



2021-2022

Annual ESG
Engagement
report

Investor
Relations
Team



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A successful and credible story on Energy Transition



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Camisea. A notable case study of how we improve our partners' performance



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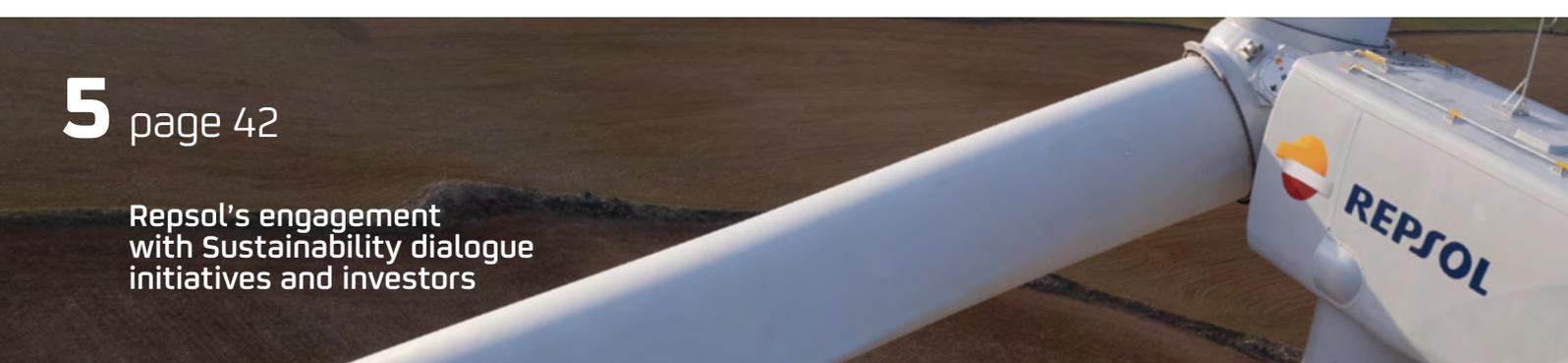
Monitoring of the development of ESG investors in Repsol's shareholder structure



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Main activities carried out in the last 12 months



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Repsol's engagement with Sustainability dialogue initiatives and investors

Message from the Director of Investor Relations

Ramón Álvarez-Pedrosa



I am delighted to present Repsol's **eighth Annual ESG Investor Engagement Report**, summarising our communication activities held with investors during the second half of 2021 and the first half of 2022.

At the start of the period in October 2021, we held our **landmark Low Carbon Day**, announcing to our investors and stakeholders the update of Repsol's decarbonisation targets and exhibiting our solid progress towards becoming carbon neutral by 2050. This event included subject-matter expert speakers from across business areas of our company, each demonstrating how Repsol will innovate and build on our strengths to benefit from the opportunities of our decarbonisation pathway and to play an enabling role in the economies in which we operate.

Our **energy transition plan** is based on **renewable power generation**, and the

necessity and opportunities of other **technologies that are crucial to enabling the transition**. Aviation, heavy industry, and maritime transportation are key sectors for society's functioning, and **low carbon fuels** will be essential for its decarbonisation. Because of this, Repsol is investing and innovating in advanced biofuels, synthetic fuels, hydrogen, and carbon capture, utilisation, and storage, which will play a key role in ensuring no sector is left behind.

The company is in an excellent position to undertake this transformation, relying on **technological innovation** and **digitalisation** as drivers to develop and maintain its firm 2050 net-zero commitment to society, while delivering value to our stakeholders.

The pandemic recovery and a range of unprecedented events at the start of 2022 have had profound global economic



Our energy transition plan is based on renewable power generation and the necessity and opportunities of other technologies that are crucial to enabling the transition.”

and geopolitical consequences. **Repsol plays a vital economic role in ensuring energy security and supply**, and as an integrated energy company, Repsol is best placed to enable the energy transition through our expertise and strategic energy capabilities, whilst also continuing to provide traditional energy to support our customers and economies during this period of uncertainty.

Across late 2021 and first half of 2022, we focused on maintaining our excellence in communication and transparency with investors, despite the challenges presented by the covid pandemic, seeking to maximise efficiency in our interactions. I am proud to say that we have met with **120 ESG investors** based in 11 different countries, most of them still being met remotely. As we advance, we are resuming in-person investor meetings, and look forward

to our **2022 ESG Investor Day, which will be held in London on the 4th of October.**

The presence of ESG investors in our institutional shareholder base has continued to increase, reaching a historic high of 39.9% as of March 2022, compared to 34.1% in March 2021.

At Repsol we believe that these results highlight the **credibility** of our **ESG strategy** and show our commitment to transparency and willingness to engage with investors. This would not be possible without the **active role** of our **CEO**, Mr Josu Jon Imaz, the Senior Management team and the coordinated activities of Investor Relations, and our Sustainability and Governance teams' specialists.

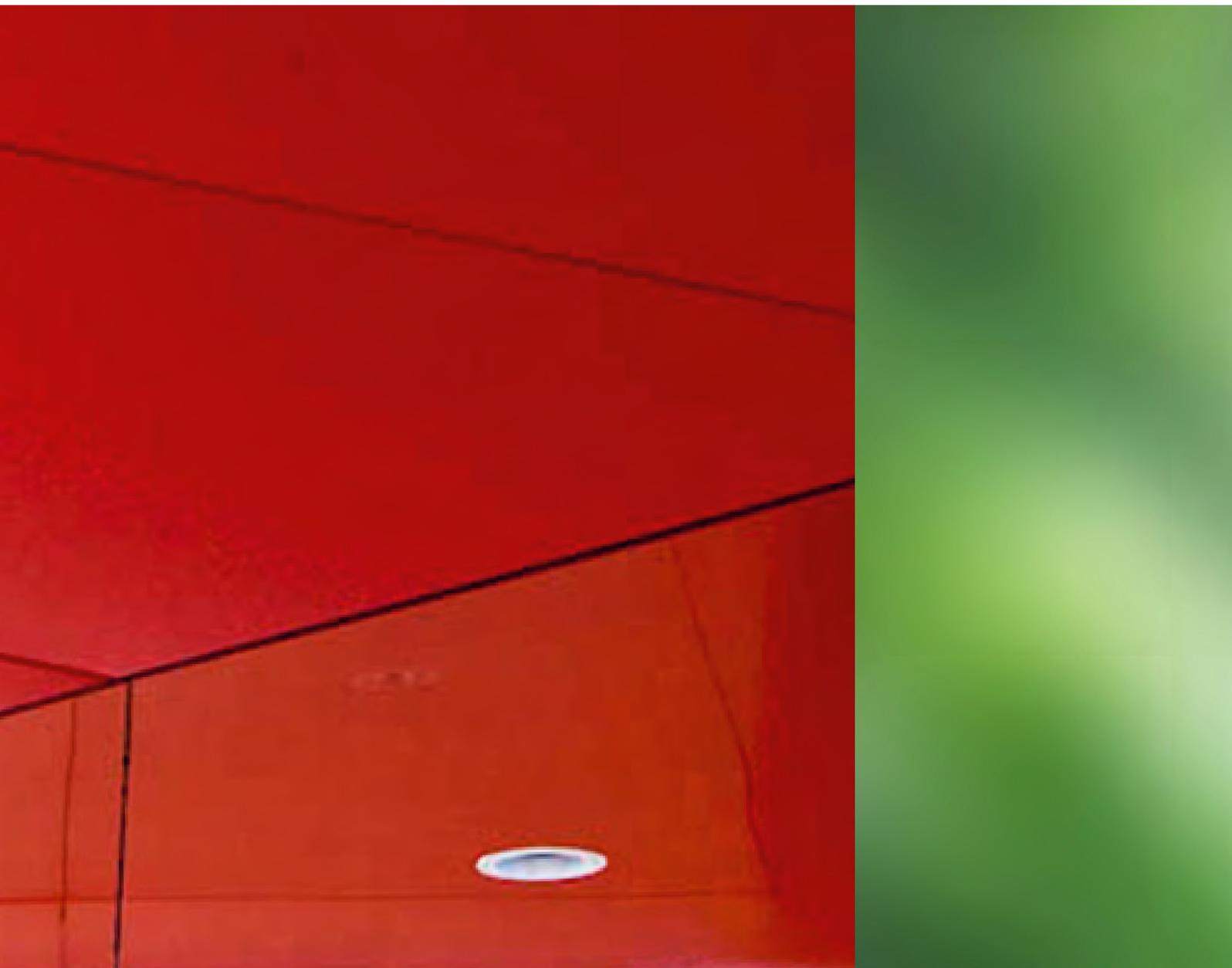
This report reiterates our firm commitment to dialogue with investors. We thank each of them for their continued support and enthusiasm to engage with us.

1

A successful and credible story on Energy Transition



Below a description
of the company's
main advances
and collaborations
on Energy Transition



Low Carbon Day. Updating the company's decarbonisation strategy



Find out more about renewable generation and emission reduction targets

Low Carbon Day presentations and recorded broadcast is available here



Following the 7th edition of Repsol's **Sustainability Day** in London in November 2019, Repsol will hold an in-person **ESG Day in London** on **October 4th 2022**



Josu Jon Imaz ,CEO: "The upgrade of our targets demonstrates the solid progress the company is making towards becoming carbon neutral by 2050. Ambition, technology, and project execution are enabling us to increase the speed at which we will achieve this target."

The **Low Carbon Day event** was held at **Repsol's Technology Lab on October 5th, 2021**.

It showcased Repsol's **updated** and more ambitious decarbonisation goals, less than a year after its new Strategy Plans, focused on innovation, growth & opportunities in its low-carbon business.

The event was conducted by **CEO**, Josu Jon Imaz, and it was closed by Luis Cabra, **EMD Energy Transition, Technology and Institutional**. Repsol's decarbonisation case was explained in detail by **subject-matter experts** representing various business areas. A comprehensive set of seven presentations covered the company's plans on **Industrial transformation, customer centric, renewable generation, green exploration, and carbon sinks**.

Among others, the following key ambitions were announced during the event:

1. The company **increases investments** in the 2021-2025 period to **€19.3 billion**, allocating an additional **€1 billion** over the period of the Strategic Plan to step up its renewable electricity generation capacity and production of renewable hydrogen, as well as other low-carbon initiatives.
2. The company's ambition for **renewable electricity generation** increased by **60%** to reach an installed capacity of **20 GW** by 2030, with a target of **6 GW** by 2025.
3. The reduction in the Carbon Intensity Indicator will now be **15%** in 2025, **28%** in 2030, and **55%** in 2040.
4. The company announced two **absolute emissions targets** by 2030.

Sustainable Finance Strategy



Find out more about credit ratings and fixed income

Find out more about Sustainable Financial Taxonomy: visit Integrated Management Report



Our **integrated sustainable financing strategy** is defined in Repsol's **Transition Financing Framework**, which works hand in hand with our energy transition goals. This framework allows the Group to issue:

- Use of Proceeds Bonds that are 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 with terms linked to the achievement of the key sustainability targets of Repsol. 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 2021**.

1. Transition Financing Framework 2022 [update from 2021]

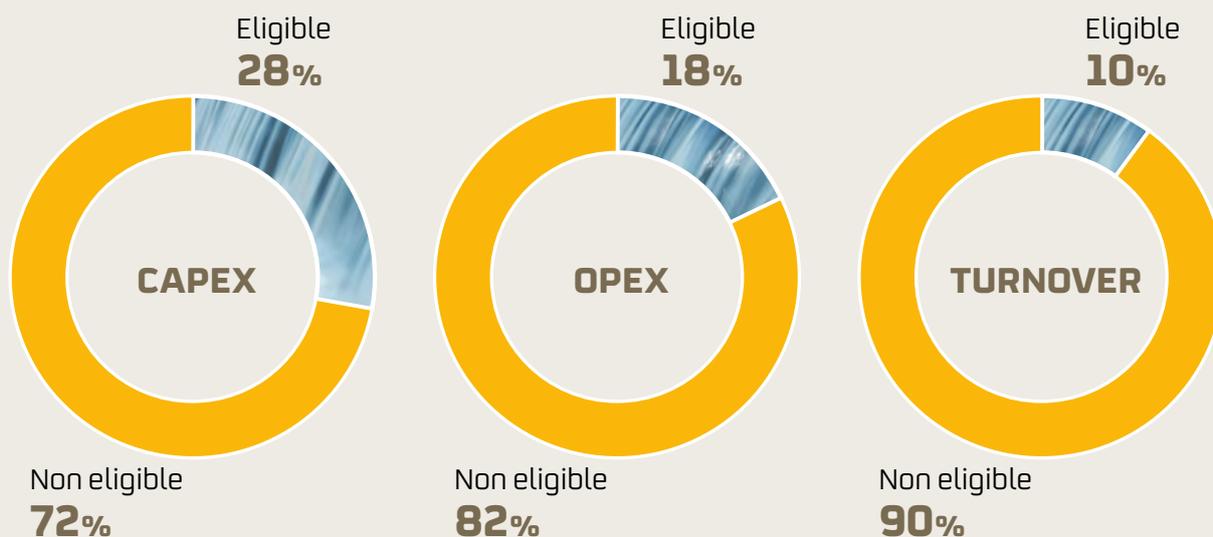
In June 2022, the company **updated** its **Transition Finance Framework** following the update of its decarbonisation targets in October 2021.

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.

Second party opinion (SPO) assessing Sustainability Quality of the Issuer and Transition Financing instruments is available [here](#).

2. 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) as an instrument to achieve the goal of achieving a climate-neutral European Union in 2050.

This taxonomy, which came into force in 2021, divides 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.

Throughout 2021, Repsol defined a work process involving all the company’s businesses, to carry out the **exercise of classifying its activities** as ‘eligible’ in accordance with the criteria set out in the European taxonomy.

This exercise revealed that **28% of CAPEX, 18% of OPEX** and **10%** of the **Group’s revenues fall within the requirements for an economic activity to be considered eligible** for the purposes of the Taxonomy. The CAPEX KPI obtained shows a significantly higher alignment than that of revenues, highlighting the company’s

focus to accelerate its investments in line with the ambition of net zero emissions by 2050.

The main eligible activities identified in 2021

which, according to the Taxonomy, have the “potential” to significantly contribute to climate change mitigation, are as follows:

- Operation of solar, wind and hydro generation facilities, and investment in the development of solar and wind projects.
- Operation of electric mobility activities.
- Investment in CO₂ geological storage projects.
- Investment in hydrogen production projects.
- Investment and operation of biofuel production.
- Investment in the installation of photovoltaic panels at factories.
- Manufacture of basic chemicals and plastics in primary form.
- Research, development, and innovation in projects involving activities related to the Taxonomy.

Unlocking value through the execution of a renewable growth strategy



Find out more Repsol adds
EIP and Crédit Agricole
Assurances as partners



Crédit Agricole Assurances and **Energy Infrastructure Partners** (EIP) have signed an agreement to acquire **25%** of Repsol Renovables for **€905 million**.

The transaction represents a **new milestone in the fulfilment of the 2021-2025 Strategic Plan** and demonstrates the **strength of the renewable's growth model** that Repsol has built in the last three years.

This price implies valuing Repsol's renewables business at **€4.383 billion**, including debt.

The partnership with **reputable, experienced** investors specialised in the renewable sector and with a long-term view, reinforces **Repsol's strategy in renewables** and represents the achievement of the objectives set out by the company when making these investment commitments.

Repsol Renovables currently has more than **1.6 GW** of installed renewable capacity and is present in **Spain, the United States, Chile, and Portugal**.

Repsol expects to reach **2.1 GW** of installed capacity in the **United States** by **2025** and **7.8 GW** by **2030**.

According to Josu Jon Imaz, Chief Executive Officer of Repsol: "Having reputable partners such as Crédit Agricole Assurances and EIP joining us in Repsol Renovables represents a **validation of our renewable strategy**, supports our ambition to be a key player in the energy transition and fulfils our expectations in this important process.

As partners, they share our **strategic vision** to develop renewable capacity, contribute additional expertise and underscore the value of our growth platform."

As our CEO also remarked, "**the transaction is not a matter of cash**, but about the fact of **being able to crystallise value at a very significant premium**. We **started almost from scratch** and three years later we are locking in three times the amount invested. It gives **credibility** to our business while giving

Scenario analysis and capital allocation: an overview of the company's strategic metrics through the 2025-2050 horizon



us the **confidence** to keep on working towards achieving our targets”.

The transaction was **highly praised** by **financial analysts** who qualified Repsol's capacity to generate value in a new business segment as **“impressive”**, adding that the disposal represents a **“strong strategic delivery** by Repsol” and gives the company **credibility** as “in our view – they did what they said they would do” (Societe Generale).

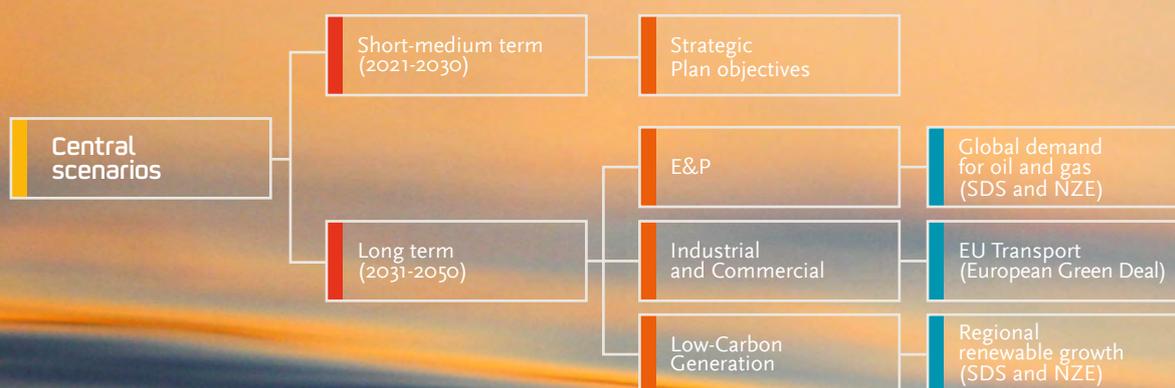
“The €3.6 Bn equity value today is an impressive **3x return** and this **expert value** should now accrue into Repsol shares” (Bernstein).

The company successfully executed the transaction within the **time framework** established in the Strategic Plan.

Scenario analysis is **essential** to help us plan our **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 development of our business segments to the conditions of the environment, without compromising on decarbonisation objectives. To do so, Repsol starts by looking at its current position, its business segments, and its markets.

For the **Exploration and Production** and **Renewable Electricity Generation businesses**, the Company decided to reference macro conditions related to changes in demand for crude oil and natural gas, and renewable electricity generation, as envisioned by the **Sustainable Development Scenario (SDS)** and **Net Zero Emissions (NZE) scenario** of the **International Energy Agency (IEA)**.

Scenario analysis



For the Industrial (Refining and Chemicals) and Customer (Fuel, gas and electricity sales) businesses, Repsol developed a single macro scenario that is considered to be compatible with environmental conditions that will be heavily influenced by the Fit for 55 packages by 2030 and the European Green Deal by 2050.

Under these macro conditions relating to demand, Repsol has developed scenarios based on certain assumptions about the progress of technologies (renewable electrification, net zero emissions fuels, carbon sinks) that will allow for the gradual decarbonisation of its energy portfolio.

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.

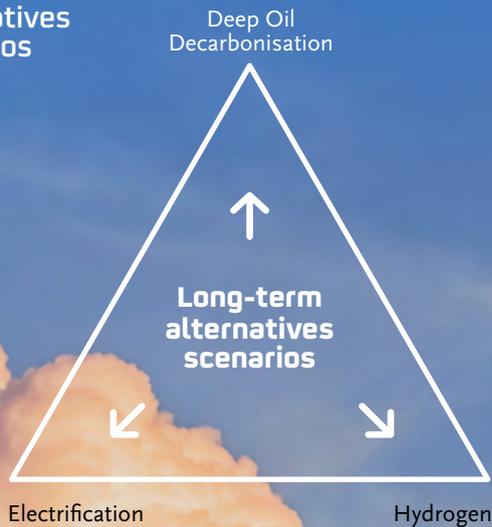
The aim is therefore to achieve a **renewable power generation capacity of 6 GW by 2025**

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**.

In the long term (2031-2050 horizon) two demand 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**.

Three alternative scenarios have been developed in which certain technologies develop more rapidly and offer greater decarbonisation potential. These scenarios were developed due to **long term (2031-2050) uncertainty** regarding the development of technologies that will enable decarbonisation, as well as to reflect assumptions made on transportation under the EU Green Deal scenario.

Alternatives scenarios



Renewable power generation capacity

6GW
by 2025

20GW
by 2030

Biofuel production

1.3Mt/y
by 2025

2.0Mt/y
by 2030

Renewable hydrogen equivalent production

0.55GWe
by 2025

1.9GWe
by 2030

1. **Deep Oil Decarbonisation** (Low Carbon Fuels). In this scenario, heavy road transport, shipping, and aviation are fully covered by low-carbon liquid fuels, while electrification is limited to light road transport.
2. **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.
3. **Electrification**. This scenario envisions even greater penetration of the electrification of light road 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.

Changes in the various business segments for the central scenarios over the **2031-2050 horizon** are described below:

- **Exploration & Production business.** Production is expected to reach **250-300 Kboe** (SDS scenario) and **30-80 kboed** (NZE scenario) by 2050.
- **Industrial (Refining and Chemical) business.** Future fuel production is in line with changes in demand compatible with the **European Green Deal**. Distillation of crude oil will drop by **80-90% 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 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 power generation business.** 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 Centric business.** 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.

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.

The company has publicly disclosed the **allocation of capital to low carbon businesses** during the **2031-2050 period**, expressed as a percentage of total investment by the Company.

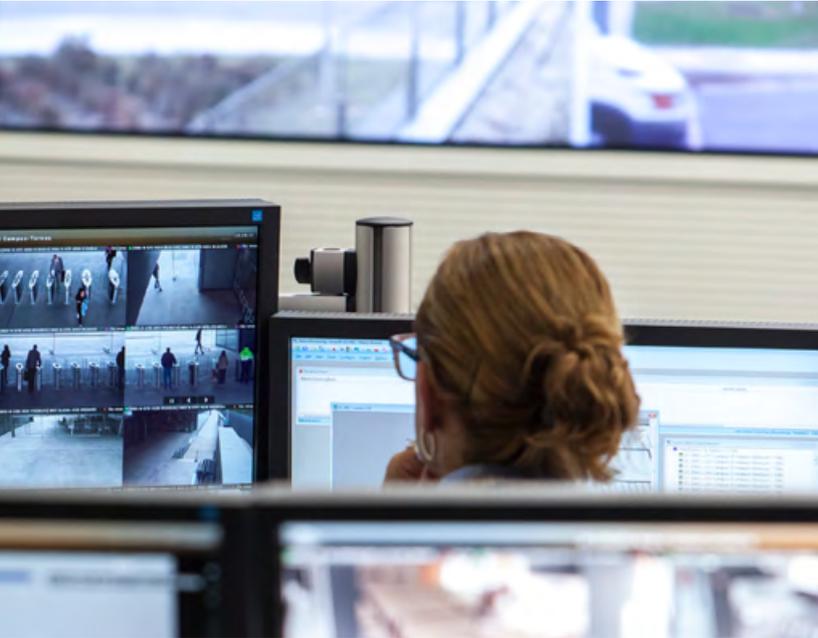
Percentage of capex in low carbon businesses out of total average capex for the period

	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%

Update of Repsol's participation on industry associations



Repsol's climate policy positions

Repsol's updated **climate policy positions** have been published on our website in July 2022

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

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

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

2022 Assessment

In this **assessment**, we have reviewed **32 initiatives** and associations selected in accordance with the following **criteria**:

- a) Links with the energy sector.
- b) Regions or countries where Repsol has significant business activities.
- c) Relevance in relation to climate change matters.

Using publicly available information, the associations were assessed to be **aligned**, **partially aligned**, or **not aligned** with our climate-related position.

Aligned: the association expressly states its commitment to adhere to the objectives established in the Paris Agreement and its actions are consistent or not in conflict with Repsol's climate policy positions.

Partially aligned: the association has not defined a public position regarding the Paris Agreement or Repsol has raised some concerns about its position in relevant climate matters.



associations
reviewed

32

30
2

aligned
partially
aligned

Not aligned: the association has a public position that is contrary to or in significant conflict with Repsol's climate policy positions and/or the Paris Agreement

Since the **first assessment** of Repsol's participation in industry initiatives and associations, we have **added new associations** that fit with the selected criteria and eliminated those of a highly technical scope, think tanks, and non-affiliate relationships such as NGOs or investor groups, as well as government initiatives and committees.

As an overall conclusion, we found that most of our memberships are aligned with Repsol's climate positions. **Out of the 32 associations reviewed, 30 are aligned and 2 partially aligned.**

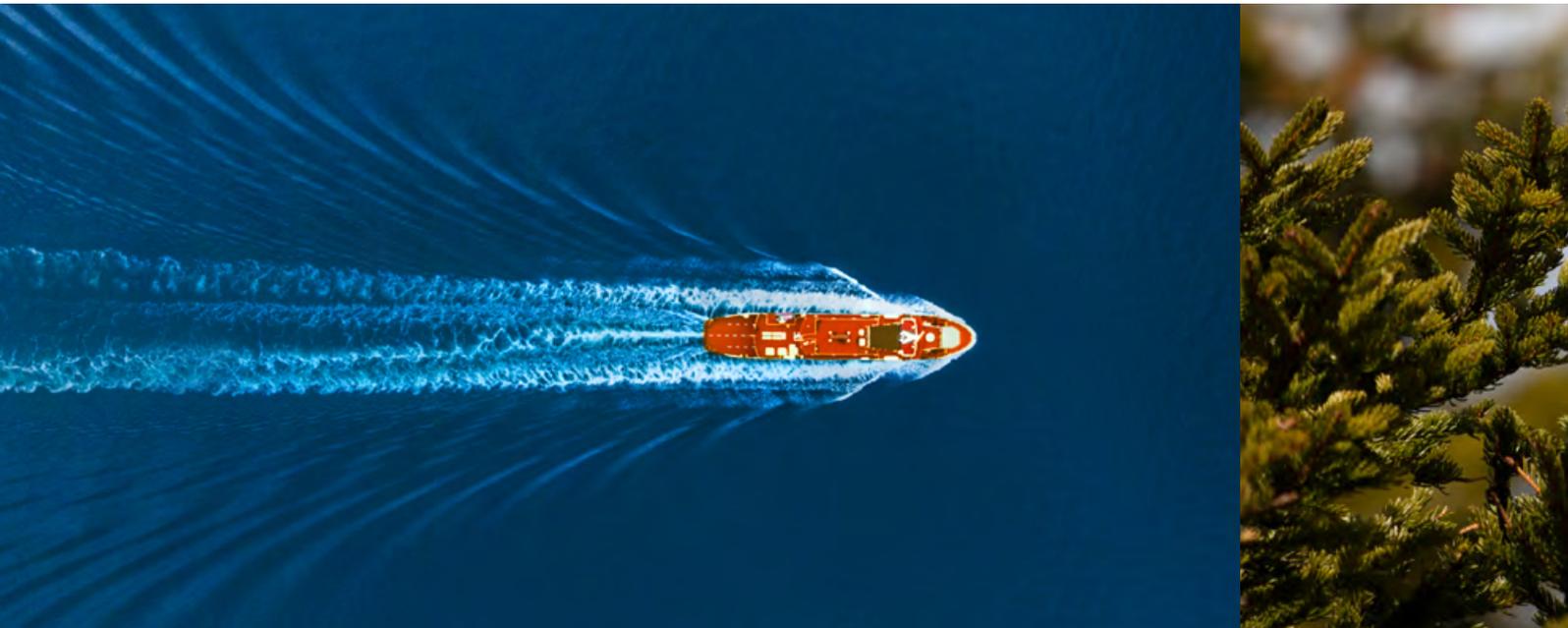
We collaborate in these associations and initiatives and encourage the development of their lines of action in accordance with our climate position, paying membership fees and participating in working groups and collaborative events they organise.

The associations identified as **partially aligned in 2021** have been **re-evaluated**, and we have established an open and constructive dialogue to encourage greater involvement, collaboration, and commitment in their actions against climate change. The following are the main findings and conclusions found:

American Petroleum Institute (API)

API represents all segments of America's natural gas and oil industry, which supports more than 11 million U.S. jobs and is backed by a growing grassroots movement of millions of Americans. API's mission is to promote safety across the industry globally and to influence public policy in support of a strong, viable U.S. oil and natural gas industry.

Since the publication, in March 2021, of **API's first Climate Action Framework**, we acknowledge a more positive engagement on climate policies and more alignment than in the previous review. One of the main **positive outcomes** is the **active support** to **cost-effective**



policies and direct **federal regulation** to **reduce methane** emissions across the supply chain, through engagement with the Environmental Protection Agency. Reducing methane emissions is a priority for our industry to address the risks of climate change.

From 2022, Repsol is represented in API's Board Member of Directors so that we will be better positioned to support the organisation in further developing key policy positions.

Repsol continues to maintain its classification as "partially aligned" for this year, while it welcomes the significant progress made, and it will continue to evaluate and support further positive progress.

Oil Companies International Marine Forum, (OCIMF)

OCIMF is an international voluntary association of oil companies with an interest in shipment and terminal operations for crude oil, oil products, petrochemicals, and natural gas.

Repsol is currently represented in the organisation's technical and expert committees

and has no representative in the Executive Board. By working collaboratively to develop tools and resources to help the marine industry respond to ever-changing risks, OCIMF seeks to continuously improve safety, security, health, and environmental performance.

This is the **first time** we have included OCIMF in our review.

Currently, OCIMF is finalising its positions on climate-related policies, which means that we have not yet been able to find evidence of alignment with many of our climate positions.

While OCIMF expresses strong support for global greenhouse gas (GHG) reductions that will enable the maritime industry to move toward a net zero carbon future, we will continue to encourage OCIMF to broaden its climate positions to promote climate advocacy in the sector.

Aspects of Corporate Governance. Say on Climate



Find out more about report on the company's energy transition



As stated in the **Low Carbon Day** held last October and following our continuing engagement with shareholders, including **Climate Action 100+**, Repsol submitted for the first time its **Energy Transition Strategy to an advisory vote** at the **General Shareholders' Meeting**.

Advisory vote on the company's climate strategy was approved with a 83.003 percentage over the share capital attending.

Responsibility of the Board

This vote does not replace the responsibilities of the Board of Directors in setting the Company's strategy but represents the **next step** in our continuing dialogue with our investors.

Reporting and Strategy updates

The Company will report annually, through the Integrated Management Report, on the development of its Energy Transition Strategy and commits to submit it again

to the advisory vote of the General Shareholders' Meeting, when it is necessary to update said strategy.

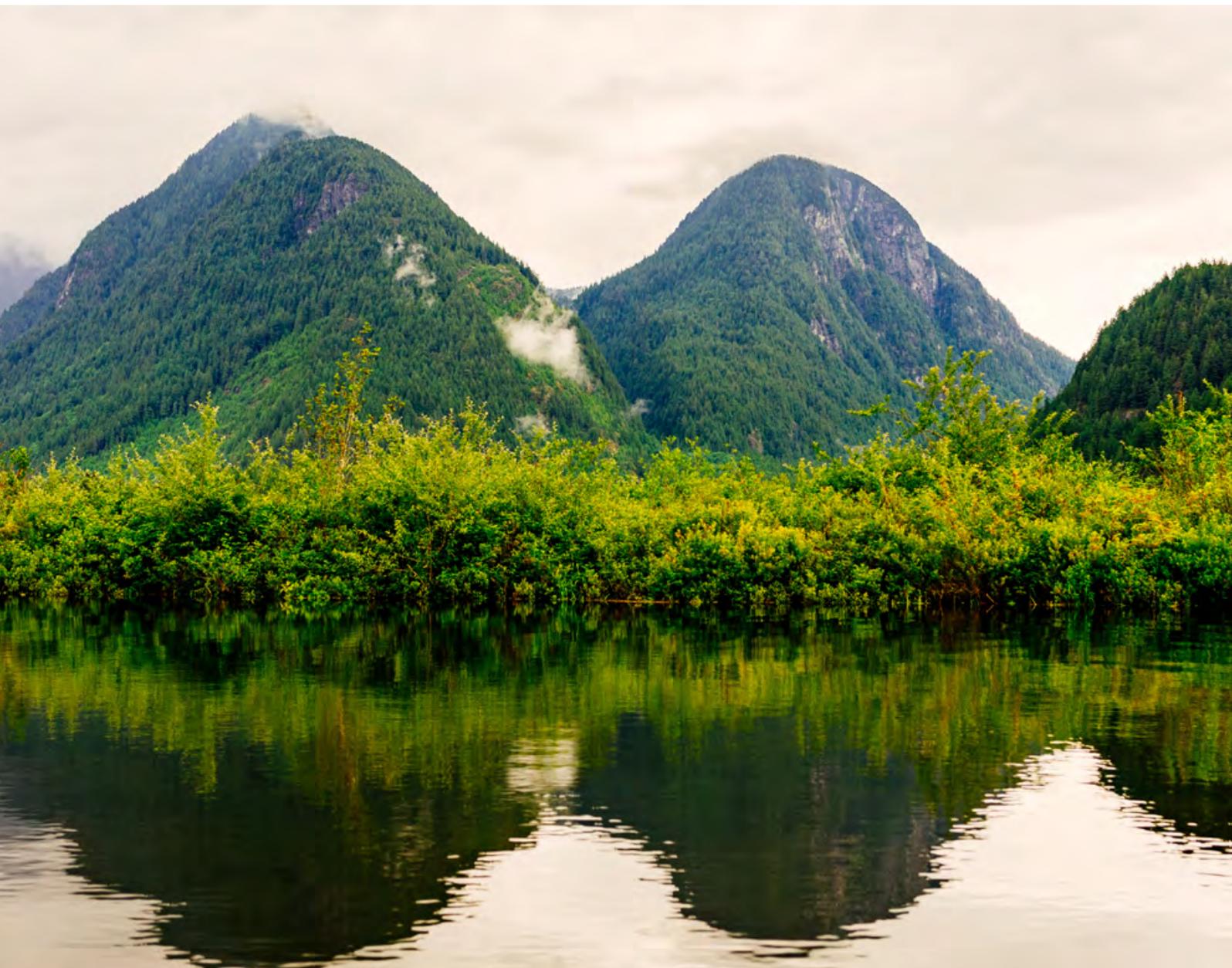
Structure of the proposal

Repsol's **Say on Climate** proposal has been structured following our main investors and proxy advisors' guidelines. Our climate related disclosures are reported according to the **Global Reporting Initiative (GRI)**, the **Sustainability Accounting Standards Board (SASB)**, the **Task Force on Climate-related Financial Disclosures (TCFD)** and **Stakeholder Capitalism Metrics (SCM)** of the **World Economic Forum (WEF)**, among others.

Repsol aims to continue developing an **orderly energy transition** in which net zero emissions fuels circular economy, renewable energy, and hydrogen each play their role in offering emission reduction opportunities.

2

**Camisea.
A notable case study
of how we improve
our partners'
performance**



Camisea is a **strategic and vital** project for **Peru**. Nowadays, **95% of sales of natural gas** (distribution, domestic, industrial and power generation) in Peru comes from Block 88, and more than **40% of the total electrical energy** generated in the country comes from the gas of Block 88. ~200,000 vehicles use the gas produced in Block 88 as fuel





See complete case study on

Historical background



Camisea is a **strategic and vital project** for Peru. Approximately **40%** of the electricity consumed in Peru is generated from gas produced in Camisea and more than **1.2 million families** have access to natural gas in their homes while ~200,000 vehicles use the gas produced in Block 88 as fuel.

In **2005**, Repsol acquired a **10% stake** from Hunt Oil. The Camisea consortium is **operated** by **Pluspetrol**.

Repsol's social and environmental approach in the area is an example of the application of best international human rights standards and indigenous communities' best practices.

Block 88 is located in the **Lower Urubamba Basin**, in the district of Megantoni, in the province of La Convencion, Cusco, **Peru**, and **2/3 of its area** overlaps with **the Kugapakori, Nahua, Nanti Territorial Reserve**.

In **2000**, the Peruvian government established the **Block 88 concession** and awarded a contract to the Camisea consortium led by Pluspetrol.

Block 88 produces natural gas and natural gas liquids since 2004 from the San Martin field and since 2008 from Cashiriari field. Nowadays, **95% of sales of natural gas** (distribution, domestic, industrial and power generation) in Peru comes from Block 88, and more than **40% of the total electrical energy generated** in the country comes from the gas of Block 88.

Controversies



The oil and gas activity in the area caught the attention of some NGOs and other stakeholders who identified controversies from the perspective of Human Rights, namely as follows:

- **Indigenous Peoples in Voluntary Isolation or Initial Contact:** the protection of peoples in isolation within the context of the Camisea project was questioned.
- **Mercury pollution:** mercury pollution was detected near the communities in Santa Rosa de Serjali, although its origin is not clear.
- **Due Diligence on Block 88:** several recommendations were issued by the UN Special Rapporteur on the rights of indigenous peoples regarding the actions which the Camisea Consortium could apply to improve human rights due diligence.
- **Free, Prior and Informed Consultation:** there have been some concerns that the Camisea project was being performed without the Peruvian State having guaranteed the right of Free Prior and Informed Consultation. It was alleged that the companies that are partners in the project are subject to joint liability for the potential violation of this right.
- **Complaints by NGOs:** NGO complaints had generated concerns among few analysts.

Repsol's response to the concerns raised



Protection of the communities in voluntary isolation

The Consortium applies the **strictest standards to protect the communities in voluntary isolation.**

In these cases, the main mitigation measure is the **Anthropological Contingency Plan**, which describes the procedure to be followed if a sighting or contact is made with respect to a community in voluntary isolation. The plan also includes information on the implementation of a no-contact principle and avoiding establishing any type of communication with said people.

This mitigation measure complies with the main international standards:

- **United Nations Declaration on the Rights of Indigenous Peoples (2007)**
- **International Labor Organization (ILO) Convention No 169 concerning Indigenous and Tribal Peoples in Independent Countries, 1989**

Other important protection measures:

Offshore in land: this involves the application of offshore production techniques onshore as part of the Company's commitment to work without creating roads or paths.

Access control: collaborative surveillance between access control watchtowers and river control watchtowers.

Mercury pollution

Since the start of operations, all Camisea gas production processes have been approved and supervised by the corresponding agencies of the Peruvian State (OEFA¹, OSINERGMIN², DGAAH³), without there being any indication that the mercury contamination could come from Camisea's activity.

There are monitoring activities which independently supervise the state of biodiversity and compliance with Camisea's socio-environmental obligations to ensure that there are no negative impacts on the communities or the ecosystem.

1. OEFA: Organismo de Evaluación y Fiscalización Ambiental.

2. OSINERGMIN: Organismo Supervisor de la Inversión en Energía y Minería.

3. DGAAH: Dirección General de Asuntos Ambientales de Hidrocarburos.



On **January 25th, 2018**, the Camisea Consortium issued a **press release** in which it ruled out **“any possibility that gas exploitation activities could cause mercury contamination, neither in the population nor in the environment.**

All studies conducted, both by the Peruvian Government and by the operator of the project, demonstrate that the mercury pollution of the communities is unconnected with the activity carried out by the Camisea project.

Human rights due diligence in Block 88

Repsol **conducts due diligence** in **all its operations** and is committed to complying with the **United Nations Guiding Principles on Business and Human Rights**, regardless of the legislation of each country.

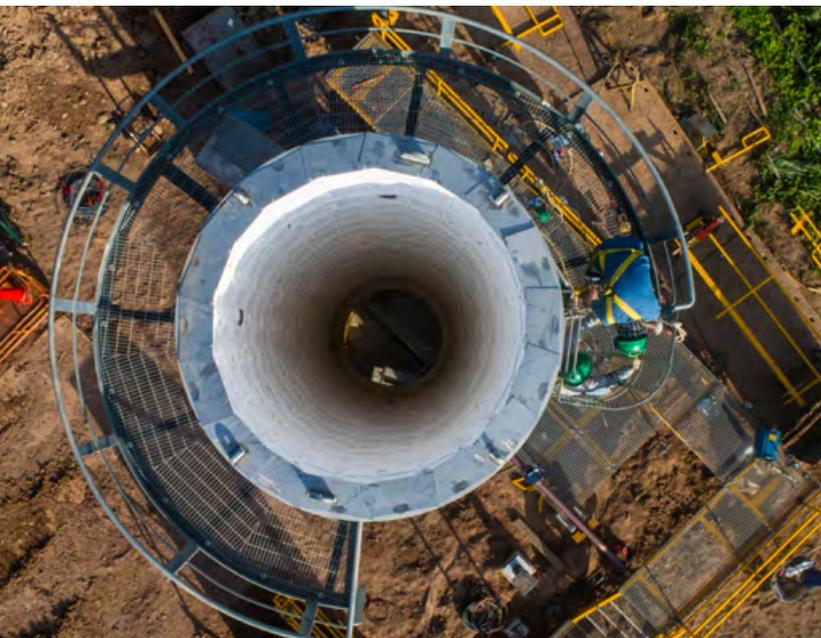
As part of this due diligence, a transparent, continuous, and participatory dialogue was held from the early stages of the project with the communities and indigenous peoples of the areas where we operate in a context of respect for

human rights. This ongoing dialogue is adjusted to the cultural characteristics of each ethnic group or community, involving the representative bodies of the indigenous communities.

In our **non-operated assets**, such as Camisea, **we ensure that our partners are aware of our policies, internal regulations, and best practices** and make available our expertise to support the development of the operations. Accordingly, the partner and operator of the Camisea project, Pluspetrol, has been assisted in strengthening its human rights due diligence process within the project, encouraged to make public its actions and commitments in relation to human rights and due diligence, and to deepen and maintain dialogue with the communities in its area of influence and with the rest of the stakeholders.

In addition, we have had a **positive influence** on the operator with respect to international standards on human rights. Pluspetrol is currently developing an internal analysis process to define a procedure for the application of due diligence in the Camisea project.

Independent external report on the operations in Camisea



Dialogue with communities. Free Prior and Informed Consultation

The Camisea consortium promotes **dialogue with the involved indigenous populations** that are based on the **principles of good faith, transparency, flexibility, interculturality, respect, and recognition**. Consensus and agreements are established with the indigenous communities for compensation for the activities carried out in the Camisea project.

Dialogue is maintained throughout the life cycle of the project.

Actions conducted both by Pluspetrol and Repsol aimed to ensure that the Peruvian State guarantees respect for the **right of Free, Prior and Informed Consultation** of Indigenous communities.

Likewise, it should be also emphasised that the **consultation processes** with indigenous communities in Peru is **ultimately the responsibility of the State**.

Between the months of June and November 2021, **Akuaipa Transformation**, a business project that seeks to promote a social and economic transformation that guarantees a better performance on human rights analysed standards, **the concerns of the different controversies** related to the Camisea project activity.

Within the scope of this project, Akuaipa reviewed all **historical and current information** provided by **Repsol** and Pluspetrol and various **public reports from Peruvian institutions**, as well as from **social and indigenous organizations**. Additionally, several meetings were held with Repsol, Pluspetrol, and Akuaipa teams.

Based on the review of all **the public documentation on the Camisea** project and the meetings with the various teams, Akuaipa prepared a detailed analysis report on the concerns raised by stakeholders.



Find out more about
Independent external report
on the operations in Camisea



In its report, the opinion is that Repsol has performed properly regarding respect for human rights in its activities connected with the Camisea project, including the positive influence that it exerts on its partners' human rights due diligence.

The independent third party's conclusion is that it **has not been able to substantiate any violation of human rights associated with Repsol activities in the Camisea project**, or by the operator, in connection with the concerns raised.

At the request of Repsol, the third party report includes additional recommendations to heighten social performance in Block 88 going forward.

3

Monitoring of the development of ESG investors in Repsol's shareholder structure



Repsol has one of the largest presences of ESG (environmental, social and governance) focused investors among its shareholders within its sector. This reinforces Repsol's strong position to face the challenges presented in an increasingly decarbonised world as a key player in the development of the energy model of the future



The presence of ESG investors¹ in Repsol's shareholder base reached historic highs earlier this year. As of January 2022, ESG investors managed 39.9% of our institutional shareholder base (~295 M shares managed utilising advanced ESG criteria² out of 739 M shares) vs 34.1% as of March 2021.

In terms of Institutional ownership, this 39.9% figure more than doubles the 17.47% average found across the oil and gas sector.

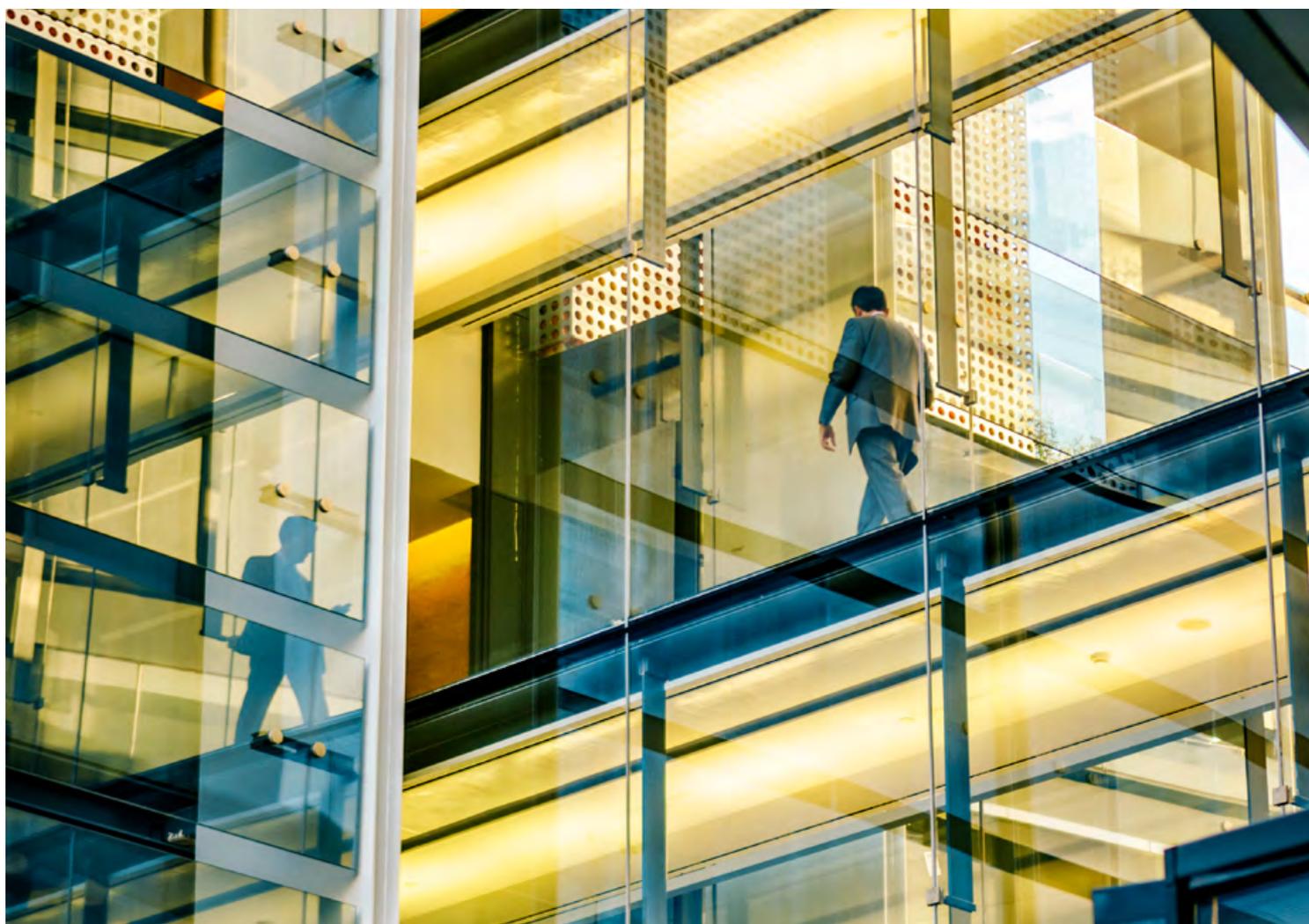
The percentage of ESG investors has increased more than 350% since 2010.

This growth shows the growing importance of ESG issues among investors, along with the rapid adoption of ESG integration by asset managers investing in Repsol and investors' support of its ESG strategy.

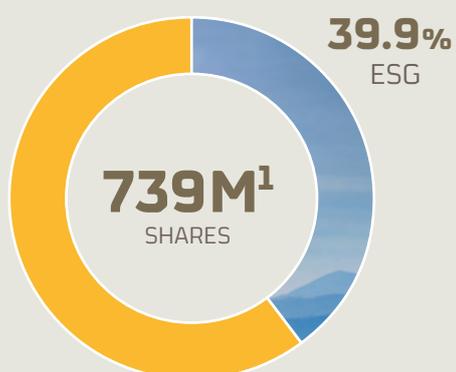
The presence of ESG investors in Repsol reached historic highs earlier in 2022

1. Environmental, Social and Governance. These investors apply sustainability criteria when making investment decisions.

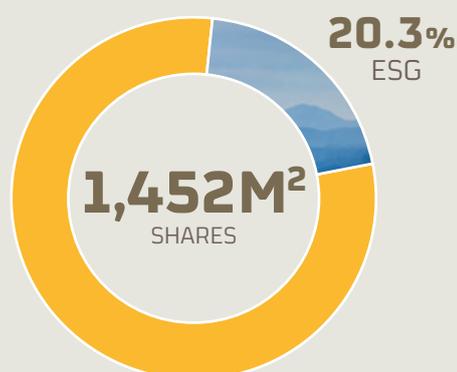
2. According to Leaders Arena's ESG Investor Scorecard methodology: integration conducted by both specialist and mainstream institutional investors that follow a disciplined process to integrate ESG factors in their investment decision-making process. ESG thematic investing carried out through mutual funds and ETFs with clearly defined ESG goals such as 'ethical' or 'low carbon' are also included [leadersarena.global](https://www.leadersarena.com).



Institutional Ownership



Total Share Capital



Shares managed under ESG Criteria



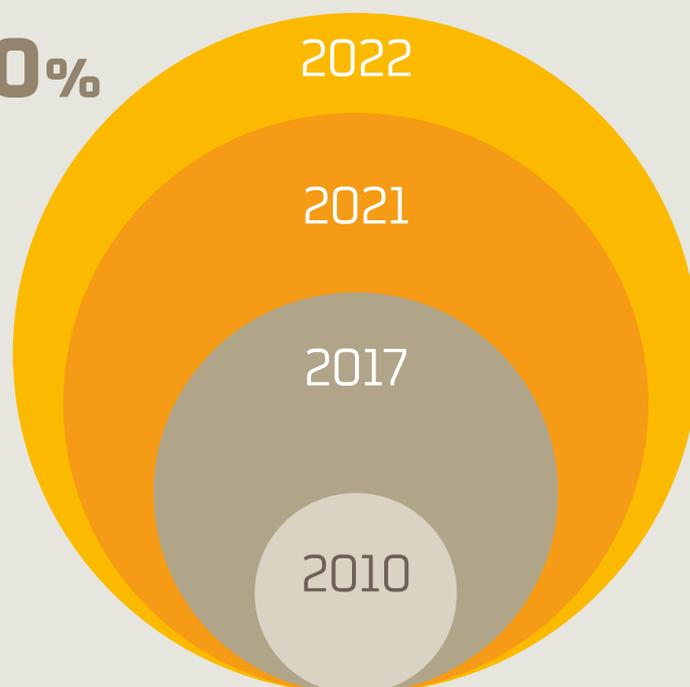
295M

Repsol's institutional shareholder base percentage more than doubles the 17.47% average of the sector

+350%

2022
295M
39.9%
VS Institutional ownership

2021
246M
34.1%
VS Institutional ownership



2017
71M Shares
12.8%
VS Institutional ownership

2010
31M Shares
8.4%
VS Institutional ownership

1. Shares estimated as of December 2021.

2. As of May 2022.

4

Main activities carried out in the last 12 months



In this chapter we have summarised the activities carried out during this period and the dialogue with ESG investors



Events Summary 2 Half 2021
and 1 Half 2022

5 Roadshows

5 Conferences

7 Specialised
Virtual Events



Our company manages a very ambitious ESG investor outreach programme which typically involves meeting more than 100 investors in person and virtually every year.

2021- 2022 investor's dialogue on ESG became ever more rigorous on a **wide range of topics**, from climate change to human-rights. Following the introduction of the EU-taxonomy and **Sustainable Finance Disclosure Regulation** investors are increasingly seeking specific insight on how companies are tackling sustainability challenges through company reporting and direct engagement. To match this demand for sustainability disclosure, Repsol continued developing more sophisticated ESG communication tools to provide real insight and demonstrate proof of progress at all levels.

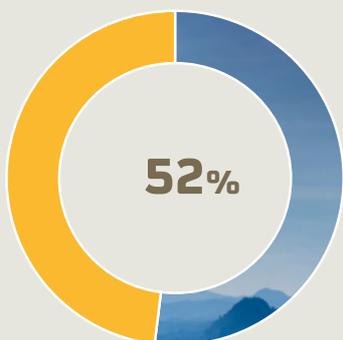
After almost three years of covid pandemic, investors have resumed face to face interactions and physical events are progressively being organised. Virtual meetings are still part of our daily activities to maintain the right level of dialogue with our stakeholders.

During the second half of 2021 and the first half of 2022, the team has coordinated **5 Roadshows**, attended **5 Conferences**, and participated in **7 specialised virtual events**.

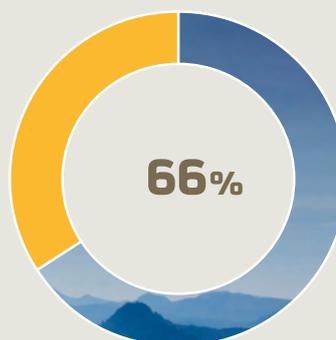
During this period, we met a total of **120 ESG specialists**, holders of shares that account for **66% of Repsol's ESG** ownership.

We have been in contact with investors from different geographies such as: **United Kingdom, United States, Netherlands, France, Canada, Spain, Switzerland, Germany, Belgium, Italy and Japan**.

Shares visited 2H21 and 1H22 /
Total Institutional Repsol Shares



Total ESG shares visited 2H21 and 1H22 /
Total Repsol ESG Ownership



Of our **total shareholder base**, we held meetings or engagement events with investors representing **382 M shares, equalling ~52% of Repsol institutional ownership [382 M shares out of 739 M shares]**

Of our **ESG focused shareholder base**, we held meetings or engagement events with investors representing **193 M shares visited, equalling 66% of Repsol's ESG ownership [193 M shares out of 295 M shares]**

Following our nomination by an independent panel of investors, Repsol was nominated to the **European Investor Relations Awards for best ESG Communication and ESG Materiality across Four years: 2018, 2019, 2020, and now, 2022.**

IR Magazine Awards – Europe: celebrated in October 2020 where Repsol was **awarded the category of Best ESG materiality reporting, large cap.**



**Investor Geographies.
120 ESG Investors Met.**



**Roadshow Post Low Carbon Day.
Summary in Figures**

2

Meeting Days
(October 6th
& October 7th)

8

Roadshow meetings

9

Firms met

30%

of ESG shares:
90M out
of 295 M shares

23%

of total institutional shares:
166M out
of 739M shares

11%

of total S/O:
166M out
of 1,452M shares

Roadshow with CEO and Executive Management post Low Carbon Day



Following the Low Carbon Day event held in October 2021, our CEO Josu Jon Imaz, alongside Senior Management, led a roadshow to discuss with our ESG oriented investors the key announcements made and update them on Repsol's decarbonisation strategy.

A total of **9 institutional investors** were met with during the roadshow, representing **166M shares, 23%** of Repsol Institutional shares (**166M shares out of 739M shares**)¹.

Out of these **166M shares, 90M** are managed by investors utilising advanced **ESG criteria**².

This figure represents ~30% of Repsol's **ESG institutional shares (90M shares out of 295M shares)**.

1. Shares estimated as of December 2021.

2. ESG integration conducted by institutional investors that follow a disciplined process to integrate ESG factors in their investment decision-making process. ESG thematic investing carried out through mutual funds with clearly defined ESG goals such as 'ethical' or 'low carbon' are also included.

During the meetings held, Investors highly praised the transparency and granularity provided during the Low Carbon Day and shared with us the following feedback:



“Repsol has taken another step forward in de-risking its strategic plan. The investment case looks reinforced”

“Impressive presentations best in class in terms of depth and breadth in low carbon disclosures”

“We really enjoyed your low carbon day, great event & information”

“Repsol showcased their low carbon credentials during its presentations yesterday”

“Repsol’s Low Carbon Day did not fall short on describing the number of opportunities available”

An aerial photograph of a dark asphalt road with double yellow lines, curving through a lush, dense green forest. The trees are vibrant green, with some patches of yellow and orange, suggesting autumn. The road is the central focus, winding from the bottom left towards the top right.

“A comprehensive Low Carbon Investor Day revealed an enhanced energy transition agenda that reinforced Repsol’s top quartile rank”

“We really welcome this level of transparency; you are showing market leadership on climate transparency and accountability”

“Presentations enhanced transparency; the detail enables a clear appreciation of how Repsol is attempting to deliver trackable milestones”

“I would like to congratulate you on your Low Carbon Day, there was a lot of useful information that we are still trying to unpack”

“Great Low Carbon Day, the disclosure was very clear and very helpful!”

Corporate Governance Roadshow

A roadshow organised to meet top institutional holders of Repsol's shares gave us the opportunity to discuss the **agenda of our 2022 Annual General Meeting**. Conversations with these investors covered a wide range of topics, in particular, shareholder remuneration, Board of Directors new appointments, and executive remuneration. A resolution for a **shareholder advisory vote on the Company's climate strategy** was presented this year for the first time and was discussed in-depth during these investor meetings.

Overall, the quality of disclosures and transparent conversations on governance-related topics was highly praised by investors taking part in the roadshow.

The roadshow was highly successful from an investor outreach perspective as well. A total of nine investors ranked among our **top 20 shareholders** were met during this roadshow. These investors managed **~314M shares, 42%** of total **institutional ownership** (~314M shares out of 739M shares). Out of these ~314M shares, **~163M shares** were managed under ESG criteria, **55%** of total **ESG shares** (~163M shares out of 295M shares).



Other events. Timeline Roadshows 2021 - 2022



2021

- Specialized virtual events
● **Barclays- Virtual Roundtable with Repsol on the Road to Net Zero**
8th July
- Conference
● **Exane BNP ESG Conference**
9th September
- Specialized virtual events
● **Environmental Finance - ESG in Fixed Income Virtual Event Series – Climate Transition and Net Zero Finance**
15th September
- Conference
● **Morgan Stanley Virtual Utilities and Clean Energy Summit**
22nd September
- Specialized virtual events
● **BlackRock's Energy Sector Roundtable**
29th September
- Roadshow
● **Roadshow Low Carbon Day**
6th and 7th October
- Specialized virtual events
● **HSBC Energy Transition Virtual Trip**
10th November
- Roadshow
● **Roadshow Low Carbon Day**
10th December

2022

- Specialized virtual events
● **ODDO Live Forum**
1st January
- Roadshow
● **Roadshow Corporate Governance**
14th -16th -17th February
- Conference
● **Berenberg Energy Transition Conference**
22nd March
- Conference
● **JPM – Global ESG Conference**
23rd March
- Specialized virtual events
● **JP Morgan Transition Tour**
7th April
- Roadshow
● **Paris Roadshow**
11th May
- Conference
● **SG ESG Conference**
12th May
- Conference
● **BBVA/Natixis Energy Transition Forum**
9th June
- Roadshow
● **Reverse Roadshow HSBC**
15th June

5

Repsol's engagement with Sustainability dialogue initiatives and investors





Institutional Investors Group on Climate Change (IIGCC)



Our company maintains a highly fruitful and transparent engagement with stakeholders and investors. Investor's feedback is considered as part of our internal discussion process that help us determine how our Climate Change methodology and objectives, among other topics, evolve over time. Repsol looks forward to maintaining this permanent, transparent and healthy dialogue with third parties. Our upcoming ESG Day investor event taking place in October 2022 and Repsol's 2023 Integrated Management Report will be important milestones in our ongoing dialogue with investors.

During 2021 and first half of 2022, Repsol continued to strengthen its engagement with Sustainability dialogue Initiatives:

The Institutional Investors Group on Climate Change (IIGCC) is a **leading global investor membership body** and the largest in Europe focusing specifically on climate change. As of today, the initiative comprises more than **350 members** which hold **~€51 Tn** in assets under management and that have presence in **23** countries.

Along with other seven peers and investors, Repsol participated in an **engagement process** for the definition **"Net Zero Standard for the Oil and Gas sector"**. Set up by IIGCC and **Transition Pathway initiative**, the net zero standard sets **minimum expectations** for what must be included in net zero transition plans from oil and gas companies, to create a level playing field in corporate reporting and meet investor

Climate Action 100+

IIGCC

is a leading global investor membership body and the largest in Europe

the initiative comprises

+350

members which hold

~€51 Tn

in assets

presence in

23 countries



expectations for credible and comparable company net zero transition plans.

Our engagement with investors was conducted through the participation in several insightful and collaborative roundtables with other stakeholders and members of the IIGCC group.

In addition to this process, Repsol was invited to participate in a **pilot project** to test the above-mentioned net Zero Standard internally, seeking to test how it fits into company's strategy. Repsol has been part of this pilot during second part of 2021 and throughout 2022, aware of the **positive signal** is sending to the market about the commitment of Repsol as an integrated energy company to **align** our transition strategies to a **net zero pathway**.

Climate Action 100+ is an investor-led initiative which seeks to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change. As of today, **700 investors**, responsible for over **\$68 trillion in assets under management**, are engaging companies on improving climate change governance, cutting emissions and strengthening climate-related financial disclosures.

The work of the initiative is coordinated by **five regional investor networks**: the Asia Investor Group on Climate Change (AIGCC), Ceres, Investor Group on Climate Change (IGCC), Institutional Investors Group on Climate Change (IIGCC) and Principles for Responsible Investment (PRI). It is supported by a global Steering Committee.

Repsol is participating in this dialogue since 2017, with BNP Paribas and Federated Hermes as lead engagers.



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