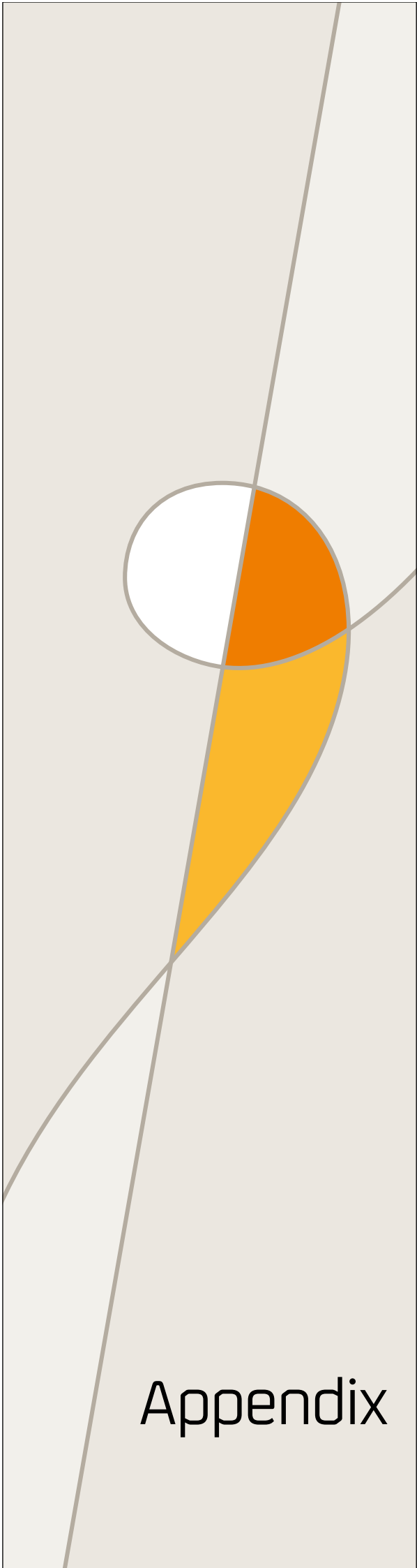
Appendix VII. Annual Report on Director Remuneration



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)	m^3	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	m^3	0.98	0.01	0.001	0.001	1.00	35.32	10.35
	1,000 cubic feet=1.04x10^6 Btu	f^3	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 genaration	**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]

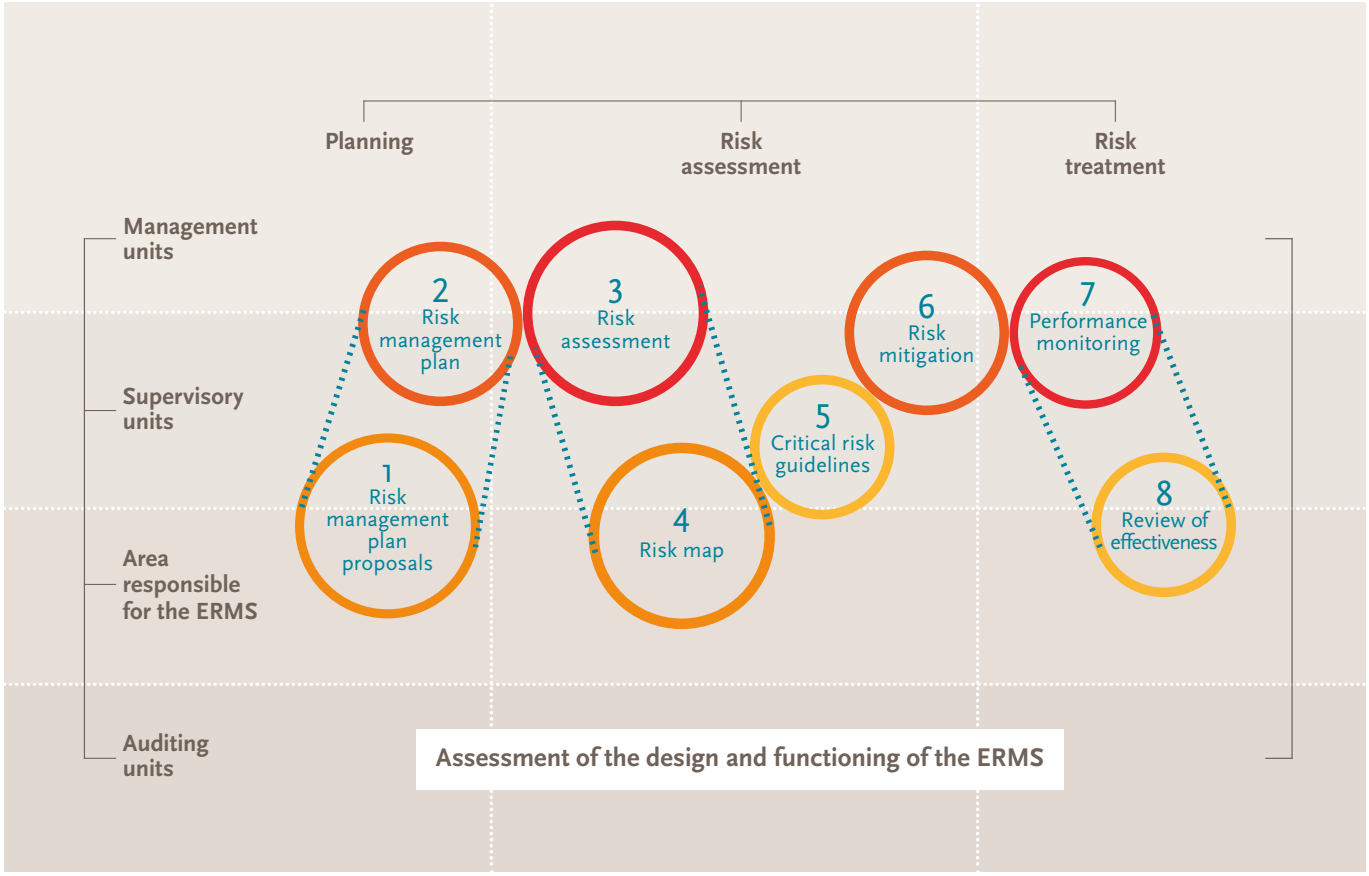
Repsol operates an Integrated Risk Management System: through coordinated action among all units involved, the key risks arising from the Group's activities are identified, measured, managed and supervised in line with the risk policy, management systems effectively mitigate the risks to the stipulated 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 CO_2 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]

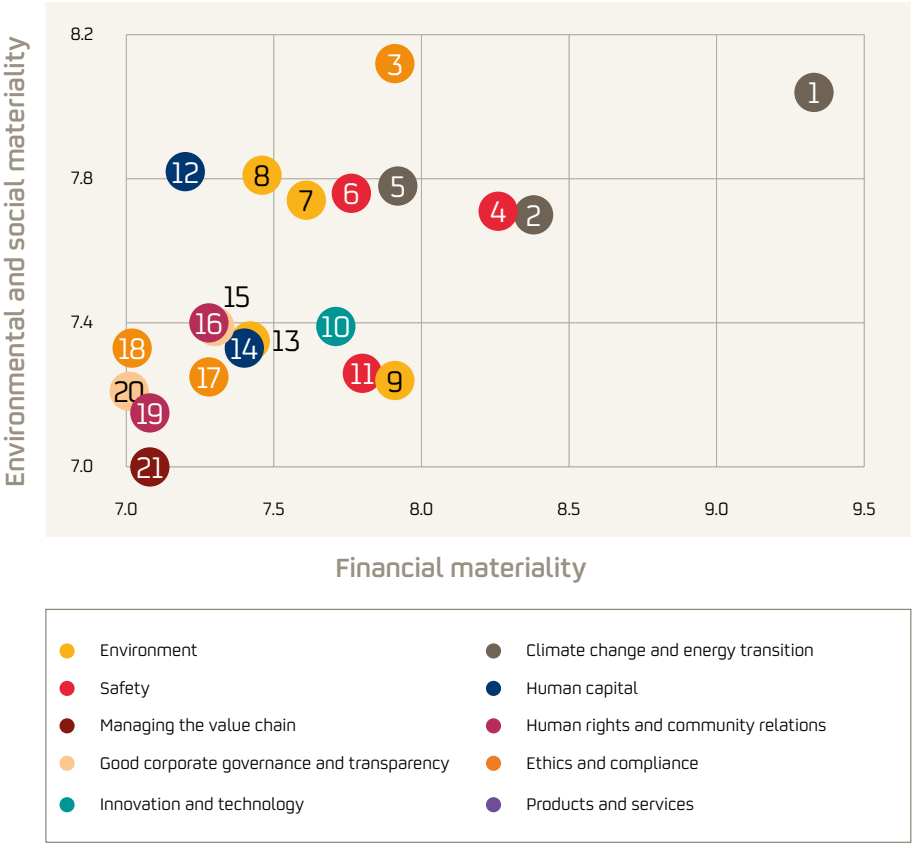
Matters identified by stakeholders

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.

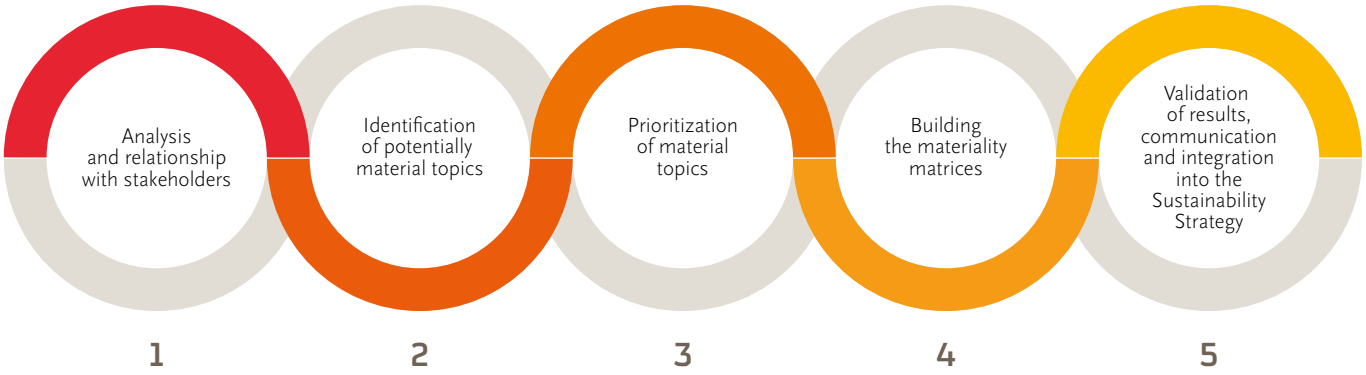
In 2020, the COVID-19 pandemic triggered an unprecedented health and economic crisis. To identify the impacts of this crisis, Repsol launched a complete materiality assessment involving 19 areas of the organization and 22 countries and in which more than 5,000 surveys and interviews were conducted with 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	How we relate
Periodic review in collaboration with stakeholder management areas	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

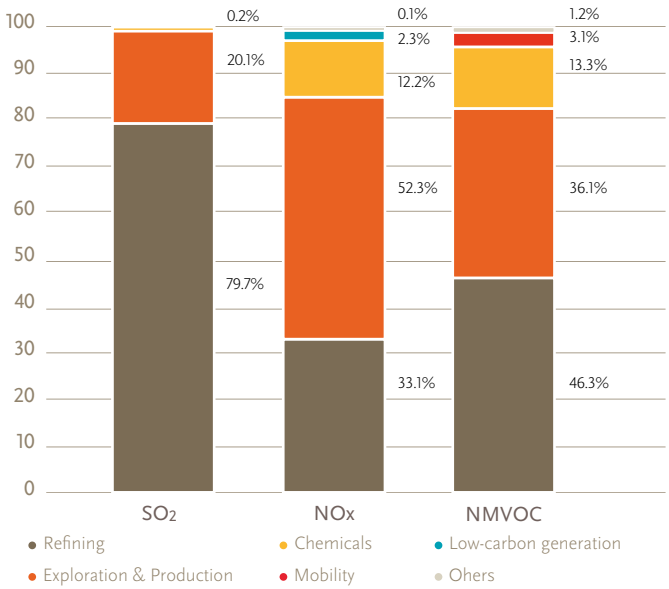
[305-7] Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant atmospheric emissions

[EM-EP-120a.1] [EM-RM-120a.1] [RT-CH-120a.1] Atmospheric emissions of NOx (excluding N2O), SOx, volatile organic compounds (VOCs), particulate matter (PM10), H2S (only at Refining & Marketing), HAP (only at Chemicals)

SO2, NOx and NMVOC emissions (t)	2021	2020 (1)
SO2	25,190	24,360
NOx	18,197	18,826
NMVOC	19,214	21,422

(1) The emissions data for NMVOCs, NOx and SO2 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, SO2 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. SO2 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 SO2 / 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 SO2/thousands of boe produced	0.036	0.032
Tons of NO2/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 SO2 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		2020	
		All areas	Water-stressed areas	All areas	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

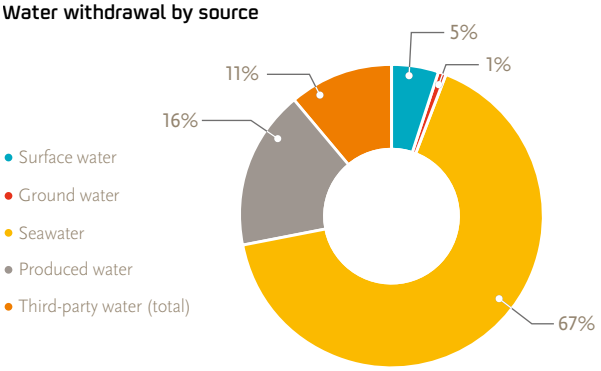
(1) In 2021, the scope of the indicator was widened to include Marketing activities. The 2020 data has been updated from that published in the 2020 Integrated Management Report to include the same scope.

[EM-RM-140a.1] Percentage of water reused

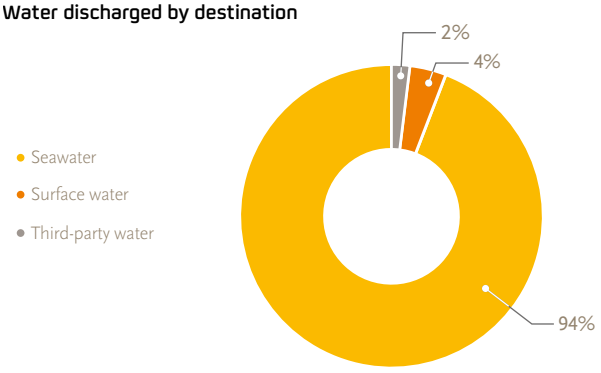
(%) Water reused / Water entering operations	2021	2020
Refining and Marketing (1)	32%	28%

(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

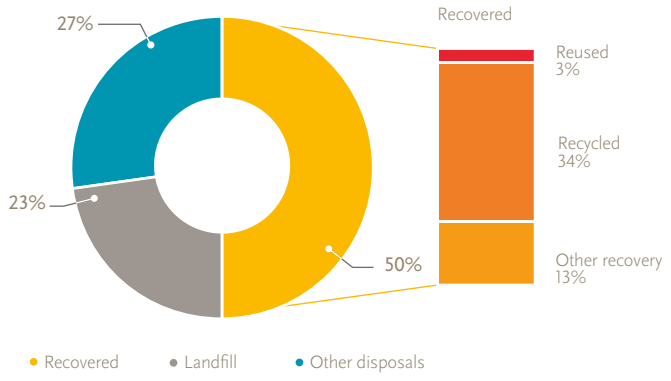
	Managed at facilities (t)	Managed outside facilities (t)	Total (t)	Managed at facilities (t)	Managed outside facilities (t)	Total (t)
Non-hazardous waste	**2021**	**2021**	**2021**	**2020**	**2020**	**2020**
Transfer to landfill	17	33,289	**33,306**	1,548	38,771	**40,319**
Other disposal treatments (1)	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

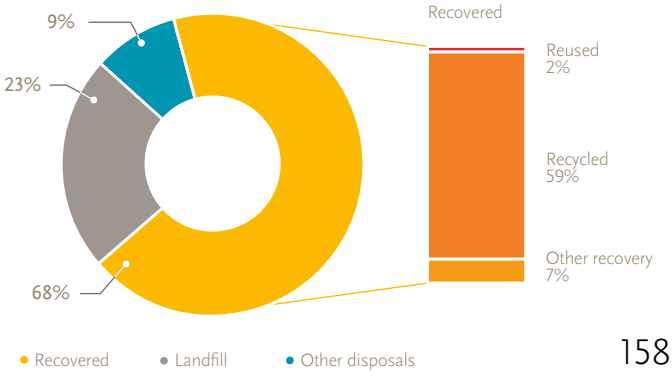
In 2021, there was an increase in the amount of hazardous waste (85%) and non-hazardous waste (67%) managed by the Company as a result of the recovery of activities following the COVID-19 crisis and the implementation of Refining projects (biofuel project in Cartagena and cleaning of waste resulting 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.	●	●	●
	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.	●	●	●
	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.	●	●	●
EMISSIONS	Noise and vibrations	Noise and vibrations caused by processes can disturb local wildlife.	●	●	●
	Light	The light emitted by our activities can generate a visual impact at night.	●	●	●
	Dust	Dust emitted can generate impacts when it lands on vegetation, while also disturbing local fauna in the vicinity of the facilities.	●	●	●
	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.	●	●	●
	Fugitive emissions and venting	Unplanned fugitive emissions and venting can impact local air quality and also climate change on a global scale.	●	●	●
	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.	●	●	●
DISCHARGES	Wastewater, gray water and food waste	The discharge of treated wastewater may cause changes in the quality of available water.	●	●	●
WASTE	Hazardous waste	Waste can lead to contamination of soil and groundwater/surface water, possibly impacting the ecosystems and habitats of certain species.	●	●	●
	Non-hazardous waste	Contamination of soil and groundwater/surface water, possibly impacting the ecosystems and habitats of certain species.	●	●	●
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.	●	●	●
	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.	●	●	●
	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.	●	●	●

● 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

		<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	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

		<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	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**	
		N°	**%**	**N°**	**%**	**N°**	**%**	**N°**	**%**	**N°**	**%**	**N°**	**%**	**N°**	**%**	**N°**	**%**
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]

	Average compensation 2021 (€)									
Occupational category	**Managers[2]**		**Manager**		**Professional/Specialist**		**Administrative staff**		**Workers**	
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

	Average compensation – 2020 (€)									
Occupational category	**Managers[2]**		**Manager**		**Professional/Specialist**		**Administrative staff**		**Workers**	
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]

	Average compensation – 2021 (€)											
Age	**<30**				**30-50**				**>50**			
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

		2021			2020		
Job category		**<30**	**30-50**	**>50**	**<30**	**30-50**	**>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

	% of executives, managers and technical managers from the local community (1)	
Country	**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.

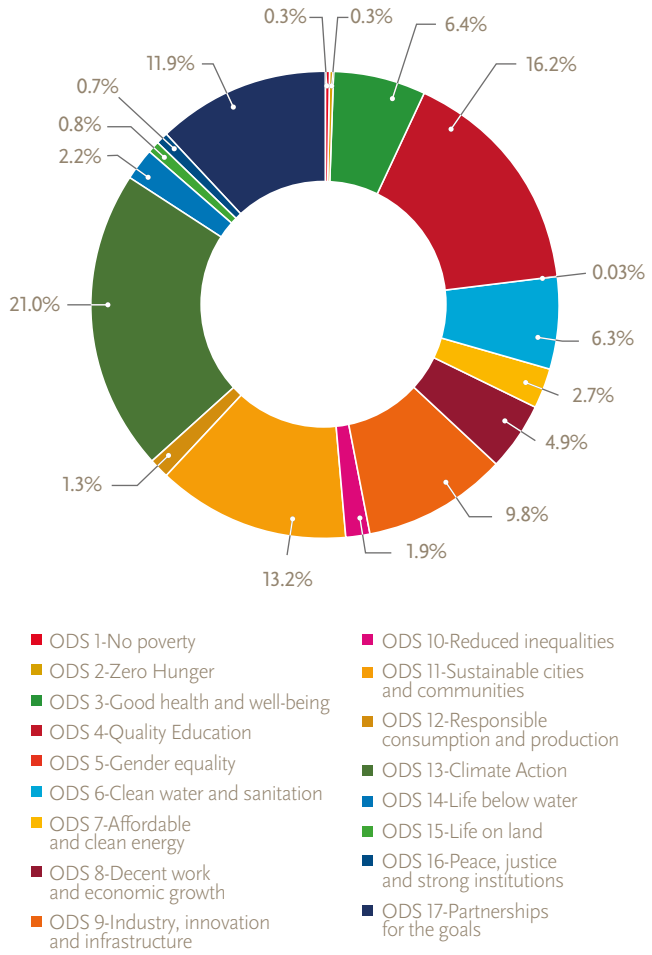
Voluntary social investment (€M)

	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:

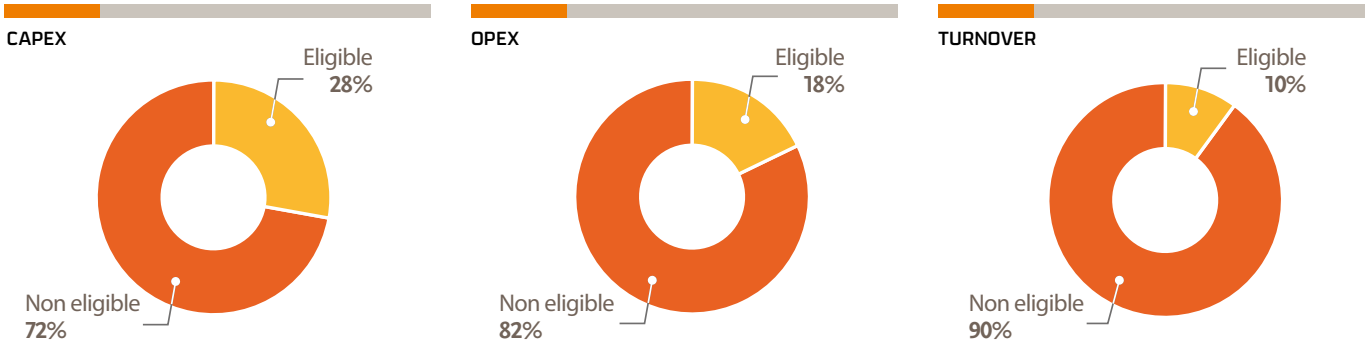
Contents	GRI Standards	Reference in Management Report, Reports or website	Comments
0. General contents			
a) Business model: 1) business environment, 2) organization and structure, 3) markets in which it operates, 4) objectives and strategies, 5) the main factors and trends that may affect its future 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



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 CO_2 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 CO2 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 CO2 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 (tCO_2e) 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.

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 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