



Repsol launches a comprehensive sustainable financing framework

- With its new **Transition Financing Framework**, Repsol fully incorporates its sustainability roadmap into its financing strategy and takes a key step forward in its commitment to become a net zero emissions company by 2050.
- As a **leading company in its sector**, Repsol presents an innovative and comprehensive financing framework that encompasses all of its activities to accompany the energy transition.
- It offers complete **flexibility** in the issue of financial instruments, incorporating **green bonds, transition bonds, and sustainability-linked bonds**.

Repsol has launched a comprehensive sustainable financing framework to accompany its energy transition process. It is the first company in its sector worldwide to present an overarching framework that incorporates both instruments aimed at financing specific projects (green and transition) and those linked to the company's sustainability commitments (Sustainability-Linked Bonds). This approach offers flexibility and transparency in the issuance of financial instruments.

Repsol, thus, takes a meaningful step forward in its commitment to become a net zero emissions company by 2050. The new sustainable financing framework is aligned with the 2021-2025 Strategic Plan that the company presented last November and allows access to the necessary financial resources for its implementation, reinforcing the company's continued leadership in energy transition within its sector. Repsol's Transition Financing Framework has been verified and certified by the ISS rating agency in line with the principles of transparency and best practices.

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The three types of financial instruments included in this umbrella framework are divided into two categories:

- **Use of Proceeds Instruments: green bonds and transition bonds**, both subject to the Green Bond Principles published by the International Capital Markets Association (ICMA). The funds raised with the former will be used to finance green projects eligible under the standards of the European Union (renewable energy, renewable hydrogen, etc.). The funds from the transition instruments will be allocated to additional activities and projects that also contribute to sustainable objectives and are part of Repsol's energy transition strategy.
- **Sustainability-linked bonds or instruments (SLB)** whose economic conditions **are linked to the fulfillment of key sustainability objectives** of Repsol as a company. These bonds are subject to ICMA's Sustainability-Linked Bond Principles. For monitoring purposes, the [company's Carbon Intensity Indicator](#), which measures CO₂e emissions per unit of energy produced by the company (g CO₂e/MJ), will be set as a verifiable indicator.



Repsol has implemented a demanding roadmap to become a net zero emissions company by 2050 that includes ambitious emission reduction targets, with a reduction in carbon intensity of 12% by 2025, 25% by 2030, and 50% by 2040.

In the process of structuring the framework, the company has been assisted by HSBC and Natixis as Sustainability Structuring Advisors.

The allocation of funds and the environmental progress associated with the commitments to be made will be reported annually after being fully audited.

Commitment to the energy transition

In December 2019, Repsol was the first company in its sector to announce a commitment to become a net zero emissions company by 2050, in alignment with the Paris Agreement and the United Nations Sustainable Development Goals.

At the end of 2020, Repsol presented its new Strategic Plan 2021-2025, which will mark the transformation of the company in the coming years and will accelerate its energy transition. The new strategy outlines a demanding roadmap, with more ambitious intermediate emission-intensity reduction targets advance towards the goal of zero net emissions by 2050. The plan establishes investments of €18.3 billion over the period, of which 30%, or €5.5 billion, will be allocated to low-carbon initiatives.

In its commitment to sustainability, in 2017 Repsol was the first company in the sector to issue certified green bonds to reduce its carbon footprint, with a €500 million five-year bond issue. The energy efficiency and low-emission technology projects implemented with these funds have helped reduce emissions by 1.2 million tons of CO₂e in three years.

Currently, 34.1% of the company's institutional shareholding is aligned with ESG (Environmental, Social, and Governance) criteria. Repsol's good practices have been recognized, among others, by the Climate Action 100+ initiative. In its **2020 Progress Report**, this investor group praises the ongoing dialogue with the company and its commitment to achieve zero net emissions by 2050, the adoption of price scenarios aligned with the Paris Agreement, the incorporation of the recommendations of the Task Force on Climate-Related Financial Disclosures, and the review of alignment in the fight against climate change of the industrial associations in which the company participates.