



Carbon Intensity Indicator (CII)



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The Carbon Intensity Indicator (CII) is a response to the company's need to move towards a business model compatible with the Paris Agreement, achieving net zero emissions by 2050. This indicator will be used to monitor progress and apply the most suitable and timely efficient levers.

Definition

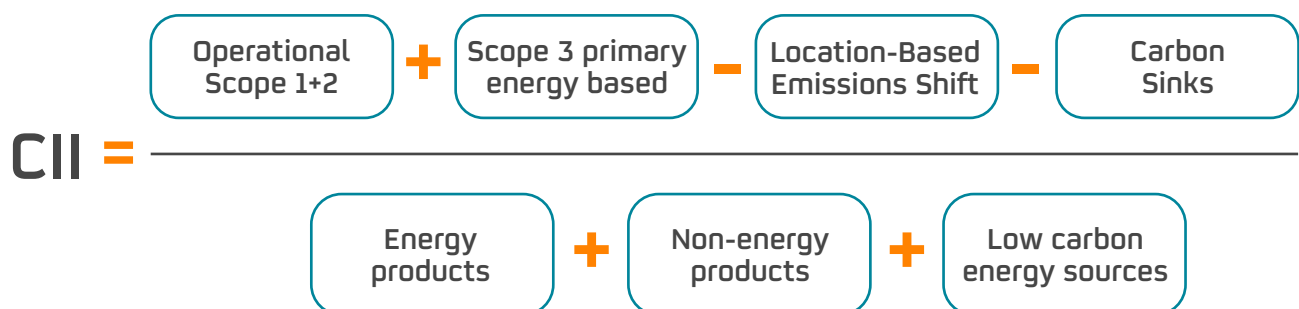
It embodies Repsol's position on climate change, in its role as an energy company that fulfils society's energy needs with as few emissions as possible.

The **CII is expressed in g CO₂eq/MJ**.

Methodology

Repsol's methodology developed to calculate carbon intensity indicator targets the main lever behind decarbonization: the primary energy mix that the company produces and supplies to society. Our methodology also avoids undesired results, such as double counting of emissions which would happen if the same emissions were attributed to more than one link in the production – refining – marketing chain.

Diagram CII*



* The results of the calculation of the Carbon Intensity Indicator (CII), which calculation methodology is detailed in this document, is included annually in the Company's Integrated Management Report, in the Climate Change section.

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The terms included in the numerator (CO₂ equivalent emissions) and in the denominator (energy) of the carbon intensity indicator are described in detail below.

Numerator

1. Operational Scope 1+2

Direct and indirect emissions from the E&P, Refining and Chemicals assets and electricity generation operated by Repsol. The rest of the businesses and areas of the company have not been included because they are not material (< 1% of the total scope 1 and 2).

2. Scope 3 primary energy-based

Emissions associated with the use of products that can be obtained from Repsol's oil and gas production. Emissions corresponding to the use of products that would be obtained from Repsol's refining and chemical processes scheme from its oil production are included (category 11). For natural gas production, all the emissions resulting from the combustion of this gas are counted (category 11). In addition, emissions from third-party hydrogen plants that supply company's industrial assets (Category 1) are included, as well as final disposal of the use of chemical products (Category 12).

3. Location-Based Emissions Shift

Emissions displacement from fossil electricity mix due to low-carbon electricity generation. Displaced emissions from our low-carbon power generation assets are subtracted in the numerator by replacing the marginal fossil power mix of the country where they are located. This value has a positive impact on the indicator and will change and likely decrease over time, as each country's electricity mix becomes progressively decarbonized.

4. Carbon Sinks

Emissions stored in the case of implementing levers such as carbon capture, use, and Storage (CCUS) outside the Company's operations, or Natural Climate Solutions (NCS) are subtracted from the numerator.

Denominator

1. Energy Products

Includes the energy related to the production of oil and natural gas.

2. Non-Energy Products

Chemical products and other non-energy products (lubricants, asphalts, and others) produced by Repsol from oil, are considered carbon sinks and, thus, the energy contained in the equivalent oil used to produce them is counted.

3. Low Carbon Energy Sources

Includes renewable electricity generation (solar, wind, and hydro) and non-renewable energy used for electricity generation (combined cycle and cogeneration surpluses).

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From 2023 (included), the CII reported in the Company's integrated management report incorporates methodological adjustments that reflect more accurately the incorporation of new technologies that are part of the Company's decarbonization strategy. Specifically, these adjustments have consisted of 1) eliminating the netting of natural gas, naphtha, and LPG to transform the primary energy model into a final energy model proportional to the primary energy produced. Products not consumed in our facilities are sold to a third party; 2) the consideration that naphtha is used to produce chemical products; 3) a detailed analysis of the final destination of chemical products to allocate these emissions (specifically Scope 3, Category 12) according to the end of their useful life; and 4) a slight modification in the consideration of added biofuels. In relation to the Sustainable Linked Bond (SLB) issued in June 2021, the methodology for monitoring the CII remains in line with the original expressed in the framework of this SLB.

As a result of these methodological changes, the figures reported in the 2023 Integrated Management Report and in the document "Carbon Intensity Indicator and Carbon Intensity Indicator Percentage as of December 31, 2023" are not comparable.