

Update of
Repsol's
participation in
industry
associations

July 2021



At Repsol, we share society's concern about the effects that human activities cause on the climate and we are firmly committed to an energy transition towards a low-emission future.

We have set ourselves ambitious targets in the fight against climate change as we are convinced that only by tackling the great challenges, we can turn them into opportunities.

In **December 2019**, Repsol was the first company in its sector to announce its commitment to become **a net zero emissions company by 2050**. It aims to contribute to the goal set by the Paris Agreement of limiting the increase in the global average temperature of the planet to well below 2 degrees Celsius above pre-industrial levels by the end of the century, and if possible, not exceed 1.5 degrees.

In **November 2020**, Repsol unveiled its **new Strategic Plan** which is committed to operational excellence, innovation and investment in new low-carbon energy solutions to become a decarbonised company.

With the technological advances now foreseeable, **we anticipate that we can achieve at least 80% net emissions reductions by 2050 and commit to applying the best technologies to raise this figure**. If that is not enough, we will offset emissions through natural climate solutions to achieve net zero emissions by 2050.



**The Repsol Commitment
Net Zero Emissions
by 2050**

Repsol's climate policy positions

The following positions update those described in our first report entitled "**Assessing Repsol's participation in industry initiatives and associations: Climate Change**", published in May 2020.

1. The Paris Agreement

Repsol is firmly committed to the goal of limiting the increase in the global average temperature of the planet with respect to pre-industrial levels to well below 2 degrees Celsius and the ambition of not exceeding 1.5 degrees by the end of this century. We support the Paris Agreement and are convinced that a new energy model based on innovation and technology is needed.

2. Climate neutrality in 2050 and the energy transition

Repsol is committed to achieving climate neutrality (net zero emissions) by 2050 and to tackling the energy transition by undertaking intermediate targets towards this goal. To do this, it considers that the main levers of decarbonisation will be renewable electrification, low-carbon fuels, both liquids and gases, including advanced biofuels and renewable hydrogen, and carbon sinks. The urgency to reduce emissions also requires solutions that are already effective in the short term, such as energy efficiency and the replacement of coal by natural gas.

3. Carbon sinks

The complete decarbonisation of all energy-consuming sectors by mid-century will require the use of carbon sinks to remove CO₂ at emission points or from the atmosphere itself, carbon capture, use and storage (CCUS) technologies. If the development of energy technologies is not enough to become a net zero emissions company by 2050, Repsol will also use natural carbon sinks to achieve this goal.

4. Carbon price

Repsol supports global carbon pricing policies which promote investments in decarbonisation. Repsol has set an internal carbon price that is applicable to all its new investments wherever there is no already established regulated higher price.

5. Technology and technological neutrality

Repsol is convinced that science, technological development and innovation are the levers that will enable us to achieve the goal of net zero emissions worldwide. We are firm supporters of technological neutrality; therefore, climate policies and regulations that promote all those technologies that allow emissions to be reduced in the short, medium and long term, without imposing deterministic solutions given the inherent uncertainty in technological evolution over long time horizons.

These **five principles will serve as a basis for analysing the degree of alignment between Repsol and the industrial initiatives and associations** we belong to and they will also be the ones that the company considers when analysing its participation in these or new associations.

Participation in associations

Repsol is aware that a collective approach can bring additional achievements to our individual actions in defence of legitimate business interests. With this in mind, we work in collaboration with other companies and institutions both directly and through different industry initiatives and associations.

In line with the commitments made in the Paris Agreement, we believe that we must be aware of the importance of our dialogue with these associations, ensuring that the commitments made on our behalf or endorsed with our support are aligned with Repsol's position on climate change.

In our **first report on associations in May 2020**, we looked at **our participation in 28 initiatives and associations**.

For this analysis, we contacted them to request information that would allow us to assess their alignment with both the objectives of the Paris Agreement and Repsol's climate change strategy and policies.

In addition to the responses received from each association, we expand the information by consulting their publicly available materials: web pages, press releases, position papers and relevant events, etc.

Update of **Repsol's** participation in industry associations

After performing a detailed analysis of all this information, we classify the associations as:

Aligned:

the association expressly states its commitment to adhere to the objectives established in the Paris Agreement and its actions are consistent or do not conflict with the lines indicated in 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 aspects.

Not aligned:

the association has a public position that is contrary to Repsol's climate policy positions and/or the Paris Agreement.



2020 report update

Since the publication of this report, we have added new associations and revised those included in the initial list, eliminating groups of a highly technical scope, think tanks, and non-affiliate relationships such as those of NGOs or investor groups, as well as government initiatives and committees.

We collaborate in these associations and initiatives and encourage the development of their lines of action by paying membership fees and supporting and participating in the working groups and events they organise. **Table 1** shows a summary of the payments we make to the associations in the sector.

Table 1. Membership fees of the associations and initiatives in which we participate

500,000 - < 1M	American Petroleum Institute (API) Fuels Europe (FE) Oil & Gas Climate Initiative (OGCI)
100,000 - < 500,000	Asociación Española de Operadores de Productos Petrolíferos (AOP) Association of Plastics Manufacturers in Europe (Plastics Europe) Canadian Association of Petroleum Producers (CAPP) European Chemical Industry Council (CEFIC)
50,000 - < 100,000	Canadian Chamber of Commerce Federación Empresarial de la Industria Química Española (FEIQUE) IPIECA SEDIGAS WindEurope
0 - < 50,000	Other associations and initiatives included in this report

All payments made in local currency are translated into US dollars using Repsol's standard conversion rates.

In the European Union and the United States, we also report on costs related to lobbying activities in accordance with the requirements and guidelines set out in the EU Transparency Register and the US Lobbying Disclosure Act.

All information reported by the company is public.

This update has re-evaluated the associations found to be **"partially aligned"** in the 2020 report. The other associations and initiatives, also those included in this review, are aligned with our climate policy positions.

Regarding the partially aligned associations, 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)

We recognise API's efforts on climate. In March 2021, it published its climate action framework which includes a review and update of their previous positions.

- API publicly supports the Paris Agreement.
- In terms of methane emissions, API supports cost-effective policies and direct regulation to reduce methane emissions from new and existing sources throughout the supply chain.
- It also supports carbon pricing by pointing out that it is the most impactful and transparent way to make significant progress in reducing emissions in a cost-effective manner.

With all these advances, Repsol continues to maintain its classification as **"partially aligned"** for the time being but continues to evaluate the progress of this new and positive positioning.

In 2022, we will once again review and update our participation in industry associations and initiatives.

The report is available on our website www.repsol.com.



Table 2. Results of the alignment update of associations and initiatives in which we participate.

Aligned:

Asociación Empresarial Eólica
 Asociación Española de Operadores de Productos Petrolíferos (AOP)
 Asociación Regional de Empresas del Sector Petróleo, Gas y Biocombustibles en Latinoamérica y el Caribe (ARPEL)
 Association of Plastics Manufacturers in Europe (Plastics Europe)
 Business Europe (BE)
 Canadian Association of Petroleum Producers (CAPP)
 Canadian Chamber of Commerce
 Círculo de Empresarios
 Comité Español – Cámara de Comercio Internacional
 Confederación Española de Organizaciones Empresariales (CEOE)
 European Chemical Industry Council (CEFIC)
 Federación Empresarial de la Industria Química Española (FEIQUE)
 Fuels Europe (FE)
 GASNAM
 IGU (International Gas Union)
 International Emissions Trading Association (IETA)
 International Association Oil & Gas Producers (IOGP)
 IPIECA
 Methane Guiding Principles (MGP)
 Oil & Gas Climate Initiative (OGCI)
 Oil & Gas Methane Partnership (OGMP)
 Plataforma Tecnológica Española del CO₂
 Red Española del Pacto Mundial
 SEDIGAS
 Sustainable Process Industry through Resource and Energy Efficiency (SPIRE)
 Unión Española Fotovoltaica
 WindEurope
 Zero Routine Flaring by 2030

Partially aligned:

American Petroleum Institute (API)