

REPSOL

ANNUAL REPORT

VOLUNTARY PRINCIPLES ON SECURITY AND HUMAN RIGHTS INITIATIVE

2023

A. Commitment to the Voluntary Principles

1. Public statement of commitment or endorsement of the Voluntary Principles, engagement in the Voluntary Principles Initiative, and transparency.

Repsol's commitment to the Voluntary Principles is part of a broader commitment to Human Rights and sustainable development. This commitment is materialized through the Company's Sustainability plan, a public document consisting in a set of actions that go beyond what is required by law. It is intended not only to comply with laws and regulations, but also with relevant international standards such as the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, and the international standard ISO 26000: Guidance on Social Responsibility, as well as the Voluntary Principles of Security and Human Rights (VPSHR).

The Sustainability Plan, integrated since 2017 into the Integrated Management Report, is published on the company's website and has been audited by Price Waterhouse Coopers. The report includes a specific Human Rights program that contains actions related to the Voluntary Principles. Furthermore, it includes actions related to internal training, internal and external awareness and regulatory compliance related to Human Rights, due diligence and efforts aimed at avoiding any impact on Human Rights, respect for the rights of indigenous populations or any other vulnerable group, attention to claims and complaints and the repair of eventual impacts.

The actions included in this plan are linked to the short-term incentives of Repsol's workers. This leads to an unequivocal commitment of the Company with the effective maximization of its contribution to sustainable development and the implementation of the VPSHR.

Repsol has taken part in all VPI annual meetings since joining the Initiative in December 2013, integrating into the different working groups that were formed. In addition, Repsol has also attended meetings regarding the VPI's work with other participants of the initiative and its Secretariat.

2. Examples of promoting awareness of the Voluntary Principles throughout the organization or government, including within the value chain.

Since 2018, the Division of Intelligence and Corporate Security (DICS) has been working on implementing the best practices related to the Voluntary Principles on Security and Human Rights initiative (VPSHR). Training the Public and Private Security Forces in Human Rights matters is included within said measures.

The Corporate Security members hold annual meetings attended by the Corporate Security country managers. In those meetings, papers related to the VPSHR are distributed and the lines to be followed throughout the year in this matter are established.

3. Examples of promoting and advancing implementation of the Voluntary Principles internationally.

In 2023, Repsol participated in the Corporate Human Rights Benchmark (CHRB), a comparative study that analyzes the performance of 112 companies from the extractives and apparel sectors in terms of Human Rights compliance. **Repsol ranked 1st, becoming once again the leading firm in the oil sector.**

From 2020 to present, Repsol has formed working groups to address Human Rights issues with other extractive companies, in the countries where we operate and have Security presence for:

- Determining needs.
- Acknowledging concerns.
- Identifying problems.
- Sharing the best practices.
- Providing solutions.

B. Policies, Procedures and Related Activities

4. Relevant policies, procedures, and/or guidelines (or any changes thereto from the previous reporting year) to implement the Voluntary Principles.

The Security and Respect for Human Rights policies, the employees Ethics and Conduct standards, and everything that has to do with Relations with Indigenous Communities and Relations with Communities, make explicit reference to the Voluntary Principles.

The Corporate Security Standard establishes: "*Repsol will adopt the best current practices, using the Voluntary Principles of Security and Human Rights as a reference*".

Risk assessment

5. Company procedure to conduct security and human rights risk assessments and integrate findings.

The HAZID (Hazard Identification Study) method is used to analyze security and human rights risks. It is used by the Company in its Exploration & Production projects and included in the Security Plans drawn up for each of the countries where the Company has Corporate Security.

The HAZID method is followed by the design and implementation of preventative measures to reduce the risk of Human Rights violations.

Engagement with Security Forces

6. Company procedure or mechanism to report security-related incidents with human rights implications by public/private security forces relating to the company's activities.

In 2017, Corporate Security developed a specific complaints procedure to deal with security incidents in which human rights may be involved. The procedure describes the functions of the people involved in it. It also traces each phase of the process, from the moment in which the Corporate Security manager of any country becomes aware of an incident, until its resolution.

Since 2017 all countries in which Corporate Security operates have communicated and implemented a complaints procedure, making it available to all its employees. Employees receive periodic reminders about the procedure to keep them informed of the resources they have at hand.

Additionally, Repsol has different communication channels to receive information, complaints or claims about incidents. Through these channels, contractors or any other interested parties can report facts that may be considered violations of Human Rights, infractions of the law or the Company's internal regulation. These channels are available both on the Company's website and on the internal intranet.

The main recipients of information on problems related to security and Human Rights are: the DICS, the Sustainability Division, those responsible for Relations with Communities in each country and the Ethics and Conduct Committee.

7. Company procedure to consider the Voluntary Principles in entering relations with private security providers.

The DICS carries out security analyses of suppliers and contractors of the company, including private security providers. These analyses are fulfilled after the investigation of the owners of the companies and their corporate bodies, as well as their activity, previous operations, judicial background, and possible links with illicit activities.

It is verified that they have not been involved in incidents regarding human rights violations, and neither have the members of their staff.

All contracts signed with Private Security Forces include a clause of non-violation of Human Rights as part of our Ethics and Conduct Code and our commitment to the Voluntary Principles. They also receive annual training in this regard.

8. Company procedure or mechanism to investigate and remediate security related incidents with human rights implications by public/private security forces relating to the company's activities.

The investigation mechanism concerning VPSHR incidents in which security forces are involved does not differ from the investigation of any other security incident. This investigation can be carried out by our Corporate Security Unit in the country or by our Intelligence Area, based in Madrid. During this procedure, the Community Relations area, the Sustainability Division and all those Divisions of interest and that can collaborate in the resolution of the incident are engaged.

C. Country implementation

9. Overview of country operations selected for reporting.

General

During 2023 no disputes with local communities have been identified. Agreements have been signed with the indigenous communities, taking into account considerations that go beyond the strictly legal, in compliance with the Repsol Policy on Relations with Communities. The purpose of these agreements is to contribute to local socio-economic development (social investment, goods and services) and ensure access to land.

Libya

The mechanism to investigate security related incidents with human rights implications by public/private security forces was used for the first time in 2023. In late November, the DICS received an email from a contractor complaining about alleged racist treatment from his employer, the Private Security provider in the country, towards some of its own employees.

Corporate Security did not act as promptly as expected, despite having designed and implemented a procedure for these cases. As it was the first time we had received such a complaint, we had to review the protocol and check with the Sustainability Division the best way to approach the issue, being mindful of local customs.

Additionally, recent events suggested the email was related to a labor dispute rather than an action against Human Rights.

However, Corporate Security understood the claim fell under the scope of the Voluntary Principles, and it was therefore our responsibility to investigate the matter and take action if needed. The Division carried out an independent investigation, in which Repsol's Corporate Security manager in the country:

- checked the case's background,
- interviewed the plaintiff about the matter,
- held interviews with other people involved, including employees and management from the contractor,
- and reviewed documental evidence relevant to the case, provided by both sides of the argument.

The whole process was duly documented, according to the protocol that Corporate Security had developed.

After careful evaluation, it was determined that no action against Human Rights or the Voluntary Principles had taken place, and the case was in fact a labor conflict.

This incident highlighted the importance of taking responsibility as a Division when receiving these claims, as well as the need for immediate attention from Corporate Security when issues or claims arrive, properly following and documenting the established procedure, and conducting independent and thorough investigations before reaching conclusions. We will continue to implement these best practices.

10. Engagements with stakeholders on country implementation.

Repsol aims to understand stakeholder expectations through different means. Initially, the major topics are identified, keeping in mind ethical, social, and environmental criteria and the sustainability requirements of international organizations.

These expectations are identified at a global level by analyzing the international standards that currently comprise the broadest international consensus on acceptable behavior for multinational enterprises. Ad hoc studies are also carried out to identify the specific expectations and concerns of the stakeholders at the country and even local level.

The topics identified are compared to interviews with representatives from different stakeholders in civil society and opinion leaders on the matter.

After an analysis and consolidation process, the results are reviewed by the Sustainability Committees, which are comprised of senior management level representatives from the different businesses and corporate units of the organization.

The Sustainability Committees assess the expectations identified and compare them with the Company's actions. They prioritize the expectations and proposes measures to respond to them. These proposals are included in Repsol's annual Sustainability Plan.

In 2023, key stakeholders, Communities, Governments and other companies or associations have been identified in all the countries in which Corporate Security is present.

11. Voluntary Principles considerations in the selection of private security providers and formulation of contractual agreement with private security providers, as well as arrangement with public security forces

As previously described, the Company's Intelligence and Corporate Security Division analyses potential private security providers before entering relations. Afterwards, all private security contractors sign specific clauses on respecting Repsol's policies on human rights and the Voluntary Principles on Security and Human Rights.

The norm on "Approval and Management of Agreements with Public Security Forces" states: *"As a contractual document, the agreement or MoU will be drawn up by CD Legal Affairs through the legal services that correspond to the Company with the support of the D CS, who will participate from the beginning of the process in writing drafts between the parties to help, from the technical point of view in defining the service, standardize the MoU with other agreements signed in other countries, and in maintaining the commitments signed by the Company on human rights."*

In 2023, the Public Security Forces in all countries have been urged to sign an agreement (MOU). This has been signed in those countries in which the Public Security Forces have agreed.

12. Examples of supporting outreach, education, and/or training of (i) relevant personnel, (ii) private security, (iii) public security, and/or (iv) civil society (e.g. local NGOs, community groups)

During 2023, as in previous years, the Intelligence and Corporate Security Division stated that all countries should implement the initiatives set by the VPSHR as an objective.

Those initiatives include:

- Evaluation of the risks of Human Rights violations in Security Plans of all countries
- Knowledge of all the company's human rights regulations
- Signing of understanding agreements with public Security Forces
- Identification of key stakeholders in each country
- Review that all contracts with private Security Forces include the Voluntary Principles clause
- Establishment and communication of claims protocols
- Training private and public Security Forces

These measures have been implemented in all countries in which Corporate Security is present.

Regarding education and training, all Company employees complete a yearly course on the Company's Ethic and Conduct Code, ensuring they know about our human rights regulations. In 2023, private security contractors have received training on Human Rights and the VPSHR in all countries where Corporate Security is present. Public Security Forces have received such training in those countries where they have agreed.

13. Company procedure to review progress on implementing the Voluntary Principles at local facilities.

Corporate Security and the Area of Relations with Communities and Human Rights collaborate with each other and make periodic contact with security forces, communities and other interested parties in order to determine the evolution of the actions carried out for the implementation of the VPSHR.

D. Lessons and Issues

14. Lessons or issues from this reporting year, as well as plans or opportunities to advance the Voluntary Principles for the organization.

We will continue to implement the VPSHR in the Company in accordance best practices.

Furthermore, we look forward to the VPI's guidance on Human Rights Due Diligence.