



2022

INTEGRATED  
MANAGEMENT  
REPORT



Committed to  
**positive  
progress**



**2022**

INTEGRATED  
MANAGEMENT  
REPORT





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## Letter from the Chairman



On behalf of Cepsa's Board of Directors, I would like to thank our entire workforce for their commitment, resilience and outstanding operational performance delivering to our customers and partners in a year that was marked by geopolitical tensions, market volatility and significant disruptions to global supply chains.

I would additionally like to thank Cepsa's Board and our CEO Maarten Wetselaar, who took the helm in 2022, for their strong commitment to Cepsa's energy transition journey.

The impact of global warming can only be mitigated through the collective and collaborative efforts of civil society, governments and businesses alike to pursue sustainability and deliver quantifiable decarbonization targets.

Cepsa's 'Positive Motion' strategy is our response to the scientific community's call for urgent action to deliver carbon neutrality by 2050.

We are fully committed to playing our part in the development of an efficient global energy system that both guarantees continuity of supply and increases the share of renewable sources in the global energy mix.

We intend to:

- Generate more than half of Cepsa's EBITDA from sustainable businesses by 2030
- Reduce our Scope 1 and 2 emissions by 55% and Scope 3 by 15-20% by 2030, among the most ambitious targets in the sector
- Reach net zero by 2050 and go beyond it to become net positive

The reconfiguration of our businesses is based on three pillars.

The first is our decisive commitment to the development of green hydrogen as a fundamental energy source and the best low-carbon alternative for such hard-to-abate sectors as industry and heavy transportation. Cepsa intends to lead

the development of the green hydrogen industry in Spain and Portugal, with a production capacity equivalent to 2 GW and biofuels production of 2.5 million tons by 2030.

The second pillar is to spearhead the production and adoption of advanced second generation biofuels in our markets in order to accelerate the decarbonization of transport. To this end, Cepsa is targeting annual production of 800,000 tons of sustainable aviation fuel by 2030.

Our third pillar is based on the transformation of our refineries into diversified Energy Parks. These parks will focus on the development of green products that enable the decarbonization of our productive processes and, in turn, help other sectors with their decarbonization efforts.

The final pillar is our commitment to leading sustainable mobility in Spain and Portugal by 2030, which will also contribute to the delivery of the European Union's 'Fit for 55' package, which aims to bring EU legislation in line with the climate goals agreed by its institutions.

We have also taken steps to align our businesses with the sustainability requirements of global financial institutions by agreeing financial terms requiring the delivery of key environmental and social indicators. I would like to thank all of our financial partners for their continuing support and collaboration in placing sustainability criteria at the core of our financing and investment decisions, as well as in our day-to-day operations.

In conclusion, I am proud to observe how we are moving in the right direction with our new Positive Motion strategy, whose holistic approach is laying the foundations for a new Cepsa and whose guiding principle is to contribute towards a better future for everyone.

AHMED YAHIA AL IDRISSE  
Chairman of Cepsa





Letter from the

## CEO



It is my pleasure to introduce our Integrated Report for 2022, a watershed year for Cepsa, marking the start of a new era for the company driven by a renewed vision, purpose and set of values.

It was a complex year from geopolitical and economic standpoint, roiled by the uncertainty derived from the war in Ukraine, high energy prices and rampant inflation, and growing concern around energy supply security and autonomy and the consequences of climate change, an increasingly pressing issue.

We are unquestionably at a crossroads, on the cusp of major global transformation of energy markets in which, the need to step up efforts to accelerate the energy transition is coming into clear view. In fact, public and private agents are visibly committing to speeding up the pace of change with strategies such as REPowerEU in Europe and the Inflation Reduction Act (IRA) in the US.

Here at Cepsa, 2022 was marked by our new business strategy, Positive Motion, which we unveiled in March and represents a major opportunity and challenge. It is designed to use Cepsa's strengths as a business to create a leading sustainable mobility and energy in Spain and be a benchmark in the energy transition in Europe. It is articulated around the clear mission of going beyond Net Zero and shrinking our carbon footprint to become Net Positive, making it easier for our customers and broader society to move in the right direction towards decarbonisation and climate change action.

We will achieve that mission with an ambitious investment plan framed by economic viability and sustainability criteria aligned with the Sustainable Development Goals, under the United Nations Global Compact, of which we have been signatories for more than 15 years. As proof of our commitment to these goals, we converted our €2 billion syndicated loan into sustainability-linked financing for the first time, tying its terms and conditions to compliance with specific environmental and social targets, including reducing emissions and increasing gender equality. We also remain committed to young talent, innovation and digital transformation in the business.

As for our earnings, we reported a 62% increase in EBITDA to €2.9bn in 2022 and announced a near doubling of investments to 2025 to €3.6bn vs the last three years. This is a record result in a year marked by high market volatility

and underpinned by robust performance across all of our businesses.

2022 was, without a doubt, a year of change for Cepsa. We launched large-scale projects to develop green hydrogen, biofuels, renewable energies and sustainable mobility making Positive Motion a reality. More specifically:

- We invested in and scaled up our Energy Parks in Andalusia, committing strategically to the creation of the Andalusia Green Hydrogen Valley, the largest project of its kind in Europe and signed an agreement with the Port of Rotterdam for the creation of the first green hydrogen corridor between northern and southern Europe.
- We began producing advanced biofuels at our energy parks and struck alliances with Iberia, Iberia Express, Binter, Vueling, Air Nostrum, Tui and Etihad for the supply of sustainable aviation fuel (SAF) in a bid to decarbonise air travel.
- We progressed the rollout of our network of ultra-rapid EV chargers as part of our alliance with Endesa for accelerating electric mobility in Spain and Portugal.
- We launched a new family of sustainable chemicals products, NextLAB and NextPhenol, and supplied Unilever with the world's first renewable LAS surfactant, milestones contributing to the sustainable development of the chemicals industry.

In a year in which economic difficulties affected all of society, especially the most vulnerable, we reinforced our commitment to our customers by applying savings solutions and offering discounts and promotions to mitigate the effect from the energy and inflation crises.

Before signing off, I would like to take this chance to thank the entire Cepsa team, for your commitment and hard work, without which this year's robust performance would not have been possible. Thank you also to the Management Committee and our shareholders, Mubadala and Carlyle, for their support and encouragement during my first year as CEO. Lastly, I would like to thank our customers for their loyalty, and our partners, suppliers and stakeholder institutions for placing their trust in us as we work together to deliver the energy transition in Europe.

MAARTEN WETSELAAR  
CEO of Cepsa



## 2022 MILESTONES



01

We unveiled our Positive Motion strategy for becoming a benchmark in the energy transition.



02

Framed by Positive Motion, we announced the company's new purpose and values.



03

We started to dismantle our refinery in Tenerife in collaboration with the local regional government.



04

We endorsed the UN Women's Empowerment Principles and fostered LGBTI inclusion.



05

We converted our €2 billion syndicated loan to sustainable finance.



06

We stepped up our efforts to attract young talent, in a year of record hires, to drive our new strategy forward.



07

Underpinned by our commitment to using water responsibly, we pledged to cut our withdrawal of freshwater from water-stressed regions by 20% in 2025.



08

We launched Planet Energy, a digital space for tackling the challenges and macro trends being thrown up by the energy transition.



09

We began producing advanced biofuels at our energy park in Huelva.



10

We gave our customers a €0.30 per litre fuel discount.



11

We got involved in projects for the development of 7,000 MW of renewable capacity.



12

We sealed relevant alliances for the decarbonisation of air travel with Iberia, Iberia Express, Binter, Air Nostrum, Vueling, Tui and Etihad.



13

We joined forces with Rotterdam Port to create the first green hydrogen corridor connecting northern and southern Europe.



14

We struck agreements with Acciona and Endesa for the promotion of sustainable road mobility.



15

We made Seville the European aviation decarbonisation capital, fuelling over 200 flights with biofuels.



16

We presented the Andalusia Green Hydrogen Valley, the largest green hydrogen project in Europe.







## KEY INDICATORS



## Financial indicators

Earnings (€ million)	2022	2021
Revenue <sup>1</sup>	33,446	24,532
EBITDA - IFRS <sup>2</sup>	3,262	2,194
Adjusted EBITDA	2,939	1,815
Net profit attributable to equity holders of the parent - IFRS	1,100	661
Adjusted net profit attributable to equity holders of the parent	790	310

Financial data (€ million)	2022	2021
Share capital	268	268
Equity attributable to equity holders of the parent	4,706	4,170
Net debt	2,756	2,759

<sup>1</sup> Excise tax oil and gas included.

<sup>2</sup> International Financial Reporting Standards.

## Sustainability indicators

	2022	2021
Scope 1 & 2 GHG emissions (thousands tCO <sub>2</sub> eq)	5,491	5,625
Energy consumed (TJ) <sup>1</sup>	63,710	65,584
Water withdrawn (million m <sup>3</sup> )	33.1	33.4
Freshwater withdrawn from water-stressed regions (million m <sup>3</sup> )	14.4	15.5
Waste managed (thousand tonnes)	62.8	56.9
Waste recovered (%)	64%	62%
Habitats protected or restored (m <sup>2</sup> )	555,900	554,700
Environmental capex (€ thousand)	100,952	43,844
Employees (n°)	10,310	9,820
Female employees (%)	38.0%	37.2%
Women in management positions (%)	26.7%	25.4%
Employees covered by collective bargaining agreements (%)	87%	87%
Fatalities, employees and non-employees (n°)	0	0
Employee lost workday injury frequency (LWIF) <sup>2</sup>	0.55	0.66
Employee total recordable incident rate (TRIR) <sup>3</sup>	0.98	1.20
Local suppliers (%)	35%	38%
Community investment (operational and voluntary) (€ million)	4.5	4.5
Requests for ethics advice (n°)	177	134
Income tax paid by the company (€ million)	1,419	370

<sup>1</sup> This figure relates to the energy consumed within the organisation and excludes the energy generated and sold to third parties.

<sup>2</sup> LWIF: Total number of lost-time employee accidents / Total number of hours worked x 1,000,000.

<sup>3</sup> TRIR: Total number of employee accidents recorded / Total number of hours worked x 1,000,000.

# 01

## *POSITIVE MOTION*

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# Positive Motion





## 1 POSITIVE MOTION



GRI: 2-22



### OUR PURPOSE:

*"We are transforming energy and mobility so that between us we can make the world a better place".*

We want to play a key role in the energy transition. Our Positive Motion strategy is designed to make us leaders in mobility and sustainable energy in Spain and Portugal and a benchmark for energy transition. Our new strategy sets the stage for everything we are doing and will do in the next years: creating positive value, experiences and solutions in energy and mobility, offering our customers ways to tackle the decarbonisation challenge and having a positive impact on the world around us.

Enabled by an ambitious investment plan, we will drive new energy transition technologies and offer our customers new green products, making sustainability criteria a core component of our investment decisions.

We will invest a total of roughly €7 to €8 billion by 2030, earmarking over 60% to sustainable investments.

## CONVERSION OF OUR €2 BILLION SYNDICATED LOAN TO SUSTAINABLE FINANCE

One of the first steps in our investment plan was to extend the maturity on our €2-billion syndicated credit facility to September 2027. For the first time, that new agreement ties the loan's financial terms to delivery of environmental and social indicators<sup>1</sup>. In addition, the company and its syndicate of banks have committed to donating 100% of any decrease in interest payments to environmental and social projects.

Going forward, framed by Positive Motion, we will continue to tie financial instruments to sustainability targets and so accompany execution of our energy transition projects.







<sup>1</sup> Three environmental and social KPIs: progressive reduction in Scope 1 & 2 emissions to reach a 55% decrease in 2030 versus 2019; 15-20% decrease in the carbon intensity index of energy products sales, which includes Scope 1, 2 & 3, in 2030 versus 2019; 30% of leadership positions be held by women by 2025.

Sustainability lies at the heart of our transformation: we want our activities to have a positive impact on the planet

and on people. To do that, we are focusing on areas of priority importance to society, assuming specific commitments.

### Our key commitments

 In 2030 vs. 2019    By 2050	<b>CARBON EMISSIONS</b>  55% reduction in Scope 1 & 2 emissions  15-20% reduction in the carbon intensity of the products we sell (Scope 3)  Zero net emissions	 In 2025 vs. 2019	<b>ENVIRONMENT</b>  20% reduction in freshwater withdrawal from water-stressed areas	 By 2025	<b>DIVERSITY AND INCLUSION</b>  30% of management positions held by female executives  2% of own employees + 1% of outsourced employees of differing abilities
 In 2030 vs 2019   By 2030	<b>CIRCULAR ECONOMY</b>  Increase the circularity of our waste flows by 50%  Raise the share of renewable and circular raw materials in our energy parks by 15%	Base 100% of our new production of renewable and biojet diesel molecules on second-generation raw materials		Replace the fossil fuel sources in the chemical products we sell by introducing renewable and recycled materials	

Positive Motion embodies our ambition to grow and spearhead the path to energy transition within our social and business reach, framed by ambitions targets for transforming and decarbonising the company.



### Our strategic plan targets

#### POSITIVE MOTION

In 2030	 1 ultra-rapid charging locations for every 200 km on essential intercity roads   1 hydrogen refuelling station every 300 km   2 GW of green hydrogen production capacity   2.5 MT of 2G biofuel production capacity   0.8 MT of annual SAF production capacity   7 GW pipeline of renewable projects	Over the decade    By 2030	 €7-8 billion of investments; >60% sustainable   Majority of EBITDA from sustainable businesses
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## 1.1 TRANSFORMING OUR ENERGY BUSINESS



We are transforming our energy business into a mobility and sustainable energy ecosystem. We aim to supply energy and chemical products with as small a carbon footprint as

possible to reduce our emissions and help our customers with their decarbonisation pathways.



### 3.1 Advancing towards a net zero world



### 1.1.1 Leading sustainable mobility and new sales models

Fostering customer mobility and the decarbonisation of road transportation is a priority for us. To do that, we are developing the biggest sustainable mobility ecosystem in Spain and Portugal by:



Installing a leading network of ultra-rapid roadside charging stations. Target for 2030: at least one charging facility per 200 km.



Offering our B2B customers on-the-go charging network and onsite charging solutions to facilitate their transition to sustainable mobility.



Stimulating demand for hydrogen for heavy road transportation. Target for 2030: at least one refuelling station per 300 km.



Mobility-as-a-service: transformation of our 1,800 existing service stations in Spain and Portugal into digitalised, ultra-convenient premises that offer an unbeatable customer experience, including food service, by teaming up with leading quick-commerce, fast dining and fresh food retailers.



### 1.1.2 Spearheading sustainable energy

#### LEADER IN GREEN HYDROGEN

Green hydrogen is generated from wholly sustainable and renewable sources and does not generate carbon emissions. It is an energy transition enabler. Green hydrogen, and the green ammonia and green methanol that can be made from it, have the potential to reduce global energy demand by 15-20% in 2050, as they can be deployed in shipping, aviation, heavy cargo transport and other industrial sectors where electrification is challenging. Green hydrogen can also be used to make synthetic fuels.

Green hydrogen is produced by electrolysis, which splits water into oxygen and hydrogen molecules using electricity generated from renewable sources, so that it is produced without generating carbon emissions, making it the only genuinely clean form of hydrogen.

Spain is very well positioned to lead the way in the production of green hydrogen and we want to become a key exporter by leveraging the location of our energy parks in southern Spain



#### 1.3.4 Sustainability, mobility and the customer experience



#### 1.3.3.1 Mobility & New Commerce

(Andalusia), where the cost of producing renewable energy is among the lowest and where direct port access exists.

Thanks to that privileged location, we can offer a full suite of solutions for industrial, road transportation and shipping customers, while decarbonising our own hydrogen consumption at our energy parks. In 2030, the company will have capacity to generate 2 GW of green hydrogen 70% of which will go to customer decarbonisation, including to customers in the shipping industry, where we will sell green hydrogen molecules in the form of green ammonia. The remaining 30% will be used to cover our own hydrogen needs so that the company will be able to stop using grey hydrogen by then.

## CREATION OF THE ANDALUSIA GREEN HYDROGEN VALLEY AND THE FIRST GREEN HYDROGEN CORRIDOR BETWEEN THE NORTH AND SOUTH OF EUROPE



Guided by our Positive Motion strategy, we have embarked on the creation of Andalusia Green Hydrogen Valley, the largest project of its kind in Europe. It will allow us to accelerate our ecological transition, lift our supply security and give the continent greater energy autonomy.



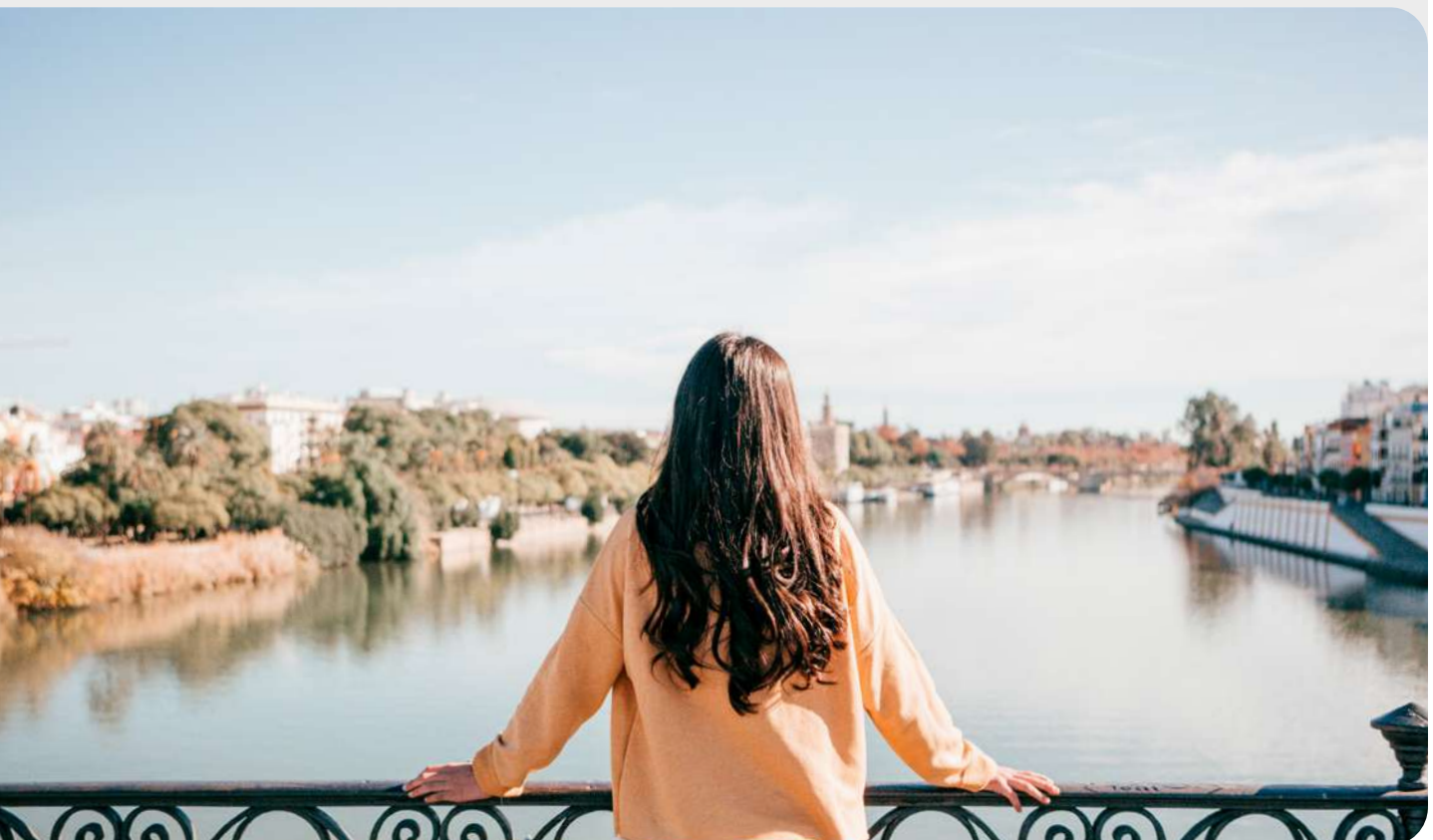
The project entails the commissioning of two facilities with combined capacity of 2 GW and production of up to 300,000 tonnes of green hydrogen at our energy parks in Campo de Gibraltar (Cadiz) and Palos de la Frontera (Huelva). The Valley project will be accompanied by 3 GW of wind and solar power facilities. It will also transform Algeciras Bay into a hub for green shipping fuels (ammonia/methanol) for supply to our shipping customers.



In tandem, we have reached an agreement with Rotterdam Port (the most important energy port in Europe) for the creation of a green hydrogen corridor to link up the north and south of Europe; it is slated for start-up in 2027. That new corridor will guarantee a green hydrogen supply chain between the continent's top two ports - Rotterdam and Algeciras - and will contribute to the decarbonisation of industrial and shipping operations in the vicinity of the ports, while supporting the European Union's RePowerEU strategy.



In parallel, we are rolling out a host of initiatives, such as our alliance with Ohmium for the development of high-efficiency green hydrogen projects in the Iberian Peninsula using proton exchange membrane (PEM) modular electrolyzers, which will make it possible to raise green hydrogen production capacity to up to 300 MW.





## SECOND-GENERATION (2G) BIOFUELS

Biofuels will play a key role in the decarbonisation of transport. They are currently the most cost-efficient way of decarbonising the transport sector as they are compatible with today's existing manufacturing and transport systems and the only technologically mature solution for certain sectors, including aviation and heavy cargo transport.

The production of biofuels is aligned with the European Commission's Fit for 55 package aimed at fostering the use of alternative greener fuels to reduce GHG emissions intensity, particularly in shipping and aviation. In aviation, the legislative initiative known as RefuelEU Aviation seeks to drive the production and consumption of SAF (Sustainable Aviation Fuels) in the European Union, pushing their use to 2% in 2025, 5% in 2030 and 63% in 2050.

Second-generation (2G) biofuels, unlike their first-generation counterparts (1G), are made from waste such as used cooking oils and biodegradable industrial waste. Their

circularity makes it possible to reduce CO<sub>2</sub> emissions by as much as 90% compared to traditional fuels.

Our investments in this sector will be centred entirely around the production of biofuels from 2G raw materials. Thanks to our experience producing biofuels and our strong credentials in adapting to technological change, we are in a position to:

- Lead production of biofuels in Spain and Portugal, with plans to produce 2.5 million tonnes by 2030, so servicing road, sea and air carriers.
- Lead production of SAF (Sustainable Aviation Fuels) by 2030, the goal being to make 0.8 million tonnes a year, a third of the total required under European regulations. We already command 35% of the Spanish aviation fuel market and we are the Spanish aviation industry's number-two supplier.



## AMBITIOUS PIPELINE OF RENEWABLE ENERGY DEVELOPMENTS

Renewable sources of energy are marking a watershed moment in the energy market and constitute a key enabler of climate change action and our Net Zero by 2050 ambitions. Europe wants 80% of demand for power to come from renewable sources by 2050. Our goal is to create a portfolio of 7 GW of renewable assets. That would contribute 7.8pp to Spain's renewable energy targets for 2030. That output would be used mainly for internal consumption in 2030, specifically

including for the production of green hydrogen. It will also enable the supply of green energy for electric mobility. 2.2 GW of the planned 7 GW already has grid connection rights.

We currently have a 29 MW wind farm in Jerez with 11 wind turbines. Thanks to that facility, we are avoiding the emission of 32,000 tonnes of carbon a year.



### 1.3.3.1 Commercial & Clean Energies



### 1.3.4 Sustainability, mobility and the customer experience

## 1.1.3 Transforming the company: energy parks

Our energy parks, located in Campo de Gibraltar (Cadiz) and Palos de la Frontera (Huelva), are strategic assets. They generate cash that facilitates our energy transition strategy. We plan to tap innovation and technology to realise the parks' full potential to develop new green products and decarbonise our production process.

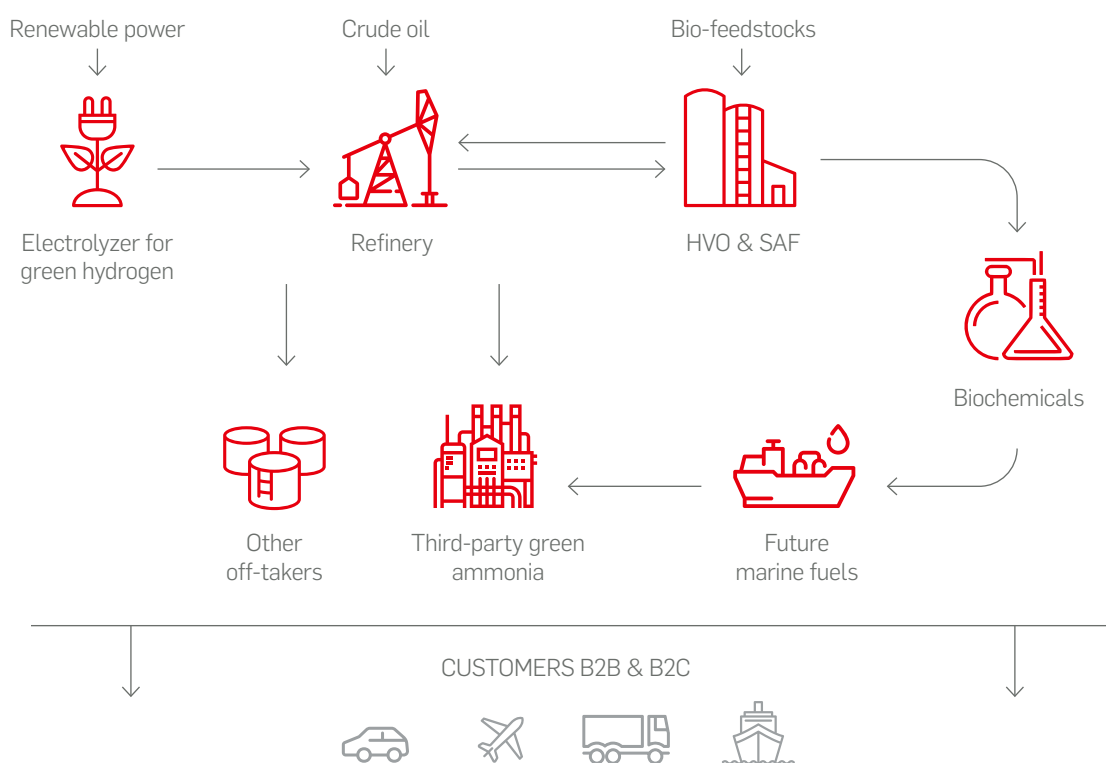
They are strategically located in southern Europe close to major ports, key markets and important industrial customers and boast excellent logistics connections. In these Energy Parks, safety and operational excellence is a key strategic

focus along with a strong focus on commercial optimisation of operations. In addition, we use IoT (Internet of Things - networks and communication technology between devices and with the cloud) combined with advanced analytics to optimise production processes.



### 1.3.3.1 Energy Parks

#### Transforming our energy parks





## 1.2 ACCELERATING VALUE CREATION ACROSS ALL OUR BUSINESSES



GRI: 2-6, 2-22

### 1.2.1 Global leader in raw materials for detergents and technical plastics

We are committed to leveraging innovation and technology to drive sector transformation by using more sustainable chemical products. We want to bolster our leadership position in the new green chemistry era: transition to lower-carbon products and processes that enhance the day-to-day lives of households and businesses all over the world.

We are the global leader in the production of linear alkylbenzene (LAB), the key raw material in biodegradable detergents, and the world's second-largest producer of phenol/acetate, essential raw materials in the automotive, construction and pharmaceuticals industries.

To reinforce our leadership in a sector undergoing transformation, we plan to continue to add the capacity, strike the alliances and preserve the autonomy needed by a pioneering player, while continuing to develop new products using renewable and recycled raw materials, such as our lower-carbon NextLAB and NextPhenol product ranges.



1.3.3.3 Chemicals





## 1.2.2 Portfolio of Exploration & Production assets in several of the world's most prolific basins

We are constantly trying to enhance our portfolio by strengthening our position and orienting our assets towards sustainability and efficiency. We generate value by

working under a single, centralised management model at both operated and non-operated production facilities.

Exploration & Production is a resilient and long-life business in which:

- We are optimising our performance and helping reduce carbon intensity.
- We are focusing on keeping our barrels low cost and low carbon.
- We have a very solid team of technical experts.
- There are attractive options for investing in production fields and top-quality exploration opportunities.

We are committed to sustainability and social responsibility in our business communities. Driven by that commitment, we have endorsed the World Bank's Zero Routine Flaring by 2030 initiative.



### 1.3.3.2 Exploration & Production





## 1.3 OUR COMPANY



### 1.3.1 Purpose and values

Framed by our Positive Motion strategy and with the goal of being leaders in green energy and mobility and helping our customers and society move in a more sustainable manner, we have defined our purpose:

*"Our purpose is our reason for being, the motivation that moves us to generate value for society, for our customers and for our stakeholders"*

—  
**Maarten Wetselaar,**  
CEO de Cepsa



WE ARE TRANSFORMING ENERGY AND MOBILITY SO THAT BETWEEN US WE CAN MAKE THE WORLD A BETTER PLACE

Each word has a precise meaning in relation to our purpose:



• **Transforming** means progress, development, evolution, it means moving forward with our products, our services and the experience we offer.



• **Energy** and **mobility** are our value proposition. We are providing best-in-class energy and mobility solutions.



• **Between us** is a call for collaboration, for joint commitment, encompassing our management team, our employees, our customers, our suppliers, the authorities and society at large.




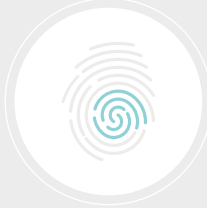



• And **make the world a better place** echoes the company's ultimate purpose: not removed from reality but yet shining the spotlight on change geared at a better future.

Our purpose embodies a transformational force that inspires pride and commitment among our employees and helps us be more valuable to society by engaging it in our business strategy.

## OUR VALUES

To inject life into our vision and purpose, together with our key enabler, our people, we have defined a set of corporate values, hallmarks for who we are and how we do things:

				
<b>WE CARE ABOUT PEOPLE</b>	<b>WE ENTHUSE OUR CUSTOMERS</b>	<b>WE CARE FOR THE PLANET</b>	<b>WE CREATE VALUE, TOGETHER</b>	<b>WE DARE TO TRY</b>
We are committed to the safety, wellbeing and development of our teams and communities.	We learn and grow with them so as to top their expectations by creating unique experiences.	We are working for a better energy future.	We work together effectively, respectfully and honestly, bringing people together to achieve excellent results.	We tackle change with enthusiasm and courage, championing projects that can have a real impact.

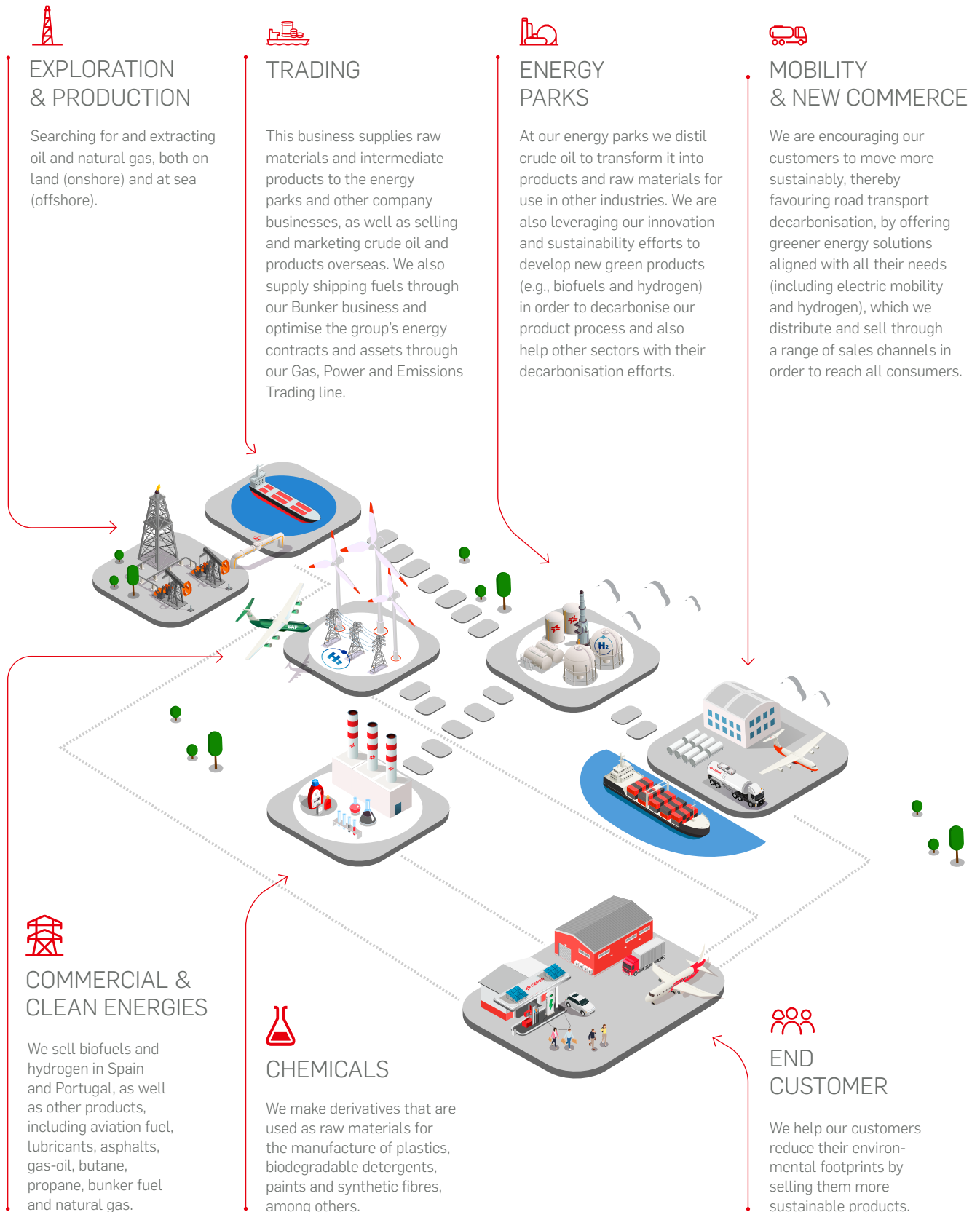
To define and select our values we conducted a host of activities involving the entire organisation, notably including working sessions with the Management Committee and workshops and other brainstorming dynamics with our employees and influencers.





## 1.3.2 Value chain

A global company operating throughout the oil & gas, chemicals and power value chain.



## 1.3.3 Our businesses

GRI 3-3, 2-29

### 1.3.3.1 Energy

## ENERGY PARKS

### 2022 MILESTONES



**Production of biofuels at our plants in Palos de la Frontera and Gibraltar-San Roque (Spain) under the incoming Fuel Quality Directive (FQD) requirements.**

We drove the development and generation of biofuels at our energy parks by co-processing vegetable oils. The Gulfinishing unit is already capable of producing hydrogenated vegetable oil (HVO). In 2023, the Hydrocracker unit will likewise be configured to co-process.



**Production of SAF (Sustainable Aviation Fuels).** We are already producing SAF at our energy parks from olive stones and other plant waste generated by the Spanish olive sector. That fuel is being used optimally in commercial flights, so helping deliver Europe's air travel decarbonisation pledges.



**Lean Manufacturing - Project BRIO.** This pioneering initiative at our energy parks has enhanced and optimised production, making it far safer and more efficient and reliable, while making our employees a cornerstone of this cultural transformation. The overriding goal of this initiative is to attain operational excellence in the Energy Parks business.



Our refining operations are concentrated in Spain, with two energy parks in the south, which account for 33% of installed capacity, strategically located close to key sea ports, from which we cater to domestic and international demand for refined products.

At our refineries we distil crude oil and transform it into more value-added products of use in numerous sectors, including the transport, residential, industrial and petrochemical sectors, so meeting society's need for energy and materials. We strive to select the grades of crude oil that best suit our energy parks

and whose hydrocarbon content is apt for the various end products we manufacture.

This business's future is conditioned by surplus refining capacity in Europe and the competitiveness of new refineries located outside of the continent. Regulation is also impacting the sector considerably, marked by increasingly restrictive environmental and technical product specifications, including stricter emissions limits and the requirement to make growing use of biofuels.



*Our aspiration is to remain a benchmark energy player in Europe. We are making progress on our operational optimisation initiatives, while maximising the production of biofuels in order to reduce greenhouse gas emissions.*

One of our most important projects last year was the dismantling of the Cepsa refinery in Santa Cruz de Tenerife (Santa Cruz Verde 2030). That project is unique on account of its scale and relevance and marks one of the biggest industrial-to-urban land reconversion projects in Europe, so making it a symbol of the energy transition. That land will be transformed and given a new environmental lease of life, taking an energy and social sustainability approach. The dismantling work is linked with the commissioning of a new storage and distribution station in Granadilla Port, scheduled for 2025.

In parallel, we are working on a range of short- and long-term initiatives at our energy parks to reduce our energy consumption by investing in new technology. We are also in the midst of far-ranging digital transformation to render our energy parks more competitive and spearhead the sector's technological transition.

We aim to be a top-level national player in the biofuel space by maximising our co-processing and production capacity, increasing the value of our assets and striking alliances to ensure the supply of advanced raw materials.



*We want to lead the green hydrogen value chain by investing specifically to satisfy the needs of our own processes, as well as demand for industrial green hydrogen in southern Spain, in line with the European Union's ambitious objectives.*



## COMMERCIAL & CLEAN ENERGIES

### 2022 MILESTONES



**Launch of the biggest green hydrogen project in Europe at our Energy Parks.** We are going to build the largest green hydrogen park in Spain: Andalusia Green Hydrogen Valley, with 2 GW of capacity, slated for commissioning between 2026 and 2027, which will produce 300,000 tonnes of green hydrogen a year.



**Agreement to create the first green hydrogen corridor connecting northern and southern Europe.** That corridor, which is expected to be operational in 2027, will help decarbonise the shipping industry and transport by supplying green fuels to Algeciras Bay and Rotterdam Port. The Dutch city is the most important energy port in Europe, handling 13% of the continent's energy demand.



**Seville, European capital for air transport decarbonisation.**

We supplied our airline customers with SAF (Sustainable Aviation Fuels) in Seville airport for the first time in 2022. Specifically, in November, over 200 flights headed for different destinations in Spain and Europe made Seville the southern European capital for air transport decarbonisation.

Commercial & Clean Energies provides customer solutions, including management of B2B businesses in the manufacturing, agricultural, aviation, lubricant, asphalt, gas and electricity segments. It also develops decarbonisation solutions for its customers by creating value chains around the biofuel, hydrogen and renewable energy (solar and wind power) businesses.

Our deep experience producing and supplying energy and our technological know-how place us ideally to lead the

production of second-generation biofuels, so driving circular economy ideals.

Against that backdrop, we plan to become the leading supplier of SAF, underpinned by agreements with most of the airlines. We are currently the Spanish aviation industry's number-two supplier.





*In 2022, the traceability of the sustainable fuel we sold for flights taking off from Seville airport was certified, for the first time in Spain, under the International Sustainability Carbon Certification (ISCC EU) system. That certification covers our SAF from production through to physical supply.*



Framed by our commitments to championing the decarbonisation of the shipping industry and contributing to a circular economy, we successfully pilot tested advanced shipping biofuels in Spain. We are now ready to sell those advanced biofuels to our customers from the shipping sector.

We are one of Spain's leading hydrogen producers and we aim to lead the production of green hydrogen in Spain and Portugal by 2030. Our ambition, under the scope of our Positive Motion strategy, is to be a key player in the import and export of this energy source between Europe, Africa and the Middle East, leveraging the strategic location of our facilities on the Iberian Peninsula.

That ambition is evident in our plans to build the largest green hydrogen development in Europe at our energy parks. We will also develop a portfolio of solar and wind projects in order to generate the renewable electricity needed to produce that green hydrogen.

Elsewhere, creation of the first green hydrogen corridor between northern and southern Europe will support the European Union's RePower strategy, which aims to guarantee energy independence, secure supply and stimulate the production of clean energy. The corridor is a fundamental step in our strategy, as hydrogen is one of the major enablers of our ambition to become a benchmark player in Europe's energy transition.

The Renewables, Gas & Power business has one combined cycle power plant and seven combined heat and power

plants at our main productive facilities (powered by natural gas), which mainly cover internal consumption needs. It also supplies gas and power to industrial and service sector consumers. This business is carried out in the Iberian Peninsula, mainly in Spain. It also supplies some of our other businesses, including Trading, Mobility & New Commerce, Energy Parks and Chemicals.

The challenge here is to boost business volumes, the goal being to expand our renewable generation capacity, in an increasingly volatile market environment and in activities heavily impacted by regulation. We are committing strategically to new energy markets with growth potential, such as renewable energies.

We are developing new renewable energy facilities in order to help deliver the decarbonisation and climate change targets announced in conjunction with our new Positive Motion strategy. That pipeline of renewable assets will cover our green electricity requirement and certify the volume of power generated from renewable sources. In 2022, we obtained grid connection rights for photovoltaic developments with installed capacity of 2.2 GW.

Lastly, we import natural gas into Spain and we complement our gas supply activity with short-term trading activities. Cepsa Gas Comercializadora, S.A. (70%-owned by the group parent) principally supplies gas to industrial customers.



### 1.3.4 Sustainability, mobility and the customer experience

## MOBILITY & NEW COMMERCE

### 2022 MILESTONES



**Last year we provided an additional fuel discount at our Spanish service stations of up to €0.30/litre, on top of other discounts, including those offered under our alliances with Carrefour and Wizink.** As a result, our retail customers were able to benefit from an additional €0.20 discount for total savings of up to €0.50 per litre.



**We launched the R'spiro concept at our service stations,** offering our customers the chance to take a quality meal break, thanks to a broad range of premium products in a sustainable, high-design space.



**Agreement with Endesa for the installation of ultra-rapid chargers at our service stations:** in line with our Positive Motion strategy, in 2022 we began to install ultra-rapid chargers that will enable our customers to charge their EVs in just 20 minutes.

The Mobility & New Commerce business manages the transformation of mobility, seeking leadership in electric mobility and developing digital commerce solutions that leverage its customer and service station networks.



*We offer our customers sustainable energy solutions to cover all their needs. We want the quality of our services and the customer experience with us to be consistently memorable.*







The decarbonisation of road transport and end customer mobility is driving us forward. We are building the largest e-mobility ecosystem in Spain and Portugal, in partnership with Endesa, to meet our customers' charging needs, whether at home or on the road. Our ultimate goal is to create a network of ultra-rapid charging facilities with at least one 150-kW charger every 200 kilometres on main intercity roads.

The extraordinary fuel discounts offered at our service stations in Spain of up to €0.30 per litre comprised: the €0.20 subsidy provided by the Spanish government, plus the €0.05 universal discount which Cepsa offers all of its customers and an additional €0.05 for members of Cepsa's loyalty programme. During the first quarter of 2023, we are offering our loyalty programme members a discount of €0.10/litre (borne entirely by the company) and an additional €0.02/litre discount for customers purchasing fuels from the Optima range.

We plan to stimulate demand for green hydrogen in commercial road transport by placing hydrogen service

stations every 300 kilometres on the main roads connecting Spain with Europe by 2030.

Cepsa's service stations, which constitute the second-largest network in Spain and Portugal, are set to be transformed into ultra-convenient, digitally-friendly rest spaces and eateries in which our customers will encounter a broad variety of services, including fresh food, drug store products, e-commerce services with home delivery and sustainable car washing, all in addition to multi-energy refuelling options.

We plan to launch a new loyalty programme with the main aim of enhancing the customer experience. The goal is to bring in three million customers in four years, leveraging the new CEP SAGOW app.

Lastly, Cepsa is creating a data-driven culture in parallel, using advanced analytics to transform the customer experience. It will also use artificial intelligence (AI) in decision-making processes so that it can offer end-to-end services in real time.



#### 1.3.4 Sustainability, mobility and the customer experience



# TRADING

## 2022 MILESTONES



**New organisational structure at the Trading business:** developing the group position optimisation model.

The Trading business generates key value for the company, procuring the raw materials needed by our productive facilities and managing product storage and logistics, in coordination with the rest of the company's business units.

It also gives us a foothold in international markets, gleaned information about trends in product flows, prices and forecasts, crucial for strategic planning.



*Through this business we support and generate value for all of Cepsa's businesses, likewise extracting value from our own portfolio and our deep knowledge of the crude markets, leveraging our full experience to constantly search for new business opportunities.*



The new organisational structure reinforces the strategic lines already existing within the Trading business: optimisation of the company's assets by developing the trading optimisation model, creation of the Singapore office to globalise the business and manage flows across several markets and development of the biofuel trading business.

Trading activity within the Crude & Products business procures the raw materials needed by our production facilities and manages storage and placement in the product channel, in coordination with the rest of the company's business units. It also coordinates product supply activities with the Energy Parks and Commercial & Clean Energies businesses, including the supply of biofuels. It manages the

shipping aspect, ensuring compliance with safety protocols, specifically the guidelines set by the Vetting unit, which is responsible for assessing and approving the tankers needed in this business.

Our Gas, Energy & Environmental Product Trading business line has access to the wholesale energy, gas and carbon markets. That connectivity along the value chain is essential to maximising the flexibility of Cepsa's energy portfolio and managing its emissions.

Lastly, we bring our vast know-how and experience to managing volatility and constantly searching for opportunities to monetize in the futures and derivatives markets.



## 1.3.3.2 Exploration & Production

### 2022 MILESTONES



**We participated in the discovery of an important offshore field in Suriname, the biggest discovery in several decades.** We have a 25% interest in that block and contributed to the exploration work together with our partners, Apache and Petronas.



**We reached an agreement with Sonatrach for the extension of the BMS contract in Algeria for five years:** that agreement was approved by the Spanish Cabinet on 4 December 2022, marking a major milestone for the company and the continuity of its operations in Algeria.



**For the first time, the Peruvian assets earned triple certification** under ISO 9001, 14001 and 45001, while the carbon footprint certificates at all our fields include Scope 3 emissions (indirect emissions in the value chain). All of which with the aim of raising the profile of our transparent management.

The Exploration & Production unit, which is present in North Africa, the Middle East and Latin America, explores for, develops and produces oil and natural gas.

We currently have a stake in the second-largest oil field in Algeria.

Our asset in Abu Dhabi, where we have an operating concession until 2058, is currently at the development phase and is expected to reach peak production in 2025. SARB's output (Abu Dhabi) reached 120,000 bopd in July, five months ahead of schedule.

Last year we also participated in a deep-water exploration drilling campaign at Block 53 in Suriname, one of the highest potential areas discovered in recent years. We have a 25% interest in that asset. The drilling work confirmed the presence of an active oil system in the south-eastern area of the block. Work is underway to evaluate the readings and the rock and fluid samples taken.

We participate in the above assets using a range of formulas, including as operator, joint venturer and lead technical partner in non-operated assets. The oil and gas we produce is mainly sold by our Trading teams.



*In 2022, we continued to focus on the cost streamlining process embarked on in 2020 and 2021 in order to eke out efficiency gains and invest highly selectively in projects.*





In the current crude price climate, coupled with the cut in OPEC+ production quotas and ongoing search for operational excellence, the Exploration & Production business is a cash generator, reinforcing the company's financial muscle.

In terms of its strategic direction, the Exploration & Production business is focused on maximising the value of its existing portfolio. Framed by that strategy, in the coming years, investments will focus on our existing assets with a view to maximising their value and efficiency.

## KEY EXPLORATION & PRODUCTION ASSETS



### UNITED ARAB EMIRATES

- Cepsa has a 20% interest in the SARB, UMM LULU, Bin Nasher and Al Battel offshore fields, which are non-operated assets, under concession. In production since 2019.
- Cepsa has a 13% interest in Abu Dhabi Oil Company CO, LTD (ADOC) through Cosmo Abu Dhabi Energy Exploration & Production CO, LTD (CEPAD). Four offshore crude oil fields in production (Uhm Al Anbar, Neewat Al Galan, Mubarraz and Hail), located off the Abu Dhabi coast. Not operated.



### ALGERIA

- Rhourde el Krouf (RKF) crude oil field. Located in the Berkine Basin. 49%-owned by Cepsa, joint operation, in production. Onshore.
- Ourhoud crude oil field. Located in the Berkine Basin. 37%-owned by Cepsa, joint operation, in production. Onshore.
- BMS crude oil field. Located in the Berkine Basin. 75%-owned by Cepsa, joint operation, in production. Onshore.
- Timimoun natural gas field. Located in the Timimoun Basin, 11%-owned by Cepsa, joint operation, in production. Onshore.



### PERU

- Block 131: 100%-operated by Cepsa. Onshore and in production. Located in the Ucayali Basin.



### COLOMBIA

- Onshore. Crude oil. In production:
  - Caracara (70%), located in the Los Llanos Basin, operated by Cepsa.
  - La Cañada Norte (17%), located in the Magdalena Upper Valley. Not operated by Cepsa.
  - Llanos 22 (55%), located in the Los Llanos Basin. Operated by Cepsa.



### SURINAME

- Exploration Block 53 with a discovery under assessment. Located in the Guyana-Suriname Basin. 25%-owned by Cepsa. Deep-offshore asset. Not operated.



### MEXICO

- Three exploration blocks, Blocks 16, 17 and 18. Located in the Tampico-Misantla Basin. Not operated by Cepsa (20% interest). Shallow-water offshore assets.

### 1.3.3.3 Chemicals

#### 2022 MILESTONES



**Launch of NextLAB and NextPhenol.** The Chemicals business launched a new range of sustainable products, introducing renewable and recycled raw materials into production of its two main products - LAB and phenol - for the first time.



**Acquisition of 28.56% of DETEN Química, S.A.** Cepsa Química S.A increased its ownership interest in the Brazilian chemicals company to 100%.



**ISCC PLUS (International Sustainability and Carbon Certification) certification.** We obtained ISCC PLUS certification at all of our production plants globally, allowing us to produce the new range of sustainable products, NextLAB and NextPhenol.



*Cepsa's Chemicals business is the leading developer of chemical products and processes that improve people's lives and enable businesses all around the world.*



Our chemicals facilities in Spain are located close to our energy parks and process highly value-added raw materials.

We have chemicals plants in Spain, Canada, Brazil, Nigeria and China and oleochemical facilities in Indonesia and Germany.

Our products have a number of uses, including as raw material for detergents, resins, electronic parts, synthetic fibres and pharmaceutical products, among others.

We are committed to research, development and innovation to guarantee the sustainability of our industry and the quality of our products. We are present in the everyday lives of millions of people and in the value chain of virtually every industrial sector. We are strategically committing to circular economy criteria to rationalise the use of inputs in order to build a more sustainable, efficient and just world.



*We are the world-leading producer of LAB (linear alkylbenzene) and the number-two global producer of phenol/acetate, underpinned by our technological leadership in both cases.*





Our LAB is an essential raw material for the production of biodegradable detergents, while our phenol business line

supplies the leading producers of polymers for the automotive, electronics and construction industries.

## nextLAB nextPHENOL

*In 2022, we launched our new family of sustainable products, NextLAB and NextPhenol, which use renewable and circular raw materials in order to help our customers hit their sustainability targets. For the first time in history, we supplied Unilever with the maiden LAB made from renewable sources for the manufacture of linear alkylbenzene sulphonate (LAS), the surfactant used in biodegradable detergents.*

In the LAB line in particular we are proud to be the joint owners of the best manufacturing technology in the world. We are leading its industrial implementation (DETAL Project at the chemicals plant in Puente Mayorga), which is enabling us to increase our production of LAB and solidify our leadership, underpinned by a safer, more efficient and more sustainable process which optimises the use of raw materials and

electricity, while reducing the generation of emissions and waste and the consumption of water. Puente Mayorga was the first LAB plant in the world to take this important step, becoming the first chemical facility to use next-generation DETAL technology. DETAL technology is also improving the quality and versatility of our LAB.





## 1.3.4 Sustainability, mobility and the customer experience

GRI 3-3, 2-29

### 2022 MILESTONES



**Development of new sustainability-, mobility- and customer experience-related services.** 2022 highlights included the alliance struck with Endesa for the construction of an end-to-end solution for both companies' customers with the ultimate goal of deploying the largest ultra-rapid EV charger system in Spain and Portugal; the development, together with Acciona, of a network of battery exchangers across our service stations; and the launch of our new premium service stations, new convenience stores and the R'spiro cafeteria brand.



#### **Customer discounts.**

We offered our customers a fuel discount of €0.30 per litre until the end of 2022 to mitigate the exceptional surge in energy prices (including the subsidy provided by the Spanish government).



**Alliance with Cicar**, the leading car rental company in the Canaries, to accelerate the transition to sustainable mobility on the islands.



**Alliances with Iberia, Binter, Vueling, Air Nostrum, Tui and Etihad** for decarbonising air transport, spearheading the supply of SAF (Sustainable Aviation Fuels) and reducing carbon emissions by up to 80% relative to traditional fuels.



**Offset of heating oil emissions by investing in asset reforestation projects** in Spain and abroad with the aim of giving those forests the mass needed to absorb the carbon dioxide emitted.

We place our customers at the heart of our business strategy. Our customer priorities include reinforcing our long-term relationships with them by offering compelling energy and commercial solutions and improving their satisfaction levels consistently.

Our [Customer Relationship Policy](#) sets out the commitments underpinning the provision of a unique value proposition and optimal standards of service and care.

Those commitments guide our actions and improvement plans, focusing on:



Offering an environmentally-sustainable and respectful proposition underpinned by a unique experience and high quality, excellence and safety standards.



Managing our customer relationships ethically and responsibly, listening to their needs and tailoring our business activities to each of our markets' social and cultural realities.



Investing in new digital, sustainability and mobility solutions conducive to facilitating the energy transition, reducing the carbon footprint and enabling the circularity of our customers, engaging them in those thrusts and garnering their loyalty.

Our challenge is to make our customers trust and recommend us more and more by continually boosting their satisfaction levels. We analyse trends in their feedback, needs and expectations to fine-tune our processes, enhance our contact points and propose new services in order to boost their loyalty.



Some of the most noteworthy measures taken in 2022:



Discounts in addition to those provided by the Spanish government continuously from 1 April until the end of the year. We offered all of our customers a fuel discount of €0.25 per litre, including the €0.20 subsidy provided by the government, giving carriers and members of our loyalty programme a bigger discount of €0.30, along with other benefits.



Advances on the digitalisation of our services including upgrades of the Cepsa app, making it one of the fastest-growing apps in Spain, the Starressa app for the virtual management and use of cards, paperless receipts and implementation of a market-leading CRM.



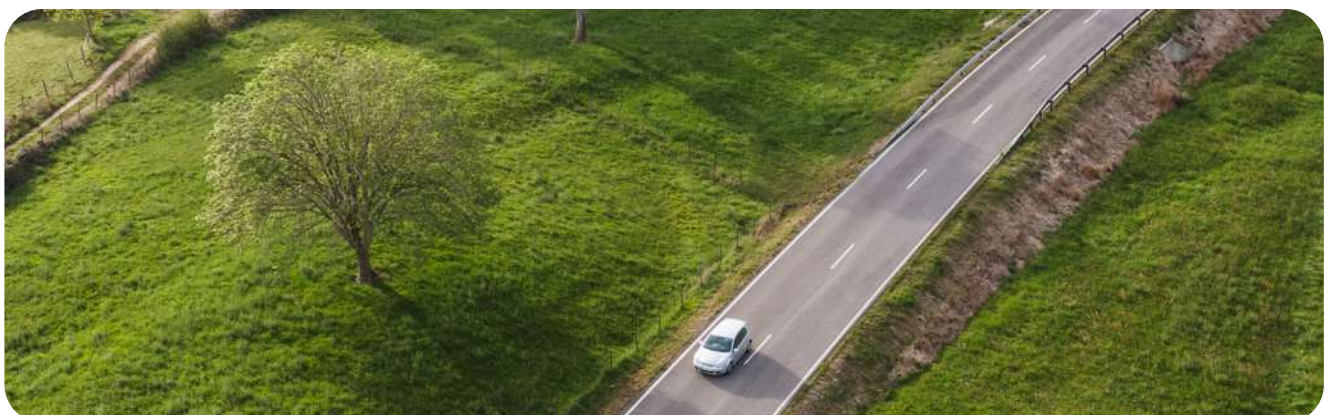
Improvement of our Customer Experience programme by placing QR codes at our service stations, making it easier for our customers to share their feedback with us.

We measure our customers satisfaction constantly through surveys and qualitative studies with focus groups. We track specific indicators, including our net promoter score (NPS), to detect shifting needs and expectations. Note that Cepsa increased its NPS by over two points compared to 2021.

In line with our Positive Motion strategy, we have embarked on service station transformation, opting for the ultra-convenience store approach: we launched the R'spiro cafeteria and bakery brand, e-commerce services and retail points offering a drug store assortment, a range of takeaway food and lockers, in partnership with Amazon.

We improved our vehicle washing service by using recycled water, solar energy and biodegradable soap, accompanied by the launch of an innovative payment system using our app and bank card, for both manual and automatic car washes.

Framed by our commitment to diversity and inclusion, we gave visibility to the LGTBQ+ movement, flying the pride flag from our service stations for the month of June.



## HELPING OUR CUSTOMERS REDUCE THEIR CARBON FOOTPRINTS

We help our customers reduce their environmental impacts by selling them more sustainable products. In 2022, we successfully supplied and pilot-tested shipping biofuels and struck alliances with several airlines for the supply of SAF

(Sustainable Aviation Fuels). Our ambition to be leader in these clean fuels is tangible in our goal of producing 0.8 million tonnes by 2030.

*We champion sustainable mobility. We have started to install a new and pioneering intercity EV charging network in Spain and Portugal by fitting our service stations with ultra-rapid chargers. We also continued to develop more sustainable fuels such as our range of Optima fuels, compressed natural gas (CNG) and vehicular natural gas (VNG).*



We sell more sustainable lubricants with our Fuel Economy, Hybrid and Biodegradable ranges and greener asphalts under our Regener and Betun Masai trademarks.

We launched a project to offset the emissions derived from our customers' heating oil consumption by financing reforestation projects.

### Appendix 3.12 Our clients

## CUSTOMER AND PARTNER DECARBONISATION PROGRAMME

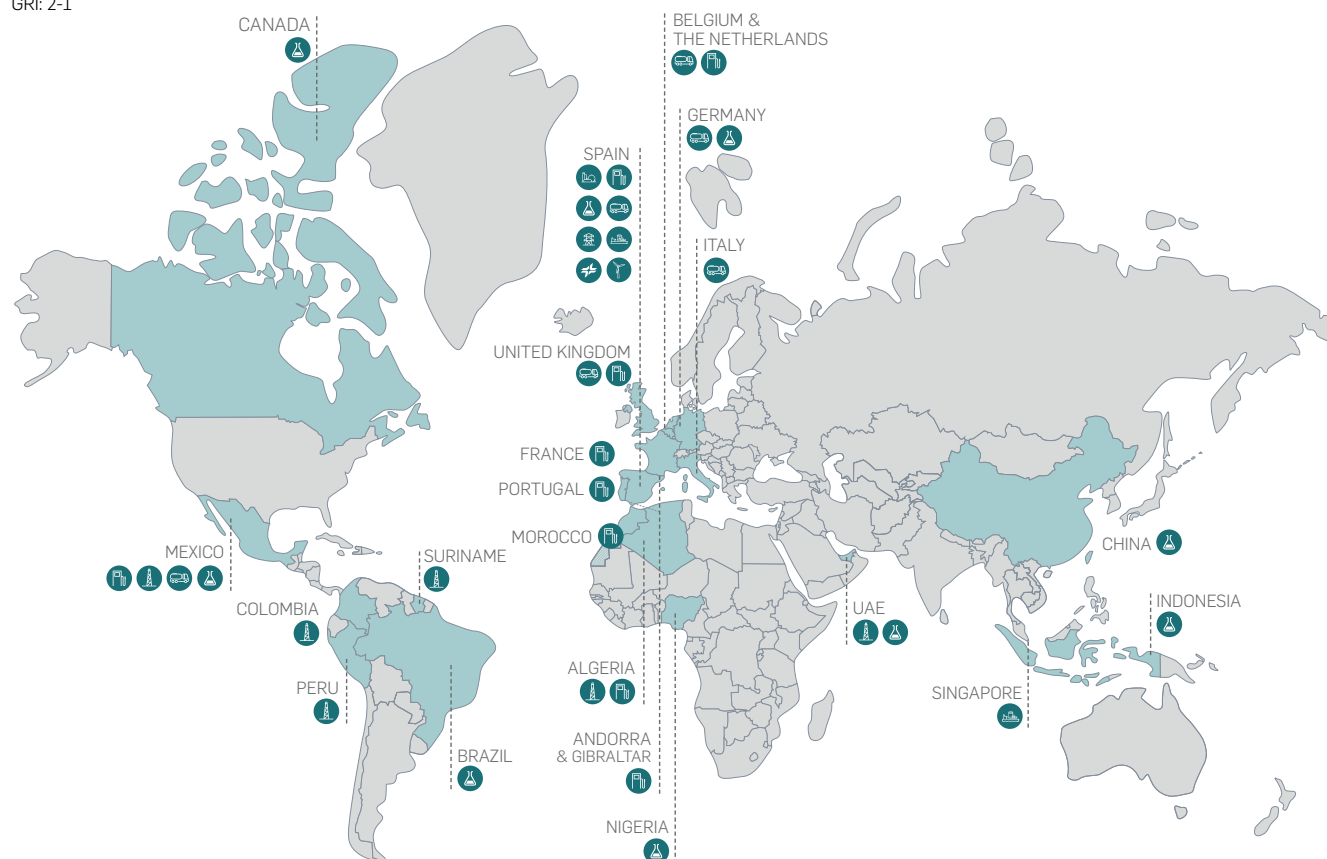


We are pioneering a customer and partner decarbonisation programme, building a new ecosystem that goes far beyond conventional transactional relationships to offer and share unique solutions in the world of energy, taking a holistic approach to the challenges that are emerging. Faced by those challenges, we are putting the customer front and centre, taking a cross-cutting perspective, offering singular, unconventional interaction in order to actively help them with their energy transition pathways. By way of illustration, one of our customers who used to regularly purchase and use gas oil in the traditional transactional manner is now receiving end-to-end advice from us on how to decarbonise, along with a set of energy products and carbon credits which, over time, will converge towards a net zero net emissions solution.



## 1.3.5 Global presence

GRI: 2-1

**ALGERIA**

- Exploration and Production
- Distribution and marketing of petroleum products

**ANDORRA & GIBRALTAR**

- Distribution and marketing of petroleum products

**BELGIUM & THE NETHERLANDS**

- Distribution and marketing of chemicals products
- Distribution and marketing of petroleum products

**BRAZIL**

- Chemicals

**CANADA**

- Chemicals

**COLOMBIA**

- Exploration and Production

**CHINA**

- Chemicals

**FRANCE**

- Distribution and marketing of petroleum products

**GERMANY**

- Distribution and marketing of chemicals products
- Chemicals

**INDONESIA**

- Chemicals

**ITALY**

- Distribution and marketing of chemicals products

**MEXICO**

- Distribution and marketing of petroleum products
- Exploration and Production
- Distribution and marketing of chemicals products
- Chemicals

**MOROCCO**

- Distribution and marketing of petroleum products

**NIGERIA**

- Chemicals

**PERU**

- Exploration and Production

**PORTUGAL**

- Distribution and marketing of petroleum products

**SINGAPORE**

- Trading

**SPAIN**

- Refining
- Distribution and marketing of petroleum products
- Chemicals
- Distribution and marketing of chemicals products
- Gas and Electricity
- Trading
- Corporation
- Renewable energy generation

**SURINAME**

- Exploration and Production

**UAE**

- Exploration and Production
- Chemicals

**UNITED KINGDOM**

- Distribution and marketing of chemicals products
- Distribution and marketing of petroleum products

Chemicals   Exploration and Production

Distribution and marketing of chemicals products

Refining   Gas and Electricity

Distribution and marketing of petroleum products

Trading   Corporation

Renewable energy generation

## 1.3.6 Innovation, digitalisation and cybersecurity

### 1.3.6.1 Innovation, enabling transformation

GRI: 3-3

#### 2022 MILESTONES



##### Circular Waste Recycling Project.

With this initiative we are pursuing three goals: introducing and processing flows from waste conversion at our energy parks; recovering our own waste and reintroducing it into the value chain; and studying the technical and economic viability of producing G-II oil lubricants from used materials.



##### Reorganisation of the R&D structure.

To drive our Positive Motion strategy forward, we have set up an Energy Transition Department within the Research Centre to focus on research into energy transition enabling technology and a New Undertakings Department to facilitate agile investment in forward-looking businesses and technologies.

Key indicators	2022	2021
R&D projects underway (nº)	56	48
Innovation projects focused on energy transition (%)	50%	44%
R&D collaboration partners (nº)	75	70



Underpinned by our Positive Motion, we are committed to transforming our businesses by focusing on the generation of renewable energy, biofuels, green hydrogen and bio-based chemical products, decarbonisation and enhanced product circularity. To that end we are championing, on our own and through partnerships, projects designed to deliver more sustainable alternatives for our products and services.

Our transformation thrust requires the application of innovative solutions for adapting our manufacturing processes by fostering the use of renewable power generation technologies.

We were granted 11 new patents in 2022, bringing the total to over 50 across 20 different countries. Intellectual property management is a cornerstone of our innovation initiatives in a bid to protect the progress we make and maximise returns.

## OUR RESEARCH CENTRE



We are working on high-impact research projects for our production centres and sales units. In tandem we provide our customers, particularly in lubricants and specialties, with technical assistance.

We have laboratories, next-generation equipment and pilot facilities capable of replicating the processes we undertake in our production centres, mainly at our energy parks and chemicals facilities. Those capabilities have

enabled us to create more efficient and environmentally-friendly productive processes, develop new fuels and unlock valuable projects.

In 2022, we undertook a number of research projects focused on developing new sustainable chemical products, identifying biological alternatives for fossil fuel-based products and searching for more eco-friendly production systems.







## KEY INNOVATION AND ENERGY TRANSITION PROJECTS

- SOLfuture - project for developing photoreactors to generate value-added fuels and products from CO<sub>2</sub> in collaboration with another five partners (IMDEA Energía, ICIQ, ICMM-CSIC, CIEMAT and APRIA).
- Electrification of steam furnaces and boilers at the energy parks.
- Use of microalgae as a source of advanced third- and fourth-generation biofuels.
- Circular Project. Study into plastic pyrolysis and of the oil pyrolysis co-process at pilot facilities.
- Study into sources of biomass as substitutes for fossil-fuel crudes.
- Development of applications for the inline near infrared spectroscopy (NIR) technique for real-time optimisation of crude distilling at the energy parks.
- Study to measure the impact of colour on B7 biodiesel blends (diesel blended with 7% of bio-based fuels) with advanced bio flows such as waste produced by the biodiesel industry (TME and POMEME).
- Study into the co-processing of second-generation biomaterials such as used household oils at the hydrosulfurization pilot plant for later testing at the industrial units.
- Recovery of solid urban waste as a source of fuel for the energy parks.
- Multi-renewable-fuel service station. Biogas, green hydrogen and renewable electricity refuelling.

## KEY COLLABORATIONS

Cepsa collaborates end to end with its outside partners on joint innovation projects.

We entered into more than 50 agreements in 2022 with different partners, including international research centres, start-ups, technology licensors and other companies, to research new avenues for innovation.

Cepsa's Research Centre participated in two projects financed under the umbrella of Horizon Europe related with plastic waste recovery and fuels made from bio-based raw materials.

Our R&D department sponsored and hosted two post-doctoral research initiatives included in the Marie Skłodowska-Curie Actions excellence programme for the study of disruptive plastic recycling technology.

Back in Spain, Cepsa applied for financing for projects related with the use of sustainable raw materials and the development of bio-aviation fuel.

### 1.3.6.2 Digitalisation, driving growth

GRI: 3-3

#### 2022 MILESTONES



**SUICAT - Development of digital tools for HDS (Hydrodesulphurisation) unit optimisation.** This tool allows us to optimise cycles and anticipate atypical patterns and the end of the hydrotreater's cycle. We also developed a predictive tool that supports the four HDT (Hydrotreating).



**We launched our second digital transformation thrust.** We defined our new strategy for the development of innovative solutions for 2023-2027, with digitalisation as the core growth engine.

Key indicators	2022	2021
Digital transformation projects <sup>1</sup> (n°)	333	282
Digital skills training hours (n°)	64,154	76,046

<sup>1</sup> The digital transformation project number includes the cumulative number of projects undertaken since 2018.

We know well that digitalisation drives rapid and efficient innovation and is a prime catalyst for our energy transition projects.

Positive Motion seeks to boost digital transformation in our quest to become a data-driven and agile delivery company in which decision-making is based on data by making the most of its value and adopting new ways of working.

Transformation of our energy businesses requires setting up innovation processes and embedding them in all our operations and production streams. To that end, in 2022, we launched a new digital transformation strategy (2023-2027), articulated around four core areas:





**Open innovation** to generate new opportunities by joining forces with technology partners and collaborative ecosystems to help us apply new technology, thereby driving innovation.



**Artificial intelligence (AI) and data analytics** to focus our efforts on data governance and democratisation and AI applications, approaching data as a core strategic asset. We are striving to create an ecosystem of data visualisation and business intelligence tools with a focus on decision-making.



**The internet of things (IoT)** to enhance the customer experience at our service points, a cornerstone of our Positive Motion strategy, and develop advanced industrial operations, thanks to the deployment and scaling up of smart devices to generate new information and automate processes.



**Human Experience** to design experiences that empower employees and set us apart vis-a-vis our customers.

We measure our employees' digital maturity in order to study and propose digital upskilling action plans as part of our Digital Mindset project.

The driving force behind that digital upskilling effort is to enable our employees handle data and new technologies more autonomously. One example is the Cepsa Digital Experience

(CDX) training programme, designed to give staff knowledge and skills related with the digital transformation thrust by taking an experiential approach. The programme's third edition in 2022 took in 240 new students ('hickers') to bring the total participation count to 1,300. Last year we added streamed content to make it more flexible.



*In 2022, we also launched CDX for managers, providing training on a range of digital technologies (data management, cloud computing, AI and IoT). The idea is to get them to layer digital acumen into their vision of the business so as to be able to detect opportunities.*

Another digitalisation initiative being rolled out is our data democratisation project under which employees are being given tools to enable them to access data in a simple and organised manner.

We also developed initiatives for other businesses and areas of the company such as Cepsa Gow, Datamart IGM FIAB and the Inspections Platform.

## ACCOLADES



The Digital Mindset project earned Cepsa second prize in the CIONET awards, specifically in the Digital Talent category.



We were also runner-up in the AMETIC Digital Skills Awards, again for Digital Mindset, and in the Forbes Innovation by Kyndryl Awards, for the SUICAT project.



### 1.3.6.3 Cybersecurity

GRI: 3-3

#### 2022 MILESTONES



##### Operational Technology (OT) Cybersecurity Programme.

We developed additional protection capabilities, notable among which are those related to security monitoring and obsolete system renewal.



##### Improved cloud security in corporate cloud environments

by deploying anomalous activity monitoring and detection solutions that are analysed 24/7 by our Security Operations Centre (SOC).

The current digital environment, marked by massive data usage and exponentially growing hyperconnectivity, is fuelling the need to safeguard the confidentiality, integrity and availability of information. That task is a priority component of our digitalisation strategy.

We have drawn up a specific [Cybersecurity Policy](#) which defines the digital systems strategy, in turn yielding a number of different action plans currently under development.

Our cybersecurity model, which is ISO 27001 certified<sup>1</sup>, is underpinned by a suitable technology risk management approach and the deployment of top-notch, innovative technical services and solutions.

Our corporate cybersecurity area is responsible for the model's performance and implementing our dedicated master plan, which is sponsored by senior management. Twice-yearly, we review and report on our cybersecurity risks to the Audit, Compliance, Ethics and Risk Committee, which endorses any new initiatives and certifies delivery of the planned milestones.

Our cybersecurity dashboard, which consists of key indicators related with our strategy and our current detection, prevention and response capabilities is a key management and reporting tool. We perform specific measurements in order to monitor and manage the mitigating measures put in place to guard against major threats.



*Cepsa holds an A-rating from RiskRecon<sup>2</sup> for its approach to cybersecurity, which is the highest rating and means it is above the 95% percentile in its sector.*



<sup>1</sup> The scope of that certification is the entire company.

<sup>2</sup> A Mastercard company and leading provider of automated cybersecurity risk assessments.



## CYBERSECURITY PROTECTION MEASURES



**Increased boundary of overall coverage** by adding supervisory and control solutions and capabilities.



**Enhanced user-level protection:** device-specific cybersecurity, hard disk encryption, USB port blocking and data leakage prevention.



**Reinforcement of two-factor authentication** with a focus on remote access, where measures have been beefed up.



**Process automation based on artificial intelligence (AI) and machine learning** in order to detect potential malware.



**Enhanced response capabilities** in the event of potential cybersecurity events which are tested periodically by carrying out a range of drills.

## FOSTERING A CULTURE OF CYBERSECURITY

Over the course of 2022, we upgraded the mandatory cybersecurity training our professionals have to complete and moved forward with the initiatives outlined in our annual awareness plan. Highlights:

- Simulation of real attacks like phishing, vishing (by phone) and smishing (instant messaging), as well as the use of fraudulent USB devices.
- Training imparted over the awareness platform.
- Multichannel publication of regular knowledge pills to raise awareness.



# 02

## GOOD GOVERNANCE

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# Good governance



## 2.1 CORPORATE GOVERNANCE



GRI 2-9, 2-10, 2-11, 2-13

Key indicators	2022	2021
Board members (as at 31 December) (nº)	10	10
Board meetings (nº)	7	7
Board meeting attendance (%) <sup>1</sup>	97%	96%

In 2022, our Board of Directors paid close attention to the unfolding geopolitical challenges and market environment, while reinforcing our ESG governance in order to accelerate our sustainability transformation.

Our corporate governance model is articulated around the recommendations made in Spain's Code of Good Governance of Listed Companies, as applicable, prevailing company law and principles of ethics and transparency, framed by international standards and best practices in corporate governance.



## 2.2 Our sustainability management

### PRIORITISATION OF CYBERSECURITY-RELATED RISKS



The Board of Directors, through its steering committee, the Audit, Compliance, Ethics and Risk (ACER) Committee, is increasingly paying attention to the management and oversight of cybersecurity risks, which are reviewed quarterly, framed by the corporate risk map. Against that backdrop, we approved a new Cybersecurity Policy last year. In parallel, our ACER Committee prioritised assessment of Cepsa's exposure to key technology risks, including data security and cybersecurity risks.

<sup>1</sup> Attendance was over 97% in 2022, with just one director absent from the meeting of 26 July and one absent from that of 15 December; both authorizing other attending directors to act as their proxies.



## GOVERNING BODIES

Our most important governing bodies are the General Shareholders' Meeting, the Board of Directors and the Board's three advisory committees.

Shareholder representation at the General Meeting is proportionate to their ownership interests. Along with the Board of Directors, it is the company's highest governing body.

Cepsa has two main shareholders: Cepsa Holding, LLC, with a 61.36% interest, which is controlled by Mubadala Investment Company, and Matador Bidco, S.A.R.L., which owns 38.41%, and is controlled by The Carlyle Group.

## GOVERNING BODY STRUCTURE



### General Shareholders' Meeting

As set down in the company's Articles of Association, the General Shareholders' Meeting is the company's ultimate decision-making body. It resolves on all matters falling under its remit under company law or the company's Articles of Association.



### Board of Directors

Except for matters reserved exclusively for the shareholders in general meeting, the Board of Directors is the company's highest governing body. Its duties include overseeing and controlling the management and performance of the company's businesses, approving its plans, policies, objectives and strategies and ensuring due execution and implementation of the latter. The Board delegates the company's day-to-day management in the CEO in order to focus its work on its general supervisory function, directly assuming the related responsibilities.

### Audit, Compliance, Ethics and Risk (ACER) Committee

This Board committee's duties include supervision of the internal audit function, the internal control, compliance and risk management systems, dealings with the statutory auditor and the due preparation and integrity of the financial and non-financial information of the company and its group.

### Nomination and Compensation Committee

This Board committee oversees the selection, appointment, re-election and removal, as warranted, of the company's directors and key management personnel. It is tasked with analysing, reporting on and proposing remuneration policy for those individuals and making proposals to the Board regarding decisions falling under its remit.

### Strategy and Sustainability Committee

This Board committee provides the Board with expertise and advice to enable the latter to perform its supervisory role better, especially in relation to matters that could have an impact on the company's strategic management, businesses or investments, ensuring that sustainability perspectives and priorities are at all times duly factored into all strategic and business decision-making.



*Cepsa's Strategy and Sustainability and ACER Committees are tasked with overseeing decision-making and ESG management.*



## 2.2 Our sustainability management

At the executive level, there are two committees in charge of managing the company's day-to-day operations:



### Management Committee

This executive body is responsible for day-to-day management of all of Cepsa's businesses, its strategic organisation and coordination and integration of all economic, social, environmental and ethical aspects into all high-level decision-making. It is currently made up of 12 heads of the various business lines and corporate functions, as well as the CEO.



### Investment and Contracts Committee

The responsibilities assigned to this internal committee include reviewing and deciding on contracting and investment related decisions, subject to certain thresholds stipulated in the Company's Delegation of Authority. It also monitors the scope and development of investment projects underway and any budget deviations affecting projects under its remit.

In order to foster and support diversity, we also have a Diversity and Inclusion Committee, which is responsible for overseeing the implementation and development of the diversity and inclusion strategy and programme.



## COMPOSITION OF THE BOARD OF DIRECTORS AND ITS BOARD COMMITTEES

The Board of Directors is made up of 11<sup>1</sup> members. As at 31 December 2022, it consisted of 10 directors, as there was one vacancy<sup>2</sup> at year-end. Seven of those directors are proprietary, one is independent, another is executive and the last qualifies as 'other external'.

Name	Board of Directors	Executive/Non-executive	Audit, Compliance, Ethics and Risk Committee	Nomination and Compensation Committee	Strategy and Sustainability Committee	Director category	Length of service	Minority group representation	Duties related with ESG impacts	Stakeholder represented
Ahmed Yahia <sup>3</sup>	Chairman	Non-executive			Chairman	Proprietary	Since el 04/02/2021	No		Majority shareholder
Marcel van Poecke	Vice Chairman	Non-executive		Member	Member	Proprietary	Since el 15/10/2019	No		Minority shareholder
Maarten Wetselaar	Chief Executive Officer	Executive			Member	Executive	Since 01/01/2022	No	Yes	
Ángel Corcostegui	Member	Non-executive	Chairman			Independent	Since 01/02/2016	No		
Alyazia Al Kuwaiti	Member	Non-executive		Chairwoman	Member	Proprietary	Since 18/01/2016	No		Majority shareholder
Saeed Al Mazrouei	Member	Non-executive	Member		Member	Proprietary	Since 13/11/2018	No		Majority shareholder
Joost Dröge <sup>4</sup>	Member	Non-executive			Member	Proprietary	Since 15/10/2019	No		Minority shareholder
Marwan Naim Nijmeh	Member	Non-executive		Member		Proprietary	Since 15/10/2019	No		Majority shareholder
Bob Maguire	Member	Non-executive	Member		Member	Proprietary	Since 15/10/2019	No		Minority shareholder
Jacob Schram	Member	Non-executive				Other external	Since 27/10/2022	No		
Jörg Häring	Non-Director Secretary		Secretary	Secretary	Secretary		Since 07/06/2021			
José Téllez	Non-Director Deputy Secretary		Deputy Secretary				Since 24/10/2014			



<sup>1</sup> On 27 October 2022, the company's shareholders resolved to increase the number of directors to 11 and appointed Jacob Schram to the Board in the category of 'other external director', albeit with no ties to the main shareholders.

<sup>2</sup> On 16 March 2022, the company's shareholders accepted the resignation of Musabbah Al Kaabi, so creating a vacancy on the Board of Directors. As at 31 December 2022, the vacancy created by the departure of Mr. Al Kaabi remained open.

<sup>3</sup> Mr. Ahmed Yahia has been the company's chairman since 4 February 2021. He is an external proprietary director and represents the majority shareholder. He is therefore a non-executive director.

<sup>4</sup> Joost Dröge resigned from the Board of Directors and, by extension, the Strategy and Sustainability Committee on 1 February 2023. That same day, the company's shareholders resolved, in general meeting, to appoint Gregory Nikodem to its Board of Directors and the Board in turn named him member of the Strategy and Sustainability Committee.



*The Board's profile is markedly international and all of the directors bring extensive professional track records and expertise from the energy, finance, manufacturing and sales sectors.*

#### HOW THE MEMBERS OF THE COMPANY'S GOVERNING BODIES ARE SELECTED

The company's shareholders are tasked with appointing or re-electing directors at the General Meeting based on a recommendation by the Nomination & Compensation Committee.

The Nomination & Compensation Committee is in charge of selecting the most suitable candidates for the various positions on the Board of Directors and its three committees.

If there are vacancies on the Board, motions for the appointment of new directors are submitted at the General Meeting for ratification.

When selecting candidates, the committee considers a range of attributes, including the diversity of skills and expertise they bring, their ability to devote the necessary amount of

time to the post and their knowledge of matters of particular importance to the energy business (industrial, technical and financial acumen, among others).

An effort is made to ensure the Board's composition is well balanced, marked by a wide majority of non-executive directors.

The members of our ACER Committee are appointed in light of their skills, expertise and professional experience in the areas of accounting, auditing, internal control and financial and non-financial risk management and control. Each member must bring financial expertise and at least one must meet the definition of financial expert stipulated in the ACER Committee's regulations.



*All director candidates must be professionals of proven integrity whose conduct and professional trajectories are aligned with the principles enshrined in Cepsa's Code of Ethics and Conduct and its vision and values.*



## OUR MANAGEMENT



○ Management Committee



The fact that our management team boasts executives who bring deep experience in the energy sector and extensive international track records places us in an ideal position to spearhead the energy transition in Spain and Portugal and tackle the trends that are shaping our sector's key success factors.

Our management team's goal is to continue to drive earnings growth, while offering a better customer experience and driving exemplary efficiency and safety results. We are designing more

user-friendly, inclusive and intuitive organisational interfaces and cross-company reporting structures. We are also prioritising ESG matters in crucial agendas all across the firm.



## Appendix 3.2 Corporate governance





## 2.2 OUR SUSTAINABILITY MANAGEMENT



GRI: 2-9, 2-13, 2-14, 2-22, 2-23, 33

### 2022 MILESTONES



**Creation of the Strategy and Sustainability Department**, having merged the Strategy and ESG areas, whose mission is to ensure correct execution of the sustainable transition implied by Positive Motion.



**Recognition in benchmark international ESG ratings**, taking the top spots in the Integrated Oil & Gas sector



**Launch of the company's Sustainability Plan to drive the implementation of Positive Motion.**

Sustainability lies at the heart of our new values. We want to make progress on the energy transition by having a positive impact on our surroundings and meeting our stakeholders' expectations.

### SUSTAINABILITY PLAN

The Sustainability Plan emanates from our Positive Motion strategy so as to have a positive impact on people, our customers, the environment, society and the economy as a whole. It is a cross-cutting framework designed to deliver positive impacts for society and mitigate our negative impacts. It is underpinned by ambitious commitments and a solid roadmap.



[MORE INFORMATION](#)

Our cross-cutting, multidisciplinary sustainability teams are playing a vital role in accelerating the organisation's transformation and generating awareness.

We have integrated the sustainability management effort into the Strategy and Sustainability Department, which reports to the Finance Department, to help implement our business strategy shift towards a more sustainable model and enhance our positive contribution to society.

We have set up a company-wide management model to help Cepsa's management take cross-cutting decisions on a timely basis. To articulate that model we have created a number of

multidisciplinary committees and taskforces to manage our performance along different dimensions.

That management model is coordinated by the ESG Steering Team, made up of the heads of the various businesses and corporate functions. Our taskforces speed up the process of making commitments on material matters and facilitate the monitoring effort. They are allowing us take a cross-cutting approach to defining our commitments and roadmap for Sustainability Plan purposes, while enabling progress on the challenges thrown up by the energy transition in their respective areas of influence.

## KEY COMMITMENTS UNDER OUR SUSTAINABILITY PLAN



### TALENT

30% women in management positions by 2025

2% of employees with a disability by 2025

1% of subcontracted employees with a disability by 2025



### CLIMATE

55% reduction in Scope 1 and 2 emissions by 2030 in comparison with 2019

15-20% decrease in the carbon intensity of our products sold by 2030 in comparison with 2019

Net Zero by 2050



### CIRCULAR ECONOMY

Increase the circularity of our waste flows by 50% by 2030

Raise the share of renewable and circular raw materials in our energy parks by 15% by 2030



### NATURAL CAPITAL

20% reduction in freshwater withdrawal from water-stressed areas

No exploration and production operations in areas considered World Heritage Sites by UNESCO.



### HEALTH AND SAFETY

Zero fatalities and serious incidents



### ETHICS AND HUMAN RIGHTS

No incidents of corruption or anti-competitive behaviour



### SUPPLY CHAIN

100% of main suppliers with ESG score by 2023



### COMMUNITIES

Active engagement with local communities in areas of operation

Support of social organisations in Cepsa's local environment







In 2022, the Board of Directors and its steering committees specifically addressed, at least quarterly, matters related with the company's sustainability management and performance. That structured reporting process is designed to facilitate efficient ESG oversight and agile decision-making by our governing bodies.

The company's new culture aims to bring sustainability to every corner of Cepsa. Our new purpose and values go in that direction. We have also trained over 4,500 of our employees and more than 450 suppliers on sustainability matters.

### 1.3.1 Purpose and values



In tandem, we are gradually incorporating sustainability criteria into procedures all along the value chain, e.g., talent selection and promotion, and financing. Moreover, sustainability criteria are embedded in all employees' remuneration, including that of senior management. Sustainability criteria are also used to assess supplier performance.

### 3.3.4 Remuneration: competitiveness and engagement



### 3.5.3 Positive supplier relations



## EMPLOYEE SUSTAINABILITY PLAN



With the aim of bringing Positive Motion to all our employees, framed by a revamped set of values and culture, we have devised a plan to help them take up sustainability lifestyle habits in their professional and personal lives so as to reduce their environmental footprints. That plan addresses a range of matters from mobility to energy, waste and water management and the initiatives come in a range of forms, from awareness campaigns to aid, internal policy modifications and workplace moves.

## ESG RATINGS: ACKNOWLEDGEMENT AND CONTINUOUS IMPROVEMENT

Third-party assessments of our sustainability performance help us continue to advance and improve on the aspects of greatest importance to our stakeholders, but also to showcase our achievements, as we rank at the sector forefront.



### S&P Global

Last updated: **23 Sept. 2022**  
Min. 0 – Max. 100

CORPORATE  
SUSTAINABILITY  
ASSESSMENT (CSA)

**Industry mover**  
**95<sup>th</sup> percentile**  
71 points

Ranked within the Top 5% in O&G Upstream & Integrated and as an Industry Mover, having improved its score year-on-year by more than any other company in its sector.



**SUSTAINALYTICS**

Last updated: **17 Nov. 2022**  
Min. 100 – Max. 0

**1<sup>st</sup> position**  
19,2 points

First place in the O&G Integrated sector for the second year running, ranking as the only player presenting low ESG risk.

### MOODY'S | ESG

Last updated: **11 Nov. 2022**  
Min. 0 – Max. 100

**"Advanced" category**  
61 points

"Advanced" performance (highest category) in the Energy (O&G) sector.



**CLARITY AI**

Last updated: **16 Jan. 2023**  
Min. 0 – Max. 100

**1<sup>st</sup> position**  
82 points

First place and "Leader" category in the Integrated O&G sector.






## 2.3 SUSTAINABILITY- ALIGNED POLICIES



GRI: 2-23, 2-24

In line with the Sustainability Plan, our policies, which are approved by the Board of Directors and apply to all activities across the organisation and all business relationships, cover our material topics from the sustainability standpoint. They define the commitments and guidelines incumbent upon all our employees, who are kept informed about any new policy or policy changes by means of our weekly in-house newsletter.

Corporate Policies on   
Cepsa's corporate website

### CORPORATE POLICIES



**Rules and regulations, purpose and values**



**Code of Ethics**

Code of Ethics and Conduct



**Sustainability**

Sustainability policy



**Environmental policies**

- HSEQ
- Climate action
- Biodiversity



**Social policies**

- Human Rights
- Human Resources
- Diversity and Inclusion
- Sustainable Procurement
- Customer Relations



**Governance policies**

- Data Protection and Privacy
- Defence of Fair and Effective Competition
- Bribery, Corruption, and Conflict of Interest Prevention
- Corporate Tax
- Ethics and Compliance Channel
- Control on Sanctions and Embargoes in Trade Relations, Exports, and Dual-Use Goods
- Crime Prevention
- General Risk Policy
- Cybersecurity
- Communication
- Security



## 2.4 RISK MANAGEMENT



GRI: 207-2

### 2022 MILESTONES



**Update of the General Risk Policy**, which lays down the principles for delivery of systematised management and control of risks of any kind.



**Rollout of the Risk Assessment Methodology.**

We implemented a method for quantifying impacts and aggregating long-term risks, underpinned by our Positive Motion strategy.



**Update of our climate change risks and opportunities to reflect the recommendations issued by the Task Force on Climate Related Financial Disclosures (TCFD).**

We reviewed our physical and transition climate risks, as well as the related opportunities, across both our units and our different geographies over a range of time horizons (2030, 2040 and 2050) and climate scenarios.

### RISK MANAGEMENT MODEL

Our Integrated Risk Management and Control System is compliant with the COSO-ERM criteria and ISO 31000 standard. It sets out the general framework, principles and procedures for efficiently managing any kind of risks.

In 2022, our Board of Directors reviewed and approved Cepsa's General Risk Policy, which formulates the principles and guidelines for ensuring the systematic identification, assessment, measurement and control of threats, in keeping with our defined risk tolerance thresholds.

To support the strategic planning process, we analysed the main risks to which the company is exposed, including potential new, emerging risks, assigning probability of occurrence and impact estimates to each, as well as factoring in other parameters such as speed of materialisation. To do that we analysed external sources and cross-checked them against our in-house information, gleaned from our business units and corporate departments, to assess their impact.

The key phases of our integrated risk management process are:

- Understanding the external and internal contexts, establishing assessment criteria.
- Identifying the resulting risks, including those related with climate change, for which our risk taxonomy is aligned with the criteria established by the TCFD.
- Analysing and assessing the risks, looking at both positive and negative causes and consequences.
- Risk management strategy, depending on its relevance, and risk appetite, as established in our policy, by implementing the most appropriate responses to minimise the probability of occurrence or potential impact.
- Regular monitoring and reviewing the risks, reporting to the Management Committee and the Audit, Compliance, Ethics and Risk Committee quarterly and the Board of Directors at least twice a year.





## RISK MANAGEMENT GOVERNANCE

Our risk management system, designed around the three lines of defence model, provides an end-to-end vision of how the various areas of the organisation interact, boosting the effectiveness of our key risk management and control processes.



The **Board of Directors** is ultimately responsible for the correct functioning of our Integrated Risk Control and Management System. It relies on the Audit, Compliance, Ethics and Risk Committee to implement and supervise that system.



The **Management Committee** is tasked with ensuring compliance with the defined risk tolerance thresholds across the company and with managing risks in line with our Risk Policy.



The **Corporate Risk Unit** proposes, drafts and implements our guidelines and establishes common methodologies and tools to create uniform criteria and ensure that risks are managed coherently and consistently across all business units and corporate functions.



The **business units and corporate functions** identify, analyse, assess and manage threats and carry out action plans which are coordinated by the business-level risk units.

## KEY RISKS FACED BY THE COMPANY

The spectrum of risks to which the company is exposed can be classified into four major categories, in which the various ESG-related risks are duly identified:



**Strategic.** Risks related with the general environment and the company's strategic positioning and planning, including political, economic and technological factors.



**Financial.** Risks derived from volatility in commodity prices and the prices of other financial variables, as well as risks related with hedging and trading strategies and financial and tax management.



**Operational.** Risks associated with value chain management, operational effectiveness and efficiency, resource and people management, personal and facility safety, the environment and asset integrity.



**Compliance.** Risks related with governance, compliance with legal requirements and other commitments assumed and with the company's legal strategy.



Appendix 4 Detailed information about the company's key risks

## EMERGING RISKS

As part of our analytical strategic planning process, we identified key emerging risks and cross-checked them against external sources. We are monitoring those new risks at least quarterly. The main emerging risks identified in 2022, in line with the most recent Emerging Risks reports published by Gartner, are:

- **Economic recession.** The danger of an economic recession with lasting consequences caused by the energy crisis derived from the conflict in Europe, the scope for persistently high inflation and the increasing cost of capital as a result of central bank monetary tightening could have an adverse effect on our earnings, harm our ability to raise capital or trigger other financial impacts related with the supply chain. At Cepsa we have identified and quantified the impacts this scenario could have on demand for our products, on commodity prices and on the cost of the materials we need to execute our projects. To mitigate those impacts, we are monitoring market trends in real time, identifying efficiency and cost-saving plans in order to defend our profit margins and planning forward-looking initiatives together with our suppliers. Last year we also benchmarked the company's relative positioning in terms of business continuity and resilience as part of our response to the risk of crises.
- **Growing social and political expectations.** This refers to the fact that organisations such as Cepsa, pressured by stakeholders, are having to respond to a growing number of social and/or political issues, which could imply change in response to new market rules, tighter requirements or increased and unpredictable regulatory pressure. We must keep a close eye on possible regulatory developments, which is why the company has reinforced the team devoted to that monitoring task. That team is delivering better insight into the possible impact of such threats and an enhanced ability to tackle them by means of contract underwriting and actions with sector associations.



## RISK CULTURE

Our Risk Policy prioritises fostering a company-wide risk culture by working on several fronts:

- **In-house training programmes.** Designed to educate participants about the company's risk management methodology and the use of technical upgrades to ensure standardised and robust assessments.
- **Improved management tools.** As part of this effort, we organised sessions about the new risk tool implemented in 2022 for users.
- **Other continuous learning initiatives:** regular meetings addressing new trends and emerging risks and the publication of *ad-hoc* reports.

In addition, the Corporate Risk area organises workshops devoted to how to analyse investment projects and other specific topics in which we identify, assess and discuss cross-cutting risks with senior management, as well as the key business-specific threats.



## 2.5 PROACTIVE STAKEHOLDER ENGAGEMENT



### 2.5.1 Stakeholders

GRI: 2-29

We strive to have a positive impact on our surroundings and respond proactively to our stakeholders' expectations. We are working to build solid and transparent relations that generate value for all involved.

To that end, our management system establishes a general framework for action designed to facilitate prioritisation and

management of our stakeholder relations, mitigate risks and identify opportunities for improvement.

We also use a standardised stakeholder identification model and ask our stakeholders about their expectations annually.





## EXPECTATIONS DETECTED AND COMMUNICATION CHANNELS ESTABLISHED WITH OUR MAIN STAKEHOLDERS

Stakeholder	Expectations detected	Communication channels established
Shareholders	<ul style="list-style-type: none"> <li>• Financial and business performance</li> <li>• Key investment decisions</li> <li>• Progress on ESG matters</li> <li>• Key management appointments</li> <li>• Main risks and mitigation measures</li> </ul>	<ul style="list-style-type: none"> <li>• Governing body representation</li> <li>• Tailored communication</li> </ul>
Customers	<ul style="list-style-type: none"> <li>• Product and service safety</li> <li>• Energy transition</li> <li>• Service quality and customer satisfaction</li> <li>• Supply security and access</li> <li>• Fair trade</li> </ul>	<ul style="list-style-type: none"> <li>• Satisfaction measurement and grievance management systems</li> <li>• Customer service</li> <li>• Now Service</li> <li>• Ethics and Compliance Channel</li> <li>• Social media</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Stable and quality work</li> <li>• Flexibility</li> <li>• Pleasant workplace climate and good working conditions</li> <li>• Strategy and investments</li> <li>• Equal pay and opportunities</li> <li>• Gender equality</li> <li>• Safety</li> </ul>	<ul style="list-style-type: none"> <li>• MAX virtual assistant</li> <li>• Ethics and Compliance Channel</li> <li>• Commitment surveys</li> <li>• Corporate intranet</li> <li>• Internal communication effort</li> </ul>
Society	<ul style="list-style-type: none"> <li>• Personal and facility security</li> <li>• Climate change and environmental protection</li> <li>• Diversity</li> <li>• Human rights and ethics</li> <li>• Business sustainability</li> <li>• Product quality</li> <li>• Community work</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate communications</li> <li>• Neighbourhood associations</li> <li>• Open days</li> <li>• Public consultations</li> <li>• Email suggestions inbox</li> <li>• Local community management teams</li> <li>• Ethics and Compliance Channel</li> <li>• Corporate website</li> <li>• Social media</li> <li>• Associations, voluntary organisations and initiatives</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>• Equal terms and conditions</li> <li>• Business terms and relationships</li> <li>• Personal and facility security</li> <li>• Climate change and energy transition</li> <li>• Human rights</li> </ul>	<ul style="list-style-type: none"> <li>• Supplier portal within the corporate website</li> <li>• Satisfaction surveys</li> <li>• Email suggestions inbox and support centres</li> <li>• Supplier events</li> <li>• Ethics and Compliance Channel</li> </ul>





## 2.5.2 Institutional relations

GRI: 3-3, 2-28

Framed by Positive Motion, our Institutional Relations Plan enables us to proactively take part in public debate and further our engagement with stakeholders so we can meet their expectations and deliver the company's targets at the same time.

The Institutional Relations Plan is reviewed annually with the aim of keeping our stakeholders current on the industry's and Cepsa's role and activities in the mission of forging a just, green and inclusive transition.

Beyond our institutional activity, we are also members of business and/or industry associations and think tanks.

Through our involvement with these entities, we can bring our technical expertise to enhancing the legislative process, promoting research in order to raise social awareness, encouraging citizen participation in the ecological transition and explaining industry's role.

We also take part in or are involved with a range of social or environmental initiatives or entities to enhance industry best practice and cooperation.

We have a specific approach for evaluating our membership and role in associations and whether to join a new association, and for prioritising topics and areas of action, in line with our Positive Motion strategy.

In 2022, we became a sponsoring partner of Forética, Spain's benchmark business platform in the ESG area, and joined its Spanish Business Council for Sustainable Development. Our membership of Forética dates back to 2018. We participate actively in its Climate Change and Social Impact clusters, both of which seek to raise ambitions, accelerate action, facilitate networking and beef up alliances and dialogue with the public authorities and other benchmark institutions within their respective remits.

### Appendix 3.3 Stakeholder management

## SUMAMOS ENERGÍAS



We started up the Sumamos Energías programme with the aim of maximising the integration of our renewable facilities into their surroundings and helping to create opportunities for socio-economic development and growth in the local communities where we carry out renewable projects. The initiative comprises three main commitments:

- To drive the socio-economic development of the communities where plants are to be located.
- To protect the environment and biodiversity, minimising our impact on ecological habitats.
- To ensure transparency, reporting to and communication with all stakeholders.



### Initiatives/associations and platforms in which Cepsa is involved



United Nations  
Global Compact





## DRIVING POSITIVE IMPACT

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# Driving Positive Impact





## 3.1 ADVANCING TOWARDS A NET ZERO WORLD



TCFD, GRI: 3-3, 201-2, 305-1, 305-2, 305-3, 305-4, 305-5, SASB: EM-EP-110a.3, EM-RM-110a.2, RT-CH-110a.2, EM-EP-530a.1, RT-CH-530a.1, EM-RM-530a.1

### 2022 MILESTONES



**Decarbonisation targets for 2030.** 55% reduction in Scope 1 and 2 carbon emissions at the operational level and reduction of between 15% and 20% in the carbon intensity of the energy we sell, including the Scope 1 and 2 emissions derived from its production and the Scope 3 emissions derived from its use, by comparison with 2019 levels.



#### Net Zero by 2050.

Our goal is to achieve net zero emissions by 2050.



**Assessment of Positive Motion strategy and climate ambitions for 2050.** Assessment under the ACT (Assessing low-Carbon Transition) initiative using the specific oil & gas methodology, evidencing the level of preparedness of our strategy for pursuing the energy transition being demanded of the sector.

Key indicators	2022	2021
Carbon emissions, CO <sub>2</sub> eq Scope 1, thousand tonnes of CO <sub>2</sub> eq*	5,280	5,290
Carbon emissions, CO <sub>2</sub> eq Scope 2, thousand tonnes of CO <sub>2</sub> eq	211	335
Carbon emissions, CO <sub>2</sub> eq Scope 3, thousand tonnes of CO <sub>2</sub> eq <sup>1</sup>	62,326	58,113
Energy consumption (TJ) <sup>2</sup>	63,710	65,584

<sup>1</sup> The indirect Scope 3 emissions reported are limited to five categories (Purchased goods and services; Fuel- and energy-related activities; Upstream transportation and distribution; Downstream transportation and distribution; Use of sold products).

<sup>2</sup> This figure relates to the energy consumed within the organisation and excludes the energy generated and sold to third parties.



### 3.1.1 Climate change governance



*Cepsa's Board approved the company's 2030 Positive Motion strategy along with the related decarbonisation targets in 2022.*

Climate change brings both risks and opportunities for the company. To ensure correct oversight and control of the climate change strategy, specific responsibilities have been assigned to the highest governing bodies and executive committees within our corporate governance model.

The Board of Directors is tasked with approving strategic climate change targets and signing off on the matters

delegated in its steering committees (Strategy and Sustainability; Nomination and Compensation; and Audit, Compliance, Ethics and Risk). Those committees are tasked with overseeing management of the climate change strategy and the related risks, complying with applicable rules and regulations and tying the company's climate ambitions to its compensation regime.

The Strategy and Sustainability Committee:



Reviews and makes recommendations to the Board on the strategic plan with respect to emission reduction commitments and targets and the energy transition.



Periodically reviews and monitors the established performance metrics such as net emissions, internal carbon price-setting and delivery of the related goals and targets.



Monitors the risks and opportunities related with climate change and the energy transition and the sustainability trends taking hold in society that could have an impact on the company's business activities.



*The Audit, Compliance, Ethics and Risk Committee centralises oversight of risk- and compliance-related matters and oversees correct implementation of the climate change internal control system.*

The Management Committee is responsible for making decisions, allocating resources and monitoring the company's performance against its strategy. The Carbon Cycle unit, within the Strategy and Sustainability Department, is in charge of championing the climate change pathway.

In addition, the main mission assigned to the Carbon panel, a multidisciplinary and cross-cutting team with representatives from all business units, is to review and accelerate all opportunities for reducing direct carbon emissions and aligning our activity with a significantly lower level of emissions.

In 2022, we introduced two climate change objectives into the company's dashboard which have a direct impact on Cepsa employees' variable remuneration. The first is the approval of

energy efficiency projects and the second relates to the reduction of a specific amount of Scope 1 and 2 carbon emissions for the year by comparison with 2019 levels, in line with the decarbonisation targets set under the umbrella of the Positive Motion thrust.

We also have a [Climate Action Policy](#), approved by the Board of Directors in 2021, which establishes the framework for articulating our ambitions.

2.1 Corporate governance



CLIMATE RISK GOVERNANCE

The Internal Control and Corporate Risks Unit is part of the Internal Audit, Compliance and Risk Department, which reports functionally to the Audit, Compliance, Ethics and Risk (ACER) Committee.


The ACER Committee has been vested with specific duties in the area of climate change, notably including:


-  Oversight of the company's climate change strategy, practices and policies and the level of delivery of the commitments assumed.
-  Transparency in the area of climate change, framed by use of one of the internationally accepted methodologies such as that of the TCFD.

CDP CLIMATE CHANGE

Thanks to our participation in the CDP Climate Change initiative, we report on our climate change management practices and on the associated key performance indicators. We have ranked in the leadership group with a score of A- since 2021.



3.1.3 Climate change: risk and opportunity management 

For further information, visit the CDP website 



## 3.1.2 Strategy under the guidance of Positive Motion



### 3.1.2.1 Aligned with Positive Motion

The ambitions embedded in our Positive Motion strategy go beyond the effort to fight climate change. We are committed to being an active, front-line player in the transition towards

a carbon-neutral economy. We want to pursue more sustainable business models and provide our customers with lower-carbon energy.



*We want to be Net Zero<sup>1</sup> by 2050, in line with the benchmark climate scenarios of 1.5°C warming of the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC).*

#### POSITIVE MOTION DECARBONISATION COMMITMENTS



55% reduction in Scope 1 and 2 carbon emissions by 2030 by comparison with 2019 levels.



Reduction in the carbon intensity of the energy we sell to end customers by between 15% and 20% in 2030 by comparison with 2019 levels.

We have had our Positive Motion strategy assessed under the ACT (Assessing low-Carbon Transition) methodology, using its oil & gas sector-specific version<sup>2</sup>, in order to measure how ready the company is to transition to a low-carbon economy. The conclusions of that assessment attest to the validity of our decarbonisation targets and solidity of our climate change governance model and verified that our Positive Motion strategy is ambitiously invested in the company's energy transition.

Our targets for 2030 put us in line with the IEA's SDS Sustainable Development scenario of 2°C and our Net Zero by 2050 ambition would put us in line with the IEA and IPCC

1.5°C scenarios. As a result, improvements in upcoming ACT assessments will stem from three pledges we have made: to implement the Decarbonisation Plan for delivery of our emission-cutting targets; to increase our R&D budget for energy transition projects; and to raise the visibility of our decarbonisation targets vis-a-vis our customers.

Examples of the specific actions taken in 2022 include the approval of 25 energy efficiency projects at our Energy Parks and Chemicals facilities nationwide and progress on our new commercial strategy, spearheaded by the Commercial & Clean Energies business, marked by new agreements for supplying low-carbon energy to our customers.

1. Positive Motion 

1.3.3 Our businesses 

<sup>1</sup> In line with the SBTi's Corporate Net-Zero Standard, to attain our Net Zero by 2050 target, we will take measures to reduce our Scope 1 and 2 emissions by at least 90% compared to benchmark levels. Any remaining emissions will be offset using nature-based solutions.

<sup>2</sup> We decided to assess our Positive Motion strategy using the ACT methodology developed together with CDP as the Science Based Target initiative (SBTi) has yet to publish an assessment protocol for the oil & gas sector and the Transition Pathway Initiative only covers listed companies.

## ISO 14067 - CARBON FOOTPRINT OF PRODUCTS CERTIFICATION



We have audited all our energy parks' products under the ISO 14067 standard on the carbon footprint of products. Our internally-developed calculation methodology has been certified by a third party. That exercise allows us to provide our customers with information about our products' carbon footprints over the different stages of their life cycles that can help them manage and track their own decarbonisation goals and commitments.

### EMISSIONS-CUTTING TARGETS

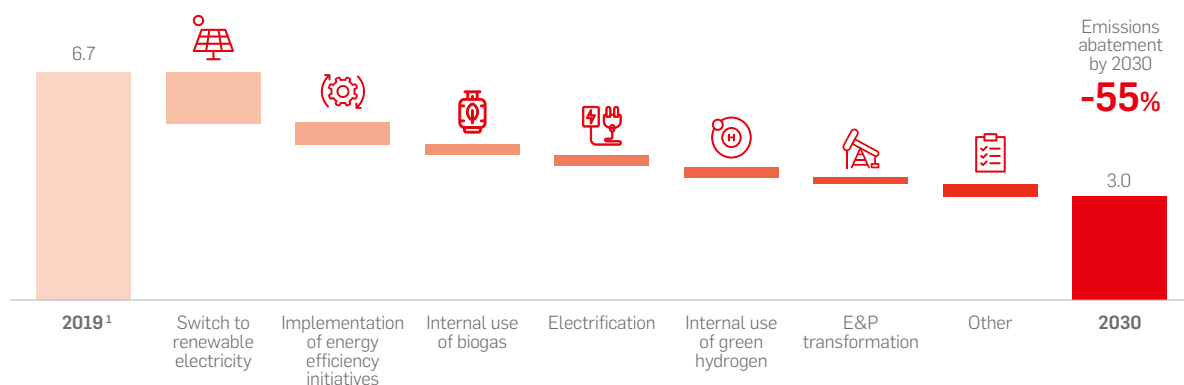
Our Decarbonisation Plan, endorsed by the ACT assessment, has a dual objective: firstly, to reduce the carbon footprint of our industrial operations and secondly to reduce that of the solutions we offer our customers.

The first step is to reduce our Scope 1 and 2 carbon emissions by 55% by 2030 by comparison with 2019 levels. That goal is tied to the productive activity of the facilities under our

operational control and is articulated around a series of emission-abatement levers such as energy efficiency projects, consumption of green electricity, gradual electrification of our processes and steam generation. We monitor those levers constantly to assess the speed at which they are being implemented as a function of technological developments and utility prices.



#### The Decarbonisation Plan up close



<sup>1</sup> 2019 is taken as the benchmark year for annual emissions prior to implementation of the Decarbonisation Plan.



1. Switching 100% of our facilities' electricity consumption to renewable sources\*.
2. Switching our electricity generation assets over to renewable sources. To that end we will cease generating power using fossil fuels.



Technology solutions for reducing the consumption of fossil fuels. In 2022, we did the basic engineering work for the first package of energy efficiency initiatives which between them will reduce carbon emissions by 120k tonnes of CO<sub>2</sub>\*\*.



Replacement of natural gas, a fossil fuel, with biogas, in both direct purchases and our own generation.



Electrification of cogenerations, processes and furnace steam generation, involving the replacement of combustion equipment that relies on fossil fuels with machines that run on renewable electricity.



Consumption of 100% green hydrogen in all our production processes.



Transformation of our E&P assets to reduce their carbon intensity\*\*\*.



Other emission-abatement initiatives.

\* Our Spanish chemicals facilities consume renewable electricity only. Since 2021, all productive areas of our Energy Parks and our factory in Tenerife are likewise exclusively consuming green electricity. In addition, in the Mobility & New Commerce and Commercial & Clean Energies businesses, our network of service stations and lubricant and asphalt factories are supplied solely with renewable electricity. The mission is to increase that boundary.

\*\* To turn our commitment to reducing our energy consumption into a reality, our main Energy Parks and Chemicals factories in Spain have ISO 50001-certified energy management systems.

\*\*\* Since 2021 none of our operated assets in this business has emissions from venting.



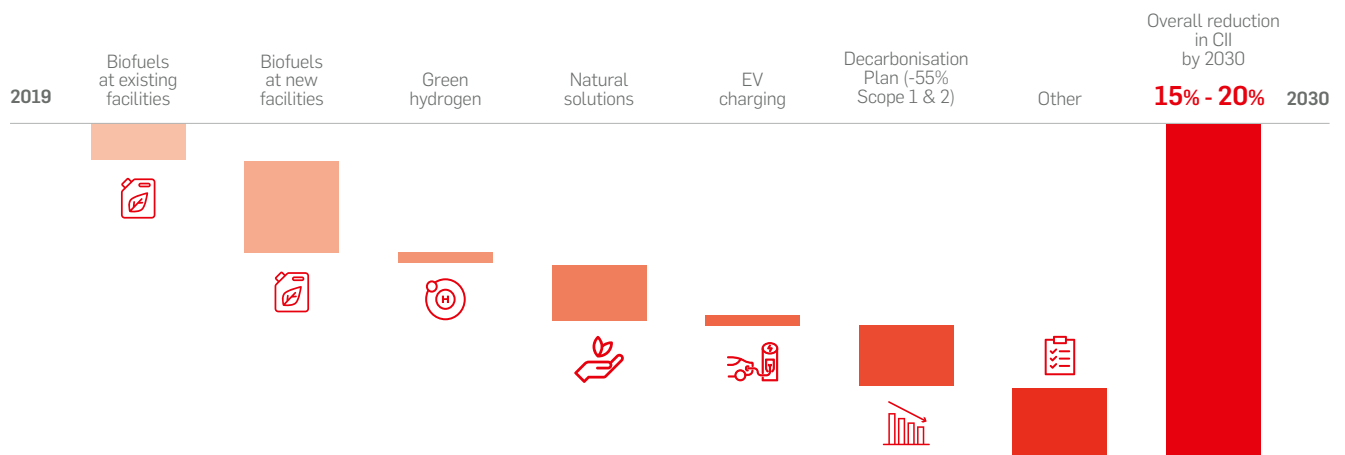
In parallel, the Plan is targeting a reduction of between 15% and 20% in the carbon intensity of the energy we sell to end customers in 2030 by comparison with 2019 levels. That goal is tied to the transition towards lower-carbon business models. It is expressed in terms of tonnes of CO<sub>2</sub> per unit of energy

(tCO<sub>2</sub>/TJ), adding together the Scope 1 and 2 emissions generated upstream and downstream in making energy products and the Scope 3 emissions associated with the use of those products.

Between 2023 and 2030 we plan to strike alliances with biogas producers to develop projects around this renewable fuel, made using plant, forest and animal waste, in Spain and Portugal. Biogas will drive decarbonisation across all our industrial facilities on the Iberian Peninsula, while also facilitating sustainable mobility for heavy road transport customers for whom electrification is not the obvious decarbonisation choice.



### Carbon intensity index



We will increase co-processing at our current facilities. We already have a fatty acid methyl ether (FAME) production facility and we are going to commission two new biofuel facilities.



Offset of the emissions from our products 'in use' by offering our customers a range of carbon-neutral products. In 2022, we completed our maiden launch by offsetting the emissions associated with end customer use of C petrol.



Reduction of the carbon intensity of the energy we sell will be spurred by the levers underpinning the direct emissions reduction target under our Decarbonisation Plan and Positive Motion strategy.



Renewable hydrogen for direct sale to third parties or for conversion into new green molecules in sustainable energy products such as methanol and ammonium to enable energy transition in other sectors, such as shipping.



Creation of a network of ultra-rapid EV chargers in Spain and Portugal.



Other emission-abatement initiatives.

### 1.3.6.1 Innovation, enabling transformation



### 3.1.2.2 Scenario analysis

We have defined three climate scenarios for the purposes of testing the resilience of our Positive Motion strategy and climate ambitions over three time different horizons (2030, 2040 and 2050) based on the guidance provided by the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC):

#### • Scenario 1

Source: Net Zero Emissions in 2050 (NZE-IEA), SSP1-1.9 (IPCC).

This scenario assumes that the global energy sector is net zero by 2050, with several developed economies attaining that milestone sooner than contemplated. It is aligned with the mission of keeping global warming at under 1.5°C. It would be achieved by means of the mass rollout of existing clean energy technologies, such as renewable sources of power generation, electric vehicles and energy-efficiency building makeovers.

#### • Scenario 2

Source: Sustainable Development Scenario in 2050 (SDS-IEA), SSP1-2.6 (IPCC).

This is a scenario of sustained socio-economic growth with a strong emphasis on jobs related with sustainability. It involves an energy system that follows best practices spurred by regulatory initiatives and frameworks developed to foster care for the environment. One of its pillars is delivery of the Paris Agreement, i.e., it assumes that the developed economies achieve zero net emissions in 2050, with China managing to do so in 2060. Developed economies would need to meet that milestone by 2070 at the latest. Under this scenario, global warming would amount to between 1.3°C and 2.4°C.

#### • Scenario 3

Source: Stated Policies Scenario in 2050 (STEPS-IEA), SSP2-4.5 (IPCC).

This is the most conservative scenario as it assumes that governments will not achieve all of the objectives announced. It assumes policies are put in place to reduce the use of fossil fuels but that demand remains strong, generating growth in fossil fuel prices and a decrease in renewable energy costs. In this scenario global warming would range between 2.1°C and 3.5°C.



#### FINANCIAL IMPACTS ASSOCIATED WITH CLIMATE CHANGE

Guided by our Positive Motion strategy and climate ambitions for 2050, we determined the financial impacts of the relevant risks assessed under the three climate scenarios for the three time horizons modelled: 2030, 2040 and 2050.

Our strategy is resilient to the three climate scenarios evaluated as it is aligned with the most ambitious scenario

modelled - global warming of 1.5°C - and therefore the lowest-impact scenario. Less ambitious climate scenarios would leave us in a less resilient position as the major investments planned in more sustainable business models would be affected by lower than expected demand for sustainable products.

### 3.1.3 Climate change: risk and opportunity management

The Climate Risk Map, consolidated in 2021 and updated in 2022, defines and classifies climate risks following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), so adopting the latter organisation's physical and transition risk taxonomy. We analysed the identified risks at the assets under our operational control for the three climate scenarios described above and the three time horizons contemplated: 2030, 2040 and 2050.

Those climate risks were identified and evaluated taking a bottom-up approach by means of workshops and with the assistance of an expert advisor. They were approved by each

## 2.4 Risk management

business unit and conveyed to the corporate risk area for consolidation in the company's general risk map.

Our Integrated Risk Management and Control System follows COSO-ERM methodology and ISO 31000, the benchmark standard for risk management systems.

#### Key risks identified

Business	Physical risks		Transition risks			
	Chronic risks	Acute risks	Policy and legal risk	Market risks	Technology risks	Reputation risk
Commercial & Clean Energies		Heatwaves Extreme winds Extreme precipitation Drought	Operating constraints New regulations	Increased cost of raw materials	Unsuccessful investments	
Mobility & New Commerce	Average precipitation			New competitors Changing customer behaviour	Technological obsolescence Unsuccessful investments	
Chemicals	Rising mean temperatures Rising sea levels Average precipitation	Heatwaves Extreme winds Extreme precipitation Cold spells Drought	Operating constraints New regulations	Increased cost of raw materials Changing customer behaviour	Technological obsolescence Unsuccessful investments	Increased stakeholder concern
Exploration & Production	Rising mean temperatures	Extreme winds	Operating constraints New regulations	Changing customer behaviour		
Energy Parks		Heatwaves Extreme winds Extreme precipitation Drought	Operating constraints New regulations Increase in cost of GHG emissions	Changing customer behaviour	Unsuccessful investments	
Trading		Extreme winds	Operating constraints New regulations	Increased cost of raw materials		
Corporate				Financing difficulties		Stigmatisation the sector Increased stakeholder concern

We also identified the opportunities associated with climate change as a result of efficiency in production and distribution processes, the development and expansion of low-emissions products and services and the advent of new products,

such as eco-fuels and sustainable fuels and services and products pinpointed through our R&D effort around the energy transition. Those opportunities have been layered into our 2030 Positive Motion strategy.

## Key opportunities identified

	Energy source	Products and services	Markets	Resource efficiency	Resilience
Commercial & Clean Energies	Use of lower-emission sources of energy	Development of low emission goods and services	Use of supportive policy incentives		
Mobility & New Commerce		Development of low emission goods and services	Use of supportive policy incentives		
Chemicals	Use of lower-emission sources of energy	Development of low emission goods and services Shift in consumer preferences	Access to new markets Use of supportive policy incentives		
Exploration & Production	Participation in carbon market			Reduced water usage and consumption	
Energy Parks	Use of lower-emission sources of energy	Development of low emission goods and services			
Trading	Participation in carbon market	Development of low emission goods and services Shift in consumer	Access to new markets Use of supportive policy incentives		

We also have additional mechanisms for establishing and monitoring climate risk and opportunity management targets, including:



Continuous monitoring of regulatory developments and participation in sector associations at the national and European levels.



Assessment of alternatives to fossil fuel technologies and raw materials in order to offer customers more sustainable products.



Supplier surveys addressing climate change framed by our commitment to boosting supply chain transparency and sustainability.



Tracking of the metrics used by the emissions allowance trading scheme related with emission trends and financial impacts.



Constant monitoring of technological developments with an eye to identifying new opportunities and risk mitigation measures.





### 3.1.4 Key climate change metrics

We have established metrics to track our climate change management and risks. The metrics related with the targets in our Positive Motion strategy are Scope 1 and Scope 2 GHG emissions at assets under operating control and the carbon intensity ratio, which includes the emissions in our value chain associated with the use of the energy products we sell.

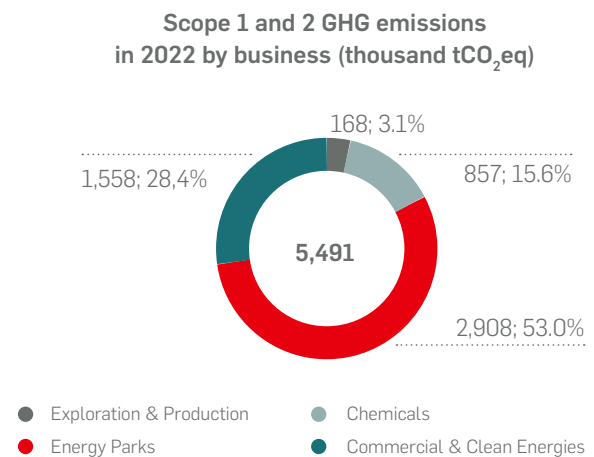
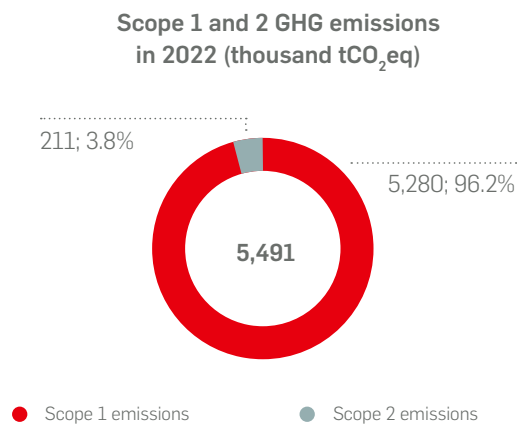
We are also layering financial parameters, such as the EU Taxonomy and other internal criteria, into our systems and processes in order to assess how our business is evolving towards more sustainable models.

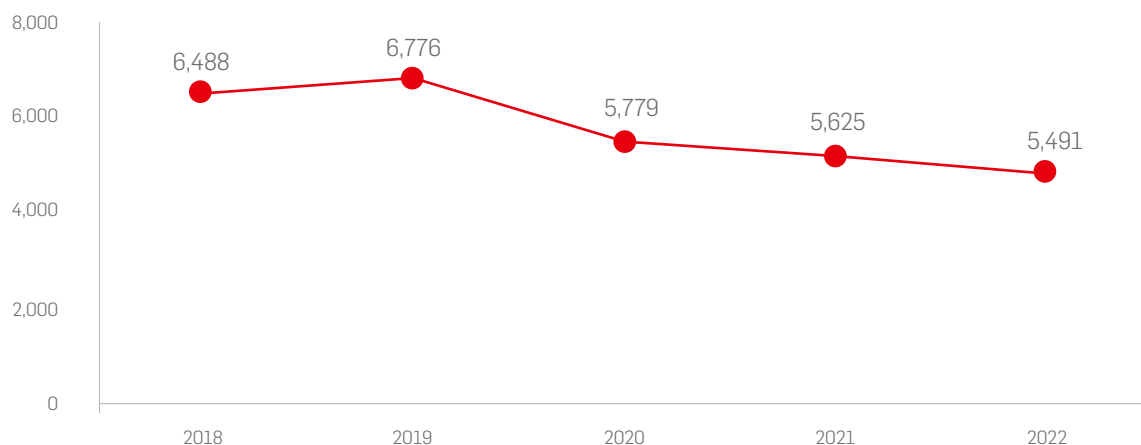
#### SCOPE 1 AND 2 EMISSIONS

Every year we certify our carbon footprint under ISO 14064. That measurement covers our facilities in Spain and the Exploration & Production assets under operating control. The asphalts business was added to the scope of certification in 2022. We also separated the certificates for the Chemicals business from the rest of the organisation, which encompasses the Energy Parks, Commercial & Clean Energies and Mobility & New Commerce businesses.

In line with the scope of our ISO certification, we are now reporting these metrics for the asphalt plants and the biofuels production plant in San Roque.

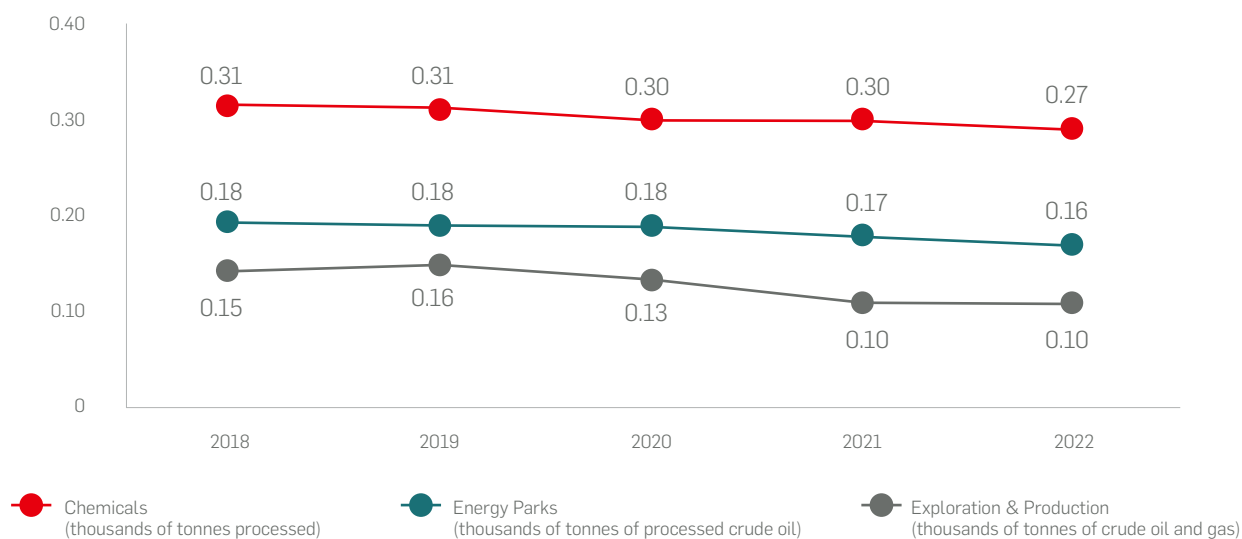
Over 90% of our Scope 1 and 2 emissions are under regulated carbon systems, which, coupled with ISO 14064 certification, means our measurements are reliable, traceable and offer a high level of assurance.



Trend in Scope 1 and 2 GHG emissions between 2018 and 2022 (thousand tCO<sub>2</sub>eq)

In 2022, Scope 1 and 2 greenhouse gas emissions totalled 5,491 thousand metric tonnes of CO<sub>2</sub>eq, down 2% from 2021 and 15% from 2019 levels. The figures include the contribution of the renewable power consumed by the energy parks, thanks to which the Scope 2 emissions derived from the purchase of energy from third parties were zero. That marks a real milestone in the operation of our assets as, together with the Chemicals business in Spain, 100% of the electricity purchased from third parties is generated from renewable sources, making our operations more sustainable.

A higher contribution by renewable sources to the national generation mix in China also implied lower-carbon energy consumption in that market. The energy landscape in 2022 as a result of the war in Ukraine resulted in intermittent and curtailed activity in the Renewables, Gas & Power business, driving a 6% reduction in business volumes and the attendant impact on emissions.

Trend in emissions intensity by business between 2018 and 2022 (CO<sub>2</sub>eq)

Our operations' emissions intensity improved slightly thanks to optimisation and efficiency gains, the consumption of

renewable power by our facilities in Spain and the lower carbon intensity of the energy purchased in Shanghai.

## CARBON INTENSITY INDEX

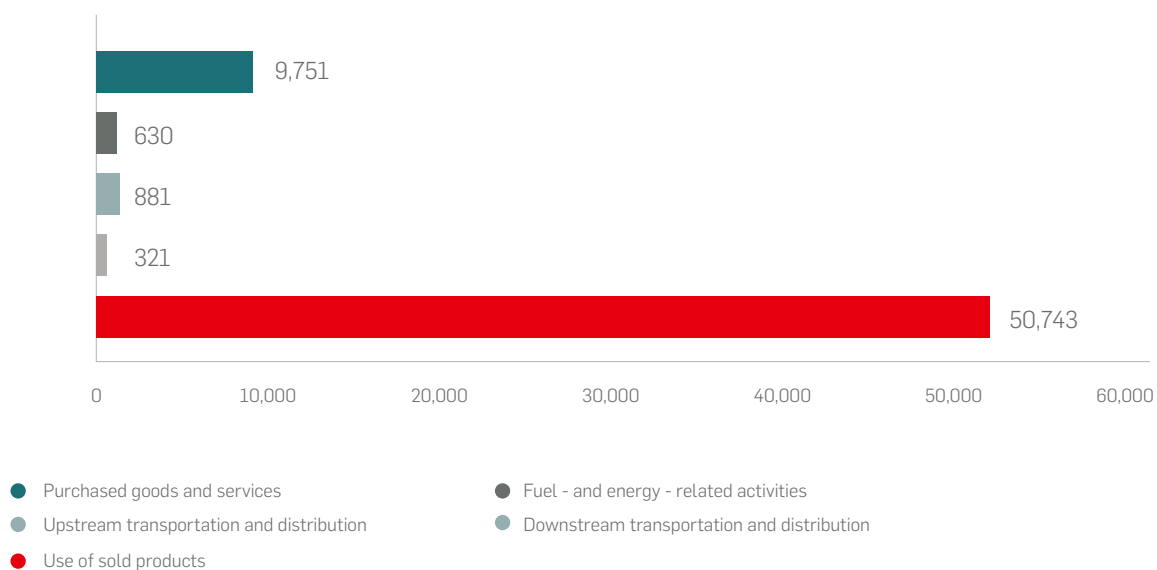
We use the Transition Pathway Initiative methodology to track the carbon intensity of the energy we sell our customers, expressed as units of CO<sub>2</sub> per unit of energy. It is likewise aligned with the measure used by the International Energy Agency (IEA) to track decarbonisation progress in the oil & gas sector (Tracking Clean Energy Progress or TCEP).

The intensity metric<sup>1</sup> includes emissions derived from both our upstream and downstream emissions, including those associated with our energy products and their use by our customers, considering all of the energy supplied, as well as the electricity generated and distributed.

In 2022, our carbon intensity was around 76 tonnes of CO<sub>2</sub>/TJ of energy sold<sup>2</sup>. Although that reading was flat by comparison with the related benchmark, the emissions component of the ratio declined by close to 10%. In 2022, we increased our capacity to process renewable raw materials by co-processing used cooking oil (UCO) at our energy parks and fully adapting one of our hydrotreaters for processing renewable raw materials.

## VALUE CHAIN EMISSIONS

**Scope 3 GHG emissions in 2022 by category (thousand tCO<sub>2</sub>eq)**



In 2022, Scope 3 emissions were equivalent to 62 million metric tonnes of CO<sub>2</sub>eq, which is 7% higher than in 2021. That growth arose in the 'Use of products' category, as demand increased on the back of renewed mobility in the wake of the business shutdowns and restrictions derived from the pandemic.

The chart shows the five most significant Scope 3 categories, which account for over 95% of all Scope 3 emissions certified by the company under ISO 14064.

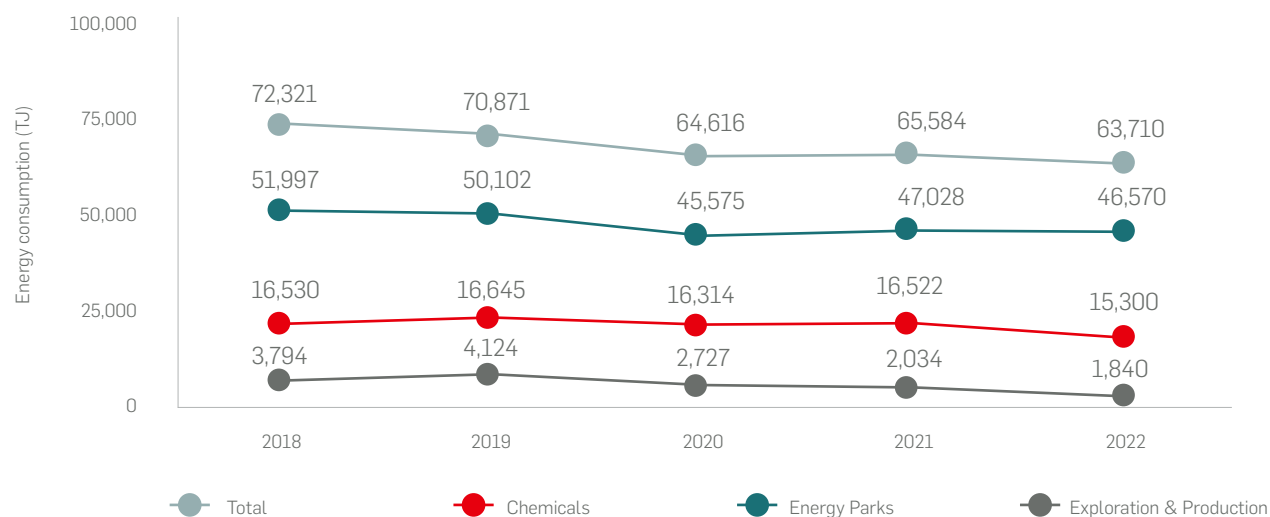
<sup>1</sup> The reduction in carbon emissions targeted in our Strategic Motion strategy is based on a slightly different emissions scope to that provided in this report. That is because the Strategic Motion target is limited to CO<sub>2</sub> emissions and excludes CH<sub>4</sub> emissions at the Energy Parks and Commercial & Clean Energies business due to materiality considerations. However, those emissions are indirectly addressed and tackled in the decarbonisation plan measures. Lastly, the asphalt business and the bioenergy plant in San Roque is not included in the materiality scope.

<sup>2</sup> This figure does not reflect the audited emissions or energy values as at the reporting date. Verification of this figure is scheduled as part of the ISO 14064 certification cycle for 2023.

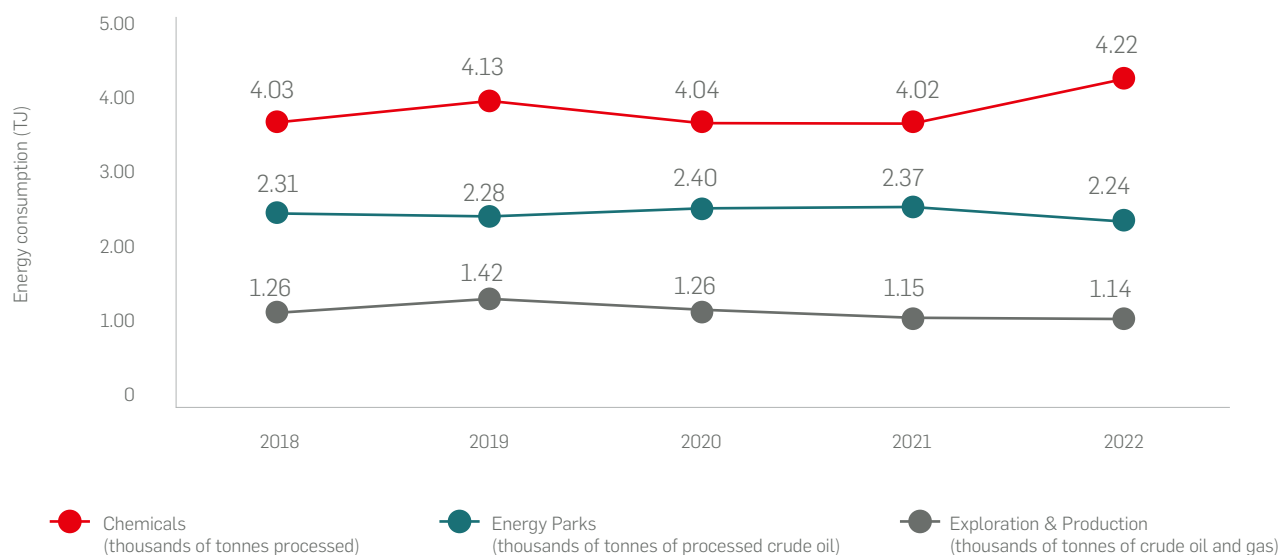


## ENERGY CONSUMPTION AND EFFICIENCY

Trend in energy consumption and breakdown by business between 2018 and 2022 (TJ)



Trend in energy consumption intensity by business, between 2018 and 2022 (TJ/thousand tonnes)



Our operations consumed 63,710 TJ of energy in 2022, down 3% from 2021, in line with the downtrend in emissions.

The energy intensity metrics reveal stability. However, it is worth highlighting the slight improvement in the intensity reading for the energy parks in 2022, evidence of the

ongoing effort to rationalise their use of energy and optimise operations. The increase in intensity in the Chemicals business is attributable to the decrease in business volumes during the last quarter shaped by the energy crisis, affecting the chemicals plants' optimisation.







## 3.2 MOVING FORWARD ON MINIMISING OUR ENVIRONMENTAL IMPACT



GRI: 2-2, 303-1, 303-2, 303-3, 304-5, 305-5, 305-7, 306-1, 306-2 / SASB EM-EP-160a1

### 2022 MILESTONES



**We set ourselves the goal of cutting our withdrawal of freshwater from water-stressed areas by 20% in 2025 by comparison with 2019 levels.**



**We expanded the scope of our ISO and ISCC certifications.**

ISO 9001, 14001 and 45001 certification of our Exploration & Production asset in Peru; ISCC (International Sustainability Carbon Certification) certification of our chemical plants in Deten (Brazil), Shanghai (China) and Becancour (Canada) and ISO 50001 certification in Deten (Brazil).



**We obtained SANDACH authorisation for waste recovery.**

By co-processing used cooking oil and animal fats we are able to generate second-generation biofuels.

Key indicators	2022	2021
Water withdrawn (million m <sup>3</sup> )	33.1	33.4
Freshwater withdrawn from water-stressed regions (million m <sup>3</sup> )	14.4	15.5
Raw materials consumed (million tonnes)	24.1	23.6
Renewable raw materials (%)	2%	2%
Waste managed (thousand tonnes)	62.8	56.9
Waste recovered (%)	64%	62%
Habitats protected or restored (m <sup>2</sup> )	555,900	554,700
Environmental capital expenditure (€ thousand)	100,952	43,844



## 3.2.1 Managerial excellence

Our [HSEQ Policy](#) is designed to ensure environmental protection throughout our business activities. It addresses what we consume and how we impact the air, climate, sea, land, ground water, noise levels and biodiversity. It also provides the foundation for implementing our Environmental Management System across our organisation, framed by the main applicable standards.

Our Environmental Management System is audited and reviewed annually by an independent third party. In addition, 84% of our facilities are ISO 14001 certified<sup>1</sup>. That framework allows us to comply, in a transparent manner, with applicable legislation and reduce the environmental impact of our activities, facilities, products and services, while meeting our stakeholders' expectations. We have reinforced that system with ISO 50001 certification (energy consumption management and energy efficiency) at our Energy Parks in Spain (Gibraltar San Roque, La Rábida and Tenerife) and at our chemicals facilities in Palos de la Frontera and Puente Mayorga (Spain) and Deten (Brazil), as well as at our Research Centre.

Certificate Search on the corporate website



Environmental Declarations on the corporate website



We also prepare and publish annual environmental declarations for our main facilities in Spain, which are validated externally along with their environmental management systems under EMAS (eco-management and audit scheme) requirements.



Teams of technicians at each business unit control and manage all of their environmental aspects, ensure compliance with regulatory requirements and minimise their impacts. At the corporate level there is another team of experts specialised in each key environmental aspect who support the various business units.

We apply the precautionary approach established in the Rio Declaration on the Environment to our activities by means of the following actions:

- Risk identification, assessment and minimisation.
- Audit schedule.
- Environmental impact assessments (EIA).
- Due diligence in procurement processes and the acquisition of industrial plants.
- Safety files for all our products.
- Impact management, e.g., in the marine environment, where we are very active, devising prevention-focused plans, protocols and simulations focused on damage prevention.

Appendix 3.5.1 Environmental management and  
Appendix 3.5.2 Environmental investments



<sup>1</sup> Single certification for our facilities in Spain and Portugal. The facilities in Colombia, Deten, Bécancour and Peru, albeit not included in the scope of the single certificate, have likewise passed the external SGA audits (ISO 14001).

## 3.2.2 Responsible water consumption

Water is essential for all living things and for conserving our ecosystems. It is also vital for carrying on our business activities. We therefore foster responsible use of water by

means of initiatives designed to save water, reuse as much as possible, search for new sources and reduce the impact of our wastewater.



*One of the specific targets set down in our Positive Motion strategy is to reduce our withdrawal of freshwater in water-stressed regions by 25% in 2025 by comparison with 2019.*

In a document titled [Position and Strategy on the Use of Water and the Treatment of Wastewater](#), we address the availability of and access to fresh water as a human right, outlining our dependence on water and our water management strategy for reducing our footprint.

We have set up a Water Board, a cross-cutting, company-wide work space in which our business units

participate. Its mission is to identify and assess initiatives and strategies for continuing to rationalise our water consumption and improve its management. The work performed by that team was instrumental in setting the freshwater reduction target.

### CDP WATER



We have been participating in this water management performance assessment initiative since 2017.



We have etched out a path of continuous improvement. Since 2020, we have ranked in the leadership group with a score of A-, a category achieved by just 8% of all Oil & Gas companies. Despite the progress made, we are committed to stepping up our commitment to safeguarding water bodies.

For further information, visit the CDP website

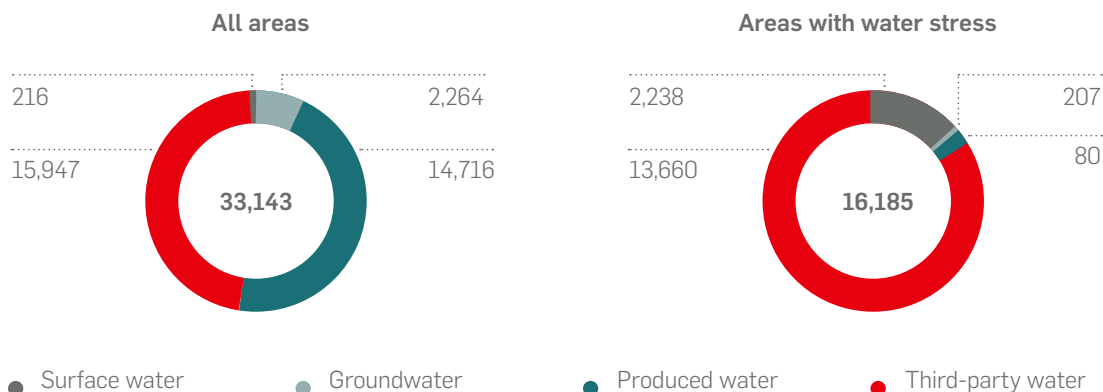


We implement technical improvements in order to layer water savings, reuse and recycling initiatives into our production processes. Before designing a new project or expanding our facilities we study how to use water responsibly, deploying

measures for boosting efficiency, maximising the reuse of processing waters, filtering water for recycling and treating water that cannot be reused to make it suitable for reinjection.



### Water withdrawal by source (thousand m<sup>3</sup>)



## EXAMPLES OF WATER CONSUMPTION REDUCTION AND REUSE PROJECTS



### ENERGY PARKS - SAN ROQUE (SPAIN):

Water reuse: installation of ultrafiltering and reverse osmosis modules which will reduce the volume of water sent to wastewater treatment plants by 20%.



### CHEMICALS - PALOS DE LA FRONTERA (SPAIN):

Improvements at the effluent treatment plant: better wastewater quality by reducing the levels of suspended solids.



### EXPLORATION & PRODUCTION - BMS (ALGERIA):

A new treatment facility for household wastewater from base camps whose quality makes it apt for watering gardens.

In order to go further, it is essential to understand our risk and impacts on water resources and our performance and progress.

We assess our water risks annually using WWF's Water Risk Filter<sup>1</sup>. That tool performs both basin and operational water risk assessments, in both instances divided into three major risk categories (physical, reputational and regulatory).

We round out that analysis with environmental impact assessments (EIA), which outline a project's impacts during

each phase, identifying mitigation measures and action plans for implementation; the Environmental Management System, which defines the methodology for identifying and assessing the environmental aspects common to all facilities; and regular reports certifying the absence of any impact on the receiving environment.

In addition to the corporate target, there are local targets for each facility. Control over their delivery via the associated indicators allows us to track whether we are performing in line with expectations.

<sup>1</sup> None of Cepsa's facilities ranked as high-risk in the last assessment. However, three were rated as medium-risk, specifically the La Rábida and Gibraltar-San Roque refineries and the Algerian Exploration & Production asset, BMS. As a result, the company applied its internal risk assessment methodology to analyse basin risks over a 10-year horizon. That analysis did not identify any substantive impact risks. However, controls and mitigation measures have been defined for each of the risks and events evaluated. That assessment will be extended to the rest of the facilities evaluated using the WRF tool.





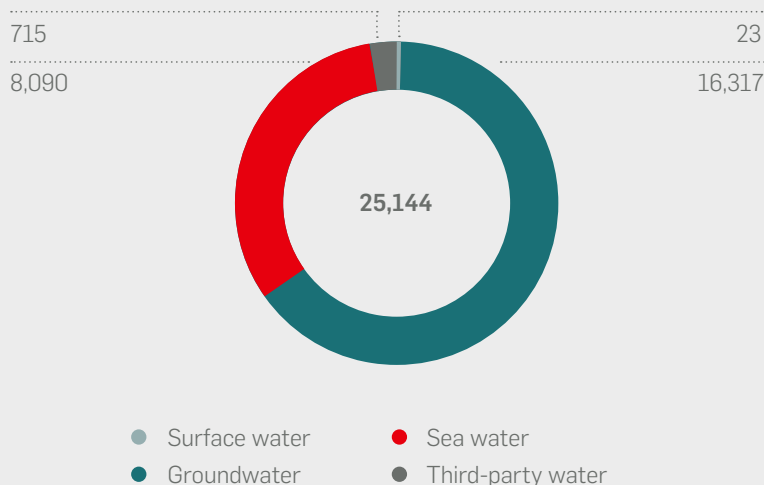
*In 2022 we reached a pioneering agreement with Arcgisa for the reuse of urban wastewater, specifically for its full reuse at the San Roque Energy Park and in the upcoming development of the Andalusia Green Hydrogen Valley.*

## WASTEWATER MANAGEMENT

The mantras of our wastewater management effort are prevention and reduction of source contamination. We deploy best available techniques to guarantee that our facilities comply with the limits stipulated in our permits and respects the natural surroundings. The controls we perform are defined by our plants' environmental permits, our regulatory compliance effort and the guidelines set by the corporate environmental protection unit.

We have wastewater control plans at the facility level. We control wastewater volumes by means of direct metering whenever possible and wastewater quality by means of regular plant-by-plant sampling. In parallel, in Spain, specialist environmental firms certified by the competent authorities supervise the receiving environment (where we discharge our treated effluents) periodically, certifying compliance with targeted quality standards, or any deviations identified.

Wastewater discharge by type of destination (thousand m<sup>3</sup>)



Appendix 3.5.3 Responsible water consumption 



### 3.2.3 Biodiversity protection

Our [Biodiversity Policy](#) fosters regular identification and assessment of the key impacts our activities have on our habitat.

We apply the mitigation hierarchy principle (avoid, minimise, restore and offset) at our productive facilities, whether located in biodiversity-stressed regions or adjacent areas.



*We have pledged to abstain from exploration or production activities in UNESCO World Heritage proper.*

We carry out activities to raise awareness among our professionals, suppliers and other stakeholders about the importance of protecting and conserving nature.

We also help the scientific community by studying the species and ecosystems close to our main productive facilities.

Collaboration with third parties is an important part of that effort. We work with public authorities, NGOs, local communities, experts and other stakeholders, factoring in their needs and expectations, to improve biodiversity.



#### ECOSYSTEM PRESERVATION OR RESTORATION MEASURES

We work to identify and measure our footprint. To identify areas of bird and other biodiversity conservation in Spain, we use a bird sensitivity mapping tool developed by Birdlife International which geolocates the species present in Important Bird Areas (IBAs) located less than 5km from our facilities.

That information allows us to design and implement local Biodiversity Action Plans for the recovery of biodiversity and eliminate potential impacts.

Cepsa's biodiversity pledge also involves working in conjunction with its Foundation on, for example, regeneration work at Laguna Primera de Palos by drying it out to eliminate exotic invasive species and participation in the SOS Caretta project for the conservation and rescue of sea turtles.

Appendix 3.5.4 Biodiversity protection 

For further information, visit biodiversity on the corporate website 

## 3.2.4 Making the business more circular

One of the ideas underpinning our Positive Motion strategy is to provide society with more sustainable products, articulated around the circularity concept.

### Circular economy commitments



Increasing the circularity of our waste flows by 50% by 2030 vs 2019.



Increasing the share of renewable and circular raw materials used at our energy parks to 15% by 2030 vs 2019.



Basing 100% of our new production of renewable diesel and biojet molecules on second-generation raw by 2030 vs 2019.



Replacing the fossil fuel sources in the chemical products we sell by introducing renewable and recycled materials.

We continue to step up our efforts to minimise our raw material consumption and contribute to a circular economy. We are steadfastly committed to increasing our relative use of raw materials that are renewable or circular, while reducing the waste we generate, as set down in our [Sustainability Policy](#).

Inspired by our Positive Motion strategy, we have pledged to use new renewable and circular raw materials in order to provide low-carbon fuels. A good example is our Sustainable Aviation Fuel (SAF) initiative which requires the use of renewable and circular inputs.

We are striving to address some of the waste we generate via on-site recovery and adapt our facilities to be able to process recycled raw materials.

Our HSEQ Policy commits us to making efficient use of finite resources, maintaining the value of our products and materials in the economy for as long as possible and minimising waste generation.

Our [Position and Strategy on Waste](#) seeks to apply the waste hierarchy principle by rationalising the use of raw materials, reusing them in processes and recycling and recovering the waste generated.

Our production and consumption model is based on leveraging energy and process waste flows to reduce the generation of waste and streamline the consumption of natural resources.

Last year we reinforced our circular economy commitment by creating the Circular Economy Board, a company-wide taskforce tasked with identifying and implementing circular alternatives for the waste we produce and raw materials we consume.

We are a signatory of Spain's Circular Economy Pact along with other associations, organisations and businesses, so pledging to drive the transition thrust by means of specific measures and effective communication actions.



### INTEGRATED ENVIRONMENTAL PERMIT AND SANDACH PERMIT IN LA RÁBIDA



Our energy park in La Rábida has obtained an Integrated Environmental Permit and the Sandach Permit for the onsite recovery of animal-based subproducts not apt for human consumption (used cooking oils and animal fats).

Those certificates will reduce the use of conventional raw materials and enable the manufacture of sustainable fuels. Above all, however, these two accolades mark a step forward in our circular economy effort by giving a second life to certain types of waste.

## WASTE HIERARCHY: PRIORITISING PREVENTION

We are working to improve our management by following the waste hierarchy as closely as possible.

Prevention is therefore our top priority: we separate and sort the various kinds of waste and undertake a series of initiatives to reduce its quantity and toxicity.



*Thanks to different sorting techniques we are able to separate items from some of our waste for reintroduction into our productive processes.*

Reuse is another important concept. For example, when selecting catalysts we prioritise those that can be regenerated more times and, at the end of their useful lives, send them to authorised handlers for parts recycling.

Lastly, waste with no scope for reuse gets sent to authorised deposits specific to each class of waste.

Recycling is also a core aspect of our management effort; we use authorised waste handlers to remove the parts that can be used to make new products.

We also draw up waste minimisation plans designed to gradually reduce generation.

## WASTE GENERATION REDUCTION PROJECTS



### ENERGY PARKS

- Reuse of the spent FCC catalyst.
- Increased volume of catalysts sent for metal recycling.
- Waste sorting improvement project.



### CHEMICALS

- Recovery of the HDA-II unit's catalyst.
- Fine-tuning of the phenol recovery unit (PRU) to reduce its consumption of sulphuric acid and caustic soda.



### COMMERCIAL & CLEAN ENERGIES

- Reusable cloth pilot test. Hazardous waste sent to landfill cut by 1,000kg/year by extending the useful life of 570 cloths to up to two years.





## COLLABORATION WITH THIRD PARTIES

At Cepsa we have agreements with authorised handlers covering the correct external processing of the various kinds of waste generated across our facilities.

We demand and verify compliance with applicable legal requirements throughout the entire process by means of document traceability and the use of recovery/elimination

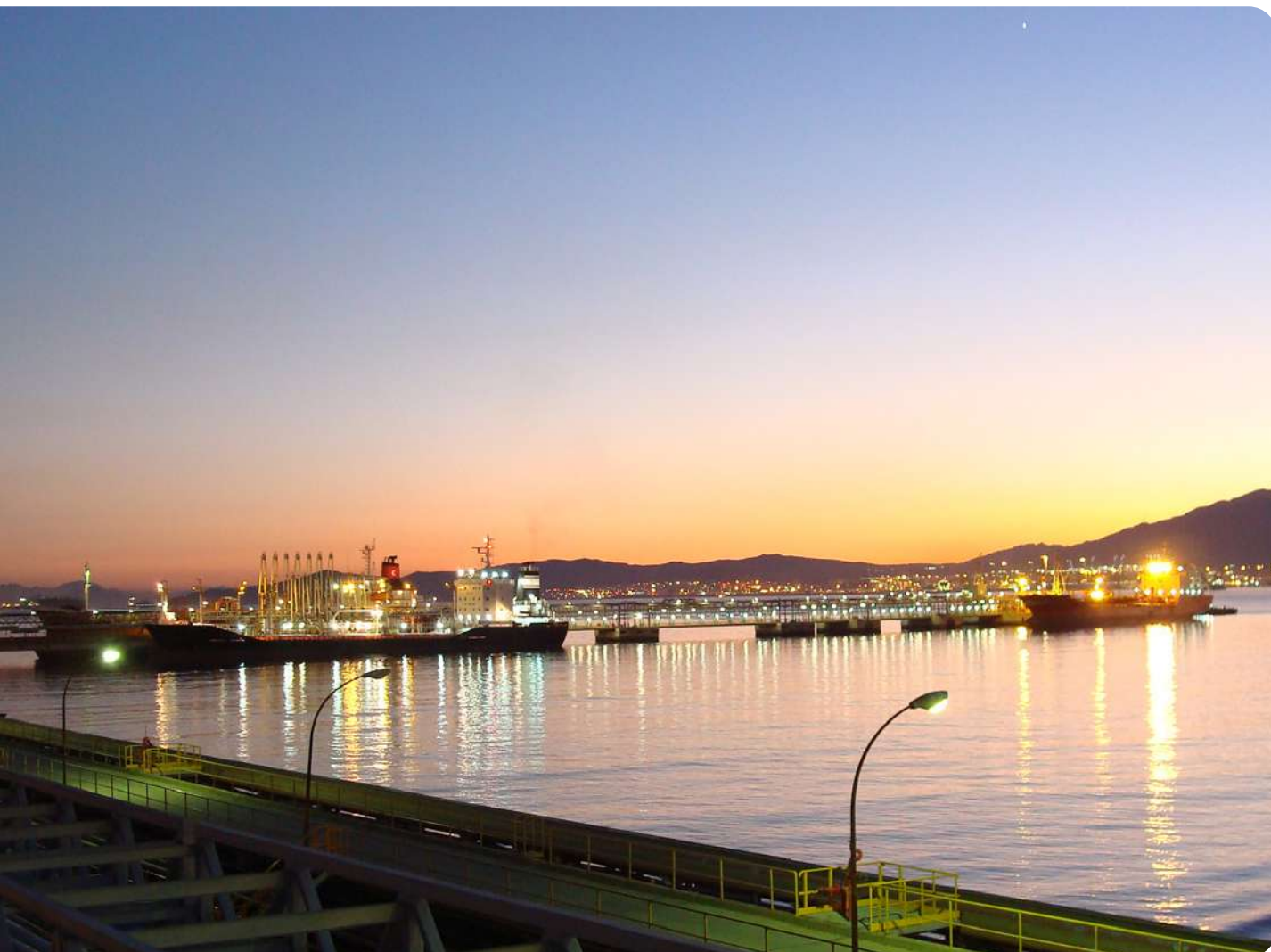
certificates to be delivered by the handler to Cepsa.

We are also a waste handler, which allows us to recover some of the waste generated by us and by third parties; we recycle that waste into raw materials for processes in other businesses and industries.



*Under the scope of the agreement reached with Arcgisa in 2022 for the reuse of urban wastewater, we will back R&D initiatives to research the recovery and recycling of the solid urban waste managed by Arcgisa at its southern European complex.*

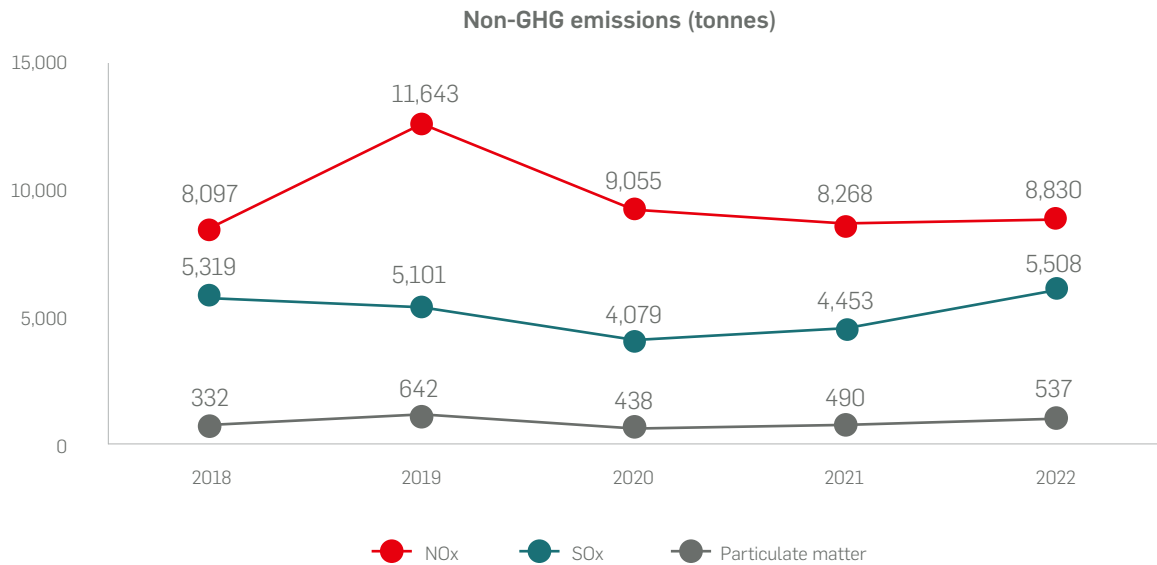
Appendix 3.5.5 Making the business more circular



## 3.2.5 Continuous control of our air emissions

We seek to prevent or at least minimise our non-greenhouse gas emissions, particularly SO<sub>2</sub>, NO<sub>x</sub> and particles. To meet that target we have a protocol articulated around continuous emissions controls.

Thanks to that monitoring effort, auto-control mechanisms and the external measures implemented with the help of an authorised environmental quality provider, we understand our main emissions in minute detail.



All emissions have been trending lower in recent years. In 2022, the readings registered a slight increase by comparison with the levels reported in 2021 and 2019 (the 2020 figures are not comparable due to the impact of the pandemic-related restrictions on operations), due mainly to the shift in the mix of energy used derived from the Russia-Ukraine conflict.

All those emissions have been trending lower thanks to improved combustion processes, the use of cleaner technology and the implementation of abatement systems. Framed by

our commitment to continuous improvement, a series of investments have been undertaken in recent years and new initiatives are in the pipeline.

The measures implemented to cut emissions notably include the Leak Detection And Repair (LDAR) Programme for the management of VOC emissions and improvements made to combustion processes to encourage the use of cleaner technology and implement systems that have led to a reduction in VOC, methanol, CO and NO<sub>x</sub> emissions.

### PROJECTS FOR REDUCING NON-GHG EMISSIONS



#### ENERGY PARKS

- Project for the recovery of VOCs in the cistern loading yard (in progress).



#### CHEMICALS

- Installation and commissioning of two RTOs to reduce VOC emissions.



### 3.3 READY FOR WORKPLACE CHANGE



GRI 3-3, 2-20, 2-30, 402-1, 403-3, 403-4, 403-5, 404-2, 407-1

## 2022 MILESTONES



### Redefinition of the company's values and leadership model.

Based on our Positive Motion strategy, we redefined our values and our leadership model, with the help of over 3,000 employees.



### New learning and development model.

We built a continuous learning culture to drive upskilling and reskilling.



### Updated Equality Plans and Protocol against Gender-based Harassment.

Key indicators	2022	2021
Employees (n <sup>o</sup> )	10,310	9,820
Female (%)	38.0%	37.2%
Male (%)	62.0%	62.8%
Women in management positions (%)	26.7%	25.4%
Employees with permanent employment contracts (%)	91%	90%
Hours of training per employee (n <sup>o</sup> hours/employee)	40	37
Employees covered by collective bargaining agreements (%)	87%	87%

Appendix 3.6.1 Workforce overview



### 3.3.1 Talent with purpose

We offer quality, sustainable, and exciting work. Our efforts are geared toward taking care of our people, helping them develop and maximising their engagement with and contribution to our Positive Motion strategy. We have embarked on a cultural transformation.

We have begun devising a new leadership model underpinned by our new values. The model outlines the behaviour and practices expected of all team managers. With it we can lay down the day-to-day strategy for everyone at Cepsa.

We boast an attractive employer brand, not to mention a unique and distinctive value proposition that is tailored to the company's existing diversity. Our Employer Branding strategy is people-centric. We try to attract and retain the best professionals by leveraging our position as an established and growing company that aims to lead the energy transition and is capable, not only of offering high quality employment, but also opportunities to develop through internal mobility, international exposure and career advancement.

Our integrated talent management model, built on respect and inclusion, comprises a variety of programmes, such as:



**Talent Call:** programmes to help students, recent university graduates and vocational training graduates start their career at a place where they can learn and improve each day.



**Internal mobility:** commitment to internal talent to move forward with our Positive Motion strategy. We harness the potential of our people so they can rise to new challenges and further their careers.



**Talent in Motion:** knowledge management plan.



**Unleash Your Energy:** programme to promote Cepsa's leadership style.

## CHALLENGING U



Challenging U is a Talent Call programme offering permanent employment and training to recent graduates. In 2022, we promoted the hiring of women and people with disabilities. Indeed, 70% of new hires were women and 4% were people with a disability.





## HOW TO ADD TALENT: JOB FLEXIBILITY AND WORK-LIFE BALANCE

We want all our people to contribute their talent, no matter what their personal situation and needs are. We have a programme designed to facilitate work-life balance based on the Fundación Másfamilia foundation's EFR (which stands for family-friendly company) model. Through this programme, considered good practice in work-life balance by the UN, we are fostering a new culture based on flexibility, respect, trust and mutual commitment.

We have drawn up 30 guidelines with work-life balance measures tailored to each job market. These include flexi-

time, teleworking, part-time work, childcare measures (e.g. childcare vouchers or remote working), breastfeeding facilities (e.g. building up leave or specific breastfeeding areas), paid leave to care for family members in addition to parental leave.

We also recognise our people's right to digitally disconnect when they are on break, on leave or on holiday and respect for private and family life. To do so, we intend to draw up a specific policy.

## STEERING CAREER DEVELOPMENT

Through our integrated evaluation model, we monitor our employees' skills continuously. This model is designed to enhance performance through:

- **MIDE system:** a tool for measuring individual performance against objectives, which also include values and expected professional behaviours.
- **Skills assessment:** the assessment of specific behaviours in relation to our values and leadership model through our performance appraisal systems and multi-source assessments of company leaders.
- **Talent committees:** designed to identify potential and specify development commitments so our team is prepared to tackle the company's current and future challenges. They target department heads and senior technicians.
- **Succession plans:** these pinpoint critical positions, assign successors for those positions and draw up career plans to facilitate the transition to a new position.

### CERTIFICATIONS



TOP  
EMPLOYER

efr

EFR  
(Spanish acronym for family-friendly company)



## Appendix 3.6.2 Talent with purpose



### 3.3.2 A diverse and inclusive workplace



*Our target is to have 30% women in leadership positions and 3%<sup>1</sup> of employees with disabilities by 2050.*

By redefining our leadership model, articulated around our values, especially “We care about people”, we want to have inclusive leaders.

We have rolled out a corporate-wide strategy comprising 30 annual initiatives to strengthen women's role within the organisation and promote their recruitment.

So that people with disabilities can do their jobs, we are firmly committed to adapting our workplaces and making our

facilities accessible. We have also taken certain measures to promote hiring of people with different skills by posting job offers in specific talent portals. Care plans are also in place for families of workers who have children with different abilities to promote their socio-economic and labour market integration.

#### AWARDS FOR DIVERSITY AND INCLUSION



Financial Times  
Diversity Leaders



Diversity Leading  
Company Seal



Empowering Women's  
Talent Seal



Top40Company  
INTRAMA's VariableD2023  
report

Our [Diversity and Inclusion Policy](#) is a testament to our firm commitment to equal opportunities, non-discrimination, diversity and inclusion. Respect for principles of diversity and inclusion is enshrined in our [Code of Ethics and Conduct](#) and our [Human Resources Policy](#). We are also committed to promoting a workplace that respects the dignity of people to prevent all forms and manifestations of harassment, intimidation, or violence.

Our Diversity and Inclusion Committee promotes diversity and champions an inclusive culture across the company, ensuring an enterprise and cross-cutting approach to challenges and opportunities, singling out best practices and tracking the progress of projects undertaken to help us deliver our objectives.

<sup>1</sup> Between in-house staff and external partners.

## DIVERSITY NETWORKS



We furthered our commitment to diversity by strengthening our employee diversity networks:

- **Anexa** promotes awareness and equal opportunities for men and women.
- **Equal** was set up with a mission to promote LGBTI inclusion and drive change by raising awareness about gender identity and sexual orientation.
- **Capaz** aims to be the voice for disability, helping to create an inclusive environment by carrying out awareness initiatives and driving, proposing, sharing and promoting support and cooperation.

We made progress in promoting diversity in 2022, becoming a signatory of several UN initiatives:

- WEP (Women's Empowerment Principles).
- III Target Gender Equality.
- Standards of conduct for promoting LGTBI+ inclusion.

We provide training, celebrate key dates, and conduct awareness campaigns to reinforce a culture of diversity and inclusion (D&I) across the company.



## MAIN D&I PARTNERSHIPS



**Inspiring Girls:** a volunteer programme for giving talks and sharing career paths with young people and inspiring them with the experiences of women in STEM (science, technology, engineering and math) fields.

**AEMENER (the Spanish Association of Women for Energy):** an initiative to boost the proportion of women in all areas of the company.

**STEAM - Girls in Science:** a partnership with the Ministry of Education to promote STEAM fields among young girls and boys.

**Empowering Women's Talent:** a programme spearheaded by Teams & Talent designed to promote equality and diversity.

**Adecco Foundation:** through the Aflora Plan, we provide staff in Spain advice on the social and tax advantages of having a disability certificate and help them with the related paperwork.

**REDI (Spanish Corporate Network for Diversity and LGBTI inclusion):** an association that works to foster inclusion, irrespective of gender identity, gender expression and sexual orientation.

**Disjob:** membership of the external employee portal for integrating people with different abilities.

**The Diversity Charter:** extension to 2023 as signatory of the charter to promote equality and inclusion.

### 3.3.3 Learning culture

We have put in place a new learning model. To help the company deliver its strategic objectives, our people need superior technical and leadership skills so that they can overcome the continuous challenges posed by technical

and environmental developments. We promote the continuous learning and skills development of our people to achieve upskilling and reskilling.

#### LEARNING DAYS AND LEARN ABOUT



We have created spaces and allocated resources for upskilling and reskilling. Every third Friday of the month, we hold Learning Day, providing all our employees three hours for training and development. Each event boasted over 1,000 participants and nearly 4,000 interactions. Meanwhile, each month our employees receive a tentative schedule of different in-person and virtual or e-learning activities.

In line with this goal, a series of programmes have been created as part of the Learn About initiative to address a variety of topics; e.g., digital skills, ESG, new renewable energy sources, diversity, inclusion.

Our training management model is based on matching the required expertise and skills with each job, underpinned by training activities planned by the business units and the programmes spearheaded by the Learning Office. The model is 70% hands-on practice and experience, 20% tutoring and 10% training, to help us put in place and guide reskilling processes.

In 2002, we completed the Unleash Your Energy leadership training cycle. More than 1,200 department heads and middle

managers in Spain and Portugal took part in the programme, learning skills that included communication, work-life balance, and resilience.

We also offered all employees access to the LinkedIn Learning training catalogue, so they could find new courses to enhance their employability and acquire new skills through self-learning. More than 1,400 employees used the platform and were over 4,000 course content and 17,500 video views.





During the year, we conducted specific development programmes for certain groups:

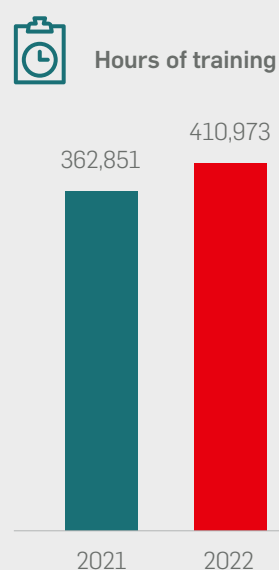
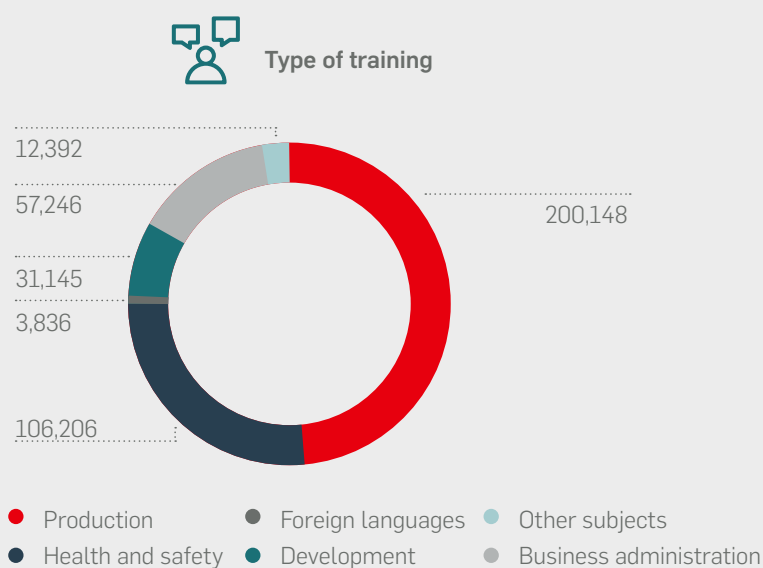
- **Coaching and mentoring:** for high-potential managers and department heads to support and drive their careers with the help of coaches or mentors.
- **Programmes at business schools:** training programmes at business schools (e.g., Headspring Executive Development, Nebrija University) for high-potential employees.
- **Cepsa Leadership Academy:** for team leaders to hone their leadership skills and help with their team members' career development.
- **Co-payment programme:** funding for part of employees' postgraduate studies at business schools to help them progress.



We also created a specific sustainability training programme. This programme was launched with training on the Sustainable Development Goals (SDGs) and included a general syllabus in a gaming format. It was completed during

the year with several training initiatives taking deep dives into a range of topics, such as ESG criteria, climate change and energy transition, ESG challenges and opportunities, sustainable finance and the circular economy.

### 3.9 Advancing on the Global Agenda: aligned with the SDGs



### Appendix 3.6.4 Learning culture



### 3.3.4 Remuneration: competitiveness and engagement

Remuneration policies and processes are drawn up to support the company's strategy and foster employees' short- and long-term engagement.

Our remuneration policies are based on principles of internal equity and external competitiveness, motivation

and commitment to the company's values and performance, sustainability, and contribution to delivery of the company's objectives. We review the structure and competitiveness of our remuneration policies each year to ensure we have the right mix of talent.



*Part of the remuneration of employees who receive variable remuneration based on group objectives, including executives, is tied to sustainability performance. Specifically, ESG criteria account for 20-25% of Cepsa's objectives for 2022.*

We tailor remuneration fully to each individual employee's reality, reflecting the basic pillars of well-being and bearing in mind that we all have different needs and wants. This means having a flexible remuneration scheme whereby employees can, voluntarily, earmark part of their remuneration to certain products or services that offer sizeable tax and economic advantages.

This year we had a Benefits Day at Torre Cepsa and the Helios buildings to broaden employees' knowledge of the benefits available to them just for working at the company. The event drew massive attendance by employees, who were able to meet suppliers personally and ask them questions directly.

Appendix 3.6.5 Remuneration: competitiveness and engagement



### 3.3.5 Social dialogue and labour relations

Working conditions are set based on the reality of each job through social dialogue and collective bargaining. The result is a flexible and integrated labour relations framework with a high level of coordination with, and participation by, unions and workers' legal representatives.

Our [Human Rights Policy](#) recognises the importance of respecting the right to freedom of association and the participation of workers' representatives and considers this the best way to shape and develop working conditions.

Applicable laws in most areas where we have operations safeguard worker representation through unions and/or allow representation through people chosen directly by company employees. Likewise, we provide the necessary resources and support to ensure that employee representatives are elected properly.

We maintain open dialogue with the various worker representation bodies and committees and reach agreements

on a variety of matters, actively participating in any ongoing collective bargaining processes.

On matters where a company or workplace collective bargaining agreement does not apply, we abide by the relevant industry bargaining agreement, if there is one, or the provisions of the company's management manuals, which embed and are inspired by our values.

The main agreements and those with the greatest impact in recent years are the Group's I Partial Collective Bargaining Agreement, which covers 11 companies in different parts of Spain, and the II Refining Collective Bargaining Agreement, which covers all of our energy parks.

**87%** Employees covered by collective bargaining agreements (%)

Appendix 3.6.6 Social dialogue and labour relations





## 3.4 BECOMING A ZERO-ACCIDENT WORKPLACE



GRI: 3-3, 403-1, 403-2, 403-3, 403-6, 416-1 // SASB: RT-CH.320a1, EM-EP-320a1, EM-RM-320a1, EM-RM-320a2

### 2022 MILESTONES



**Workshop on Safety Observations: Trainer training,** held at all chemical plants and currently under development for all other businesses.



**Improvement in audits of work permits at the energy parks:** pilot project at the Gibraltar-San Roque Park, with seven safety auditors taking part.



**LOTO (Log Out Tag Out) system training for Exploration & Production staff:** training to highlight these practices to prevent major incidents in equipment maintenance and repair.

Key indicators	2022	2021
Fatalities, employees and non-employees (n <sup>0</sup> )	0	0
Hours of employee training on safety (n <sup>0</sup> )	106,206	88,570
Employee lost workday injury frequency (LWIF) <sup>1</sup>	0.55	0.66
Non-employee lost workday injury frequency (LWIF) <sup>2</sup>	1.76	1.49
Employee total recordable incident rate (TRIR) <sup>3</sup>	0.98	1.20
Non-employee total recordable incident rate (TRIR) <sup>4</sup>	2.83	2.58
Process safety (n <sup>0</sup> )	16	9

Appendix 3.7 Becoming a zero-accident workplace 

<sup>1</sup> Total number of lost-time employee accidents / Total number of hours worked x 1,000,000

<sup>2</sup> Total number of lost-time contractor accidents / Total number of hours worked X 1,000,000

<sup>3</sup> Total number of employee accidents recorded / Total number of hours worked X 1,000,000

<sup>4</sup> Total number of contractor accidents recorded / Total number of hours worked X 1,000,000

### 3.4.1 Creating a safety culture

Health and safety are embedded in Cepsa's culture and vision. We take care of everyone who works for or with our company, our customers, the local communities and our surroundings, and we are committed to continuously improving.

We promote a culture of safety leadership and want people in leadership positions to foster a climate of trust and set an example for employees and contractors alike. Everyone should commit to protecting themselves and others and we encourage two-way communication regarding policies, objectives, action plans and sharing lessons learned.

The related training and awareness programmes in place aim to promote transparency, commitment, individual accountability and engagement.

We have rolled out Preventive Action Plans (PAP) to spread our safety culture throughout the entire company. They include initiative such as:

- **Safety walks:** safety visits by process unit managers with in-house operational staff and employees of service companies to strengthen their leadership and visibility.
- **Housekeeping inspections:** inspections performed by multidisciplinary groups from operations, maintenance and safety to ensure optimal order and cleanliness.
- **Preventive Safety Observations (PSO):** observations by employees and contractors to promote excellence in occupational safety, including conversations to jointly detect deviations and pinpoint areas of improvement.



We also carried out specific projects for each business; e.g. BRIO, ORION and KAISER. The purpose of these cultural transformation programmes is to implement work approaches whereby employees are involved in plant improvements and to highlight the importance of bolstering safety.

Appendix 3.7 Becoming a zero-accident workplace





## 3.4.2 Safety management: commitment and best practices

The aim of our [Health, Safety, Environmental Protection and Quality \(HSEQ\) Policy](#) is to take care of all the people who work at and collaborate with Cepsa, our customers, and the communities and environments in which we operate.



*100% of staff is covered by an occupational health and safety management system and 93% of our industrial sites are ISO 45001 and OHSAS 18001 certified.*

In 2022, we held our annual occupational health and safety training and awareness campaigns and continued to promote improvement through lessons learned, with ongoing monitoring of key indicators.

We are firm believers that in-depth investigation of incidents is crucial so we can learn from them and prevent them from occurring again. To that end, we apply the leading incident investigation methodology, Kelvin TOP-SET, in all business units. This methodology entails conducting a comprehensive investigation of incidents, not just a root cause analysis.

### SAFETY EXCELLENCE PROJECT



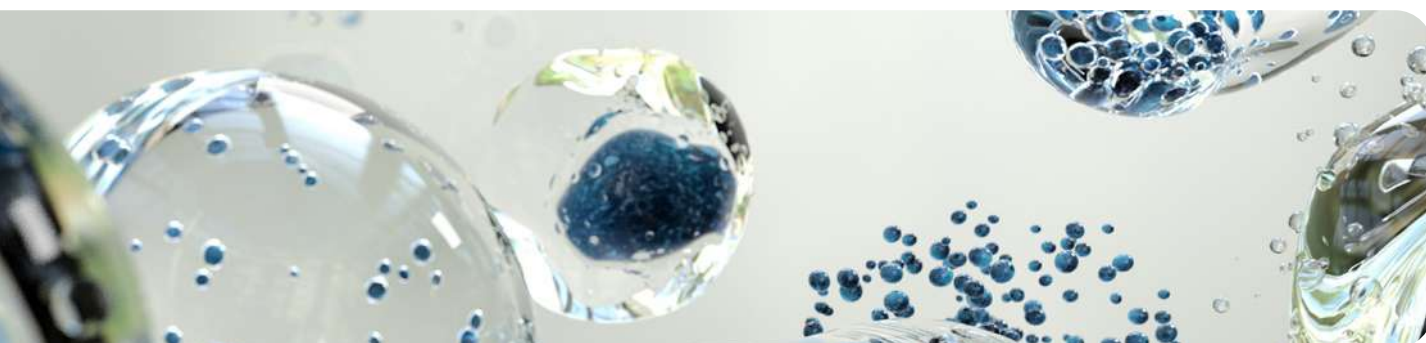
In 2022, we embarked on an ambitious safety excellence project with DuPont Sustainable Solutions (dss+), a leader in this field. The aim is to become an industry benchmark in safety, health, and environmental performance by 2025.

To achieve this, we started with a diagnosis of the state of our safety using different tools. We then drew up an action plan with all the relevant business units comprising 44 actions. We pilot tested all the actions during the year and assessed the maturity of the culture to gauge their effectiveness.

As required by law for Spanish sites, we designed an annual planning of preventive actions to eliminate, reduce and control risks. We appointed officers, earmarked resources, and established monitoring, along with deadlines for implementation. Planning is based on the results of risk assessments, safety inspections and observations, environmental condition measurements, internal objectives, and resolutions adopted at Health and Safety Committee

meetings. The annual report drafted by the Occupational Health and Safety Area presents the final results of the annual planning.

The business units plan and draw up internal audit programmes to assess our management system. The Internal Audit Department also plans and designs audits that are separate from those of the business units.



## HAZARD IDENTIFICATION AND ASSESSMENT

We apply a structured approach to identify hazards and ensure that the organisation's risks are assessed systematically and that the resulting control measures are implemented.

Communicating, investigating and sharing, information on hazardous situations and safety incidents is essential in our industry.

We have a procedure in place for establishing a common investigation criterion irrespective of the category of incident, its seriousness, the potential damage, or its location. We use it to determine the related functions and responsibilities, the approach and process for producing reports, and the lessons learned.

All safety events<sup>1</sup> must be reported immediately. The potential seriousness of each event is determined based on Cepsa's risk matrix. High Potential (HIPO) and Very High Impact events are presented to the Management Committee. The investigation report includes the related corrective actions. These events are evaluated to determine whether to prepare and report an HSE alert and a lesson learned.

We have several channels available to all employees and contractors to report hazards: a specialist mailbox, work or maintenance order requests to remedy potentially unsafe conditions, a potential incident (near miss) communication channel and oral communication through the supervisor.

Initiatives undertaken to assess, monitor and reduce exposure of employees and contractors to health risks include:

- Design and modifications at facilities to ensure safe working conditions.
- Equipment and facility maintenance programme.
- Assessment of risks from potential exposure to chemical products and design of the preventive measures to be applied and programmes for regular hygienic measurements.
- Use and provision of personal protective equipment (PPE) in accordance with the related risks.



## EMERGENCY RESPONSE

All our workplaces have emergency plans tailored for their risks and the laws applicable in each country. These plans include emergency resource availability and organisational requirements and inspection and maintenance resources and needs.

We have a Process Safety Manual (PSM) aligned with the Energy Institute model that covers preparation for emergencies.

Drills are performed to check the level of plan implementation and any applicable corrective measures are drawn up.

<sup>1</sup> HSE events are classified as: near miss (potential incident); injury/illness; process safety event (PSE); property damage; environmental damage; or road accident.

## CONTRACTOR AND SUPPLIER SAFETY

Before engagement, suppliers are assessed and evaluated following an approval process to ensure they meet Cepsa's safety qualification standards.



### 3.5.3 Positive supplier relations

Specific safety clauses are included in the General Contracting Terms and individual contracts. Moreover, our procedures impose requirements regarding access to our facilities.

All service company employees receive

information/training before they can enter our facilities. They are given specific instruction regarding basic safety rules, risks and consequences, the actions to take in the event of emergencies and personal protective equipment.

A single approval is available for service company execution supervisors that is valid for the Palos, San Roque and Canary Island sites. Single approval means any worker receiving execution supervisor training at a specific site who passes the related test may work as an execution supervisor at all sites. Execution supervisor training comprises three modules and is valid for two years. Implementation is monitored to incorporate the improvements uncovered from trainer and trainee feedback.

## WORKPLACE HEALTH

We are committed to providing a healthy and safe workplace for our employees and anyone who works at or visits our facilities. Objectives are outlined in the [Code of Ethics and Conduct](#) and the HSEQ Policy to ensure that our operations meet the highest standards of health. These commitments are set out in a variety of internal procedures that address health service functions.

We apply action procedures for each risk inherent to the performance of each job following the model set by the Spanish Institute of Occupational Health and Safety (INSST). To address risks for which there is no official guidance, we

draw up and implement specific procedures. We conduct internal and external audits to ensure compliance with regulations and attest to the quality of the service provided on actions developed by health services.

Cepsa's Medical Service has in-house health professionals available to answer any type of health-related query.

Our intranet provides employees with myriad health promotion initiatives and access to all resources, in addition to training campaigns.

## HEALTH PROMOTION PROGRAMMES



**Employee emotional support programmes** via a specialised external service or services for work-life balance or family care, aligned with the mitigation of new psychosocial risks.

We added a comprehensive **health test to our annual health check-ups** following the INSST model.

**Healthy food options** in the kitchens and restaurants at our workplaces.

**Awareness campaigns.**

**Mindfulness sessions** held by a team of volunteers, who provide virtual sessions available to all staff.



### 3.4.3 Consumer health and safety

GRI: 3-3, 416-1. SASB: RT-CH-410B.2

Our [Customer Relationship Policy](#) sets out our consumer protection commitments.

We conduct a rigorous product assessment to ensure that our products are safe for health and the environment throughout their life cycle. To do so, we have a series of internal procedures, such as the General Product Stewardship Procedure.

We have yet to record any incident related to impacts on health of our goods and services.

All information on product features is included in the Product Safety Data Sheets we send to customers when they make their first purchase and whenever we make updates.

In 2022, we drafted Product Regulatory Information Sheet (PRIS) documents with the regulatory information applicable to each of our products. These documents, on top of our Safety Data Sheets and specifications, provide a comprehensive view of all our products. In a bid to become increasingly efficient and automate process, we also developed a Material Safety Data Sheet (MSDS) tool. This tool automatically contacts all chemical product suppliers to request the MSDSs containing the product safety information of the products supplied.



Appendix 3.7 Becoming a zero-accident workplace







## 3.5 FACILITATING A SUSTAINABLE SUPPLY CHAIN



GRI: 3-3, 2-6, 204-1, 414-2

### 2022 MILESTONES



**Follow-up meetings with our suppliers** to enhance their ESG performance.



**New Supplier Campus:** sustainability training and learning platform for suppliers with over 450 participants.



**Real-time risk monitoring** of more than 500 suppliers, including human rights risks.

Key indicators	2022	2021
Total procurement spending (€ million)	1,173	700
Suppliers in the company's supply chain (n°)	3,288	2,856
Local suppliers (%)	35%	38%

Appendix 3.8 Facilitating a sustainable supply chain



### 3.5.1 Procurement model

Our procurement model is designed not only to cover our supply needs, but also to strengthen relations between suppliers and our businesses, pursue automation, traceability and transparency and help control risks related with the supply chain.

We follow a mixed procurement approach that standardises and coordinates the centralised and business-level purchasing so as to streamline processes and maximise efficiency through planning and early supplier involvement in new projects.



*We ensure the integrity and transparency of procurement processes to foster free competition.*



#### EXCELLENCE IN PROCUREMENT MANAGEMENT



- Excellence of our procurement function is certified under UNE 15896 Value added purchasing management, an audit which extended to our ISO 9001, ISO 14001, ISO 50001, EFQM, ISO 45001 certifications and the other standards applicable to our management system.
- In 2022, in a bid to enhance management excellence and step up our commitment to sustainable procurement, our systems were audited under ISO 20400 standards.

#### EMBEDDING ESG INTO DECISION-MAKING

We give our suppliers a questionnaire to assess their ESG performance and assign them an ESG score. The ESG score is uploaded to the procurement platform and as of 2022 assigned automatically to the award sheet for consideration in tenders. Suppliers with low scores are asked to attend development meetings so they can improve their performance.

We also calculate added value by embedding ESG into decision-making (Total Value of Ownership), promoting sustainable procurement underpinned by a variety of sustainability levers that were reviewed last year.

## ESG TRAINING OF PROCUREMENT STAFF

Procurement staff receive ongoing ESG training. General courses are imparted by Cepsa via the Cepsa Campus, while specific training is given by the Procurement Academy.

In tandem, specific procurement programmes have been added to address the new [Supplier Code of Ethics and Conduct](#) and the new EU corporate sustainability due diligence and human rights due diligence directives.



## WE LISTEN TO OUR STAKEHOLDERS AND SHARE BEST PRACTICES

We shared best practices with suppliers on an ongoing basis in 2022 in order to instil ESG throughout the supply chain. We also explained the company's strategy, our commitments and the road map for delivering our ESG targets.

We included suppliers in our annual stakeholder listening sessions, to learn about and rank the topics that interest them most and their expectations.



### WEPIONEER PROGRAMME:



### THE IMPORTANCE OF RECOGNISING LEADERSHIP - CIRCULAR ECONOMY

We held our fourth wePioneer supplier recognition programme in 2022. This initiative is designed to recognise suppliers for ESG management excellence and for their commitments to sustainable and responsible performance. The topic this time was the circular economy.



## 3.5.2 Our supply chain<sup>1</sup>

Our supply chain comprises 3,288 suppliers, of which 1,729 are covered by our integrated management model. The rest, which account for less than 1% of procurement spending, are included in tail spend.

Of the procurement volume (excluding raw materials purchases), 76% goes to services. The rest goes to a range of goods, like materials, spare parts or equipment.

We segment our supply chain by criticality based on the findings of comprehensive and continuous analysis of total expenditure, geographic breakdown and core business as follows:

- Segments I, II and III. These make up roughly 16% of our suppliers and over 85% of our annual spend. We gear all our initiatives towards these segments and tailor relationship models.

- Segments IV and V<sup>2</sup>. These are non-strategic suppliers, but we monitor them for all operational, economic, health and safety, environmental, cybersecurity and human rights risks, and have risk cards for each. Some high-risk segment IV suppliers are considered critical and managed separately.

We also have regular reporting procedures, tools and systems in place to control and monitor management effectiveness throughout the supply chain. To ensure continuous traceability, we monitor these reports, along with target and control compliance metrics or performance indicators.



### LOCAL PROCUREMENT

We encourage sourcing from local suppliers because of its positive impact on the surrounding business landscape, not to mention the advantages this affords, e.g., facilitating supply, increasing flexibility and guaranteeing response times. Proximity to suppliers also helps us control country risk: in 2022, no supplier posed extreme risk due to location.

To that end, we identify and evaluate procurement contracts that can be managed locally and decide on specific initiatives with local suppliers.

For locations around the world where the company has significant operations<sup>3</sup>, we sourced approximately 87% from domestic suppliers. Specifically, 35% of the total spend was purchased from suppliers based locally.

In Spain, our main market, 99% of suppliers were Spanish, making up 99% of total expenditure managed by Procurement. Nearly 40% of contracts were arranged with suppliers located near a Cepsa operation (Palos de la Frontera, Gibraltar - San Roque and Tenerife).

<sup>1</sup> The procurement teams were decentralised in Chemicals and Exploration & Production, although the approach to procurement management and processes has not changed. Excluded from this report are data on SEA (Thailand, Singapore and Malaysia), as Cepsa no longer has assets in those locations. Amounts shown for 2021 were only until the business was discontinued in the year's first quarter. Procurement figures exclude purchases of crude oil, raw materials and energy products and the related maritime shipping costs. Also excluded were expenses for primary logistics (CLH), financial products and services, Cepsa's internal operations, donations and payments of taxes and duties. The amounts shown are the amounts arranged in the procurement contracts; i.e., not the amounts invoiced.

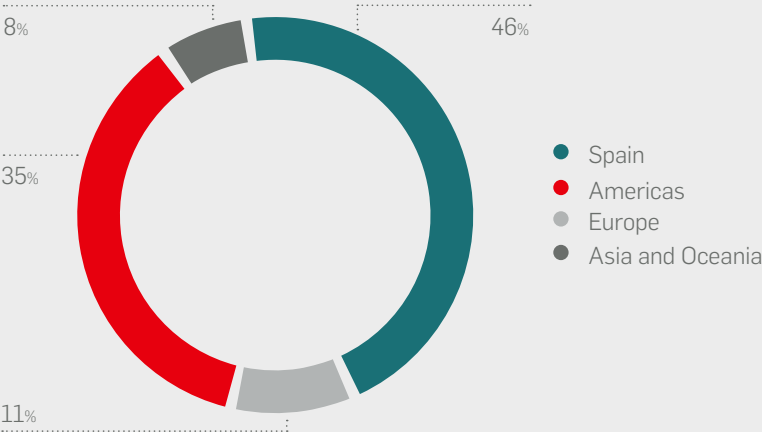
<sup>2</sup> We have come up with a more effective way of managing segment V suppliers, included in the tail spend, by leveraging automation and digitalisation to pinpoint and prioritise certified sustainable products. Tail spend includes suppliers with procurement contracts under €25,000.

<sup>3</sup> Locations with significant operations are the main sites where Cepsa has industrial plants and Exploration & Production assets. For the purposes of this report, those locations are Spain, Portugal, Colombia, Peru, Brazil, China and Canada.





Geographic breakdown of suppliers in 2022



We only enter into contracts with non-domestic suppliers for goods, equipment or services that are highly specialised or rely on multinational technology, e.g., catalysts, industrial

chemicals, specialised control equipment and systems and licences.

Appendix 3.8 Facilitating a sustainable supply chain



### 3.5.3 Positive supplier relations

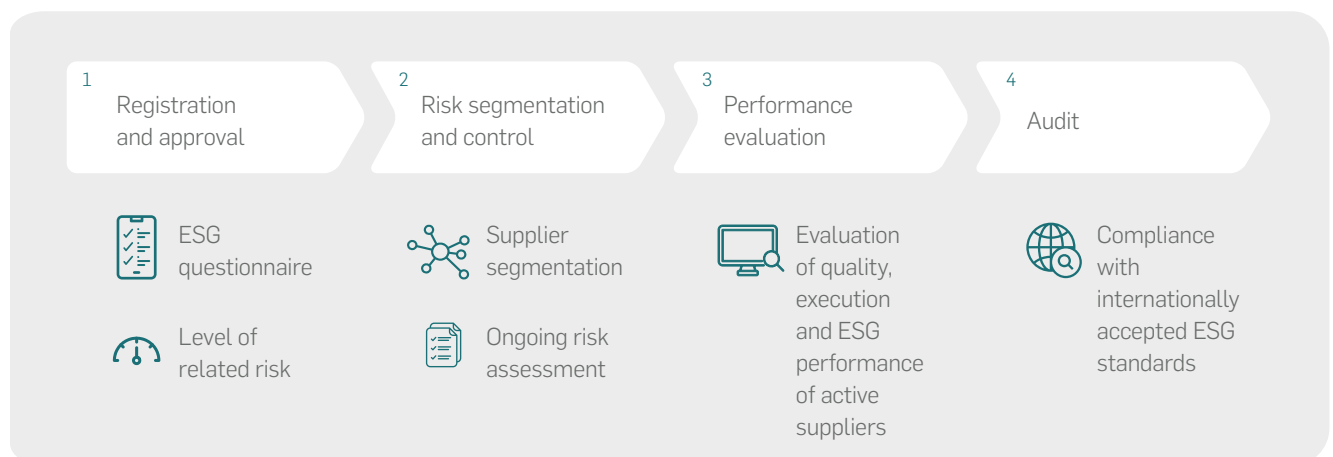
A key commitment of our [Sustainable Procurement Policy](#) is to promote best practices in the purchase and contracting of goods and services through responsible and sustainable management. Our [Supplier Code of Ethics and Conduct](#) furthers our commitment to ethics and transmitting values. Our specific procurement requirements are standardised and laid down in the General Contracting Terms and our contractual models and must be accepted by any third party that does business with Cepsa during both the registration and the various tender award stages<sup>1</sup>.

We stress to all our suppliers the importance of good ESG performance in their own operations and of requiring similar standards within their own supply chains.

We use an analytical process to identify specific areas requiring action and help forge partnerships to drive collaborative innovation and embed ESG criteria in decision-making.



We follow a four-step supplier relationship management process:



#### REGISTRATION AND APPROVAL

This step entails laying down aspects suppliers must fulfil to ensure that they commit to the company's requirements and to guarantee an acceptable level of related risk.

All registered suppliers must fill out ESG questionnaires tailored to their level. Over 62% of active suppliers in 2022

had an ESG score, which was above our 60% target for the year, and the score is available automatically in the award sheets for consideration in decision-making.

<sup>1</sup> Tier 2 suppliers that access our facilities deemed critical are subject to the same requirements, procedures, codes and policies.

## RISK SEGMENTATION AND CONTROL

We segment suppliers by risk level and type to identify critical suppliers. These comprise suppliers in the main segments I, II and III, and certain high-risk segment IV suppliers and contingency or conditional suppliers, for which there are no alternative suppliers. The main contractors accessing our facilities (Tier 2 suppliers) are also considered critical suppliers.

This step includes ongoing assessment of active suppliers for operational, economic, ESG, country, information security and counterparty (KYC, Know Your Counterparty) risks.

We have added a new approach for assessing human rights risk and observance of due diligence.

We performed risk assessments on 2,830 active suppliers in 2022 and additional. In 2022, a total of 2,830 active suppliers were risk-assessed. Additional compliance analysis was conducted on a further 278 suppliers, cross-checking against international lists, framed by the KYC procedure.

We did not uncover any Cepsa supplier with high or very high risk. Average supplier risk for 2022 was medium-low.



## PERFORMANCE EVALUATION

We have an evaluation plan for active suppliers that factors in quality, execution and ESG issues. We included evaluation of Tier 2 suppliers' work at our facilities for our main contractors.

Over the course of 2022, we conducted 1,473 evaluations of 666 suppliers, of which 560 were due to their criticality.

Accordingly, 99% of our critical suppliers have undergone at least one performance evaluation, which is in line with our target of screening at least 99% of these suppliers, including an assessment of ESG issues.

## AUDITS

Lastly, we carry out audits to ensure that suppliers meet our requirements following a procedure for compliance with internationally accepted ESG standards.

We carried out 160 on-site audits in 2022. By year-end, we had audited a total of 215 active suppliers. Audit findings are valid for 24 months, during which we help suppliers address any non-conformities. Action plans are drawn up for these suppliers and evidence that they have been implemented must be provided before the non-conformity can be closed. We proactively encourage closing non-conformities and advise

suppliers how to do so. The target is to keep a level of 80% of non-conformities in audit reports over the past two years closed. We closed 82% of non-conformities in 2022.

At the end of 2021, the audit plan was expanded to include a new specific procedure regarding the ESG questionnaire used to assign supplier scores. We held 62 development meetings with suppliers in 2022 that helped us verify their performance in these areas and pinpoint opportunities for improvement. Each supplier was given a detailed report outlining the appropriate recommendations to consider in their operations.



## 3.6 BEHAVING ETHICALLY AND RESPECTFULLY



### 2022 MILESTONES



**Organisation of the company's seventh Ethics Day The 2022** edition pivoted around inappropriate workplace conduct.



**Renewal of the company's UNE 19601 and ISO 37001 certifications.**



**Extension of the compliance training catalogue and topics.**



**Completion of our human rights assessment methodology**, which is aligned with the UN Guiding Principles on Business and Human Rights.

Key indicators	2022	2021
Code of Ethics breach complaints received (n°)	102	113
Requests for ethics advice (n°)	177	134
Internal audit projects with an anti-corruption/anti-fraud component (n°)	10	10
Income tax paid by the company (€ million)	1,419	370

Appendix 3.9 Behaving ethically and respectfully





## 3.6.1 Ethics in our day-to-day operations

GRI: 2-15, 2-23, 2-24, 2-26, 3-3, 205-1, SASB: EM-EP-510a.2

We are strongly committed to ensuring compliance with the law and our in-house policies, commitments and values with the aim of nurturing a culture genuinely based on ethics, honesty and transparency. We take a zero-tolerance stance towards any form of inappropriate conduct.

We are creating a culture in which any breach must be reported without fear of disclosure or retaliation, when made in good faith, a culture in which honesty is invoked to rally our employees around the idea that they should do things right out of conviction rather than any fear of punishment.

Our [Code of Ethics and Conduct](#)<sup>1</sup> and our compliance policies guide how we conduct ourselves in the workplace. They embody applicable best practices and the values that our shareholders, duly represented in our Board of Directors, want us to embrace. Because it is important that our employees and managers are familiar with and understand their contents, we run continuous training and awareness initiatives on both the intranet and the corporate website. We also urge formal endorsement as a way of setting an example with a very high percentage of staff taking that step.

We also call on our other partners and stakeholders to make a similar commitment by asking them to sign our Code of

Ethics and Conduct as well as our [Supplier Code of Ethics and Conduct](#), which sets out the specific commitments and conduct suppliers must uphold in their dealings with Cepsa; that endorsement is made official during the supplier certification process. The contracts governing business dealings with third parties include specific clauses regarding compliance with our principles.

The Code prioritises the performance of due diligence with third parties before arranging any business transactions, framed by the precautionary principle and by human rights safeguards.

2.3 Sustainability-aligned policies



Corporate Policies on Cepsa's corporate website



## SEVENTH ETHICS DAY EVENT



The seventh edition of our Ethics Day event focused on inappropriate workplace conduct, explaining the origin of such conduct, the role our brain plays in it and the keys and tools for a positive outcome. We also acknowledged employee commitment to ethics with our Compliance Believer 2022 awards. The closing remarks at the award ceremony, which was attended by several members of our Management Committee, were given by the chair of the Audit, Compliance, Ethics and Risk Committee, who is also one of the company's independent directors.



<sup>1</sup> Approved by the Board of Directors. The Code applies to Cepsa, the subsidiaries it effectively controls, their directors and employees and legally-bound third parties.

## ETHICS AND COMPLIANCE CHANNEL AND GRIEVANCE MANAGEMENT

We have an [Ethics and Compliance Channel](#), which any employee or third party can use to notify us of inappropriate behaviour or other breaches of the Code of Ethics and Conduct, prevailing legislation and Cepsa's body of in-house rules and regulations. All notifications are handled confidentially and can be made anonymously. The Channel is available online 24 hours a day, 365 days a year and there are versions in Spanish, English, French and Portuguese. There is also a hotline, manned 24/7, managed by an independent third party, which can be contacted from any country.

The Channel is managed entirely by the Ethics and Compliance Office, which reports functionally to the Board's Audit, Compliance, Ethics and Risk Committee.

We inform our stakeholders about the Channel over our website as well as in the contracts that govern our business dealings and provide our employees and suppliers with related training.

A recent survey about ethical matters revealed that our employees know where to go if they have a question or concern about a compliance issue (93%).

Cepsa takes a zero-tolerance stance towards any retaliation against whistle-blowers, to which end it has put in place the safeguards stipulated in Spanish law protecting corruption whistleblowers, in line with the contents of Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law.

Once a complaint and/or query has been received through the Ethics and Compliance Channel, the Ethics and Compliance Office initiates the process with a first review or preliminary analysis. Subsequently, the Office can close the case if it finds no evidence or decide that there are clear indications that the case should be brought to the investigation unit in order to obtain a definitive ruling. Lastly, once the investigation unit has reported its findings, the Office reports to the pertinent body.

## EXTERNAL AUDITS AND CERTIFICATIONS

We have a compliance management system which articulates the prevention and management mechanisms needed to tackle the risk of compliance breaches or inappropriate conduct.

In 2022, we renewed the UNE 19601 and ISO 37001 certifications underpinning our corporate criminal risk and

anti-bribery management systems, respectively, evidencing our strong commitment to creating a corporate culture based on integrity, transparency and compliance.

In addition, our Crime Prevention Model is audited annually by an independent expert and the scope of that review is being expanded each year.

## ANTI-FRAUD AND ANTI-CORRUPTION EFFORT

Our [Bribery, Corruption and Conflict of Interest Prevention Policy](#) establishes rules of conduct and our commitments in this area.

One line of initiative is the performance of audits to assess corporate crime risks, specifically including those related with corruption in both the private and public spheres. We have also tested the effectiveness of the control environment in place at our companies<sup>1</sup>, an exercise that did not reveal any significant corruption risks.

We also run counterparty analysis, known as Trade Controls, which tests for bribery and corruption risks in order to assign integrity risk scores to our business partners.

We monitor country risk in terms of money laundering, corruption and international sanctions and publish the results of that analysis in a quarterly internal newsletter.

Every year we assess the risk of fraud, factoring in the main internal and external factors that may have had an influence during the intervening period, testing the effectiveness of the internal control model, analysing the reports received via the Ethics and Compliance Channel and conducting audits. That effort is set down in the fraud risk map and a specific anti-fraud plan.

<sup>1</sup> Compañía Española de Petróleos S.A., Cepsa Comercial Petróleo S.A.U., Cepsa Química S.A., Cepsa Trading S.A.U., Cepsa Business Services S.A.U., Fundación Cepsa, Cepsa Colombia S.A., Ressa S.A., CEDIPSA, Cepsa Gas Comercializadora S.A., Cepsa Gas y Electricidad S.A., Cepsa Aviación S.A., Spanish Intoplane Services, S.L.U., CMD S.L., Petrocan S.A., Cepsa Petronuba S.A., Atlas, S.A., Cepsa Bioenergía San Roque, S.L.U., GEPESA S.A., Cepsa Algeria, S.L. and Cepsa Rhourde El Rouni, S.L.U.

## KEY MEASURES AGAINST CORRUPTION, BRIBERY AND MONEY LAUNDERING IN 2022



- Awareness drives such as communication of the Ethics and Compliance Channel statistics and outcomes for 2021 and organisation of a new edition of Ethics Day.
- Provision of online training to employees addressing crime prevention and to suppliers dealing with integrity in business.
- Provision of training on International Sanctions & Trade Controls to critical business areas.
- Assessment of the performance of the specific controls put in place, via the Crime Prevention Model, to mitigate corruption risks.
- Review, update and publication of the Trade Controls procedure.
- Payment intervention procedure for freezing and analysing all payments made by the Foundation.

Note, lastly, that Cepsa neither finances nor lends any form of support, directly or indirectly, to unions, public officials, politicians, political parties or their representatives and/or

candidates, advisors or any other person carrying out public duties or confidantes thereof.

### CONFLICTS OF INTEREST

Our [Bribery, Corruption and Conflict of Interest Prevention Policy](#) and our Policy on Related Party Transactions and Intragroup Transactions, both of which are Board-approved, set out the procedures for preventing and/or handling the potential conflicts of interest faced by our shareholders, directors, executives and other employees in the course of their dealings with Cepsa, as well as those that could arise with customers, suppliers and other stakeholders.

Both policies stipulate that, in the event of a conflict of interest, the conflicted party must abstain from the related deliberations and decision-making and must not gain access to confidential information. They are further required to act transparently, take the initiative to report any potential conflicts and collaborate on their resolution.

In parallel, our policy requires our professionals and stakeholders to proactively disclose any potential conflicting interests by contacting their immediate superiors or reaching

### Appendix 3.9 Ethics in our day-to-day operations



out to the Ethics and Compliance Office. In addition, the company's executives, department heads and at-risk business units are asked to fill out a questionnaire annually declaring any potential conflicts of interest.

In 2022, we identified several conflicts of interest derived from relationships between employees with decision-making power and third parties, individuals and companies alike. In all instances the affected parties were briefed and safeguards were put in place with the help of our Human Resources Department and the employees' superiors.



## 3.6.2 Human rights

GRI 2-23, 2-26, 3-3, SASB: EM-EP-210a.3

Our new [Human Rights Policy](#), which is aligned with international standards and practices, sets down our human rights commitments. It governs the conduct required of our employees and of the third parties we engage with everywhere we do business and our commitment to performing due diligence to enforce those rules.

### COMMITTED TO COMPLIANCE WITH THE MOST DEMANDING INTERNATIONAL PRACTICES



When formulating our new policy, we adapted its scope of application and rules of conduct to the most advanced international practices:

- United Nations Universal Declaration of Human Rights.
- International Labour Organization (ILO) Declaration of Fundamental Principles and Rights at Work.
- OECD Guidelines for Multinational Enterprises.
- United Nations Global Compact Principles, which we endorsed in 2005.
- United Nations Declaration on the Rights of Indigenous Peoples.
- ILO Convention no. 169 on Indigenous and Tribal Peoples.
- 2030 Agenda and Sustainable Development Goals (SDGs).
- Voluntary Principles on Security and Human Rights.



*As in prior years, we did not identify any irregularities or human rights violations across our operations in 2022*





## IMPACT ASSESSMENT AND DUE DILIGENCE

We have defined methodology, aligned with the UN Guiding Principles on Business and Human Rights, for assessing our human rights impacts.

That methodology comprises three core elements: (i) an assessment of human rights impacts in our own operations; (ii) an assessment of human rights impacts in mergers &

acquisitions; and (iii) human rights-focused due diligence in the supply chain and dealings with other counterparties.

Our methodological approach leads us to work in a proactive, standard and structured manner on the identification, prevention and mitigation of adverse consequences, and our response to their materialisation.



## SECURITY AND HUMAN RIGHTS

We have a Security Policy and specific rules governing the conduct of security staff, who must possess high levels of technical and professional expertise, as well as proven human rights acumen. Those requirements extend to outsourced security staff.

We likewise follow the Voluntary Principles on Security and Human Rights guidelines to ensure safety across our operations and we are in the process of becoming an Engaged Company, a milestone expected to occur in 2023.

The ability to accurately assess the risks present in our operating environment is essential for the safety of our people, local communities and assets. Our risk assessment examines risks for both the company and for our business communities and encompasses the risk of 'corporate complicity', meaning

### Appendix 3.9.4 Human rights

the indirect involvement of the company in incidents related with human rights, even if the abuse takes place at a contractor. In this manner we aim to take as broad as possible an approach to human rights threats.

To that end, our private security providers must be aware of and agree to abide by the Voluntary Principles on Security and Human Rights.

### 3.6.3 Fiscal transparency and responsibility

GRI: 207-1, 207-2, 207-3, 3-3

We are aware of the social utility of the tax contributions we make everywhere we do business as they help maintain public employment and ensure basic services that benefit citizens, families and society at large.

To that end, our [Corporate Tax Policy](#), approved by the Board of Directors in 2021, sets down our tax strategy and commitment

to apply best tax practices. That strategy, which is actively communicated across Cepsa's various committees and bodies, meets all aspects of applicable tax regulations while upholding the company's interests and ensuring delivery of our long-term business targets, duly avoiding tax risks and inefficiencies in the course of doing business.

#### GOVERNANCE AND CONTROL



*Cepsa's Board of Directors is kept abreast of the company's tax policies and criteria and the level of compliance with the Corporate Tax Policy.*

The tax unit is in charge of regularly ensuring and reviewing that the company's tax principles and management procedures, which are based on international standards, are applied adequately in transactions in progress. Compliance with tax legislation is guaranteed by means of a range of mechanisms outlined in the Internal Control and Integrated Risk Management systems.

New investments must pass a series of approvals, specifically including analysis of the potential tax implications. Investment proposals are assessed and must be signed off on by the Investment Committee before they are submitted for authorisation by Cepsa's Management Committee or its Board of Directors.

Compliance with tax regulations is guaranteed by the range of mechanisms set down in the Internal Control System and the Integrated Risk Management System, framed by the ERM Framework (Enterprise Risk Management – Integrated Framework) of the Committee of Sponsoring Organizations of the Treadway Commission (COSO II).

In addition, we have implemented a tool for facilitating tax management and reinforcing both control and oversight of compliance with our tax obligations. We have also drawn up a specific map of tax risks which is presented to and validated by the company's Risk Committee.

The Audit, Compliance, Ethics and Risk Committee receives an annual report on the performance of those systems and mechanisms and on the design and efficiency of the controls put in place.

The following activities are part of the process of communicating tax risks to the Board of Directors:

- Update of the tax risk map within the risk maps of Cepsa and all of its business units and lines.
- *Ex-ante* identification of the effect of tax risks on formulation or attainment of the company's strategic lines of initiative.
- Mandatory inclusion of the tax risk analysis associated with new investments.
- Formulation of plans for risk management and mitigation.

The company's tax situation is subjected to a series of review filters. Firstly, an internal review is conducted to verify its correctness. Secondly, a review by the independent external auditor is carried out as part of its annual audit reports for each group company and for the consolidated financial statements. Lastly, the tax situation is reviewed regularly by the authorities in the various jurisdictions where the group does business by both their tax management and inspection teams.

## GOOD TAX PRACTICES AND COLLABORATION WITH THE TAX AUTHORITIES

We want our business communities to understand what we do and how we contribute to their social wellbeing. We prioritise collaboration with the authorities and civil society to boost transparency around how we do business.

We strive to maintain constructive relationships with the tax authorities in our business markets in a bid to maximise consensus and align interpretations of tax rules.

To that end we participate in official initiatives in order to create understanding and save time and effort for everyone involved.

In the event of discrepancies in interpretation, we share our technical viewpoint, fostering collaboration and understanding and leaving the door open to friendly agreements with the various tax authorities involved.

### GOVERNMENT PAYMENT REPORT FOR EXPLORATION & PRODUCTION ACTIVITIES



We provide information about all payments for all items made to the various authorities in the markets where we do business.

## TAX TRANSPARENCY

Transparency is an essential part of how we conduct ourselves. We are committed to helping the various stakeholders understand our tax policy and the specific outcomes it leads

to. We publish all the tax-related information required under applicable regulations and the voluntary agreements we have endorsed.

### CODE OF GOOD TAX PRACTICES AND TRANSPARENCY REPORT



We have endorsed Spain's Code of Good Tax Practices and submit an Annual Tax Transparency Report to the tax authorities.



## TAX CONTRIBUTION

Cepsa paid a total of €1.42 billion of corporate income tax in 2022, broken down as follows by country.

Corporate tax paid country by country (€ million)<sup>1</sup>

	2022	2021
Spain	150	42
Algeria <sup>2</sup>	244	66
Brazil	9	5
Canada	16	10
Colombia	24	2
United Arab Emirates	939	239
Italy	2	1
Morocco	1	0
Netherlands	1	1
Peru	13	7
Portugal	15	4
UK	4	1
Singapore	1	1
Thailand	0	-9
<b>TOTAL</b>	<b>1,419</b>	<b>370</b>


[Country-by-country report](#)

In addition to corporate income tax, we bear other taxes, most importantly excise duty. We are also tasked with collecting certain other taxes which we later pay to the competent tax authorities.

In 2022, Cepsa paid €3.77 billion euros of tax, including income tax, and collected a further €2.89 billion.

## Tax borne and collected (€ million)]

Tax borne (€ million)				Tax collected (€ million)			
Corporate income tax	Excise duty	Other	TOTAL	VAT	Excise duty	Other	TOTAL
1,419	2,257	92	3,768	2,333	409	144	2,886

<sup>1</sup> The exchange rate used to translate taxes paid in currencies other than the euro was the average monthly rate.

<sup>2</sup> Includes the tax rates applicable to earnings from the production of oil and gas, which are higher than the general rates.





## 3.7 LOCAL COMMUNITY RELATIONS



GRI 2-25, 3-3, 203-2, 413-1 SASB: RT CH-210a.1, EM-EP-210b.1

### 2022 MILESTONES



**We launched the Sumamos Energías programme** to integrate our renewable energy projects into their local surroundings.



**We completed a social impact assessment covering 2008-2021 in Caracara (Colombia).**

That study, focused on three indicators - social inclusion, poverty and abilities - concluded that the community management undertaken by Cepsa has made a positive contribution to all three.



**Execution of our exit from the El Portón, Jilguero and Puntero blocks (Casanare, Colombia) and from the San Alejandro well (Peru).** We abandoned those installations without any social or environmental incidents or liabilities, in stringent compliance with the approved abandonment plans and framed by circular economy principles.

Our activities have an impact on the surrounding communities. That is why we prioritise proactive management of those impacts, assessing risks and fostering the creation of opportunities in our local communities.

We become part of society in the countries and regions where we do business to create collaborative environments and

facilitate local wealth creation. We respect all cultures and keep communication channels open at all times with a view to identifying and responding to local community concerns. In addition, we invest in community projects to respond to the needs and priorities of local society, so reinforcing our commitment to the latter.



## DIALOGUE WITH LOCAL COMMUNITIES

Our Society Relations Manual is the rulebook that sets down the guidelines for engaging with local and indigenous communities.

Identification and prioritisation of our stakeholders lays the foundations for establishing an appropriate relationship that is conducive to understanding those communities and working to respond to their needs. We pay particular attention to the local communities in our operations' areas of influence. Transparency and communication are fundamental.

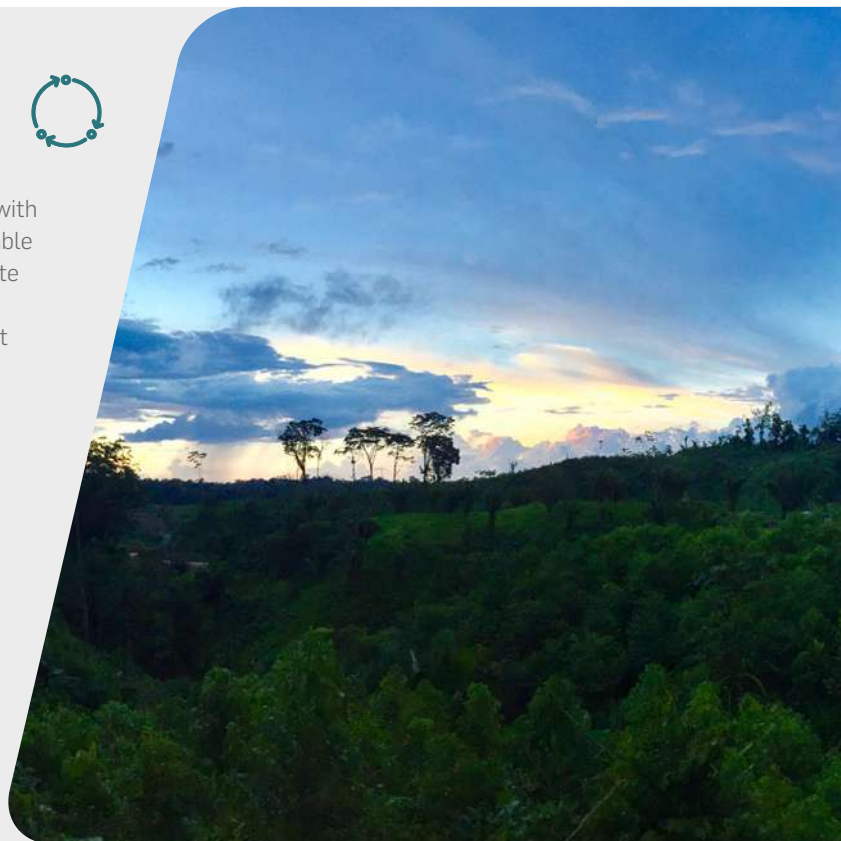
Our relationship-building and communication activities at our main industrial facilities are articulated around institutional dialogue with both the local authorities and provincial and regional administrations and with the people living in neighbouring areas with a view to providing a constant flow of information about our activities. We have specific communication tools such as liaison committees with the communities close to our industrial complexes, open day events and seminars.

### SUMAMOS ENERGÍAS



We started up the Sumamos Energías programme with the aim of maximising the integration of our renewable facilities into their surroundings and helping to create opportunities for socio-economic development and growth in the local communities where we carry out renewable projects. The initiative comprises three main commitments:

- To drive the socio-economic development of the communities where plants are to be located.
- To protect the environment and biodiversity, minimising our impact on ecological habitats.
- To ensure transparency, reporting to and communication with all stakeholders.



In our Exploration & Production business we provide experts to reach out to local communities and address their concerns, questions and suggestions about our projects and their impact on them. Those teams take a number of proactive actions to foster community participation, focusing on specific stakeholders including local residents, local and regional authorities, contractors, landowners, traditional leaders and, where appropriate, farming and indigenous communities.

For example, we have implemented formal community engagement programmes, framed by our Community

Management Plan, at all of our assets with local communities within their direct area of influence, which means all of the operations being carried out in Colombia and Peru.

Stakeholder participation in our Exploration & Production business is based on holding frequent briefing meetings to address operational matters, carrying out community investment initiatives, providing local hiring opportunities and creating jobs for the neighbouring communities. We group those stakeholders into local authorities, local communities, contractors and local business owners.

## INDIGENOUS COMMUNITIES

There are no indigenous communities in the direct area of influence of our operating assets. However, the Wacoyo indigenous reservation borders the Caracara block in Colombia. That community is defined as a stakeholder and as such is covered by the core principles and pillars of our Community Management Plan. That has led to a close relationship with that community, including the provision of social support in the form of voluntary community investment campaigns.

Moreover, when necessary, the company has a specific prior consultation procedure which encourages early entry into the sites of ethnic communities where there are plans to carry out any manner of studies and/or oil and gas exploration, production and/or transportation projects. The overriding

goal is to generate trust, prevent misinformation, manage expectations, generate effective and formal (documented) participation and respect traditions and customs to present ethnic and cultural integrity.

Indigenous community participation is encouraged by means of recurring assemblies and round table events to which the entire community and their leaders are invited, free from any form of gender bias or any other class of discrimination. Those meetings address indigenous community concerns about community investment, job opportunities and the scope for supplying goods and services. The conclusions reached at those meetings are set down in formal agreements which we then execute and monitor.

## RISK MANAGEMENT AND SOCIAL IMPACTS

We identify and analyse the social risks associated with our activities as part of the environmental and social permitting process which is part of the project investment and execution phases and, periodically, whenever there are any significant changes in the stakeholder or social context at the local, regional or national levels.

In Exploration & Production, our Community Management Plan lays down the key lines of action applicable to all the operations we carry out in Colombia and Peru. That Plan is structured into four cross-cutting lines of action - environment reconnaissance; stakeholder engagement, risk and impact management; and due diligence - and seven good

practices - early entry into the area of influence, stakeholder engagement, prior community consultation, job creation locally and regionally, local and regional sourcing of goods and services, community investment and management of requests, grievances and enquiries.

Note that 100% of the operations carried out by the Exploration & Production business that have local communities in their area of influence have had their respective environmental and social impact studies approved by the competent authorities, a process which involves local community consultation and outreach programmes.

## SOCIAL IMPACT ASSESSMENT IN COLOMBIA



In 2022, we completed a social impact assessment with respect to the local communities in areas of direct influence and indigenous communities in the area of indirect influence of the Caracara block (Colombia), specifically in the town of Puerto Gaitán (Meta). The goal of the assessment, carried out by the Amanecer Foundation, was to understand the magnitude of the positive and negative effects associated with the community management effort made between 2008 and 2021 and determine areas for improvement in upcoming developments.

The study, which focused on three indicators, social inclusion, poverty and capabilities, shows that the

community management strategy had a positive impact on all three in both the local and indigenous communities, contributing to the eradication of poverty. Those results are largely attributable to the systematic hiring of unskilled local labour and local sourcing of goods and services at all our operations, as well as to the development of productive projects in Colombia. Those projects, after seven years of implementing sustainable tropical farming tools, have enabled 160 beneficiary families to generate sustainable productive units, so becoming self-sufficient in basic consumer products, and sparked the creation of associations (Acapropuga and Asagua), further reinforcing their sustainability.

## COMMUNITY WORK AT THE OPERATIONAL LEVEL

The company's community work at its operations is driven by legal requirements and our permits, in all instances framed by the premise of contributing to development in the areas where we have operations and, thereby, to the communities living there, understanding the diversity of populations in those territories in order to make increasingly intelligent and efficient community investments.

Those initiatives are designed to strengthen our ties with society and contribute to the various communities' social and

economic development, factoring in the different priorities set by the various governments. The bulk of our operations-level community investments are concentrated at our assets in Colombia and Peru, where we structure our work around eight lines of initiative focused on operational viability and project sustainability: human development; community- and institutional-building; health; income generation; culture and tourism; education; environment; and sports and leisure.


### PROJECT SUMMER IN PERU


In 2022, we executed the first edition Project Summer in Pueblo de Macuya, a population within the area of influence of the Los Ángeles field, in Peru. That plan consisted of the upgrade of eight neighbourhood routes (12 km of roadway). It was, moreover, the first project to take the form of a public-private partnership, thanks to collaboration between the Ministry of Energy and Mining, the Peruvian army, local town councils and Cepsa. The project directly benefitted 1,200 families whose livelihoods are farming and fishing and who need those roads in order to sell their products in good health and safety conditions all year round.

Planning is already underway for the second edition of Project Summer, which will upgrade a further 18 km of roadways, this time with the local and regional governments helping with the funding. That achievement is largely attributable to the systematic hiring of unskilled local labour and local sourcing of goods and services at all our operations, as well as to the development of productive projects in Colombia, which, after seven years of implementing sustainable tropical farming tools, have enabled 160 beneficiary families to generate sustainable productive units.



Community work at the operational level	2022	2021
Investment (€)	235,480	574,317
Direct beneficiaries (nº)	49,650	13,495
Indirect beneficiaries (nº)	249,969	40,882
Collaborating entities (nº)	76	47
Initiatives executed (nº)	39	55

Community work at  
the voluntary level 

Appendix 3.10 Local  
community relations 





## 3.8 POSITIVE IMPACT ON SOCIETY - CEPESA FOUNDATION



GRI 3-3, 203-2

### 2022 MILESTONES



#### Just Transition Observatory.

Sponsored by the Cepsa Foundation, the observatory studies citizens' perception about the green transition process, complemented by publications and seminars. The first study analysed how the citizens of Andalusia view the transition.



#### Rollout of the Lets Connect I+I programme together with the CSIC's General Foundation.

We organised a conference cycle with leading innovative companies and the academic community in order to foster connections between the world of academic research and industrial interests.



#### Certification by Lealtad Instituciones.

The Cepsa Foundation earned this seal having complied with this organisation's seven principles of transparency and good practices.

Key indicators	2022	2021
Social contribution (€ million)	4.5	4.5
Voluntary social contribution (%)	94.72%	87.18%



The Cepsa Foundation's strategy complements our Positive Motion strategy, enabling us to offer a holistic and coordinated response to the most important challenges facing society. The overriding goals are to facilitate Cepsa's connection with society and generate a positive impact.

In recent years, the Foundation's projects have pivoted around three aims:



#### Social support

We work to raise the social wellbeing of vulnerable groups and support society in social or climate emergencies. We also drive sustainable mobility and energy and responsible production and consumption initiatives by means of awareness campaigns. Our volunteering programme, Voluntas, also falls into this category.



#### Positive environmental impact

We champion biodiversity and ecosystem recovery by means of a number of natural habitat preservation initiatives. That work has materialised in ongoing projects in Madre Vieja (San Roque) and the Primera de Palos Lake (Huelva), rounded off with reforestation drives and sustainable farming training. We also work to raise awareness about environmental and circular economy issues, targeting them at the general public as well as at school-goers and professionals.



#### Science learning

We prioritise innovation and research initiatives and encourage STEM (science, technology, engineering and mathematics) studies with a focus on vulnerable groups and girls. The impetus we give to research in areas of interest to Cepsa and broader society, much of which channelled through the Cepsa Foundation Chair, is a good example of how the Foundation is strategically coordinated with the company's Positive Motion strategy.

We also have a cross-cutting line of initiative which integrates the above three areas of action:



#### Just green transition

In 2022, we reinforced our commitment to this cross-cutting line of initiative, recasting some of our most established projects to zero in on energy efficiency, circular economy criteria and climate change action.

In that same vein, we extended our relations with stakeholders by adding new ecological transition organisations to our collaborative map. In parallel, we made progress on our goal

of improving how we assess and select projects by choosing an impact measurement methodology that we will start to apply from 2023.

## VOLUNTEERING FOR ENERGY EFFICIENCY



As part of our Voluntas programme, in partnership with ECODES, company volunteers help underprivileged families to save energy. Our volunteers receive training on energy saving measures, efficient consumer habits, electricity bills and available discounts and then help carry out energy efficiency assessments in their homes. After gathering the required information, the volunteers then issue a report on the energy efficiency status of the vulnerable household in question, along with a series of recommendations and an estimation of the resulting savings. The participating families also receive personalised energy efficiency kits.





Spotlight on the rollout of the Just Transition Observatory. In line with our cross-cutting line of initiative - Just green transition - this Observatory studies how citizens perceive the green transition, generates publications and organises seminars. Our first study looked at perceptions among citizens in Andalusia (Spain), the aim being to manage the change and prevent potential conflicts, while also generating recommendations for articulating the development plans of the various agents involved in the just green transition thrust.

Also worth highlighting is the Let's Connect I+D programme. Reinforcing our collaboration with the General Foundation of CSIC, the Spanish National Research Council, we encouraged connections between the world of academic research

and industrial interests and convergence between public and private agents around innovation needs and benefits by organising a conference cycle with leading corporate innovators and the academic community.

Lastly, we earned certification from Lealtad Instituciones, an organisation that analyses and certifies foundations' management transparency and practices, by meeting its seven principles: trust organisation and governance; social purpose clarity and messaging; activity planning and monitoring; accountability and information accuracy; transparency around financing; fund usage checks and balances; and compliance with legal obligations.



Community work at the voluntary level	2022	2021
Investment (€ million)	4.2	3.9
Direct beneficiaries (nº)	121,744	116,387
Indirect beneficiaries (nº)	364,861	349,043
Corporate volunteering initiatives (nº)	24	13
Collaborating entities (nº)	154	167
Employees participating in voluntary initiatives	318	213
Non-employees participating in voluntary initiatives (former employees and relatives of current employees)	109	63

Community work at  
the operational level



Appendix 3.11 Positive impact  
on society - Cepsa Foundation





### 3.9 THE GLOBAL AGENDA: ALIGNED WITH THE SDGs



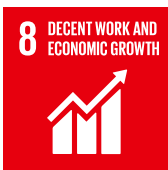
*We are working towards delivery of all of the Sustainable Development Goals (SDGs). However, we are prioritising those that are directly related with our business activities, our strategic priorities and our stakeholders' expectations.*



#### Goal 7

#### AFFORDABLE AND CLEAN ENERGY (SDG 7)

Underpinned by our Positive Motion strategy, we have identified different ways of producing affordable and sustainable energy for us and for our customers, using, for example, renewable hydrogen, biofuels and solar and wind power. Thanks to the scale and efficiency of our production facilities, we will make those fuels at competitive prices and supply households and businesses alike.



#### Goal 8

#### DECENT WORK AND ECONOMIC GROWTH (SDG 8)

We are focused on making sure our employees feel well and safe at work and are paid fairly for their experience and performance. The promotion of equality and inclusion are priority aspects of our people management effort. We work with our suppliers and partners to stimulate economic growth along our supply chain.



#### Goal 12

#### RESPONSIBLE CONSUMPTION AND PRODUCTION (SDG 12)

We are able to produce and develop greener energy and solutions that support the energy transition, fight climate change and mitigate energy saving impacts.



#### Goal 13

#### CLIMATE ACTION (SDG 13)

We are reducing our carbon emissions in line with international agreements such as the Paris Climate Agreement. We are also helping our customers in heavy industry and the transport sector reduce their greenhouse gas emissions.



## FINANCIAL AND BUSINESS PERFORMANCE

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# Financial and business performance





## 4.1 BUSINESS ENVIRONMENT



### 4.1.1 Global macroeconomic environment

After a year of strong growth in 2021, the global economy was expected to gain momentum from the second quarter of 2022 on, rapidly absorbing the impact of the Omicron variant. Since then, however, the economic outlook has steadily

deteriorated, due largely to the geopolitical situation between Russia and Ukraine, which has triggered a humanitarian tragedy in eastern Europe, and the sanctions put in place to pressure Russia into ceasing its hostilities.





That crisis is unfolding as the global economy recovers gradually from the COVID-19 pandemic, a process marked by significant differences between advanced and emerging economies. Elsewhere, lockdowns in China as part of its strict zero-COVID policy further undermined growth last year.

Those circumstances combined to spark a widespread increase in energy prices for much of the year, in turn prompting many central banks to tighten their monetary policies. As a result, the global economy bucked expectations and slowed across the board in 2022, with inflation reaching the highest levels in a decade.

In its most recent set of macroeconomic forecasts, the World Bank<sup>1</sup> reports global growth of 2.9% in 2022 (down from 5.9% in 2021), forecasting an even more pronounced slowdown in growth, to 1.7%, in 2023. That is the lowest growth rate in three decades outside the years of the COVID-19 and financial crises. That forecast is 1.3 percentage points below the World Bank's previous forecast, made six months earlier.

Weakness in the leading economies or an increase in geopolitical tensions could push the global economy into recession. However, China reopened its borders in January 2023, a development expected to have a positive impact on its economy.

Inflation started to rise sharply again from June 2022, averaging over 9% during the second half of the year, fuelled mainly by the growth in energy and food prices, affected by the situation in eastern Europe. Inflation has been spreading and intensifying, with the prices of many goods and services rising considerably.

The World Bank expects average inflation to fall from 7.6% in 2022 to 5.2% in 2023 and 3.2% in 2024. Specifically, it expects energy prices to correct sharply throughout 2023, helping

to push headline inflation considerably lower. Nevertheless, inflation is expected to remain high in the medium term in advanced, emerging and developing economies alike. In Spain, inflation ended the year at 5.7% year-on-year, down more than one point from the November reading, to put the average rate for 2022 at 8.4%, the highest in 36 years.

Monetary policy was tightened in many countries during the second half of the year in a bid to curb rampant inflation, with the main central banks increasing their benchmark rates a number of times. The universe of risks facing the economy has increased considerably and the room for policy mitigation is narrowing.

In light of those circumstances, multilateral efforts remain essential to responding to the humanitarian crisis, preventing greater economic fragmentation, preserving global liquidity, managing debt, tackling the climate crisis and putting an end to the pandemic.

As for the Spanish economy, the International Monetary Fund (IMF) expects the country's GDP to drop from 5.2% in 2022 to 1.1% in 2023 (down 0.1pp from its last forecast). For 2024, it is forecasting GDP growth of 2.4%, down 0.2pp from its previous forecast.

In line with the IMF, the Bank of Spain has been flagging uncertainties around the economic outlook, particularly how events play out in eastern Europe and the economic repercussions. Against that backdrop, the Bank of Spain has trimmed its growth forecasts and is currently estimating growth of 4.6%, 1.3% and 2.7% in 2022, 2023 and 2024, respectively (5.4%, 3.9% and 1.8% in its December report). It has also increased its inflation forecasts: inflation is now expected to fall from 8.4% in 2022 to 4.9% in 2023 and 3.6% in 2024 (3.7%, 1.2% and 1.5% as of December).

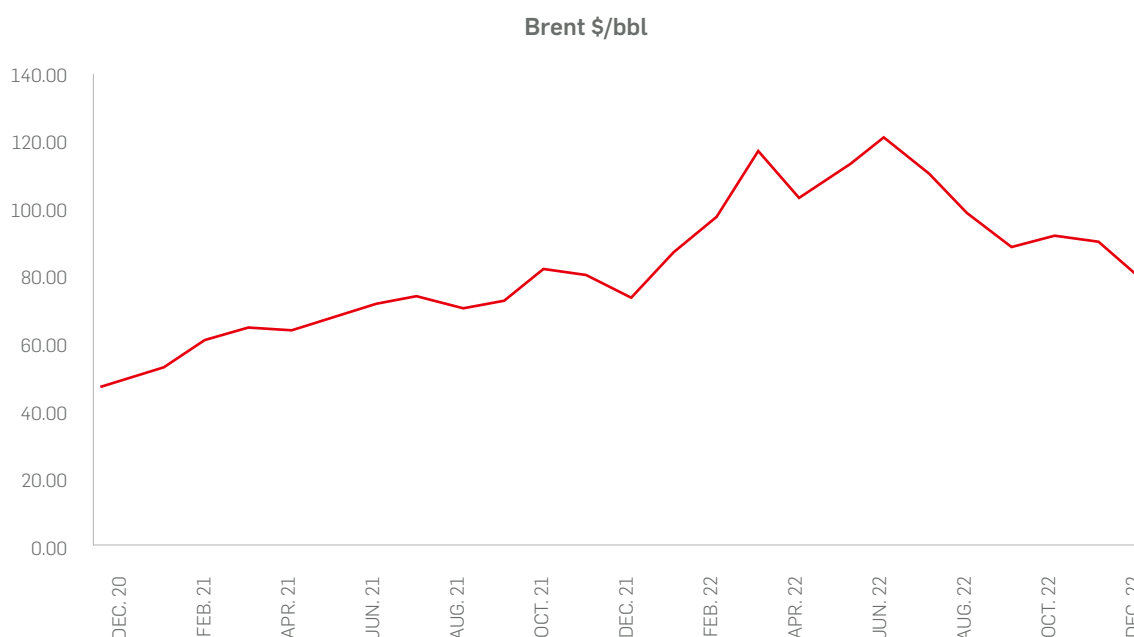
<sup>1</sup> Global Economics Prospects. January 2023.



## 4.1.2 Sector environment

### OIL PRICES (BRENT) AND SUPPLY

The chart below depicts the trend in Brent crude oil prices over the past two years



Prices started 2022 at high levels due to the recovery in demand in the wake of the pandemic, coupled with the quota cuts announced by OPEC in 2021. That situation, exacerbated by the prevailing uncertainty, saw prices rally to levels not seen since 2008.

Other factors shaping the market included the shortage of supplies on account of the situation in Ukraine, the strength of the dollar and Chinese economic weakness. The recovery of demand to pre-pandemic levels and the production cuts announced by OPEC+ (2 million barrels per day) kept prices high for much of the year.

However, the main trigger for the price rally was the onset of the crisis in eastern Europe, a situation which led to the West imposing economic sanctions on Russia. Those sanctions, against one of the world's biggest oil and gas producers, sent prices soaring to over 130 \$/bbl in early March. Those events, coupled with the prospect of a global recession and tighter monetary policy, weighed on prices.

Towards the end of the year, however, supply exceeded demand by more than 1 million barrels per day ("mb/d"), despite the OPEC cuts and supply interruptions in the US due to inclement weather. In parallel, the zero-COVID policies

implemented in several Chinese cities had a significant impact on demand, driving prices lower towards the end of the year.

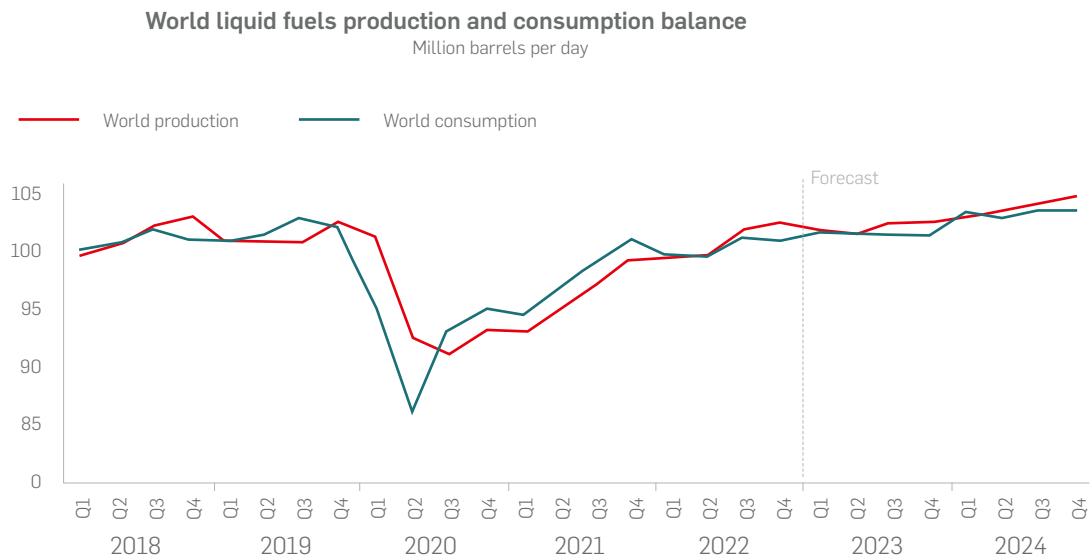
Global oil supply growth is expected to ease to 1 mb/d in 2023, having jumped by 4.7 mb/d in 2022, led by OPEC+. The overall increase of 1.9 mb/d in non-OPEC+ producer nations is expected to be partially offset by a reduction of 870 kb/d in OPEC+ production due to the drop anticipated in Russia.

So far in 2023, oil futures have once again risen sharply, pointing to Brent prices of close to \$90/b. The main contributing factors have been the reopening of the Chinese economy and brighter prospects for global growth.

In addition, the EU ban on the purchase of Russian oil and gas takes effect from 5 February 2023, rounding out the embargo in Russian oil and the price cap of \$60/b already in place since December 2022. That ban is expected to drive price tightening, particularly in diesel products.

While lower oil prices provide relief for consumers facing surging inflation, the overall impact of the embargoes on Russian oil and product supplies remains to be seen.

## TREND IN GLOBAL OIL AND GAS PRODUCTION AND DEMAND



Source: US Energy Information Administration.

Global crude oil inventories are expected to increase in 2023, specifically by 0.6 mb/d on average, as production is expected to outpace consumption.

In October 2022, OPEC+ announced production cuts of 2.0 mb/d in a signal of strength to the market in a complex environment shaped by falling prices, concerns over demand trends, production issues and sanctions on Russian oil. That cut was ratified at a meeting held on 1 February 2023.

In its January 2023 report, the US government's Energy Information Administration (EIA) estimated average global liquid fuels production at 102.8 million barrels per day (b/d) in 2024, compared to 100mb/d in 2022, driven by significant growth in non-OPEC+ output. However, there is lingering uncertainty around Russian oil supply, particularly in early 2023. Global liquid fuels consumption, meanwhile, is forecast to increase from 99.4 mb/d on average in 2022 to 102.2 mb/d in 2024.

The slow recovery in demand anticipated in the first half of 2023 foreshadows an ongoing accumulation of inventories such as that observed from the third quarter of 2022. Demand for oil spiked during the third quarter of 2022 thanks to stronger than expected transport fuel consumption in the OECD. In the fourth quarter, OECD demand fell back by 900 kb/d, shaped by weak industrial activity and weather conditions, whereas in non-OECD countries, demand firmed by 500 kb/d.

According to the International Energy Agency (IEA), global demand for oil will increase by 1.9 mb/d in 2023 to a record 101.7 mb/d. Almost half of that demand is expected come from China after lifting its COVID restrictions. Aircraft fuel remains the biggest source of growth: an increase of 840 kb/d.



## REGULATIONS

The regulatory landscape is becoming increasingly complex and influential in the energy industry, primarily in developed economies, where (ever more unpredictable) new regulations, environmental requirements and technical product specifications are becoming more and more stringent, while the market is demanding cleaner products.

Between COP-21 (held in Paris in 2015) and COP-26, organised in Glasgow at the end of 2021, energy transition has been climbing agendas worldwide, in line with growing social and political awareness. COP-26 went a step further by bringing forward the requirement to revise carbon emission action plans for 2030 to year-end 2022, instead of 2025, as established in Paris. Against that backdrop, governments are legislating with a strong focus on the energy transition.

In parallel, financial institutions are tightening their lending criteria, layering in sustainability demands.

We are working to foster and facilitate the energy transition inside and outside of the organisation, as was evident in presentation last March of our Positive Motion strategy, articulated around company transformation and ambitious emission reduction targets in response to climate change.

In a pioneering move in October 2022, we agreed the extension of our syndicated loan, agreeing for the first time to tie its financial cost to delivery of environmental and social indicators.



## REFINING MARGINS

The European refining market faces a structural drop-off in demand, which is expected to peak in 2030 and then start to trend lower. While the main threats come from surplus refining capacity in Europe and new refineries in Asia, the above-mentioned regulatory thrust, coupled with increasingly stringent environmental requirements, are significantly impacting refining margins and their variability.

In 2022, refining margins began low. However, the economic recovery in the West sparked strong demand which improved the industry's outlook and drove margin expansion.

During the first quarter, Brent prices shot up to 10-year highs, reaching \$130/b, fuelled mainly by the recovery in demand and significant tension in the European oil and gas markets, heavily dependent on Russian crude and distillates.

Although the initial sanctions against Russia had little effect on energy commodities, they did steer the market to a new phase, piling further pressure on the energy markets. Energy product prices, such as TTF (the natural gas benchmark in Europe), reached unprecedented levels, significantly impacting European refining margins. Exceptionally low stocks of light and middle distillates worldwide drove growth in jet, gasoil and petrol crack spreads, driving refining margins to relatively high levels.

The second quarter was marked by stagnation in the armed conflict and an increasingly tight macroeconomic situation. Historically-low light and middle distillate inventories and growth in demand, helped by the start of the summer season in the US, drove product spreads to unprecedented levels, further bolstering refining margins.

At the end of the first half a new package of sanctions was levied on Russia with the aim of banning crude and distilled product imports by the end of the year, while the flow of gas from Russia to Europe, primarily via the Nord Stream 1 pipeline, faced several cuts. All that put further pressure on the main energy commodities in Europe, fuelling energy costs and driving refining margins to all-time highs.

In the third quarter, refining margins eased but remained at historically high levels, shaped mainly by the growth in energy costs, especially natural gas and electricity, a reduction in light and middle distillate spreads and a drop in oil and gas prices against the backdrop of ongoing volatility. Global distillate production rebounded while demand that continued to ease, weighed down by new lockdowns in China.

Margins likewise remained high during the fourth quarter, buoyed by government aid and strong spreads (in light and middle distillates), in turn underpinned by restrictions on the purchase of Russian oil and gas from the end of the year and the reopening of China after ditching its zero-COVID policy.

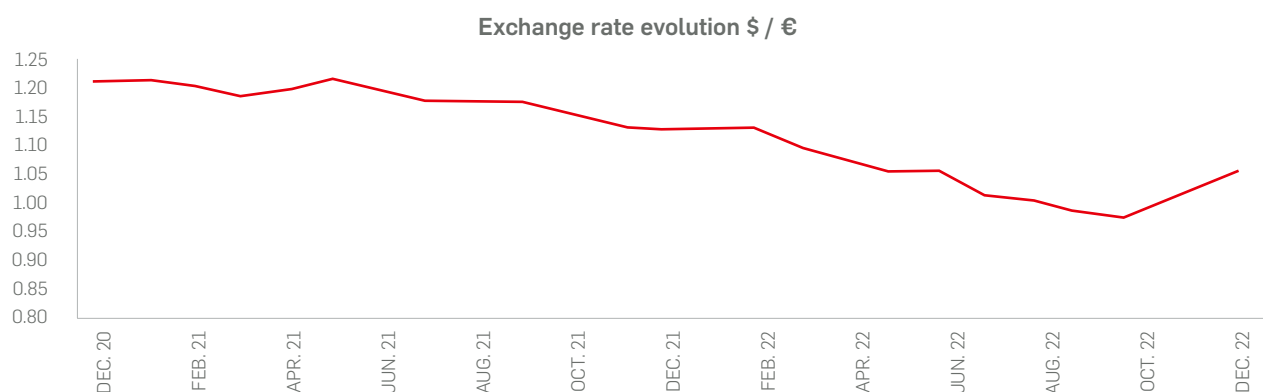
2023 is expected to be another year of relatively high margins, underpinned by historically-low oil and gas product inventory levels. Margins are expected to ease in the following years due to the forecast slowdown in economic growth and elimination of the global supply chain bottlenecks.



## EXCHANGE RATES

The euro weakened against the dollar in early 2022, hurt by the fallout from the Omicron variant, which hit Europe hard towards the end of 2021. The Federal Reserve's rate tightening in 2022, more aggressive than that of the European Central Bank, designed to mitigate the impact of

rampant inflation and the energy crisis derived from the war in Ukraine, caused the euro to fall below parity against the dollar. However, the European single currency rebounded towards the end of 2022, ending the year at \$/€1.07.







## 4.2 ECONOMIC AND OPERATIONAL PERFORMANCE



Results (million of euros)	2022	2021
Revenues (*)	33,446	24,532
EBITDA IFRS (**)	3,262	2,194
Clean CCS EBITDA	2,939	1,815
Net income IFRS	1,100	661
Clean CCS Net income	790	310

Financial data (million of euros)	2022	2021
Share capital	268	268
Total equity attributable to shareholds of the parent	4,706	4,170
Net financial debt excluding IFRS 16 impact	2,756	2,759
IFRS Capital Employed	8,283	7,753
Cash Flow from operations	1,549	1,306
Free Cash Flow	901	915
Investments during the year	743	473
<i>Sustainable</i>	<i>185</i>	<i>126</i>
<i>Growth</i>	<i>327</i>	<i>175</i>
<i>Maintenance</i>	<i>231</i>	<i>172</i>

(\*) Excise tax oil and gas included

(\*\*) International Financial Reporting Standards





Environment data	2022	2021
Dated Brent oil price (\$/bbl)	101.2	70.7
Annual average exchange rate (€/€)	1.05	1.18
Spanish pool price (€/MWh)	167.5	111.9
Dutch TTF Natural Gas price (€/MWh)	120.5	45.7

Markets and business data	2022	2021
Working interest crude production (kbopd)	82.8	73.9
Net entitlement Crude Oil prod. (kbopd)	69.6	61.3
Realized oil price (\$/bbl)	97.7	68.2
Crude Oil Sales (million bbl)	22.3	18.7
Crude oil distilled (million of barrels)	151.1	145.2
Refining output (mton)	20.7	20.3
Refining utilization (%)	84%	81%
Refining margin (\$/bbl)	9.6	3.7
Commercial product sales (mton)	17.7	16.2
Chemical products sales (mton)	2.5	2.9
Electricity production (GWh)	2,896	2,719
Installed renewable power capacity (MW)	28.9	28.9
Natural Gas Sales (GWh)	25,468	34,374





## 4.3 ANALYSIS OF CONSOLIDATED RESULTS



### A) OVERALL TREND DURING THE YEAR

Million of euros

Key Indicators	2022	2021
Revenues (*)	33,446	24,532
Clean CCS EBITDA	2,939	1,815
EBITDA IFRS (**)	3,262	2,194
Clean CCS Net income	790	310
Net income IFRS	1,100	661
Cash Flow from operations	1,549	1,306
Free cash flow	901	915
Investments during the year	743	473

(\*) Excise tax oil and gas included

(\*\*) International Financial Reporting Standards

Cepsa registered a significant increase in EBITDA during 2022 to €2,939m versus €1,815m in 2021 (+62%), as a result of improved market conditions and higher commodity prices and refining margins, while management-led optimization initiatives continued to contribute to improved performance in all business and functional areas. IFRS EBITDA stood at €3,262m.

CCS Net Income in 2022 was €790m, a significant improvement versus €310m registered in 2021, boosted by higher EBITDA and improved equity subsidiaries results. IFRS Net Income was €1,100m.

Cash flow from operations after working capital stood at €1,549m, a 19% increase from 2021 due to improved results, although impacted by higher tax payments, particularly in the Upstream business.

Capex increased during the year to €743m, as Cepsa grew its investments on sustainable businesses as it starts to implement its 2030 Positive Motion strategy. With regards

to M&A activities, Cepsa acquired the 28% stake which it did not own of its LAB Chemical subsidiary in Brazil, Deten Química, from Petrobras.

The segment breakdown of adjusted EBITDA and Profit/(loss) is as follows:

Million of euros

	2022	2021
Exploration & Production	1,868	905
Energy	828	570
Chemicals	382	461
Corporation	(139)	(121)
<b>Clean CCS EBITDA</b>	<b>2,939</b>	<b>1,815</b>

These follows a breakdown of investments by business segment:

Million of euros

	2022	2021
<b>Energy</b>	<b>365</b>	<b>249</b>
<i>Sustainable</i>	111	62
<i>Growth</i>	49	52
<i>Maintenance</i>	205	135
<b>Chemicals</b>	<b>169</b>	<b>61</b>
<i>Sustainable</i>	68	61
<i>Growth</i>	101	-
<b>Exploration&amp;Production</b>	<b>183</b>	<b>140</b>
<i>Growth</i>	171	116
<i>Maintenance</i>	12	24
<b>Corporation</b>	<b>26</b>	<b>23</b>
<i>Sustainable</i>	5	3
<i>Growth</i>	6	7
<i>Maintenance</i>	14	13
<b>Total</b>	<b>743</b>	<b>473</b>



## B) REPLACEMENT COST ADJUSTMENTS AND NON-RECURRING ITEMS

Million of euros

	2022	2021
<b>Clean CCS EBITDA</b>	<b>2,939</b>	<b>1,815</b>
CCS adjustment (replacement cost valuation)	480	470
Non-recurring items	(158)	(92)
<b>EBITDA IFRS (*)</b>	<b>3,262</b>	<b>2,193</b>

(\*) International Financial Reporting Standards

Non-recurring items include the difference in the value of inventories between the average cost method used in the Consolidated Financial Statements and the replacement cost method used to measure operating segments.

The replacement cost method provides a more realistic picture and therefore a better understanding of the underlying of performance of the business segments, while assists when making comparisons between years. In the replacement cost method, the cost of sales is determined with reference to average monthly prices rather than the historical value derived from the accounting valuation method. Consequently, the adjustment to replacement cost is determined as the difference between these two methods.

Additionally, the Group considers as "Others non-recurring items" those detailed in Note 6.3 of the 2022 Consolidated Financial Statements. Highlight in 2022 the exceptional expenses associated with the transformation process in which the Group is immersed, the purpose of which is to provide the businesses with greater flexibility.

In the case of companies accounted for using the Equity Method, the adjustments are the same as above, i.e., adjustment to the replacement cost and asset impairment on these companies' profits.



## C) SEGMENT REPORTING

## ENERGY SOLUTIONS

Key indicators	2022	2021
Crude oil distilled (million of barrels)	151.1	145.2
Refining utilization (%)	84%	81%
Refining output (mton)	20.7	20.3
Refining margin (\$/bbl)	9.6	3.7
Natural Gas Sales (GWh)	25,468	34,374
Electricity production (GWh)	2,896	2,719
Installed renewable power capacity (MW)	28.9	28.9
Spanish pool price (€/MWh)	167.5	111.9
Dutch TTF Natural gas price (€/MWh)	120.5	45.7
Product sales (million of tons)	17.7	16.2
<i>Fuels and motor fuels (million of tons)</i>	<i>9.6</i>	<i>9.3</i>
<i>Bunker sales (millions of tons)</i>	<i>3.9</i>	<i>3.7</i>
<i>Jet fuels (millions of tons)</i>	<i>2.5</i>	<i>1.4</i>
<i>Others (millions of tons)</i>	<i>1.7</i>	<i>1.8</i>
Number of service stations	1,760	1,753
Clean CCS EBITDA (million of euros)	828	570
Investments for the period (million of euros)	365	249
<i>Growth</i>	<i>49</i>	<i>52</i>
<i>Maintenance</i>	<i>205</i>	<i>135</i>
<i>Sustainable</i>	<i>111</i>	<i>62</i>



## Operations

The Energy Parks business registered very positive results due to the improvement in market refining margins versus 2021. Refining margins for 2022 stood at 9.6\$/bbl versus the 3.7\$/bbl seen in the previous year. Refining operations during the period also improved, with utilization averaging 84% of installed capacity, an increase of 4% over the same period of 2021.

Volumes sold across the Commercial and Mobility segments increased during the year in sync with Spanish fuel demand (+4% vs 2021), with sales totaling 17.7mt in 2022 vs 16.2mt in 2021, an increase of 9%, benefiting from the extraordinary discounts offered by Cepsa. Since April 2022, Cepsa offered special fuel discounts whereby customers received up to

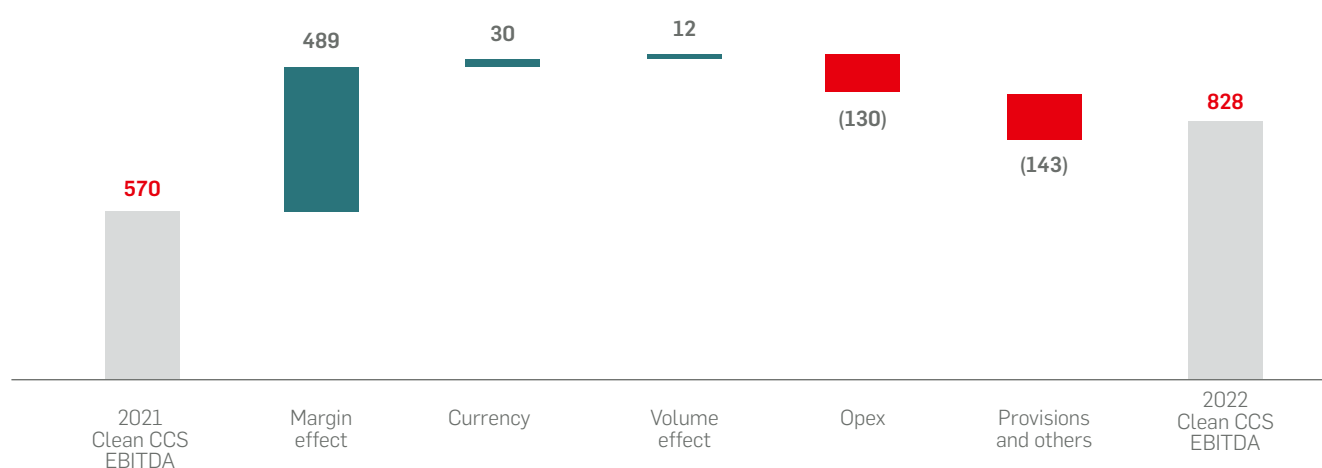
€50 cts/l, of which €20 cts/l were born by the Government of Spain, and an additional €30 cts/l provided by Cepsa, allowing over 12 million customers to save more than €130m.

The Trading business registered strong performance in 2022, benefiting from a more volatile market environment.

As per the Gas & Power business, Spanish electricity pool prices were remarkably higher versus last year, due to the rise in gas prices, with an average of 167.5 €/MWh in 2022 compared to 111.9 €/MWh in 2021 (+50%). Cepsa increased its power production increased to 2,896GWh, +7% compared with 2021.

## Results

Adjusted EBITDA evolution Dic21 - Dic22 (M€)



Clean CCS EBITDA for Cepsa's Energy segment stood at €828m during the year, a meaningful increase of 45% compared with the €570m of 2021, in sync with demand and margin recovery.

Capex for the year stood at €365m, 46% higher when compared to 2021. Sustainable capex increased by 79% vs the previous year, mainly focused on the deployment of the company's EV chargers network and other sustainable investments.

## CHEMICALS

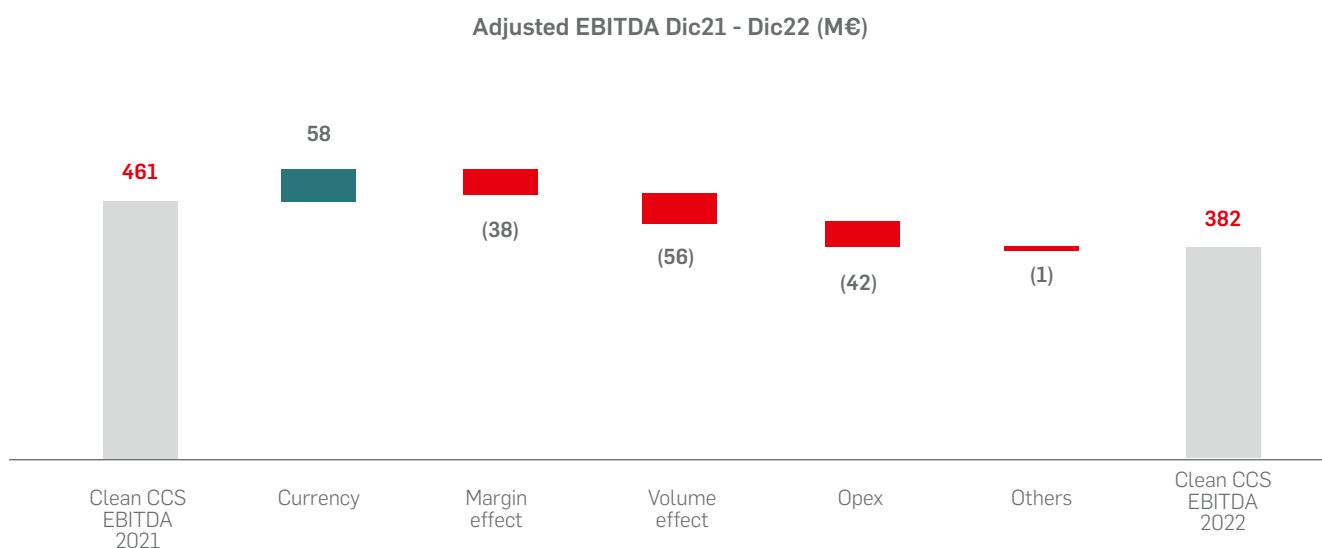
Key indicators	2022	2021
Product sales (kton)	2.49	2.94
LAB / LABSA	0.66	0.67
Phenol / Acetone	1.31	1.61
Solvents	0.52	0.66
Clean CCS EBITDA (million of euros)	382	461
Investments for the period (million of euros)	169	61
Growth	101	-
Sustainable	68	61

### Operations

In 2022, overall performance in Chemicals showed resiliency, especially in the Surfactants segment, despite the unfavorable market context.

Total product sales decreased by 15% compared to 2021, mainly due the inflationary environment and the energy crisis, which negatively impacted demand and margins, especially in the Intermediates segment.

### Results



Chemicals Clean CCS EBITDA stood at €382m in 2022, below the €461m registered in 2021, mainly as a consequence of the impact of increased energy costs and inflationary pressures, together with the fall in demand in the Intermediates segment, which has weighed on results.

Capex in 2022 stood at €169m, 179% above 2021 figure mainly due to the acquisition of a 28% stake in Deten.



## EXPLORATION AND PRODUCTION

Key indicators	2022	2021
Working interest crude production (kbopd)	82.8	73.9
<i>MENA</i>	75.7	65.9
<i>LatAm</i>	7.1	8.0
Net entitlement Crude Oil prod. (kbopd)	69.6	61.3
Crude Oil Sales (million bbl)	22.3	18.7
Realized oil price (\$/bbl)	97.7	68.2
Dated Brent oil price (\$/bbl)	101.2	70.7
Clean CCS EBITDA (million of euros)	1,868	905
Investments for the period (million of euros)	183	140
<i>Growth</i>	171	116
<i>Maintenance</i>	12	24

### Operations

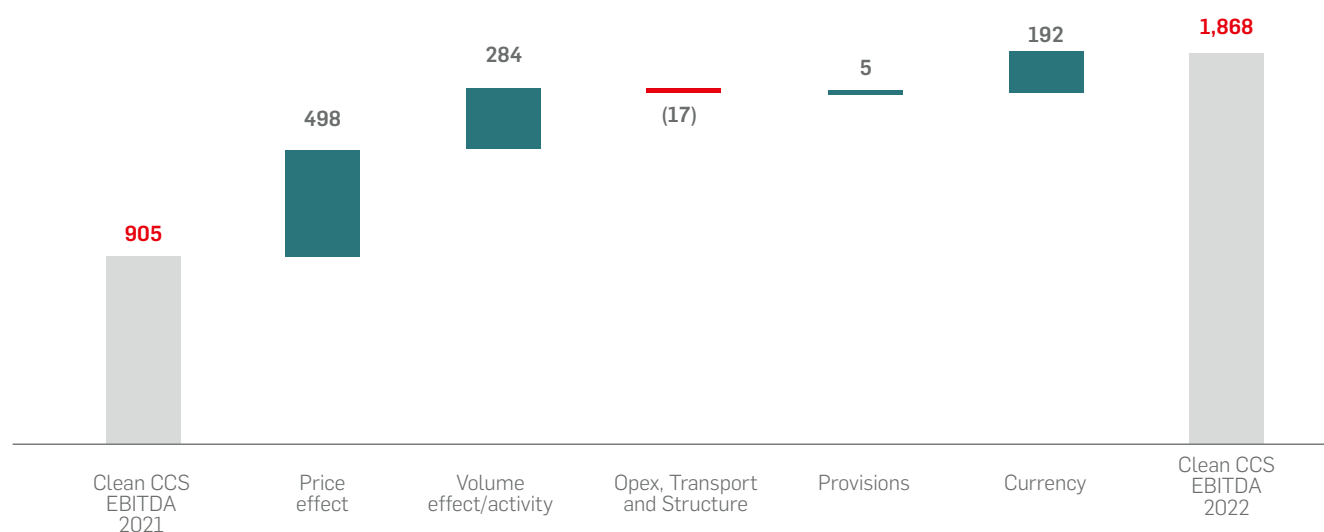
WI Production for the year reached 82.8 kbopd, representing an increase of 12% compared to the previous year (73.9 kbopd in 2021), benefitting from lower OPEC production restrictions, ramp-up production in Abu Dhabi and operational improvements in the fields to reduce natural decline.

Crude prices during 2022 stood at 101.2 \$/bbl (+43% YoY) due to the geopolitical tensions in Europe and the increase in global oil demand after Covid-19.

Two exploration wells (Rasper and Baja-1) were drilled during Q3'22 in the offshore Block-53 in Suriname. On August 23rd an oil discovery at Baja-1 was announced by Apache Corporation, Block-53 operator.

### Results

#### Adjusted EBITDA evolution Dec21 - Dec22 (M€)



Significant improvement in Clean CCS EBITDA up to €1,868m (+106%) compared to €905m in 2021 due to the increase in crude prices (+43%), WI production (+12%) and cost efficiencies measures.

Capex during the year was mainly related to field's development in Abu Dhabi, the drilling of two exploration wells in Suriname and anticipation of Latam abandonment plan.

## D) CONSOLIDATED GROUP ROACE

The Group's return on average capital employed is reflected in the following Adjusted ROACE:

Million of euros

			12.31.2022			12.31.2021		
<b>Adjusted ROACE</b>	=	Adjusted Net Operating Profit	927	=	11.6%	453	=	5.9%
		Average Adjusted Capital Employed	8,018			7,616		

This metric is used by Group management to assess the capacity of operating assets to generate profits and is

therefore a measure of the efficiency of invested capital (equity and debt).

## E) TREASURY SHARES

At year-end 2022, the Company holds 168,760 treasury shares. These shares represent 0.03% of the share capital. At December 31, 2021, the Company held 156,671 treasury shares and its wholly-owned subsidiary "Magna Expergere, S.A.U." held 400,000 shares of the Company.

The treasury shares correspond to new shares, from capital increases carried out during the year 2021, and acquired by the Company to give greater flexibility to its shareholding structure.

## F) SUBSEQUENT EVENTS

Pursuant to the application of the temporary energy tax, the CEPSA Group must pay this tax during the first twenty days of September 2023 in accordance with its 2022 revenue, making an advance payment of 50% during the first twenty days of February. The total amount payable on the 2022 tax is approximately 324 million euros.

On January 5, 2023, the Company signed an agreement to sell its 20% interest in the Satah Al Razboot (SARB), Umm Lulu, Bin Nasher and Al Bateel concession. It is expected to be in a position to close the transaction within the following weeks upon obtaining all necessary approvals and fulfilment of remaining conditions precedent included in the agreement. Thereafter, all rights and obligations related to the concession will be owned by the purchaser.

Subject to completion of the abovementioned SARB and Umm Lulu transaction, CEPSA will be in a position to sign an agreement for the sale of an indirect 12.88% interest in the Mubarras concession, through the sale of shares representing 20% of the share capital of Cosmo Abu Dhabi Energy Exploration & Production Co. Ltd. This transaction will be subject to the relevant administrative approvals and fulfilment of other customary conditions precedent.

On February 1, 2023, the Shareholders' Meeting accepted the resignation tendered by Mr. Joost Dröge from the Board of Directors. On that same date, the Shareholders appointed Mr. Gregory Nikodem as a director, for a six-year term, in accordance with the Company's Articles of Association.





## 4.4 LIQUIDITY AND CAPITAL RESOURCES



### A) CASH FLOWS

Million of euros

	2022	2021
<b>EBITDA IFRS</b>	<b>3,262</b>	<b>2,194</b>
Dividends received	23	15
Income tax payments/collections	(1,419)	(372)
Other operating cash flows	22	45
<b>CF from operating activities before working capital</b>	<b>1,887</b>	<b>1,881</b>
Changes in operational working capital	(338)	(575)
<b>Cash flow from operating activities</b>	<b>1,549</b>	<b>1,306</b>
Payments for investing activities	(653)	(501)
Charges for divestments	4	110
<b>Total cash flows used in investing activities</b>	<b>(648)</b>	<b>(391)</b>
<b>Free cash flow before dividends and financing activities</b>	<b>901</b>	<b>915</b>
Interest paid	(121)	(93)
IFRS 16 debt payments	(159)	(134)
Dividends paid	(588)	(528)
Proceeds/repayment of borrowings	(225)	(870)
<b>Total Cash Flow from financing</b>	<b>(1,092)</b>	<b>(1,624)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(192)</b>	<b>(710)</b>

Cash flow from operations before working capital improved to €1,887m on the back of improved results, despite the negative impact of higher tax payments.

Capex payments in 2022 were above those of 2021 (€648m in 2022 vs €391m last year) due to the acquisition of the 28% stake in Deten activities and the increase in sustainable investments as Cepsa started to implement its Positive Motion

strategy. As such, sustainable capex payments for the year were €125m, representing 19% of the total amount.

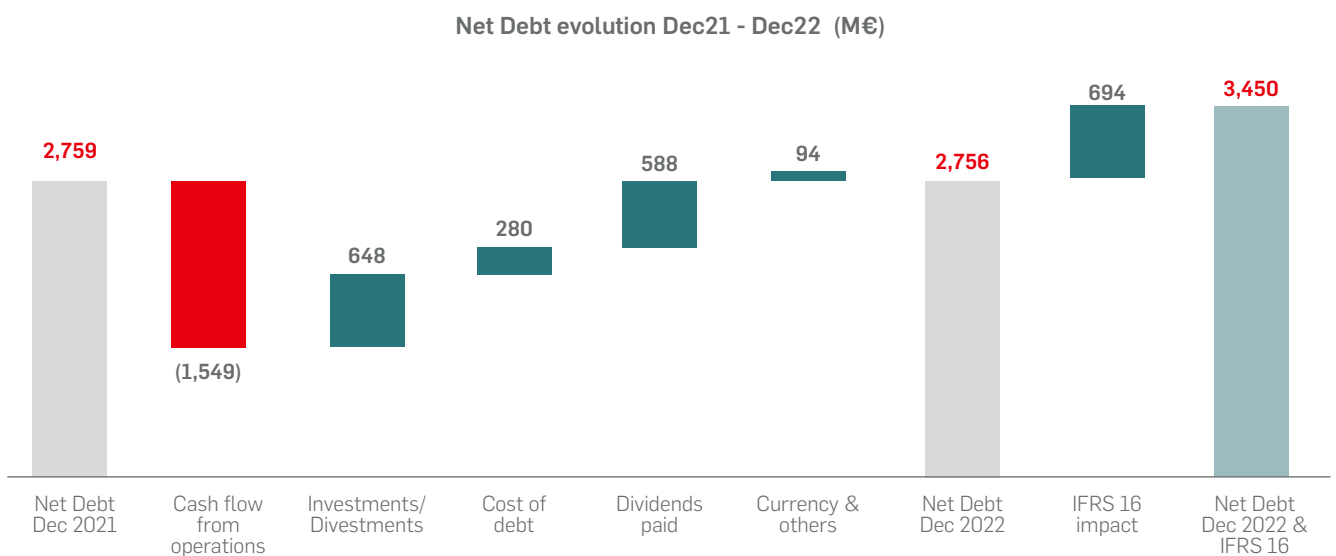
Free Cash Flow before dividends and financing activities stood at €901m, in line with previous year, despite higher taxes and the referred increase in capex related to Deten acquisition. Dividends paid amounted to €588m, resulting in a positive Net Free Cash flow for the year.

## B) FINANCIAL POSITION

Net financial debt at 31 December 2022 stood at 2,756 million euros, similar to the figure as of December 2021 (2,759 million

euros). Net financial debt including IFRS 16 liabilities amounts to 3,450 million euros (3,446 million euros in 2021).

This chart shows the debt trend based on sources and applications of funds:

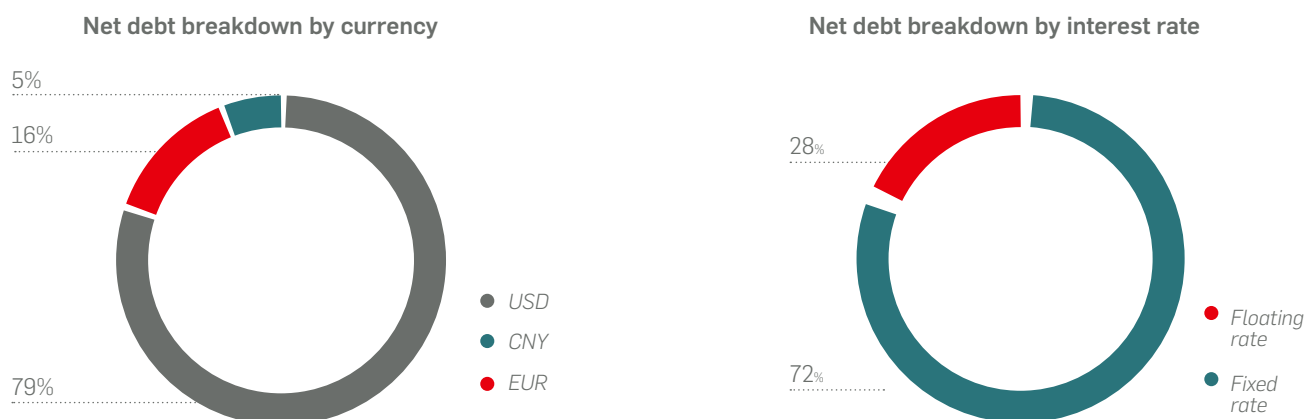




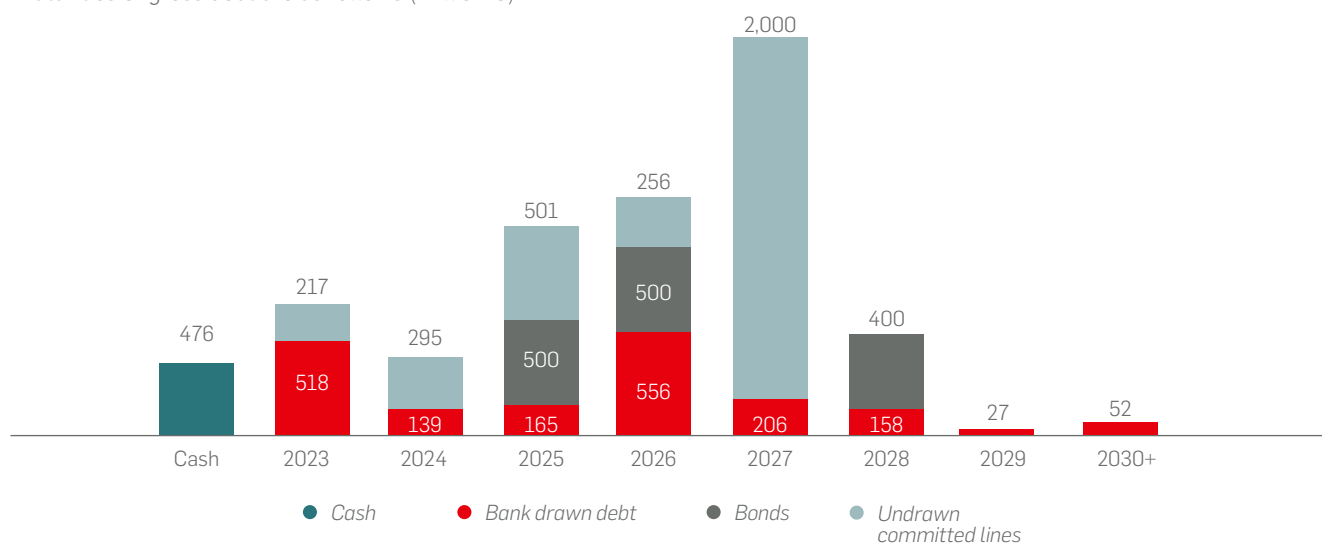
## C) DEBT STRUCTURE AND MAIN FINANCIAL TRANSACTIONS

## I. DEBT STRUCTURE AND MATURITIES

Net debt by currency and interest rate as of 31 December 2022 is analyzed below (including the impact of related derivatives and excluding IFRS 16 liabilities):



Maturities of gross debt are as follows (million €):



Cepsa has sufficient liquidity to cover maturities until 2027. As of 31st December 2022, the company had an average maturity of its Net Debt of 3.5 years.



## II. MAIN FINANCIAL TRANSACTIONS

In 2022, as has been customary since the signing of the 2 billion euro syndicated revolving credit facility in 2014, approval was received from the 18 banks participating in this facility to extend its maturity for a further year and, for the first time, it has been agreed that its economic conditions will be linked to the fulfillment of environmental and social indicators. With unanimous consent therefrom, the maturity was extended to September 2027, notably improving CEPSA's liquidity quality. Of this amount, there were no amounts drawn down at the date of this document.

On September 13, 2022, CEPSA Finance launched a tender offer to repurchase part of its 2028 notes at a price of 85% of

its face value, for a maximum amount of 100 million euros. The purpose of the Offer was to decrease the Group's gross debt and is intended to optimize the Group's balance sheet structure. The offer was completed on September 20, and the entire target amount was repurchased at the offer price. The shares are listed on Euronext Dublin.

Our bonds are rated "Investment Grade" by the three main international rating agencies Moody's, S&P and Fitch. CEPSA's Investment Grade rating has been confirmed for 2022 following reviews in March, April and August by Fitch, S&P and Moody's, respectively.



## D) FINANCIAL AUTONOMY RATIO AND LEVERAGE RATIO

The financial autonomy ratio (including IFRS 16 liabilities), expressed as the ratio of net debt to capital employed (defined as net debt plus equity), stood at 41.7% at year-end 2022,

compared with 44% in 2021. This decrease is mainly due to improved results versus the previous year.

## Gearing ratio

Million of euros

	2022	2021
Non-current bank borrowings	3,210	3,818
Current bank borrowings	717	285
Cash and cash equivalents	(476)	(657)
<b>Net debt</b>	<b>3,451</b>	<b>3,446</b>
<b>Equity</b>	<b>4,832</b>	<b>4,307</b>
<b>Capital Employed IFRS</b>	<b>8,283</b>	<b>7,753</b>
<b>Net Debt/(net debt +Equity)</b>	<b>41.7%</b>	<b>44.4%</b>
IFRS 16 impact in net debt	694	687
<b>Net debt paid (*)</b>	<b>2,756</b>	<b>2,759</b>
<b>Capital Employed IFRS (*)</b>	<b>7,588</b>	<b>7,066</b>
<b>Net Debt/(net debt +Equity) (*)</b>	<b>36.3%</b>	<b>39.0%</b>

(\*) Excluding IFRS 16 impact

Cepsa has achieved a very meaningful improvement in its leverage ratios since 2021, due to a material improvement in EBITDA.

Net debt to EBITDA ratio (excluding IFRS 16 liabilities) has gone from 1.64x in December 2021 to 0.99x in December 2022.

## Leverage ratio

Million of euros

	2022	2021
Net debt	3,451	3,446
Adjusted EBITDA	2,939	1,815
<b>Net debt / Adjusted EBITDA ratio</b>	<b>1.17x</b>	<b>1.90x</b>
Net debt*	2,756	2,759
Adjusted EBITDA*	2,780	1,681
<b>Net debt / Adjusted EBITDA ratio*</b>	<b>0.99x</b>	<b>1.64x</b>

(\*) Excluding IFRS 16 impact

## E) CAPITAL EMPLOYED

In 2022, the Group's Capital Employed stood at 8,283 million euros (considering the effect of IFRS 16), compared with 7,753

million euros in December 2021. The segment breakdown is as follows:

Million of euros

Capital Employed IFRS by business segments	Energy	Chemicals	Exploration & Production	Corporation	Total
Capital Employed at 12/31/2022	4,659	1,478	2,293	(147)	<b>8,283</b>
Capital Employed at 12/31/2021	4,419	1,308	1,977	49	<b>7,753</b>
<b>Variation 2022-2021</b>	240	170	316	(196)	<b>530</b>

Shareholders' equity attributed to the parent company amounted to 4,706 million euros at year-end, which therefore financed 56% of the capital employed at that date.





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**APPENDIX**

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# Appendix



## 5. APPENDIX

### APPENDIX 1. ABOUT THIS REPORT

GRI: 2-2, 2-4, 2-14

#### Criteria and standards used to prepare this report

Our 2022 Integrated Report reaffirms our commitment to transparency and responds to our stakeholders' qualitative and quantitative information requests and needs.

New this year, we provide disclosures regarding our Positive Motion strategy, conceived to make us leaders in mobility and sustainable energy in Spain and Portugal and a benchmark for transition. We furnish relevant information about our new organisational structure, designed to enable us to continue to generate value, our businesses' performance during the year, the economic, environmental and social impacts they generated and the initiatives put in place to manage them. We also aligned the report's contents for the updated version of the Global Reporting Initiative (GRI) Standards and broadened certain disclosures as recommended by the Task Force on Climate-related Financial Disclosure (TCFD). In addition, we voluntarily included the absolute and relative amounts of eligible turnover, capital expenditure (CapEx) and operating expenditure (OpEx) as per the EU Taxonomy, specifically in accordance with Annexes I and II of Commission Delegated Regulation (EC) 2021/2178, of 6 July 2021.

The disclosures provided in this report likewise comply with the company's requirements under Spanish Law 11/2018 on non-financial and diversity reporting. As stipulated in that piece of legislation, our Board of Directors is the governing body that authorises the issue of this Integrated Report, following prior review and approval by the Audit, Compliance, Ethics and Risk (ACER) Committee, at the same time as it authorises the issue of the annual financial statements for submission at the General Shareholders' Meeting, so upholding the company's obligation to subject its non-financial information to the same approval, registration and publication criteria as its financial information.

[\[For further information, refer to Appendix 7, Sustainability index and contents\]](#)

This document includes non-financial information additional to that required under applicable prevailing company law. It was drawn up in on the basis of the revised 2021 version of the GRI Sustainability Reporting Standards, applicable from 2023, and includes the requirements set out in the Sector Standard for Oil and Gas (GRI 11). It follows the GRI reporting principles for ensuring the quality and proper presentation of the reported information (accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness and verifiability).

We also followed other widely regarded international reporting standards and frameworks: the International Integrated Reporting Framework, United Nations Global Compact principles, Task Force on Climate-Related Financial Disclosures (TCFD) and the Sustainability Accounting Standards Board's (SASB) sector-specific standards devised to help companies disclose financially-material sustainability information to investors. We also continued to report on our commitment and contribution to delivering the Sustainable Development Goals (SDGs).

The contents of this report were defined around the results of the company's previously conducted materiality assessment. Materiality was assessed using a methodology apt for covering and meeting all requirements under the GRI Standards and the GRI's principles for defining sustainability report content (stakeholder inclusion, sustainability context, materiality and completeness).

The information included in the 2022 Integrated Report has been assured by an independent third party under ISAE 3000 (scope: limited assurance).

### **Entities included in Cepsa's sustainability reporting**

The scope of the non-financial information includes the entities controlled by Cepsa that are consolidated using the full or proportionate consolidation method.

It includes entities that have staff costs and production, storage or trading facilities.

This 2022 Integrated Report therefore includes the consolidated information of all of Cepsa with respect to its businesses' impacts and their performance along the economic, environmental and social dimensions, as well as any additional information needed to facilitate reader understanding of its results and performance.

In the event that the scope of any of the metrics provided in this report differs from that outlined above, its specific scope is itemised in the corresponding chapter and in the GRI, SASB and NFS content index. Likewise, any prior-year quantitative information that has been recalculated or restated is flagged in the corresponding chapter in order to enhance comparability of information between reporting periods.



## APPENDIX 2. MATERIALITY

GRI: 3-1, 3-2

### How we determine our material topics

In 2022, we updated our corporate materiality assessment to factor in key trends and stakeholder expectations<sup>1</sup>. The conclusions from that process were used as the basis for the contents of this report.

The GRI Standards' guidance on the preparation of sustainability reports require reporting organisations to conduct a materiality assessment in order to determine which content to address. That same requirement applies to the non-financial statements (NFS) drawn up by the companies subject to Spanish Law 11/2018, including Cepsa.

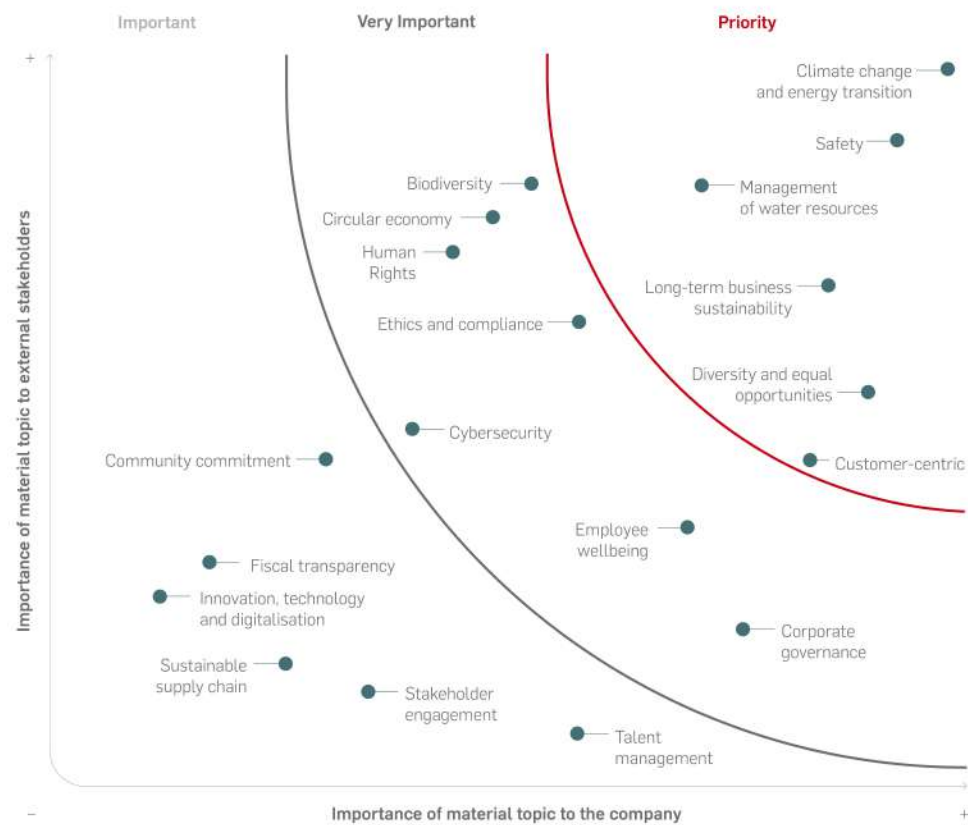
The materiality assessment methodology is purely data-based. To rank the topics by importance for the various stakeholders, previously identified and segmented, we carried out surveys, benchmarked other sector players and analysed mandatory and voluntary regulations, news items and social media posts. To calibrate their importance for the company, the final assessment was undertaken directly by our Management Committee during a dedicated working session based on matters weighted as a function of our corporate policies, our 2021 integrated report and our internal and external communication efforts during the past year.

That materiality assessment allowed us to determine the topics of greatest importance to the company and its stakeholders. We then categorised those topics as priority, very important or important.

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<sup>1</sup> The stakeholders who participated in the material assessment included employees, banks, financial analysts, customers, local communities, environmental and social NGOs and suppliers. In addition to consulting those stakeholders, who participated actively in the process, we conducted analysis based on data, legislation and regulations, industry peers, investors and advocacy groups.

## 2022 Materiality matrix



The changes with respect to the 2021 assessment: 'Management of water resources' and 'Diversity and equal opportunities' have been moved to the priority category, while 'Sustainable supply chain' and 'Talent management' have been moved to the important category.

## APPENDIX 3. SUSTAINABILITY PERFORMANCE

### 3.1 EU TAXONOMY

The EU Taxonomy Regulation is part of the European Commission's Action Plan on sustainable finance designed to redirect capital flows towards the Sustainable Development Goals and a carbon-neutral economy by 2050.

The EU Taxonomy is a system that classifies economic activities as environmentally sustainable. It introduces the following concepts:

- Taxonomy-eligible activities: those itemised in the delegated acts that supplement the Taxonomy Regulation (Regulation EU 852/2020);,
- Taxonomy-aligned activities: those that meet the following requirements:
  - a. They contribute substantially to one or more of the EU's six environmental objectives;
  - b. They cause no significant harm to any of the other environmental objectives;
  - c. They comply with the minimum safeguards; and
  - d. They comply with the set of technical screening criteria set down in the delegated acts supplementing the Taxonomy Regulation (Commission Delegated

The following disclosures on eligible and aligned activities includes activities that contribute substantially to the climate change mitigation and climate change adaptation objectives, in keeping with the technical screening criteria set down in the above-mentioned Delegated Regulations.

We want to become a key player in the energy transition, by diversifying our products and services and developing new and increasingly sustainable business lines. Although we are not subject to the Taxonomy Regulation, we believe the system provides us with an additional framework for assessing our strategic transformation. To that end, we have devised an internal methodology to allow us to identify and monitor our sustainable activities in line with the EU Taxonomy recommendations.

Next we provide information about the work methodology used, the accounting policies applied and the turnover, CapEx and OpEx (eligible and aligned) disclosures required under Annex II of Commission Delegated Regulation 2021/2178.

### 3.1.1. Cepsa's taxonomy-eligible and aligned activities

As prescribed in Annexes I and II of Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 and Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022, we have identified the economic activities listed in those acts that match the activities carried on by the company. The next table itemises our Taxonomy-eligible activities:

#### Taxonomy-eligible activities

Taxonomy activity code	Description of the activity
3.10. Manufacture of hydrogen	Production of hydrogen in industrial facilities
3.14. Manufacture of organic basic chemicals	Production of aromatic chemical molecules and chemical molecules for biodegradable detergents and for industrial plastics
4.13. Manufacture of biogas and biofuels for use in transport and of bioliquids	Production of biofuels and co-processing activities at the Energy Parks
4.1. Electricity generation using solar photovoltaic technology	Development of solar power plants (photovoltaic)
4.3. Electricity generation from wind power	Operation of wind farms
4.29. Electricity generation from fossil gaseous fuels	Production of electricity at a conventional natural gas combined cycle plant
4.30. High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	Co-generation of electricity and heat at a conventional thermal power plant using high-efficiency natural gas (combined heat and power)
6.15. Infrastructure enabling low-carbon road transport and public transport	Installation of EV charging infrastructure across the service station network
7.6. Installation, maintenance and repair of renewable energy technologies	Installation and maintenance of solar panels across the service station network
9.1. Close to market research, development and innovation	Research centre activities

It is worth mentioning that the business units that contribute the most in terms of eligibility and alignment are Energy Parks, Chemicals and Commercial & Clean Energies business units. This is mainly due to the fact that a large part of the activities carried out by these divisions are related to activities defined by the Taxonomy (production of hydrogen, biofuels and base chemicals in the case of Energy Parks, base chemicals in Chemicals, and energy generation from renewable energy and from natural gas and biofuels in Commercial & Clean Energies).

The results obtained in terms of CapEx reflect the progress made to increment our portfolio of sustainable activities. These investments will make the aligned revenue figures to be increasingly higher in the coming years.



### 3.1.2. Activity selection, data gathering and validation process

To provide disclosures on our EU Taxonomy eligible and aligned economic activities, we segmented each of our activities to determine which are eligible. Based on the universe of eligible activities so identified, we analysed them for alignment (substantial contribution limits and requirements and DNSH criterion ('Does Not Significantly Harm')), considering the technical characteristics of the facilities where our activities are located.

Specifically in relation to the DNSH screening with respect to climate change adaptation, we analysed physical risks based on IPCC scenarios RCP 1.9, RCP 2.6 and RCP 4.5, also considering adaptation measures to tackle the physical risks that are most material for our operations.

Elsewhere, we checked for compliance with the Minimum Safeguards (minimum human rights, tax payment, fair trade and anti-corruption requirements) based on the guidelines established by the EU Platform on Sustainable Finance's Final Report on Minimum Safeguards. Although that report is not binding, it does provide a benchmark for verifying compliance with the minimum safeguards.

Having identified all our eligible and aligned economic activities, we allocated the turnover, CapEx and OpEx corresponding to each based on information obtained from the Company's accounting systems. This process has enabled to obtain the numerators of the eligibility and alignment KPIs. In addition, in the case of the activities related with the production of eligible chemical substances, we allocated the corresponding CapEx and OpEx to each chemical compound on the basis of the volumes produced in each production line. In all instances, the process was sufficiently granular to ensure the absence of any double counting.

### 3.1.3. Accounting policy

The percentage of turnover accounted for by Taxonomy-eligible and aligned activities was calculated by dividing consolidated revenue from the sale of products and services associated with those activities (numerator) by the Group's total consolidated revenue (denominator) for 2022.

The turnover KPI used in the denominator is based on our consolidated revenue under IAS 1.82(a). Our consolidated revenue can be cross-checked against our consolidated financial statements. For more information about our earnings performance, refer to "Consolidated earnings analysis" in our 2022 Integrated Report.

The CapEx KPI is defined as Taxonomy-eligible and/or aligned CapEx (numerator) divided by total CapEx total (denominator). Total CapEx is calculated as additions to property, plant and equipment and intangible assets during the year, before depreciation and amortisation charges, including those derived from revaluations and impairment charges, and excluding fair value changes. The numerator consists of the CapEx related with assets or processes associated with the Taxonomy-aligned activities. Note that total CapEx can be cross-checked against the totals under the column "Additions/(Charges) for the year" disclosed in note 8, "Intangible assets" and note 10 "Property, plant and equipment" of our annual financial statements.

The OpEx KPI is defined as Taxonomy-eligible OpEx (numerator) divided by total OpEx total (denominator). Total OpEx consists of direct costs that are not capitalised; they related to research and development costs, office refurbishment expenses, short-term leases, maintenance and repair costs and any other direct expenditure related with the daily servicing of our assets. Our total OpEx cannot be cross-checked against our consolidated financial statements.

### 3.1.4. Taxonomy KPI disclosure tables as per Annex II of Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering 2022

Substantial contribution criteria										DNSH criteria (‘Does Not Significantly Harm’)										
Economic activities (1)	Code (2)	Absolute turnover (3)	Proportion of turnover (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy-aligned proportion of turnover 2022 (18)	Taxonomy-aligned proportion of turnover 2021 (19)	Category (E: enabling activity) (20)	Category (T: transitional activity) (21)
		€M	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Manufacture of hydrogen	3.10.	0	0.00%	100%	0%	n.a.	n.a.	n.a.	n.a.	-	Y	Y	Y	Y	Y	Y	0.00%	n.a.	-	-
Manufacture of basic chemical products	3.14.	0	0.00%	100%	0%	n.a.	n.a.	n.a.	n.a.	-	Y	Y	Y	Y	Y	Y	0.00%	n.a.	-	T
Electricity generation using solar photovoltaic technology	4.1.	0	0.00%	100%	0%	n.a.	n.a.	n.a.	n.a.	-	Y	Y	Y	Y	Y	Y	0.00%	n.a.	-	-
Electricity generation from wind power	4.3.	5,852	0.02%	100%	0%	n.a.	n.a.	n.a.	n.a.	-	Y	Y	Y	Y	Y	Y	0.02%	n.a.	-	-
Manufacture of biogas and biofuels for use in transport and of bioliquids	4.13	0	0.00%	100%	0%	n.a.	n.a.	n.a.	n.a.	-	Y	Y	Y	Y	Y	Y	0.00%	n.a.	-	-
Infrastructure enabling low-carbon road transport and public transport	6.15.	22	0.00%	100%	0%	n.a.	n.a.	n.a.	n.a.	-	Y	Y	Y	Y	Y	Y	0.00%	n.a.	E	-
Installation, maintenance, and repair of renewable energy technologies	7.6.	0	0.00%	100%	0%	n.a.	n.a.	n.a.	n.a.	-	Y	Y	Y	Y	Y	Y	0.00%	n.a.	E	-
Close to market research, development and innovation	9.1.	0	0.00%	100%	0%	n.a.	n.a.	n.a.	n.a.	-	Y	Y	Y	Y	Y	Y	0.00%	n.a.	E	-
Total A.1.	-	5,875	0.02%	100%	0%	n.a.	n.a.	n.a.	n.a.	-	Y	Y	Y	Y	Y	Y	0.02%	n.a.	-	-

Economic activities (1)	Code (2)	Substantial contribution criteria							DNSH criteria ('Does Not Significantly Harm')											
		Absolute turnover (3)	Proportion of turnover (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy-aligned proportion of turnover 2022 (18)	Taxonomy-aligned proportion of turnover 2021 (19)	Category (E: enabling activity) (20)	Category (T: transitional activity) (21)
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Manufacture of hydrogen	3.10.	0	0.00%																	
Manufacture of basic chemical products	3.14.	3,215,411	9.61%																	
Manufacture of biogas and biofuels for use in transport and of bioliquids	4.13.	9,580	0.03%																	
Generation of electricity from gaseous fossil fuels	4.29.	0	0.00%																	
High efficiency cogeneration of heat/cold and electricity from gaseous fossil fuels	4.30.	692,192	2.07%																	
Total A.2.	-	3,917,182	11.71%																	
Total (A.1 + A.2)		3,923,057	11.73%														0.02%		n.a.	
B. TAXONOMY NON-ELEGIBLE ACTIVITIES																				
Turnover of Taxonomy-noneligible activities (B)		29,523,391	88.27%																	
Total (A + B)		33,446,448	100%																	





Economic activities (1)	Code (2)	Substantial contribution criteria							DNSH criteria (‘Does Not Significantly Harm’)							Category (T: transitional activity) (21)	Category (E: enabling activity) (20)	Taxonomy-aligned proportion of turnover 2021 (19)	Taxonomy-aligned proportion of turnover 2022 (18)
		Absolute CapEx (3)	Proportion of CapEx (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)				
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of hydrogen	3.10.	8,439	1.31%																
Manufacture of basic chemical products	3.14.	67,333	10.49%																
Manufacture of biogas and biofuels for use in transport and of bioliquids	4.13.	6,115	0.95%																
Generation of electricity from gaseous fossil fuels	4.29.	0	0.00%																
High efficiency cogeneration of heat/cold and electricity from gaseous fossil fuels	4.30.	17,607	2.74%																
Total A.2.	-	99,495	15.50%																
Total (A.1 + A.2)		135,371	21.09%													5.59%	n.a.		
B. TAXONOMY NON-ELEGIBLE ACTIVITIES																			
Turnover of Taxonomy-noneligible activities (B)		506,494	78.91%																
Total (A + B)		641,865	100%																

## Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering 2022

Economic activities (1)	Code (2)	Absolute OpEx (3)	Substantial contribution criteria							DNSH criteria (‘Does Not Significantly Harm’)							Taxonomy-aligned proportion of turnover 2022 (18)	Taxonomy-aligned proportion of turnover 2021 (19)	Category (E: enabling activity) (20)	Category (T: transitional activity) (21)
			Proportion of OpEx (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	%	%	E	T
		€M	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N				
<b>A. TAXONOMY ELIGIBLE ACTIVITIES</b>																				
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>																				
Manufacture of hydrogen	3.10.	0	0.00%	100%	0%	n.a.	n.a.	n.a.	n.a.	-	Y	Y	Y	Y	Y	Y	0.00%	n.a.	-	-
Manufacture of basic chemical products	3.14.	0	0.00%	100%	0%	n.a.	n.a.	n.a.	n.a.	-	Y	Y	Y	Y	Y	Y	0.00%	n.a.	-	T
Electricity generation using solar photovoltaic technology	4.1.	0	0.00%	100%	0%	n.a.	n.a.	n.a.	n.a.	-	Y	Y	Y	Y	Y	Y	0.00%	n.a.	-	-
Electricity generation from wind power	4.3.	457	0.17%	100%	0%	n.a.	n.a.	n.a.	n.a.	-	Y	Y	Y	Y	Y	Y	0.17%	n.a.	-	-
Manufacture of biogas and biofuels for use in transport and of bioliquids	4.13	0	0.00%	100%	0%	n.a.	n.a.	n.a.	n.a.	-	Y	Y	Y	Y	Y	Y	0.00%	n.a.	-	-
Infrastructure enabling low-carbon road transport and public transport	6.15.	0	0.00%	100%	0%	n.a.	n.a.	n.a.	n.a.	-	Y	Y	Y	Y	Y	Y	0.00%	n.a.	E	-
Installation, maintenance, and repair of renewable energy technologies	7.6.	11	0.00%	100%	0%	n.a.	n.a.	n.a.	n.a.	-	Y	Y	Y	Y	Y	Y	0.00%	n.a.	E	-
Close to market research, development and innovation	9.1.	0	0.00%	100%	0%	n.a.	n.a.	n.a.	n.a.	-	Y	Y	Y	Y	Y	Y	0.00%	n.a.	E	-
Total A.1.	-	468	0.17%	100%	0%	n.a.	n.a.	n.a.	n.a.	-	Y	Y	Y	Y	Y	Y	0.17%	n.a.	-	-

Economic activities (1)	Code (2)	Substantial contribution criteria							DNSH criteria (‘Does Not Significantly Harm’)							Category (T: transitional activity) (21) Category (E: enabling activity) (20)	Taxonomy-aligned proportion of turnover 2021 (19)	Taxonomy-aligned proportion of turnover 2022 (18)
		Absolute OpEx (3)	Proportion of OpEx (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)			
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																		
Manufacture of hydrogen	3.10.	646	0.24%															
Manufacture of basic chemical products	3.14.	28,417	10.62%															
Manufacture of biogas and biofuels for use in transport and of bioliquids	4.13.	1,560	0.58%															
Generation of electricity from gaseous fossil fuels	4.29.	0	0.00%															
High efficiency cogeneration of heat/cold and electricity from gaseous fossil fuels	4.30.	7,057	2.64%															
Total A.2.	-	37,681	14.09%															
Total (A.1 + A.2)		38,149	14.26%													0.17%	n.a.	
B. TAXONOMY NON-ELEGIBLE ACTIVITIES																		
Turnover of Taxonomy-noneligible activities (B)		229,371	85.74%															
Total (A + B)		267,520	100%															

Note: with regard to these tables, we also note that Cepsa carries out activities related to the operation of electricity generation facilities that use natural gas and cogeneration of electricity and heat facilities that use natural gas (activities 4.29. and 4.30. according to Annex I of Delegated Regulation 2022/1214). Consequently, and according to the provisions of Delegated Regulation 2022/1214, it is reported that this type of activities are, in their entirety, eligible, not aligned activities, and that this type of activities suppose, from an income, CapEx and OpEx perspective, 17.7%, 17.7% and 18.7% (respectively) of total revenues, CapEx and OpEx of total eligible, not aligned activities.



## 3.2 CORPORATE GOVERNANCE

### **[GRI 2-12] Role of the highest governance body in overseeing the management of impacts**

The Board of Directors' responsibilities include approving the group's strategic objectives and general policies and ensuring that they are complied with and implemented. The Board of Directors approved a set of sustainability-related policies between 2021 and 2022 that were included in the ESG action plan.

[\[Cepsa's Corporate Policies\]](#)

Cepsa's various Board committees are responsible for overseeing the company's economic, social and environmental performance, the risks that could arise from its operations and compliance with applicable internal and external standards and regulations. To assess the company's performance, the Board of Directors and Board committees use information provided by the organisation itself and that received from regular meetings with corporate department and business managers or heads.

Our Board of Directors discharges its general oversight duty both directly and through the ACER Committee, which has authority to evaluate all matters related to financial and non-financial risks, including operational, technological, legal, social, environmental, political and reputational risks, and duly report on them to the Board.

### **[GRI 2-16] Communication of critical concerns**

The business units report directly to the Management Committee which, in turn, reports to the Board of Directors to ensure that the business plan, budget, and company strategy established by the Board are implemented and executed appropriately, and that they are reviewed and monitored regularly.

At each Board meeting, the chairs of the various committees report on all matters reviewed and approved at their meetings and all concerns that should be addressed by the Board.

### **[GRI 2-17] Collective knowledge of highest governance body**

The current members of our Board of Directors are renowned technical, financial, economic and environmental experts with extensive track records, knowledge and experience in addressing economic, environmental and social issues. Nevertheless, they receive any support and training required on matters related to sustainability, renewable energies or other relevant topics.

For example, our ACER Committee provides training on matters pertaining to emerging risks (e.g., cybersecurity) or new auditing standards. Our Board, through deep-dive meetings with the company's various business area managers, addresses matters related to new energies, such as e-mobility, biofuels and green hydrogen.

### **[GRI 2-18] Evaluation of the performance of the highest governance body**

Our Board has a self-evaluation process in place that it carries out at the end of each year involving a detailed questionnaire. Based on the results, it adopts action plans required to address any weaknesses uncovered.

The Board has decided that for now it does not require the assistance of an independent external consultant to advise it on the evaluation of its performance. However, it could decide to engage one in future.

## 3.3 STAKEHOLDER MANAGEMENT

### [GRI 2-28] Membership of associations

#### Contributions to initiatives and associations<sup>1,2</sup> (2022-2018) (€)

	2022	2021	2020	2019	2018
Expenditure on contributions to initiatives and associations (3)	2,894,448	2,475,133	2,454,200	2,177,784	1,774,363
Expenditure on these initiatives and associations earmarked for defence of the industry	868,334	742,539	736,260	653,335	532,309

1. Expenditure is broken down by total expenditure earmarked for associations and expenditure for defence of the industry. Accordingly, prior period figures have been restated. We also reviewed the approach, considering that the company spends 30% of the total expenditure earmarked for associations and initiatives on defence of the industry.

2. Cepsa neither finances nor lends any form of support, directly or indirectly, to unions, public officials, politicians, political parties or their representatives and/or candidates, advisors or any other person carrying out public duties or confidantes thereof.

3. The increase from 2021 was due to higher membership fees, which was already budgeted, and new additions in line with the new Positive Motion strategy.

#### Main contributions and expenses (2022-2021) (€)

##### Main contributions in 2022 and 2021 by industry

Industry	Description	2022	2021
Energy industry (1)	Our share in AOP and Fuels Europe, the Spanish Hydrogen Association and Eurogas of expenditure earmarked for actions in defence of the industry.	232,888	212,332
Chemical industry	Amount of the percentage of our participation in Cefic and Feique that was allocated to defense actions of the industry	111,461	113,366

1. In 2022, Cepsa joined the Spanish Hydrogen Association and Eurogas energy industry associations. Accordingly, data for 2021 do not include these associations.

##### Main contributions in 2022 and 2021 by organization (€)

Organization	2022	2021
Fuels Europe	127,763	128,332
CEFIC	83,081	83,786
AOP	102,000	84,000

## 3.4 ADVANCING TOWARDS A NET ZERO WORLD

### 3.4.1 Energy consumption

#### [GRI 302-1] Energy consumption within the organization

##### Energy consumption within the organization by fuel type in 2022-2018 (GJ)<sup>1,2</sup>

Fuels	2022	2021	2020	2019	2018
Renewable electricity (3)	4,579,718	4,051,166	1,176,026	1,200,377	492,683
Non-renewable electricity	1,452,931	1,472,328	5,542,132	5,604,581	6,540,729
Gas oil/diesel	606,809	537,261	1,227,913	2,178,807	2,363,711
Fuel oil	2,922,884	1,126,789	984,909	1,402,487	3,123,399
Natural gas	41,623,411	49,023,641	50,588,681	58,148,459	47,180,386
Residual gas	2,327,901	2,371,468	2,366,497	3,076,004	2,636,123
Crude oil	46,112	79,094	0	10,732	20,648
Fuel gas	28,113,830	23,423,095	21,488,231	22,569,168	25,017,690
Steam	2,157,551	2,180,243	2,296,329	2,495,536	2,312,630
Total	83,831,148	84,265,084	85,670,719	96,686,151	89,687,999

1. The Mobility & New Commerce and Trading businesses are immaterial for this topic and therefore are not included.

2. Energy consumption in the Commercial & Clean Energies business for the renewable, gas and electricity facilities (cogeneration and combined cycle) is total primary energy. Therefore, final energy generated by them and consumed in the rest of the facilities reported (Chemicals and Energy Parks) is not reported in this indicator to avoid duplication in the calculation. In any case, reporting of energy consumption and energy intensity (GRI 302-3) is included in the reporting on Energy Parks and Chemicals.

3. The energy sources of the Chemicals' business facilities in Spain, the Energy Parks and the Tenerife storage factory are renewable based on data of the energy supplier.

##### Energy sold by fuel type (2022-2018) (GJ)

	2022	2021	2020	2019	2018
Electricity (1)	9,753,566	8,368,296	10,018,431	7,789,227	8,247,537
Steam (2)	1,059,802	1,422,575	1,689,982	1,724,219	1,734,578
Total	10,813,369	9,790,871	11,708,414	9,513,446	9,982,115

1. Includes electricity sold to a third party, so it includes electricity sold to the grid by our CHP/CCGT plants not needed for self-consumption.

2. Includes steam sold to a third party, so it includes steam sold to a third party by one of the CHP plants of the Gas & Power business.

## [GRI 302-2] Energy consumption outside the organization

### Energy consumption outside the organization by category<sup>1</sup> (2022-2018) (GJ)

Categories (GHG protocol) (2)	2022	2021	2020	2019	2018
Purchased goods and services	916,549,137	881,182,432	840,350,989	974,814,584	1,001,650,448
Fuel- and energy-related activities	11,247,289	12,605,341	9,247,680	10,464,669	9,807,677
Upstream transportation and distribution	15,728,550	16,170,663	15,512,116	19,631,956	19,548,426
Downstream transportation and distribution	5,734,657	5,555,217	5,471,002	6,629,947	7,173,399
Use of sold products	711,008,867	658,566,498	652,632,957	786,177,937	742,498,921
Total	1,660,268,500	1,574,080,151	1,523,214,744	1,797,719,093	1,780,678,871

1. The entire history of categories was updated relative to the 2021 Integrated Report to aid comparability of the data and analyse trends. This update was carried out using the latest approach approved under ISO 14064 and the criteria applied in our Carbon Intensity Index.

2. The five most important Scope 3 categories are represented, i.e. those that account for at least 95% of ISO 14064-certified total Scope 3 emissions.

## [GRI 302-3] Energy intensity

### Energy intensity<sup>1</sup> (2022-2018) (TJ/thousand tonnes of product)

Business	2022		2021		2020		2019		2018	
	Energy consumption (TJ) (2) (3)	Energy intensity	Energy consumption (TJ) (2) (3)	Energy intensity	Energy consumption (TJ) (2) (3)	Energy intensity	Energy consumption (TJ) (2) (3)	Energy intensity	Energy consumption (TJ) (2) (3)	Energy intensity
Exploration & Production (4)	1,840	1.14	2,034	1.15	2,727	1.26	4,124	1.42	3,794	1.26
Chemicals (5)	15,300	4.22	16,522	4.02	16,314	4.04	16,645	4.13	16,530	4.03
Energy Parks (6)	46,570	2.24	47,028	2.37	45,575	2.40	50,102	2.28	51,997	2.31

1. Primary energy consumption in the Commercial & Clean Energies business reported in the energy consumption indicator (GRI 302-1) is not reported in this indicator since part of the final energy generated in the business is consumed by Energy Parks and Chemicals and, therefore, shown in these businesses' energy intensity.

2. Types of energy included: fuel, electricity, heating, cooling and steam.

3. Type of energy consumption: within and outside of the organization.

4. Denominator: thousands of tonnes of crude oil and gas.

5. Denominator: thousands of tonnes processed.

6. Denominator: thousands of tonnes of processed crude oil.



**[SASB RT-CH-130a.1] Total energy consumed****Energy consumed in the Chemicals business (2022-2018) (GJ)**

Energy	2022	2021	2020	2019	2018
Total energy consumed	15,300	16,522	16,314	16,645	16,530
Energy consumed supplied from grid electricity	730	751	761	742	1,436
Percentage grid electricity	5 %	5 %	5 %	4 %	9 %
Energy consumed that is renewable energy	980	1,148	1,149	1,153	454
Percentage renewable	6 %	7 %	7 %	7 %	3 %
Total amount of self-generated energy	112	0	0	74	81

## 3.4.2 GHG emissions

### [GRI 305-1] Direct (Scope 1) GHG emissions / [GRI 305-2] Energy indirect (Scope 2) GHG emissions

#### Scope 1 and 2 GHG emissions by business<sup>1,2,3,4</sup> (2022-2018) (thousand tCO<sub>2</sub>eq)

Business	Sub-business	2022		2021		2020		2019		2018	
		Scope 1 (8)	Scope 2	Scope 1 (8)	Scope 2	Scope 1 (8)	Scope 2	Scope 1 (8)	Scope 2	Scope 1 (8)	Scope 2
Exploration & Production		115	53	131	47	238	47	424	44	413	48
Chemicals		699	158	781	288	752	291	734	334	722	380
Energy (5)	Energy Parks	2,908	0	2,719	0	2,575	227	2,857	336	3,025	355
	Commercial & Clean Energies (6)	1,558	0	1,659	0	1,649	0	2,047	0	1,545	0
Total (Scopes)		5,280	211	5,290	335	5,214	565	6,062	714	5,705	783
Total (Scope 1 + Scope 2)		5,491		5,625		5,779		6,776		6,488	

1. Because of the reporting date, CO<sub>2</sub>eq data are not the same as the audited and reported data under the carbon schemes to which the Company is subject or our voluntary reports under ISO 14064.

2. Gases included in the calculation: CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O.

3. Measurement methodology: calculated using regulatory methodologies and/or the voluntary ISO 14064 international standard.

4. Scope 1 emissions include fugitive emissions from natural gas transport for alignment with our scope in ISO 14064, with recalculation of historical data.

5. The Mobility & New Commerce and Trading businesses are immaterial for this topic and therefore are not included.

6. The asphalts facilities have been included in the ISO 14064 since 2021. Therefore, in this report, they were included, along with historical data, in the Commercial & Clean Energies business. They do not contribute any material emissions or energy consumption but are reported in compliance with that ISO.

#### Methane emissions (2022-2018) (tonnes of CH<sub>4</sub>)

	2022	2021	2020	2019	2018
Direct CH <sub>4</sub> emissions	2,048	2,183	2,848	4,415	5,191

1. CH<sub>4</sub> reported includes venting emissions and emissions from flaring, combustion and natural gas transport (fugitive). Calculated using the audited methodology under ISO 14064. Exploration & Production emissions were reduced considerably in 2020 as the assets in Thailand were idle.

**[GRI 305-5] Reduction of GHG emissions****Main GHG emission reduction initiatives in 2022 (tCO<sub>2</sub>eq) <sup>1</sup>**

Initiative	GHG reduction (tCO <sub>2</sub> eq)	Type of energy	Scope
Acquisition of Guarantees of Origin for the consumption of renewable energy	199,574	Electricity	2
Furnace efficiency enhancements	2,300	Fuel	1
Optimisation in use of laminated steam	4,500	Fuel	1
Total	206,374		

1. This table presents the main carbon reduction initiatives. Other initiatives to optimise operations were carried out that also reduce carbon emissions.

**Main GHG emission reduction initiatives in 2021 (tCO<sub>2</sub>)**

Initiative	GHG reduction (tCO <sub>2</sub> eq)	Type of energy	Scope
New technology in refinery's naphtha reforming unit	148,482	Fuel	1
Operational improvements in cooling systems	4,560	Electricity	2
Changes in frequency inverters in cooling systems	6,775	Fuel	1
Changes in frequency inverters in cooling systems	1,866	Electricity	2
Technology upgrades in paraffin unit	3,779	Fuel	1
Recovery of waste energy	18,886	Steam	2
Online analysers	79,017	Fuel	1
Upgrades in phenol unit	308	Steam	2
Heat exchanger upgrades	50,000	Fuel	1
Total	313,673		

**[GRI 305-3] Other indirect (Scope 3) GHG emissions****Scope 3 GHG emissions by category<sup>1,2</sup> (2022-2018) (thousand tCO<sub>2</sub>eq)**

Category	2022	2021	2020	2019	2018
	Scope 3 (3)	Scope 3 (3)	Scope 3 (3)	Scope 3 (3)	Scope 3 (3)
Purchased goods and services	9,751	9,891	9,477	6,835	6,710
Fuel- and energy-related activities	630	708	518	588	551
Upstream transportation and distribution	881	908	868	1,103	1,098
Downstream transportation and distribution	321	312	306	373	403
Use of sold products	50,743	46,294	45,876	55,802	52,679
Total	62,326	58,113	57,045	64,701	61,441

1. The entire history of categories was updated relative to the 2021 Integrated Report to aid comparability of the data and analyse trends. This update was carried out using the latest approach approved under ISO 14064 and the criteria applied in our Carbon Intensity Index.

2. Because of the reporting date, CO<sub>2</sub>eq data are not the same as the audited and reported data under the carbon schemes to which the Company is subject or our voluntary reports under ISO 14064.

3. Gases included in the calculation: CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O.

**[GRI 305-4] GHG emissions intensity****GHG emissions intensity<sup>1</sup> (2022-2018) (thousand tCO<sub>2</sub>eq/thousand tonnes)**

Business	2022		2021		2020		2019		2018	
	GHG emissions	Intensity	GHG emissions	Intensity	GHG emissions	Intensity	GHG emissions	Intensity	GHG emissions	Intensity
Exploration & Production (2)	168	0.10	178	0.10	285	0.13	469	0.16	461	0.15
Chemicals (3)	992	0.27	1,223	0.30	1,204	0.30	1,233	0.31	1,269	0.31
Energy Parks (4)	3,347	0.16	3,359	0.17	3,368	0.18	3,813	0.18	3,964	0.18

1. Emission intensity reporting is based on the same rationale as the energy intensity indicator (GRI 302-3). Primary energy consumption in the Commercial & Clean Energies business reported in the energy consumption indicator (GRI 302-1) is not reported in this indicator since of the final energy generated and, therefore, the associated emissions generated in the business is consumed by Energy Parks and Chemicals and, therefore, shown in these businesses' emission intensity.

2. Denominator: thousands of tonnes of crude oil and gas.

3. Denominator: thousands of tonnes processed.

4. Denominator: thousands of tonnes of processed crude oil.



**[SASB EM-EP-110a.1 / SASB EM-RM-110a.1 / SASB RT-CH-110a.1] Greenhouse gas emissions****Scope 1 emissions, percentage covered under emissions-limiting regulations 2022-2018) (thousand tCO<sub>2</sub>eq)**

	2022	2021	2020	2019	2018
Total Scope 1 GHG emissions (thousand tCO <sub>2</sub> eq)	5,280	5,290	5,214	6,062	5,705
% covered under emissions-limiting regulation	95 %	94 %	92 %	90 %	90 %

**[SASB EM-EP-110a.2] Amount of GHG emissions by type****GHG emissions by business (2022-2018) (metric tonnes of CO<sub>2</sub>eq)**

	2022	2021	2020	2019	2018
Hydrocarbons flared	33,048	30,005	72,763	148,715	140,719
Other combustion	70,104	85,857	148,821	236,146	247,105
Process emissions	0	0	0	0	0
Other vented emissions	0	0	3,150	25,436	21,834
Fugitive emissions from operations	12,192	14,752	13,682	14,016	2,654

**[SASB EM-EP-420a.2] Estimated carbon dioxide emissions embedded in proved hydrocarbon reserves****Estimated CO<sub>2</sub> emissions embedded in proved hydrocarbon reserves (2022-2018) (tCO<sub>2</sub>)**

	2022	2021	2020	2019	2018
Estimated CO <sub>2</sub> emissions in proved reserves	31,154,386	30,903,915	35,432,287	36,957,709	40,274,992

### 3.4.3 Renewable energy

#### Renewable production in 2022 (GWh) (MW)

Renewable energy source	Gross generation (GWh)	Installed capacity (MW)	Planned capacity by 2030 (MW)
Wind	53	30	1,000
Solar	0	0	6,000

#### CapEx earmarked to climate change-related investments

##### Amount invested in renewable energy (2022-2019) (€ million)

Type of investment	2022		2021		2020		2019	
	Investment (€ million)	Proportion of CapEx	Investment (€ million)	Proportion of CapEx	Investment (€ million)	Proportion of CapEx	Investment (€ million)	Proportion of CapEx
Energy from renewable sources (by type of source)	39.5	4 %	22.1	5 %	20.8	3 %	15.0	2 %
First-generation biofuels	1.5	— %	1.6	— %	0.2	— %	3.0	— %
Advanced biofuels	3.8	1 %	—	— %	0.5	— %	0.0	1 %
Wind	0.1	— %	0.2	— %	2.0	— %	12.0	— %
Solar	21.5	3 %	20.3	5 %	18.0	3 %	0.0	— %
Other renewable sources	12.7	2 %	0	— %	0	— %	0	— %

#### Volume of biofuels (2022-2021) (litres)

Biofuels (1)	2022		2021	
	Amount	Location	Amount	Location
Total volume of biofuels produced (litres)	59,843,318	Gibraltar-San Roque and Huelva	152,416,429	Gibraltar-San Roque and Huelva
Total volume of biofuels purchased (litres)	308,764,196	Gibraltar-San Roque and Huelva	300,587,848	Gibraltar-San Roque and Huelva

1. Both biofuel volume produced and purchased adhere to sustainability criteria.

**[SASB EM-RM-410a.1] Percentage of Renewable Volume Obligation (RVO) met through: production of renewable fuels, purchase of “separated” renewable identification numbers (RIN)**

**Renewable volume (2022-2018) (%)**

	2022	2021	2020	2019	2018
Percentage of renewable volume obligation (RVO) met through production of renewable fuels, including biofuels, cellulosic biofuel, ethanol, advanced biofuels, and other renewable fuels	16 %	35 %	29 %	57 %	61 %
Percentage of RVO met through purchase of “separated” renewable identification numbers (RIN).	84 %	69 %	88 %	68 %	70 %

## 3.5 MOVING FORWARD ON MINIMISING OUR ENVIRONMENTAL IMPACT

### 3.5.1 Environmental management

#### Sites with a certified Environmental Management System (EMS) or EMAS in 2022 and 2021 (%)

	2022	2021
Group businesses with an EMS certified under ISO 14001 (%)	84 %	81 %
Other group businesses with an EMS verified by Internal Audit (%)	16 %	19 %
Businesses with a verified EMS (%)	100 %	100 %

#### Compliance with environmental laws and regulations, 2022 and 2021

	2022	2021	2020	2019
Non-compliance with environmental laws and/or regulations (1) (number)	3	2	0	0
Total monetary value of significant fines (€)	94,002	25,001	—	—

1. Significant fines are those of €10,000 or more.



## 3.5.2 Environmental investments

Resources for protecting the environment (2022-2019) (thousand €)

	2022	2021	2020	2019
Environmental expenditure	101,799	55,149	49,957	75,641
Environmental investments	100,952	43,844	15,010	6,588

### 3.5.3 Responsible water consumption

#### **[GRI 303-1] Interactions with water as a shared resource**

All water captured at our Energy Parks and chemical plants is freshwater from the municipal system or third parties. Tenerife is a separate case. There, slightly over half of the water used is seawater which is demineralised and then used in the steam boilers. Effluents are treated at treatment plants then nearly 95% of the volume is discharged into the sea at authorised points, complying with discharge metrics in all cases.

The use of freshwater at our Exploration & Production assets, which is primarily groundwater and water from municipal and third-party suppliers, is similar to domestic and industrial use. However, the volume of freshwater is minimal relative to the total volume of water we capture. We account for water obtained naturally from crude extraction (produced water), which is part of the fluid drawn from the source rock that flows from the reservoir to the surface, where it must then be separated. As a sustainable solution, once this water is separated from the crude, it is treated to comply with the required specifications for re-injection, to the extent possible, back to the oil field. Our assets sometimes need additional water to maintain the pressure in the field. In these cases, a feasibility study is conducted and then, depending on availability, water is captured from extremely deep non-potable water aquifers. This water is returned to the oil field, where it goes back into the cycle described previously, i.e., it is practically a closed cycle.

We do not have any suppliers of water-intensive products or services, such as those from agriculture.

We have a procedure in place to assess our water use that outlines the approach for identifying and evaluating environmental aspects that applies to all our facilities. We came up with a corporate-wide tool for assessing direct and indirect environmental aspects and the categories of spills and resources consumed. We perform both local and global assessments regularly.

#### **[GRI 303-2] Management of water discharge-related impacts**

No body of water or habitat is significantly affected by the water discharges and/or runoff from Cepsa's production plants or business units. We apply the best techniques available to control and reduce our discharge-related impacts, ensuring compliance with the quality requirements outlined in our production facilities' environmental permits and respecting the receiving environment.

The Exploration & Production facilities take measures to apply the principle of zero effluents discharged to the environment. Produced water, which represents the bulk of the water captured at our facilities, is re-injected into the reservoir from which it arose to the extent possible. Household wastewater is treated by third parties or, after treatment up to the legal limits and in accordance with environmental licenses, either infiltrated or deposited in evaporation ponds.

#### **[GRI 303-4] Water discharge**

The facilities' environmental permits set out the terms and conditions and quality criteria that our water/effluents must first meet before being released back into the environment. These minimum discharge quality requirements are set by the competent authorities taking into account the facility's location and activity and applicable legislation in all cases. For priority substances, in Europe these criteria are laid down in the Water Framework Directive, while outside Europe local regulations apply.

### [SASB RT-CH-140a.3] Description of water management risks and discussion of strategies and practices to mitigate those risks

We use the WWF's Water Risk Filter (WRF) tool at Cepsa to assess the water risks associated with our facilities. We update the information uploaded to the tool each year.

With the WRF, we assess basin risk where the facility is located and the operational risk associated with its water performance. This enables us to screen the risk at corporate level and helps us to decide which facilities to prioritise.

The main risks and incidents assessed relate to water scarcity, water quality, flooding, regulatory changes and price increases, as well as incidents of non-compliance with water discharge parameters.

### [GRI 303-3] Water withdrawal

#### Total water withdrawn by source in 2022 (thousand m<sup>3</sup>)<sup>1</sup>

Areas	Total water withdrawal	Water withdrawal by type (2)		Water withdrawal by source														
				Surface water			Groundwater			Seawater			Produced water			Third-party water		
		Fresh water	Other water	Fresh water	Other water	Total	Fresh water	Other water	Total	Fresh water	Other water	Total	Fresh water	Other water	Total	Fresh water	Other water	Total
Total (all areas)	33,143	16,707	16,436	9	207	216	751	1,514	2,264	0	0	0	0	14,716	14,716	15,947	0	15,947
Total (areas with water stress)	16,185	14,385	1,800	0	207	207	725	1,514	2,238	0	0	0	0	80	80	13,660	0	13,660

1. Data for Mobility & New Commerce and Trading are not material for this indicator and therefore are not reported.

2. Freshwater: total dissolved solids ≤ 1000 mg/l. Other water: > 1000 mg/l total dissolved solids.

#### Total water withdrawn by source in 2021 (thousand m<sup>3</sup>)<sup>1</sup>

Areas	Total water withdrawal	Water withdrawal by type (2)		Water withdrawal by source														
				Surface water			Groundwater			Seawater			Produced water			Third-party water		
		Fresh water	Other water	Fresh water	Other water	Total	Fresh water	Other water	Total	Fresh water	Other water	Total	Fresh water	Other water	Total	Fresh water	Other water	Total
Total (all areas)	33,405	17,886	15,518	10	318	328	865	1,055	1,920	0	0	0	0	14,145	14,145	17,012	0	17,012
Total (areas with water stress)	16,974	15,538	1,436	0	318	318	836	1,055	1,892	0	0	0	0	63	63	14,702	0	14,702

1. Data for Mobility & New Commerce and Trading are not material for this indicator and therefore are not reported.

2. Freshwater: total dissolved solids ≤ 1000 mg/l. Other water: > 1000 mg/l total dissolved solids.

**Total water withdrawn by source in 2020 (thousand m<sup>3</sup>)<sup>1</sup>**

Areas	Total water withdrawal	Water withdrawal by type (2)		Water withdrawal by source														
				Surface water			Groundwater			Seawater			Produced water			Third-party water		
		Fresh water	Other water	Fresh water	Other water	Total	Fresh water	Other water	Total	Fresh water	Other water	Total	Fresh water	Other water	Total	Fresh water	Other water	Total
Total (all areas)	37,760	17,569	20,191	14	352	367	712	1,269	1,981	0	2,090	2,090	0	16,480	16,480	16,843	0	16,843
Total (areas with water stress)	16,935	15,271	1,665	0	352	352	661	1,269	1,930	0	0	0	0	44	44	14,610	0	14,610

1. Data for Mobility & New Commerce and Trading are not material for this indicator and therefore are not reported.

2. Freshwater: total dissolved solids ≤ 1000 mg/l. Other water: > 1000 mg/l total dissolved solids.

**Total water withdrawn by source in 2019 (thousand m<sup>3</sup>)<sup>1</sup>**

Areas	Total water withdrawal	Water withdrawal by type (2)		Water withdrawal by source														
				Surface water			Groundwater			Seawater			Produced water			Third-party water		
		Fresh water	Other water	Fresh water	Other water	Total	Fresh water	Other water	Total	Fresh water	Other water	Total	Fresh water	Other water	Total	Fresh water	Other water	Total
Total (all areas)	47,263	18,784	28,479	20	674	694	656	1,197	1,853	0	2,889	2,889	0	23,719	23,719	18,108	0	18,108
Total (areas with water stress)	18,460	16,571	1,889	0	674	674	623	1,197	1,820	0	0	0	0	18	18	15,948	0	15,948

1. Data for Mobility & New Commerce and Trading are not material for this indicator and therefore are not reported.

2. Freshwater: total dissolved solids ≤ 1000 mg/l. Other water: > 1000 mg/l total dissolved solids.

**Total water withdrawn by source in 2018 (thousand m<sup>3</sup>)<sup>1</sup>**

Areas	Total water withdrawal	Water withdrawal by type (2)		Water withdrawal by source														
				Surface water			Groundwater			Seawater			Produced water			Third-party water		
		Fresh water	Other water	Fresh water	Other water	Total	Fresh water	Other water	Total	Fresh water	Other water	Total	Fresh water	Other water	Total	Fresh water	Other water	Total
Total (all areas)	48,341	18,244	30,097	45	1,047	1,092	587	949	1,536	0	4,315	4,315	0	23,786	23,786	17,612	0	17,612
Total (areas with water stress)	20,117	18,110	2,007	0	1,047	1,047	533	949	1,482	0	0	0	0	11	11	17,577	0	17,577

1. Data for Mobility & New Commerce and Trading are not material for this indicator and therefore are not reported.

2. Freshwater: total dissolved solids ≤ 1000 mg/l. Other water: > 1000 mg/l total dissolved solids.



**[GRI 303-4] Water discharge****Total water discharge by area, water type and destination in 2022 (thousand m<sup>3</sup>)<sup>1</sup>**

Areas	Total water discharged (2)	Water discharge by type		Water discharge by type of destination			
		Freshwater	Other water	Surface water	Groundwater	Seawater	Third-party water
Total (all areas)	25,144	0	25,144	23	16,317	8,090	715
Total (water-stressed areas)	9,867	0	9,867	0	1,738	8,090	39

1. Data for Mobility & New Commerce and Trading are not material for this indicator and therefore are not reported.

2. Freshwater: total dissolved solids ≤ 1000 mg/l. Other water: > 1000 mg/l total dissolved solids.

**Total water discharge by area, water type and destination in 2021 (thousand m<sup>3</sup>)<sup>1</sup>**

Areas	Total water discharged (2)	Water discharge by type		Water discharge by type of destination			
		Freshwater	Other water	Surface water	Groundwater	Seawater	Third-party water
Total (all areas)	24,509	0	24,509	24	15,477	8,292	716
Total (water-stressed areas)	9,969	0	9,969	0	1,466	8,291	212

1. Data for Mobility & New Commerce and Trading are not material for this indicator and therefore are not reported.

2. Freshwater: total dissolved solids ≤ 1000 mg/l. Other water: > 1000 mg/l total dissolved solids.

**Total water discharge by area, water type and destination in 2020 (thousand m<sup>3</sup>)<sup>1</sup>**

Areas	Total water discharged (2)	Water discharge by type		Water discharge by type of destination			
		Freshwater	Other water	Surface water	Groundwater	Seawater	Third-party water
Total (all areas)	29,470	0	29,470	26	17,715	10,910	819
Total (water-stressed areas)	10,291	0	10,291	0	1,608	8,514	169

1. Data for Mobility & New Commerce and Trading are not material for this indicator and therefore are not reported.

2. Freshwater: total dissolved solids ≤ 1000 mg/l. Other water: > 1000 mg/l total dissolved solids.

### Total water discharge by area, water type and destination in 2019 (thousand m<sup>3</sup>)<sup>1</sup>

Areas	Total water discharged (2)	Water discharge by type		Water discharge by type of destination			
		Freshwater	Other water	Surface water	Groundwater	Seawater	Third-party water
Total (all areas)	37,735	0	37,735	25	24,551	12,187	971
Total (water-stressed areas)	10,401	0	10,401	0	1,487	8,742	172

1. Data for Mobility & New Commerce and Trading are not material for this indicator and therefore are not reported.

2. Freshwater: total dissolved solids ≤ 1000 mg/l. Other water: > 1000 mg/l total dissolved solids.

### Total water discharge by area, water type and destination in 2018 (thousand m<sup>3</sup>)<sup>1</sup>

Areas	Total water discharged (2)	Water discharge by type		Water discharge by type of destination			
		Freshwater	Other water	Surface water	Groundwater	Seawater	Third-party water
Total (all areas)	40,020	0	40,016	33	24,450	14,470	1,067
Total (water-stressed areas)	11,066	0	11,066	0	1,223	9,604	239

1. Data for Mobility & New Commerce and Trading are not material for this indicator and therefore are not reported.

2. Freshwater: total dissolved solids ≤ 1000 mg/l. Other water: > 1000 mg/l total dissolved solids.

## [GRI 303-5] Water consumption

### Total water consumption by area (2022-2018) (thousand m<sup>3</sup>)<sup>1</sup>

	2022		2021		2020		2019		2018	
	All areas	Areas with water stress	All areas	Areas with water stress	All areas	Areas with water stress	All areas	Areas with water stress	All areas	Areas with water stress
Total	7,999	6,318	8,896	7,005	8,289	6,644	23,173	8,059	8,321	9,051

1. Data for Mobility & New Commerce and Trading are not material for this indicator and therefore are not reported.

## EM-EP-140a.1 / SASB RT-CH-140a.1 / SASB EM-RM-140a.1] Water management<sup>1</sup>

### Percentage of freshwater recycled<sup>2,3</sup> (2022-2018) (thousand m<sup>3</sup>)

	2022	2021	2020	2019	2018
Total	13 %	12 %	12 %	10 %	12 %

1. Rest of the indicator answered in GRI 303-3 and 303-5.

2. Percentage of recycled water is calculated as the volume of water recycled (thousand m<sup>3</sup>) divided by the volume of water withdrawn. Any volume of water reused several times counts as recycled water each time it is recycled and reused.

3. Data for Mobility & New Commerce and Trading are not material for this indicator and therefore are not reported.

**[SASB EM-EP-140a.2] Water management****Volume of water managed in the Exploration & Production business (2022-2018) (thousand m<sup>3</sup>)**

	2022	2021	2020	2019	2018
Produced water	16,984	14,145	16,480	23,719	23,786
Flowback fluid (1)	0	0	0	0	0
% discharged	— %	1 %	2 %	3 %	3 %
% injected	86 %	100 %	97 %	97 %	97 %
% recycled	— %	— %	— %	— %	— %
Hydrocarbons water discharged (2)	4	N/A	N/A	N/A	N/A

1. Cepsa does not employ hydraulic fracturing techniques.

2. 2022 was the first year this indicator was reported.

## 3.5.4 Biodiversity protection

### [GRI 304-3] Habitats protected or restored

Madrevieja environmental station (San Roque, Spain, 20 Ha): the Madrevieja environmental station comprises the following ecosystems (20 Ha): Bosque (12.19 Ha), Humedales (1.42 Ha) and Pastizal (6.39 Ha). Key projects promoted by the Cepsa Foundation during the year include bird ringing for science and the barn owl recovery project, with another nine birds recovered from breeding pairs. The site was also confirmed as one of the few places in Campo de Gibraltar congregating all species of the province's carnivores. Otter breeding in the southern lagoon attracted the interest of photographers and naturalists alike. In addition to the flora and fauna, all scheduled maintenance activities were carried out. A restoration project file was created and will be included in the updated publication of the Spanish Biodiversity Foundation's Practical Guide on Ecological Restoration. Lastly, on the awareness-raising front, we received more than 10,000 visits and devised the Barn owl workshop to promote the Barn Owl Project and the species inventory. Meanwhile, 659 species were uploaded to the Observado.org and 579 to the iNaturalist biodiversity platforms.

Primera de Palos lagoon (Palos de la Frontera, Spain, 33 Ha): this year, new species -egret, crab heron, cattle egret and spoonbill- were added to the heron and little egret colony. Highlights of Cepsa Foundation-led projects included eliminating exotic fish species and drying out the lagoon to facilitate mineralisation of the sludge. Another key action entailed deepening areas that had become clogged to ensure that the breeding colonies were insulated and to create vital microhabitats for the various communities of fauna and flora. Birdlife was monitored continuously, while we continued to ring migratory birds, capturing 223 birds through October. Maintenance work centred on the coastal pine forest. Actions were undertaken to reduce the risk of fire and speed up forest succession by promoting species with the greatest ecological value. Lastly, temporary ponds and sanctuaries were created to help attract and preserve amphibians and reptiles in the area, as both have been impacted heavily.

As for associations, we are receiving advice on our green transition and special support on biodiversity projects by the International Union for Conservation of Nature (IUCN), with which we signed an agreement in 2021.

#### Habitats protected or restored in 2022 by business, geographic location and size (m<sup>2</sup>)

Habitats protected or restored	Business	Geographic location	Size (m <sup>2</sup> ) per habitat	Total size (m <sup>2</sup> )
Madrevieja environmental station	Energy Parks, Chemicals, C&CE	San Roque, Spain	200,000	555,900
Primera de Palos lagoon	Energy Parks, Chemicals, G&P	Huelva, Spain	335,000	
Las Lagunas de Muelle de las Carabelas	Energy Parks, Chemicals, G&P	Huelva, Spain	20,900	

#### Habitats protected or restored in 2021 by business, geographic location and size (m<sup>2</sup>)

Habitats protected or restored	Business	Geographic location	Size (m <sup>2</sup> ) per habitat	Total size (m <sup>2</sup> )
Madrevieja environmental station	Energy Parks, Chemicals, C&CE	San Roque, Spain	200,000	554,700
Primera de Palos lagoon	Energy Parks, Chemicals, G&P	Huelva, Spain	335,000	
Las Lagunas de Muelle de las Carabelas (La Rábida)	Energy Parks, Chemicals, G&P	Huelva, Spain	19,700	



**[GRI 304-4] IUCN Red List species and national conservation list species with habitats in areas affected by operations****Species by level of extinction risk in areas of operation (2022-2018)**

National conservation list species (1)	2022	2021
Critically endangered	4	4
Endangered	15	15
Vulnerable	35	35
Near threatened	42	42
Least concern	0	0
Total	96	96

1. Reported data from the Ecoacas 2021 ASA (average species abundance) report. The consensus is that the situation did not change in 2022.

**[GRI 304-2] Significant impacts of activities, products, and services on biodiversity**

The main impacts of our activities are on the air, sea, land, ground water, noise levels and biodiversity. Of all Cepsa's operational sites, the following are located in protected areas and areas of high biodiversity value outside protected areas: San Roque, Palos and Tenerife sites in Spain; Caracara and Llanos 22 in Colombia; Lote 131 in Peru; Detén in Brazil; and Becancour in Canada.

Of those, we carried out habitat protection or restoration work at San Roque (the Madre Vieja environmental station) and Huelva (the Laguna Primera de Palos lagoon). At Laguna Primera de Palos, there was no impact from industrial operations, but rather from agricultural activity due to the contribution of sediments and nutrients. In 2022, we worked on reducing this environmental impact by creating a nutrient and sediment trap at the mouth of the lagoon.

Meanwhile, we discovered that the Montagu's harrier migrates to and from and reproduces at the Alijar II wind farm, so we had to adapt how the wind turbine generators work so as not to jeopardise or change use of this area by this bird species.

## Operational sites in or adjacent to protected areas or areas of high biodiversity value

We put up informational billboards about our industrial areas that are in or adjacent to -within 1km- highly vulnerable areas or those that are located close to areas of special biodiversity importance according to the definition of protected areas of the IUCN, the Ramsar Convention, the Natura 2000 Network, IBA and national laws.

Operational sites in or adjacent to protected areas or areas of high biodiversity and size of site measured in km	Geographic location	Type of operation (office, manufacturing or production, or extractive)	Position in relation to the protected area (in the area, adjacent to <1km- or near -1-5km-) or the high biodiversity value area outside the protected area	Biodiversity value (terrestrial, freshwater or maritime ecosystem)	Protected biodiversity lists
Palos de la Frontera facilities	Spain	Manufacturing	Adjacent (<1 km)	Laguna de Palos and las Madres	(RAMSAR, SCI, IUCN II)
Palos de la Frontera facilities	Spain	Manufacturing	Adjacent (<1 km)	Estero de Domingo Rubio	(SCI, Birds Directive Special Protection Area, IUCN II, Natura 2000 Network)
Palos de la Frontera facilities	Spain	Manufacturing	Adjacent (<1 km)	El Odiel dunes	(SCI)

Cepsa drew up a Biodiversity Action Plan (BAP) for the Palos de la Frontera and San Roque facilities to minimise the potential impact of activities there on areas of special biodiversity importance.

The restoration work we undertook in the Primera de Palos lagoon -the area closest to the Huelva site- achieved considerable improvement in the lagoon's biodiversity and ecological conditions.

## Other sensitive areas around the production sites

Operational sites in or adjacent to protected areas or areas of high biodiversity and size of site measured in km <sup>2</sup>	Geographic location	Type of operation (office, manufacturing or production, or extractive)	Position in relation to the protected area (in the area, adjacent to <1km- or near -1-5km-) or the high biodiversity value area outside the protected area	Biodiversity value (terrestrial, freshwater or maritime ecosystem)	Protected biodiversity lists
San Roque facilities	Spain	Manufacturing	Near (1-5 km)	Palmones River marshes	(SCI, Birds Directive Special Protection Area, Natura 2000 Network)
San Roque facilities	Spain	Manufacturing	Near (1-5 km)	Palmones River marshes seabed	(SCI, Natura 2000 Network)
San Roque facilities	Spain	Manufacturing	Near (1-5 km)	Eastern strait	(SCI)
San Roque facilities	Spain	Manufacturing	Near (5-20 km)	Rock of Gibraltar	(SCI, Birds Directive Special Protection Area)
San Roque facilities	Spain	Manufacturing	Near (5-20 km)	Southern waters of Gibraltar	(SCI, Birds Directive Special Protection Area)
San Roque facilities	Spain	Manufacturing	Near (5-20 km)	Los Alcornocales	(SCI, Birds Directive Special Protection Area, Natura 2000 Network)
San Roque facilities	Spain	Manufacturing	Near (5-20 km)	Strait	(SCI, Birds Directive Special Protection Area, Natura 2000 Network)
San Roque facilities	Spain	Manufacturing	Near (5-20 km)	Guadiaro River estuary	(SCI, IUCN II, Natura 2000 Network)
San Roque facilities	Spain	Manufacturing	Near (5-20 km)	Guadiaro and Hozgarganta rivers	(SCI, Natura 2000 Network)
San Roque facilities	Spain	Manufacturing	Near (5-20 km)	Guadiaro River estuary seabed	(SCI, Birds Directive Special Protection Area, Natura 2000 Network)
Alijar wind farm	Spain	Electricity generation	Near (5-20 km)	Doñana	(RAMSAR, SCI, Birds Directive Special Protection Area, IUCN II, Natura 2000 Network)

Operational sites in or adjacent to protected areas or areas of high biodiversity and size of site measured in km <sup>2</sup>	Geographic location	Type of operation (office, manufacturing or production, or extractive)	Position in relation to the protected area (in the area, adjacent to <1km- or near <1-5km-) or the high biodiversity value area outside the protected area	Biodiversity value (terrestrial, freshwater or maritime ecosystem)	Protected biodiversity lists
Palos de la Frontera facilities	Spain	Manufacturing	Near (1-5 km)	Odiel marshes	(RAMSAR, SCI, Biosphere Reserve, Birds Directive Special Protection Area, IUCN II, Natura 2000 Network)
Palos de la Frontera facilities	Spain	Manufacturing	Near (1-5 km)	Tinto River marshes and banks	(SCI, Natura 2000 Network)
Palos de la Frontera facilities	Spain	Manufacturing	Near (1-5 km)	Tinto River estuary	(SCI, Natura 2000 Network)
Palos de la Frontera facilities	Spain	Manufacturing	Near (1-5 km)	Dehesa del Estero y Montes de Moguer	(SCI)
Palos de la Frontera facilities	Spain	Manufacturing	Near (1-5 km)	Tinto River and El Odiel sea area	(Marine Protected Area, OSPAR, Birds Directive Special Protection Area)
Palos de la Frontera facilities	Spain	Manufacturing	Near (5-20 km)	Doñana	(RAMSAR, SCI, Birds Directive Special Protection Area, IUCN V, Natura 2000 Network)
Alijar wind farm	Spain	Electricity generation	Near (5-20 km)	Doñana	(RAMSAR, SCI, Birds Directive Special Protection Area, IUCN II, Natura 2000 Network)
Palos de la Frontera facilities	Spain	Manufacturing	Near (1-5 km)	Odiel marshes	(RAMSAR, SCI, Biosphere Reserve, Birds Directive Special Protection Area, IUCN II, Natura 2000 Network)
Alijar wind farm	Spain	Electricity generation	Near (5-20 km)	Doñana	(RAMSAR, SCI, Birds Directive Special Protection Area, IUCN II, Natura 2000 Network)
Palos de la Frontera facilities	Spain	Manufacturing	Near (1-5 km)	Odiel marshes	(RAMSAR, SCI, Biosphere Reserve, Birds Directive Special Protection Area, IUCN II, Natura 2000 Network)
Palos de la Frontera facilities	Spain	Manufacturing	Near (1-5 km)	Tinto River marshes and banks	(SCI, Natura 2000 Network)
Palos de la Frontera facilities	Spain	Manufacturing	Near (1-5 km)	Tinto River and El Odiel sea area	(Marine Protected Area, OSPAR, Birds Directive Special Protection Area)
Palos de la Frontera facilities	Spain	Manufacturing	Near (5-20 km)	Doñana	(RAMSAR, SCI, Birds Directive Special Protection Area, IUCN V, Natura 2000 Network)
Alijar wind farm	Spain	Electricity generation	Near (5-20 km)	Doñana	(RAMSAR, SCI, Birds Directive Special Protection Area, IUCN II, Natura 2000 Network)
Palos de la Frontera facilities	Spain	Manufacturing	Near (1-5 km)	Odiel marshes	(RAMSAR, SCI, Biosphere Reserve, Birds Directive Special Protection Area, IUCN II, Natura 2000 Network)
Palos de la Frontera facilities	Spain	Manufacturing	Near (5-20 km)	El Burro marshes	(IUCN I)
Palos de la Frontera facilities	Spain	Manufacturing	Near (5-20 km)	Gulf of Cadiz	(Marine Protected Area, OSPAR Birds Directive Special Protection Area)
Tenerife facilities	Spain	Manufacturing	Near (1-5 km)	Anaga	(SCI, Birds Directive Special Protection Area, IUCN V)
Tenerife facilities	Spain	Manufacturing	Near (5-20 km)	Ijuana	(SCI, IUCN I)
Tenerife facilities	Spain	Manufacturing	Near (5-20 km)	Pijaral	(SCI, IUCN I)
Tenerife facilities	Spain	Manufacturing	Near (5-20 km)	Los Roques de Anaga	(SCI, IUCN III)
Tenerife facilities	Spain	Manufacturing	Near (5-20 km)	Malpais de Güimar	(SCI, IUCN V)
Tenerife facilities	Spain	Manufacturing	Near (5-20 km)	Las Palomas	(SCI, IUCN V)
Tenerife facilities	Spain	Manufacturing	Near (5-20 km)	Corona Forestal	(SCI, IUCN II)
Tenerife facilities	Spain	Manufacturing	Near (5-20 km)	Las Lagunetas	(SCI, IUCN V)

Operational sites in or adjacent to protected areas or areas of high biodiversity and size of site measured in km <sup>2</sup>	Geographic location	Type of operation (office, manufacturing or production, or extractive)	Position in relation to the protected area (in the area, adjacent to <1km- or near <1-5km-) or the high biodiversity value area outside the protected area	Biodiversity value (terrestrial, freshwater or maritime ecosystem)	Protected biodiversity lists
Tenerife facilities	Spain	Manufacturing	Near (5-20 km)	Sebadales de San Andres	(SCI)
Tenerife facilities	Spain	Manufacturing	Near (5-20 km)	Sebadales de Antequera	(SCI)
Tenerife facilities	Spain	Manufacturing	Near (5-20 km)	Montes y Cumbres de Tenerife	(Birds Directive Special Protection Area)
Tenerife facilities	Spain	Manufacturing	Near (5-20 km)	Anaga sea area	(Birds Directive Special Protection Area)
Tenerife facilities	Spain	Manufacturing	Near (5-20 km)	Coast of Acentejo	(IUCN V)
Tenerife facilities	Spain	Manufacturing	Near (5-20 km)	Siete Lomas	(IUCN V)
Detén	Brazil	Production	Near (5-20 km)	North coast continental shelf environmental protection area	(IUCN V)
Detén	Brazil	Production	Near (5-20 km)	Guarajuba lagoon environmental protection area	(IUCN V)
Detén	Brazil	Production	Near (5-20 km)	Bay of All Saints environmental protection area	(IUCN V)
Detén	Brazil	Production	Near (5-20 km)	As Dunas private natural heritage reserve	(IUCN IV)
Becancour	Canada	Production	Near (1-5 km)	Montesson Island seabird sanctuary	(IUCN VI)
Becancour	Canada	Production	Near (1-5 km)	Lamarier Bay seabird sanctuary	(IUCN VI)
Becancour	Canada	Production	Near (1-5 km)	Montesson Island seabird sanctuary	(IUCN VI)
Becancour	Canada	Production	Near (1-5 km)	Battures de Gentilly seabird sanctuary	(IUCN VI)
Becancour	Canada	Production	Near (1-5 km)	Ponte-Paul-Rivière aux Originaux seabird sanctuary	(IUCN VI)
Becancour	Canada	Production	Near (5-20 km)	Muskrat habitat southwest of Port Laviolette	(IUCN VI)
Becancour	Canada	Production	Near (5-20 km)	Port Saint-François-Pont Laviolette seabird sanctuary	(IUCN VI)
Becancour	Canada	Production	Near (5-20 km)	Batiscan-Sainte-Anne seabird sanctuary	(IUCN VI)
Becancour	Canada	Production	Near (5-20 km)	Champlain Batiscan seabird sanctuary	(IUCN VI)
Becancour	Canada	Production	Near (5-20 km)	Becquets Deschaillons seabird sanctuary	(IUCN VI)
Becancour	Canada	Production	Near (5-20 km)	Léon-Provancher ecological reserve	(IUCN I)
Cepsa Chemical Shanghai	China	Production	Near (5-20 km)	Shanghai Three Jinshan Islands national marine nature reserve	China national marine reserve
Caracara	Colombia	Production	Near (1-5 km)	El Tigrillo Civil Society Nature Reserve	IUCN VI
Caracara	Colombia	Production	Near (1-5 km)	Maiciana-Manacal wetland recreation area	IUCN V



Operational sites in or adjacent to protected areas or areas of high biodiversity and size of site measured in km <sup>2</sup>	Geographic location	Type of operation (office, manufacturing or production, or extractive)	Position in relation to the protected area (in the area, adjacent to <1km- or near <1-5km-) or the high biodiversity value area outside the protected area	Biodiversity value (terrestrial, freshwater or maritime ecosystem)	Protected biodiversity lists
Caracara	Colombia	Production	Near (5-20 km)	Campoflorido (Civil Society Nature Reserve)	VI managed resource protected area
Llanos 22	Colombia	Production	Near (5-20 km)	San Miguel de los Farallones regional nature park	IUCN II
Llanos 22	Colombia	Production	Near (5-20 km)	Quebrada de la Tablona	National protected forest reserves / VI managed protected area
Jilguero	Colombia	Production	Near (1-5 km) 1.6 km from the Jilguero south well	DMI Mata de la Urama	Regional integrated management districts / VI managed resource protected area
Jilguero	Colombia	Production	Far (> 20 km)	Noel Parra Palacio	Civil society nature reserve / VCI managed resource protected area
Jilguero	Colombia	Production	Far (> 20 km)	La Reserva	Civil society nature reserve / VCI managed resource protected area
Puntero	Colombia	Production	Near (5-20 km)	Corozito	Civil society nature reserve / VCI managed resource protected area
Puntero	Colombia	Production	Near (5-20 km)	La Palma	Civil society nature reserve / VCI managed resource protected area
Merecure	Colombia	Production	Near (5-20 km)	Las Brisas	Civil society nature reserve / VCI managed resource protected area
Merecure	Colombia	Production	Near (5-20 km)	Médano Los Morrucos	Civil society nature reserve / VCI managed resource protected area
Merecure	Colombia	Production	Far (> 20 km)	AICA/IBA Taparas	SEO-BirdLife
Los Ángeles	Peru	Production	Far (> 20 km)	El Sira communal reserve	IUCN VI
BMS	Algeria	Production	Far (> 20 km)	Sanghr Jabbess National Park	National protected area

**[SASB EM-RM-120a.2] Number of refineries in or near areas of dense population**

Three of our refineries are in or near areas of dense population. Areas of dense population are defined as urbanised areas with a population > 50,000 or within 49 kilometres of these areas.

**[SASB EM-EP-160a.3] Percentage of proved and probable reserves**

**Proved and probable reserves in protected areas in the Exploration & Production business<sup>1</sup> (2022-2018) (%)**

	2022	2021	2020	2019	2018
Percentage of net proved reserves	0.25 %	0.20 %	0.12 %	0.15 %	0.21 %
Percentage of net probable reserves	0.12 %	0.07 %	0.09 %	0.09 %	0.14 %

1. Within 5 km of the boundary of our facilities.

**Biodiversity impact assessments**

	Number of assets	Area (hectares)
Operated assets	26	1134.7
Operated assets with biodiversity impact assessments in the last five years	26	1134.71
Operated assets near locations of high biodiversity value	3	317.05
Operated assets near locations of high biodiversity value with a biodiversity plan in place	3	317.05

**[GRI 306-3] Significant spills****Number and volume of significant spills in 2022 by material (volume in n°. of barrels or litres)**

	Material of spill					
	Oil spill (n°. barrels)			Other spills (litres)		
	Soil (1)	Water surface	Total	Soil (1)	Water surface	Total
Number of spills	2	0	2	1	0	1
Volume of spills	94	0	94	12,000	0	12,000

1. Two spills (94 oil barrels) at Exploration and Production at the RKF field (Algeria). The safety analysis performed during excavation work uncovered wet sand, which was separated from dry sand to calculate the amount of crude oil spilt.

2. One spill (12,000 litres) at Mobility and New Commerce at the Santa Ana service station (Spain). A total of 12,000 litres of Star Diesel were spilled during the station's waterproofing tests.

**Number and volume of significant spills in 2021 by material (volume in n°. of barrels or litres)**

	Material of spill					
	Oil spill (n°. barrels)			Other spills (litres)		
	Soil (1)	Water surface	Total	Soil	Water surface (2)	Total
Number of spills	1	0	1	0	1	1
Volume of spills	2	0	2	0	1,500	1,500

1. One spill (2 oil barrels) at Exploration and Production at the Caracara block (Colombia). It was controlled and the area was cleaned up immediately. The section of the line affected was separated.

2. One spill (1,500 litres) at Commercial and Clean Energies at Atlas Ceuta (Spain). It was due to the rupture of a hose when the Anafi barge was being loaded with VLSFO 0.5. Most of the spill was on the water surface and the barge's deck. Sepiolite was used to clean up the spill on the pier.

**Number and volume of significant spills in 2020 by material (volume in n°. of barrels or litres)**

	Material of spill					
	Oil spill (n°. barrels)			Other spills (litres)		
	Soil (1)	Water surface	Total	Soil (2) (3) (4)	Water surface	Total
Number of spills	1	0	1	3	0	3
Volume of spills	2	0	2	2,535	0	2,535

1. One spill (2 oil barrels) at Exploration and Production at the RKF field (Algeria) due to a break in the line. The oil spilled onto desert soil and was controlled. The line was repaired immediately and the entire spill was cleaned up.

2. One spill (235 litres) at Exploration and Production at the Caracara field (Colombia) due to a break in the line. The product spilled onto industrial and non-industrial land and was controlled. The line was repaired immediately and the entire spill was cleaned up.

3. One spill (1,700 litres) at Commercial and Clean Energies at the Teruel (Spain) gas facility. The product was spilled onto industrial pavement and cleaned up immediately, thus avoiding any contamination of the soil.

4. One spill (600 litres) at Mobility and New Commerce at the Malaga service station (Spain). The product was spilled onto industrial pavement and cleaned up immediately. Soil samples were taken by a soil engineer, who verified that there was no impact on the soil.

### Number and volume of significant spills in 2019 by material (volume in n°. of barrels or litres)

	Material of spill					
	Oil spill (n°. barrels)			Other spills (litres)		
	Soil	Water surface	Total	Soil (1) (2) (3)	Water surface	Total
Number of spills	0	0	0	5	0	5
Volume of spills	0	0	0	41,967	0	41,967

1. One spill (773 litres) at Exploration and Production at the Caracara block (Colombia). The spill occurred during the transfer of the diesel from a tank and its metal dike. Control and clean-up measures were taken immediately.

2. Two spills (15,994 litres) at Energy Parks at the La Rábida energy park (Spain). In one, there was a leak in the soda tank for biological treatment to the rainwater basin, which was cleaned up quickly. In the other, there was a contained leak of sulphuric acid at the Energy-HDT plant. The acid was spilled onto the pavement and was controlled cleaned up immediately.

3. Two spills (25,200 litres) at Commercial and Clean Energies at Cepsa Bionergía San Roque (Spain) sustained a spill from a sulphuric acid tank rupture in the chemical warehouse. The acid was spilled onto the pavement and was controlled quickly, and the other spill was at the asphalts factory in Alcudia (Spain). A leak was uncovered through the underground connection line between the port and the factory. The spill did not touch the floor or the sea and was withdrawn from the line and contained.

### Number and volume of significant spills in 2018 by material (volume in n°. of barrels or litres)

	Material of spill					
	Oil spill (n°. barrels)			Other spills (litres)		
	Soil	Water surface (1)	Total	Soil	Water surface (2) (3) (4)	Total
Number of spills	0	1	1	5	0	5
Volume of spills	0	6	6	14,216	0	14,216

1. One spill (6 oil barrels) at Energy Parks at the La Rábida energy park (PELR). Actuation of shut-off valve (MBC) in floating pipeline during offloading of B/T from the NORDIC LIGHT tanker at RLR. This triggered activation of the Inland Maritime Plan (PIM) and the procedures to control and clean up spills on water surfaces.

2. One spill (710 litres) at Chemical at Cepsa's Puente Mayorga chemicals plant (Spain). The was an aquilate spill from drainage of the S-P103 pump. It was controlled quickly, preventing any from spilling on the floor.

3. Three spills (7,506 litres) at Energy Parks at the Tenerife (Spain) facility had a spill caused by loss of fuel in the ravine from the condensate line. Control and clean-up actions were taken immediately. The second spill was at the La Rábida energy park (Spain), caused by a leak of MARPOL hydrocarbon water in a slops line from the Torre Arenillas jetty to RLR on the Port Authority's land. It was controlled and cleaned up immediately. The third was at the San Roque energy park (Spain) caused by an overflow of the YT583 benzene tank. It was cleaned up and measures were put in place to prevent it from happening again.

4. One spill (6,000 litres) at Mobility and New Commercer at the Puerto Manzanall II (Spain) service station. It was diesel A and happened during unloading in the manhole pit. The fuel was extracted and the area was cleaned, then a study of the soil was carried out immediately to verify that it was under control and the risk was low.



## 3.5.5 Making the business more circular

### [GRI 306-1] Waste generation and significant waste-related impacts

Cepsa generates various kinds of waste which can be grouped together by area of activity, type and composition.

Depending on the activity, we distinguish between waste generated directly from production processes, from maintenance operations, from construction and demolition and waste inherent in office work, kitchens and other functions performed by our people at the various Cepsa sites.

We classify waste as hazardous, non-hazardous or municipal based on type and composition.

We separate all these types of waste at source and prepare it for delivery to authorised waste management companies with the aim of eliminating environmental risks, maximising recovery of waste and performing the appropriate treatment or final disposal.

In Exploration & Production, after treating and inerting waste comprising drilling mud and cuttings, we deposit it onsite at a location allowed under the environmental permit.

### [GRI 306-3] Waste generated

#### Hazardous and non-hazardous waste managed in 2022-2018 (tonnes)

Composition of the waste generated	Year	Waste managed	Waste diverted from disposal	Waste directed to disposal
Hazardous waste	2022	34,168	21,029	13,139
	2021	32,740	20,872	11,868
	2020	35,000	19,336	15,664
	2019	40,761	16,661	24,099
	2018	41,290	14,783	26,507
Non-hazardous waste (1)	2022	28,600	19,372	9,228
	2021	24,114	14,176	9,938
	2020	17,174	9,489	7,685
	2019	25,855	11,704	14,151
	2018	44,370	16,471	27,899
Total hazardous and non-hazardous	2022	62,768	40,401	22,367
	2021	56,855	35,049	21,806
	2020	52,174	28,825	23,349
	2019	66,616	28,366	38,250
	2018	85,660	31,253	54,406

1. The increase in non-hazardous waste diverted from disposal compared with previous years was due to the waste generated during the abandonment campaigns in the Casanare (Colombia) field.

**[GRI 306-4] Waste diverted from disposal****Waste reused, recycled and recovered, avoiding disposal, in 2022 (tonnes)**

Composition of the waste generated	Recovery operations	Onsite	Offsite	Total
Hazardous waste	Preparation for reuse	0	0	0
	Recycling	0	862	862
	Other recovery operations	0	20,169	20,169
	Total			21,031
Non-hazardous waste	Preparation for reuse	0	0	0
	Recycling	0	8,061	8,061
	Other recovery operations	0	11,311	11,311
	Total			19,372

**Waste reused, recycled and recovered, avoiding disposal, in 2021 (tonnes)**

Composition of the waste generated	Recovery operations	Onsite	Offsite	Total
Hazardous waste	Preparation for reuse	0	0	0
	Recycling	0	1,242	1,242
	Other recovery operations	0	19,630	19,630
	Total			20,872
Non-hazardous waste	Preparation for reuse	0	0	0
	Recycling	0	1,517	1,517
	Other recovery operations	0	12,660	12,660
	Total			14,177

**Waste reused, recycled and recovered, avoiding disposal, in 2020 (tonnes)**

Composition of the waste generated	Recovery operations	Onsite	Offsite	Total
Hazardous waste	Preparation for reuse	0	0	0
	Recycling	0	577	577
	Other recovery operations	0	18,759	18,759
	Total			19,336
Non-hazardous waste	Preparation for reuse	0	0	0
	Recycling	0	1,023	1,023
	Other recovery operations	0	8,467	8,467
	Total			9,490

**Waste reused, recycled and recovered, avoiding disposal, in 2019 (tonnes)**

Composition of the waste generated	Recovery operations	Onsite	Offsite	Total
Hazardous waste	Preparation for reuse	0	0	0
	Recycling	0	2,116	2,116
	Other recovery operations	0	14,546	14,546
	Total			16,661
Non-hazardous waste	Preparation for reuse	0	0	0
	Recycling	0	620	620
	Other recovery operations	0	11,084	11,084
	Total			11,704

**Waste reused, recycled and recovered, avoiding disposal, in 2018 (tonnes)**

Composition of the waste generated	Recovery operations	Onsite	Offsite	Total
Hazardous waste	Preparation for reuse	0	0	0
	Recycling	0	148	148
	Other recovery operations	0	14,635	14,635
	Total			14,783
Non-hazardous waste	Preparation for reuse	0	0	0
	Recycling	0	465	465
	Other recovery operations	0	16,005	16,005
	Total			16,470

**[GRI 306-5] Waste directed to disposal****Waste directed to disposal in 2022 by disposal operation (tonnes)**

Composition of the waste generated	Disposal operations	Onsite	Offsite	Total
Hazardous waste	Incineration (with energy recovery)	0	0	0
	Incineration (without energy recovery)	0	52	52
	Landfilling	0	13,087	13,087
	Other disposal operations	0	0	0
	Total			13,139
Non-hazardous waste	Incineration (with energy recovery)	0	0	0
	Incineration (without energy recovery)	0	86	86
	Landfilling	0	9,142	9,142
	Other disposal operations	0	0	0
	Total			22,367

**Waste directed to disposal in 2021 by disposal operation (tonnes)**

Composition of the waste generated	Disposal operations	Onsite	Offsite	Total
Hazardous waste	Incineration (with energy recovery)	0	0	0
	Incineration (without energy recovery)	0	1,388	1,388
	Landfilling	0	10,480	10,480
	Other disposal operations	0	0	0
	Total			11,868
Non-hazardous waste	Incineration (with energy recovery)	0	0	0
	Incineration (without energy recovery)	0	91	91
	Landfilling	0	9,847	9,847
	Other disposal operations	0	0	0
	Total			9,938



**Waste directed to disposal in 2020 by disposal operation (tonnes)**

Composition of the waste generated	Disposal operations	Onsite	Offsite	Total
Hazardous waste	Incineration (with energy recovery)	0	0	0
	Incineration (without energy recovery)	0	350	350
	Landfilling	0	15,315	15,315
	Other disposal operations	0	0	0
	Total			15,664
Non-hazardous waste	Incineration (with energy recovery)	0	0	0
	Incineration (without energy recovery)	0	227	227
	Landfilling	0	7,458	7,458
	Other disposal operations	0	0	0
	Total			7,685

**Waste directed to disposal in 2019 by disposal operation (tonnes)**

Composition of the waste generated	Disposal operations	Onsite	Offsite	Total
Hazardous waste	Incineration (with energy recovery)	0	0	0
	Incineration (without energy recovery)	0	460	460
	Landfilling	0	23,640	23,640
	Other disposal operations	0	0	0
	Total			24,099
Non-hazardous waste	Incineration (with energy recovery)	0	0	0
	Incineration (without energy recovery)	0	123	123
	Landfilling	0	14,026	14,026
	Other disposal operations	0	0	0
	Total			14,150

**Waste directed to disposal in 2018 by disposal operation (tonnes)**

Composition of the waste generated	Disposal operations	Onsite	Offsite	Total
Hazardous waste	Incineration (with energy recovery)	0	0	0
	Incineration (without energy recovery)	0	97	97
	Landfilling	0	26,410	26,410
	Other disposal operations	0	0	0
	Total			26,507
Non-hazardous waste	Incineration (with energy recovery)	0	0	0
	Incineration (without energy recovery)	0	73	73
	Landfilling	0	27,827	27,827
	Other disposal operations	0	0	0
	Total			27,900

**[SASB EM-RM-150a.1 / SASB RT-CH-150a.1] Amount of hazardous waste generated, percentage recycled (1)****Hazardous waste recycled (2022-2018) (tonnes)**

	2022	2021	2020	2019	2018
Total	62 %	64 %	55 %	41 %	36 %

1. Rest of the indicator answered in GRI 306-3.

**[GRI 301-1] Materials used by weight or volume****Materials used (2022-2018) (thousand tonnes)**

	2022		2021		2020		2019		2018	
	Renewable	Non-renewable	Renewable	Non-renewable	Renewable	Non-renewable	Renewable	Non-renewable	Renewable	Non-renewable
Total	391	23,739	453	23,150	404	22,221	506	25,069	441	25,824

**[GRI 301-2] Recycled input materials used****Recycled raw materials (2022-2018) (tonnes)**

	2022	2021	2020	2019	2018
Total	2,180	1,300	240	250	0

### 3.5.6 Continuous control of our air emissions

**[GRI 305-7] [SASB EM-EP-120a.1 / SASB EM-RM-120a.1 / SASB RT-CH-120a.1] Nitrogen oxides (NOx), sulfur oxides (SOx) other significant air emissions**

**Non-GHG air emissions by type (2022-2018) (tonnes)**

Non-GHG emissions	2022	2021	2020	2019	2018
NOx	8,830	8,268	9,055	11,643	8,097
SOx	5,508	4,453	4,079	5,101	5,319
VOC	1,133	1,350	1,794	2,529	1,396
Particulate matter	537	490	438	642	332

## 3.6 A WORKPLACE READY FOR CHANGE

### 3.6.1 Workforce overview

#### [GRI 405-1] Diversity of governance bodies and employees

##### Diversity of governance bodies and employees in 2022 and 2021 by gender and age group

		2022		2021	
		Board of Directors	Board of Directors %	Board of Directors	Board of Directors %
Gender	Women	1	10 %	1	10 %
	Men	9	90 %	9	90 %

		2022		2021	
		Management Committee	Executives %	Management Committee	Executives %
Age group	Under 30 years old	0	— %	0	— %
	30-50 years old	2	18 %	1	11 %
	Over 50 years old	9	82 %	8	89 %
Gender	Women	3	27 %	1	11 %
	Men	8	73 %	8	89 %

##### Breakdown of employees by gender in 2022-2021

2022			2021		
Women	Men	Total	Women	Men	Total
3,915	6,395	10,310	3,650	6,170	9,820



### Employees in 2022 by employee category, gender and age group<sup>1</sup>

Employee category	Under 30 years old				30-50 years old				Over 50 years old				Total
	Women	Women, %	Men	Men, %	Women	Women, %	Men	Men, %	Women	Women, %	Men	Men, %	
Executives	0	— %	0	— %	19	31 %	42	69 %	17	22 %	62	78 %	140
Department heads	0	— %	1	100 %	131	29 %	324	71 %	71	24 %	223	76 %	750
Senior-level technical staff	52	36 %	94	64 %	521	36 %	907	64 %	138	24 %	429	76 %	2,141
Mid-level technical staff	81	57 %	61	43 %	192	28 %	487	72 %	105	23 %	342	77 %	1,268
Specialists	309	46 %	356	54 %	1,623	45 %	1,987	55 %	588	37 %	990	63 %	5,853
Clerical staff	10	77 %	3	23 %	24	60 %	16	40 %	7	33 %	14	67 %	74
Assistants	1	11 %	8	89 %	12	24 %	39	76 %	14	58 %	10	42 %	84
Total	453		523		2,522		3,802		940		2,070		10,310

<sup>1</sup> In 2022, the percentage of women promoted was 37%.

### Employees in 2021 by employee category, gender and age group

Employee category	Under 30 years old				30-50 years old				Over 50 years old				Total
	Women	Women, %	Men	Men, %	Women	Women, %	Men	Men, %	Women	Women, %	Men	Men, %	
Executives	0	— %	0	— %	14	33 %	29	67 %	8	12 %	61	88 %	112
Department heads	1	50 %	1	50 %	116	27 %	308	73 %	65	25 %	200	75 %	691
Senior-level technical staff	34	29 %	84	71 %	500	38 %	828	62 %	122	24 %	387	76 %	1,955
Mid-level technical staff	19	40 %	29	60 %	224	30 %	527	70 %	88	21 %	332	79 %	1,219
Specialists	245	45 %	300	55 %	1,585	44 %	2,055	56 %	547	37 %	939	63 %	5,671
Clerical staff	8	73 %	3	27 %	34	62 %	21	38 %	14	52 %	13	48 %	93
Assistants	3	17 %	15	83 %	11	26 %	31	74 %	11	58 %	8	42 %	79
Total	310		432		2,484		3,799		855		1,940		9,820

## Share of female workers in 2022 and 2021

We are committed to having women represent 30% of management positions by 2025.

	2022	2021
Share of women in total employees	38 %	37 %
Share of women in all management positions, including junior, middle and senior management	27 %	25 %
Share of women in junior management positions	27 %	26 %
Share of women in senior management positions	26 %	19 %
Share of women in management positions in key revenue-generating roles	18 %	18 %
Share of women in STEM-related positions	19 %	17 %

## Total number and distribution of employees in 2022 and 2021 by gender and country

Country	2022			2021		
	Women	Men	Total	Women	Men	Total
Algeria	8	86	94	12	103	115
Belgium	3	5	8	5	4	9
Brazil	39	146	185	37	142	179
Canada	17	55	72	17	54	71
China	26	107	133	25	101	126
Colombia	32	92	124	36	100	136
United Arab Emirates	5	29	34	5	22	27
Spain	3,431	5,552	8,983	3,139	5,321	8,460
United States	0	0	0	0	0	0
Italy	1	6	7	2	4	6
Malaysia	0	1	1	0	1	1
Morocco	0	1	1	0	2	2
Mexico	6	6	12	5	7	12
Netherlands	2	3	5	3	3	6
Peru	4	25	29	5	26	31
Portugal	333	274	607	341	270	611
UK	5	4	9	4	5	9
Singapore	3	4	7	2	4	6
Thailand	0	0	0	11	3	14
Total	3,915	6,395	10,310	3,649	6,171	9,820

**[GRI 2-7] Employees****Breakdown of employees in 2022 and 2021 by part-time/full-time and by region**

Region (1)	Employment type	2022			2021		
		Women	Men	Total	Women	Men	Total
Spain	Permanent	3,173	5,341	8,514	2,646	4,928	7,574
	Temporary	258	211	469	493	393	493
	Full-time	3,223	5,419	8,642	2,960	5,206	8,166
	Part-time	208	133	341	179	115	294
Americas	Permanent	97	315	412	100	329	429
	Temporary	1	9	10	0	0	0
	Full-time	98	324	422	100	329	429
	Part-time	0	0	0	0	0	0
Asia	Permanent	34	139	173	42	128	129
	Temporary	0	2	2	1	3	4
	Full-time	34	141	175	43	131	174
	Part-time	0	0	0	0	0	0
Europe	Permanent	323	270	593	328	268	596
	Temporary	21	21	42	27	17	44
	Full-time	338	285	623	349	277	626
	Part-time	6	6	12	6	8	14
Africa	Permanent	8	87	95	12	105	117
	Temporary	0	0	0	0	0	0
	Full-time	8	87	95	12	105	117
	Part-time	0	0	0	0	0	0

1. America: Brazil, Canada, Colombia, the United States, Mexico and Peru. Asia: China, UAE, Malaysia, Singapore and Thailand. Europe: Belgium, Italy, the Netherlands, Portugal and the United Kingdom. Africa: Algeria and Morocco.

2. The sum of permanent and temporary employees yields the total headcount. Likewise, the sum of full-time and part-time employees yields that same total.

### Average annual number of permanent, temporary and part-time contracts by gender, age and employee category

#### Average annual number of permanent and temporary employment contracts in 2022 and 2021 by employee category, age and gender

Employee category	2022		2021	
	Permanent	Temporary	Permanent	Temporary
Executives	125	0	105	0
Department heads	729	0	650	0
Senior-level technical staff	2,045	19	1,913	31
Mid-level technical staff	1,209	13	1,209	34
Specialists	5,101	766	4,839	820
Clerical staff	71	3	99	1
Assistants	71	16	71	5
<b>Age group</b>				
Under 30 years old	569	329	379	346
30-50 years old	5,923	431	5,848	475
Over 50	2,859	57	2,658	69
<b>Gender</b>				
Women	3,386	446	3,112	494
Men	5,965	370	5,773	396



**Average annual number of full-time and part-time employment contracts in 2022 and 2021 by employee category, age group and gender**

Employee category	2022		2021	
	Full-time	Part-time	Full-time	Part-time
Executives	125	0	106	0
Department heads	721	8	644	6
Senior-level technical staff	2,024	39	1,915	28
Mid-level technical staff	1,221	1	1,242	1
Specialists	5,581	286	5,420	238
Clerical staff	73	1	99	0
Assistants	84	3	73	3
<b>Age group</b>				
Under 30 years old	797	101	649	76
30-50 years old	6,176	178	6,172	152
Over 50	2,857	59	2,679	48
<b>Gender</b>				
Women	3,630	203	3,439	167
Men	6,200	134	6,061	109

## 3.6.2 Talent with purpose

### Employee satisfaction

Our approach to managing employee engagement is predicated on a model of continuous feedback, which gives us insight into our people's concerns so we can implement improvement plans. This type of active listening model at Cepsa is articulated through our internal digital platform, Connect, which allows surveys to be handled quickly and efficiently.

The scope of the feedback model is corporate-wide, covering all businesses and countries where Cepsa has operations. At strategic level, the feedback schedule is set annually, along with the frequency, the questions and the indicators for measuring satisfaction.

Key issues assessed over the course of 2022:

- Engagement: survey on engagement to assess employee satisfaction levels, measure levels of engagement and draw up general and specific action plans.
- Ethics and regulatory compliance: fourth edition of the ethics and regulatory compliance survey to collect employees' viewpoints on how the company has advanced towards building a strong ethical culture.
- Diversity: the second diversity survey to gauge employees' perception and design tailored action plans.
- Culture and values: framed by the project to redefine our corporate values, we asked all workers what values they identified with most.

### [GRI 3-3] Management of material topics - employment practices

Cepsa has programmes to help students and recent university graduates start their career at a leading company where they can learn and improve each day.

- Grants for dual vocational training: internships tailored to young people's needs and support and advice from occupational tutors.
- Inspire VT: permanent contracts for advanced vocational training graduates.
- Welcome U: curricular or extracurricular internships for students while they continue their studies.
- Developing U: opportunity to carry out undergraduate or master's dissertations with the support of the company's experts.
- Challenging U: offer of a permanent contract and certain perks to recent graduates in a number of company departments in addition to training during their first year.

### Organisation of working time

Cepsa tailors working conditions as far as possible to each activity and business's individual characteristics and to its peoples' needs. It does so while strictly abiding by the law.

Of all employment conditions, working time is particularly important. Depending on the activity, work is performed in shifts or 'normal' working hours.

Collective bargaining agreements set out the various types of employee working hour arrangements, the annual work schedule, timetables, types of employment arrangements, performance and, where appropriate, compensation scheme. They also specify calendars, work cycles, holidays and leave.

Most staff in industry and service stations work shifts, with different sequences and rotation cycles. The corporate and sales areas use the flexitime model, with completely flexible hours.

## Average length of service

### Average length of service of employees in 2022 and 2021 (years)

	2022	2021
Average length of service (years)	12	13

## [GRI 401-1] New employees hires and employee turnover

### New hires in 2022 by region and gender

Region (1)	Under 30 years old				30-50 years old				Over 50 years old				Total	Percentage
	New hires		Rate of new hires		New hires		Rate of new hires		New hires		Rate of new hires			
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men		
Spain	577	715	158 %	178 %	825	612	37 %	19 %	112	155	13 %	8 %	2,996	33 %
Americas	1	10	10 %	43 %	6	20	9 %	10 %	2	2	11 %	2 %	41	10 %
Asia	2	7	20 %	23 %	1	13	4 %	13 %	1	2	— %	22 %	26	15 %
Africa	0	0	— %	— %	0	0	— %	— %	0	0	— %	— %	0	— %
Europe	75	73	112 %	107 %	61	39	31 %	27 %	15	10	19 %	13 %	273	43 %
Total	655	805	145 %	154 %	893	684	35 %	18 %	130	169	14 %	8 %	3,336	32 %

1. America: Brazil, Canada, Colombia, the United States, Mexico and Peru. Asia: China, UAE, Malaysia, Singapore and Thailand. Europe: Belgium, Italy, the Netherlands, Portugal and the United Kingdom. Africa: Algeria and Morocco.

### New hires in 2021 by region and gender

Region (1)	Under 30 years old				30-50 years old				Over 50 years old				Total	Percentage
	New hires		Rate of new hires		New hires		Rate of new hires		New hires		Rate of new hires			
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men		
Spain	489	535	211 %	166 %	861	571	40 %	18 %	159	120	21 %	7 %	2,735	32 %
Americas	0	5	— %	31 %	7	7	9 %	3 %	0	1	— %	1 %	20	5 %
Asia	4	3	44 %	10 %	2	4	6 %	4 %	0	0	— %	— %	13	7 %
Africa	0	1	— %	100 %	0	2	— %	2 %	0	0	— %	— %	3	3 %
Europe	58	68	97 %	110 %	49	40	23 %	26 %	14	7	18 %	10 %	236	37 %
Total	551	612	178 %	142 %	919	624	37 %	16 %	173	128	20 %	7 %	3,007	31 %

1. America: Brazil, Canada, Colombia, the United States, Mexico and Peru. Asia: China, UAE, Malaysia, Singapore and Thailand. Europe: Belgium, Italy, the Netherlands, Portugal and the United Kingdom. Africa: Algeria and Morocco.

### Number of hires, average cost and percentage of positions filled with internal candidates in 2022 and 2021

	2022	2021
New hires (n°)	3,336	3,007
Vacancies filled by internal candidates (internal hires) (%)	10 %	16 %
Average cost of hiring/Headcount (€)	36,833	28,509

### Voluntary departures in 2022 by region and gender

Region (1)	Under 30 years old				30-50 years old				Over 50 years old				Total	Percentage
	Voluntary departures		Turnover rate		Voluntary departures		Turnover rate		Voluntary departures		Turnover rate			
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men		
Spain	72	77	20 %	19 %	101	61	5 %	2 %	11	5	1 %	— %	327	4 %
Americas	0	3	— %	13 %	5	25	7 %	12 %	0	1	— %	1 %	34	8 %
Asia	0	4	— %	13 %	2	6	8 %	6 %	0	0	— %	— %	12	7 %
Africa	0	0	— %	— %	1	1	17 %	2 %	0	0	— %	— %	2	2 %
Europe	23	27	34 %	40 %	37	22	19 %	15 %	7	2	9 %	3 %	118	19 %
Total	95	111	21 %	21 %	146	115	6 %	3 %	18	8	2 %	— %	493	28 %

1. America: Brazil, Canada, Colombia, the United States, Mexico and Peru. Asia: China, UAE, Malaysia, Singapore and Thailand. Europe: Belgium, Italy, the Netherlands, Portugal and the United Kingdom. Africa: Algeria and Morocco.

### Voluntary departures in 2021 by region and gender

Region (1)	Under 30 years old				30-50 years old				Over 50 years old				Total	Percentage
	Voluntary departures		Turnover rate		Voluntary departures		Turnover rate		Voluntary departures		Turnover rate			
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men		
Spain	55	67	24 %	21 %	69	67	3 %	2 %	13	6	2 %	— %	277	3 %
Americas	0	0	— %	— %	8	5	11 %	2 %	0	0	— %	— %	13	3 %
Asia	1	2	11 %	6 %	3	3	9 %	3 %	0	1	— %	20 %	10	6 %
Africa	0	0	— %	— %	0	0	— %	— %	0	0	— %	— %	0	— %
Europe	16	17	27 %	27 %	20	15	9 %	10 %	5	2	6 %	3 %	75	12 %
Total	72	86	23 %	20 %	100	90	4 %	2 %	18	9	2 %	— %	375	4 %

1. America: Brazil, Canada, Colombia, the United States, Mexico and Peru. Asia: China, UAE, Malaysia, Singapore and Thailand. Europe: Belgium, Italy, the Netherlands, Portugal and the United Kingdom. Africa: Algeria and Morocco.

## Total departures in 2022 by region and gender

Region (1)	Under 30 years old				30-50 years old				Over 50 years old				Total	Percentage
	Total departures		Turnover rate		Total departures		Turnover rate		Total departures		Turnover rate			
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men		
Spain	420	578	115 %	144 %	731	474	33 %	14 %	134	213	16 %	11 %	2550	28 %
Americas	0	4	— %	17 %	5	30	7 %	15 %	3	11	17 %	12 %	53	13 %
Asia	0	4	— %	13 %	12	11	50 %	11 %	1	0	— %	— %	28	16 %
Africa	0	0	— %	— %	1	2	17 %	3 %	0	1	— %	5 %	4	4 %
Europe	57	51	85 %	75 %	63	40	32 %	28 %	19	7	25 %	9 %	237	37 %
Total	477	637	105 %	122 %	812	557	32 %	15 %	157	232	17 %	11 %	2,872	28 %

1. America: Brazil, Canada, Colombia, the United States, Mexico and Peru. Asia: China, UAE, Malaysia, Singapore and Thailand. Europe: Belgium, Italy, the Netherlands, Portugal and the United Kingdom. Africa: Algeria and Morocco.

## Total departures in 2021 by region and gender

Region	Under 30 years old				30-50 years old				Over 50 years old				Total	Percentage
	Total departures		Turnover rate		Total departures		Turnover rate		Total departures		Turnover rate			
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men		
Spain	390	436	168 %	135 %	716	477	33 %	15 %	150	164	20 %	9 %	2,333	4 %
Americas	1	0	13 %	— %	11	13	15 %	6 %	2	16	11 %	17 %	43	10 %
Asia	3	7	33 %	23 %	17	8	52 %	8 %	1	5	100 %	100 %	41	24 %
Africa	0	0	— %	— %	0	1	— %	1 %	0	0	— %	— %	1	1 %
Europe	34	58	57 %	94 %	38	34	18 %	22 %	10	5	13 %	7 %	179	28 %
Total	428	501	138 %	116 %	782	533	31 %	14 %	163	190	19 %	10 %	2,597	26 %

1. America: Brazil, Canada, Colombia, the United States, Mexico and Peru. Asia: China, UAE, Malaysia, Singapore and Thailand. Europe: Belgium, Italy, the Netherlands, Portugal and the United Kingdom. Africa: Algeria and Morocco.



### Involuntary departures in 2022 and 2021 by gender, age and employee category

	2022							2021						
	Under 30 years old		30-50 years old		Over 50 years old		Total	Under 30 years old		30-50 years old		Over 50 years old		Total
	Women	Men	Women	Men	Women	Men		Women	Men	Women	Men	Women	Men	
Executives	0	0	0	0	0	4	4	0	0	0	0	0	2	2
Department heads	0	0	1	2	6	10	19	0	0	0	1	0	3	4
Senior-level technical staff	0	0	6	1	1	6	14	2	0	7	6	0	6	21
Mid-level technical staff	0	0	7	1	3	5	16	1	1	6	0	1	2	11
Specialists	2	6	17	14	3	13	55	1	3	8	8	4	6	30
Clerical staff	0	0	2	1	1	0	4	0	1	2	1	2	0	6
Assistants	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	2	6	33	19	14	38	112	4	5	23	16	7	19	74

### Employee turnover rate in 2022 and 2021

	2022	2021
Total employee turnover rate (1)	7 %	5 %
Voluntary employee turnover rate	5 %	4 %

1. Does not include temporary employees. The rate including temporary employees is 28 % in 2022 and 26 % in 2021.

### Hours of absenteeism

#### Hours of absenteeism in 2022 and 2021 by gender

	2022			2021		
	Women	Men	Total	Women	Men	Total
Hours of absenteeism (1)	468,606	621,845	1,090,451	347,465	457,817	805,282

1. Hours of absenteeism do not include hours for work-related injuries or occupational disease.

### 3.6.3 A diverse and inclusive workplace

#### **[GRI 3-3] - Management of material topics - non-discrimination and equal opportunities**

Joint action with workers' legal representatives is a key tool for ensuring employment relationships that are free of employment and job discrimination, commitment to respecting the human rights of all our people and providing a working environment that promotes utmost respect for people's dignity. This joint action avoids at all times any type of discriminatory behaviour on grounds of sex, ethnic origin, beliefs, religion, age, disability, political affiliation, sexual orientation, nationality, citizenship, marital status, socioeconomic status or any other circumstances. No incidents occurred in Spain in 2022.

As stated in its Human Rights Policy, Cepsa is committed to respecting the human rights of all its employees and promoting a working environment that promotes utmost respect for the dignity of all people, preventing at all times discriminatory behaviour on the basis of sex, ethnic background, creed, religion, age, disability, political affiliation, sexual orientation, nationality, citizenship, marital status, socioeconomic status or any other circumstances.

Respect for principles of diversity and inclusion is also clearly enshrined in our Code of Ethics and Conduct and Human Resources Policy. The importance of this commitment within our culture is also illustrated in our Diversity and Inclusion Policy.

These policies and procedures contain measures to ensure the protection of our workers. Essentially, they target three areas of action. Firstly, reporting the situation to the Human Resources Department and allowing workers' representatives, the person involved or any employee to lodge a complaint. Secondly, initiating an investigation to substantiate whether or not the alleged incident of harassment has occurred. Thirdly, for incidents that have been substantiated, determining disciplinary measures where needed and action plans to restore the workplace climate.

In parallel, according to the harassment procedure the company's Ethics and Compliance Committee receives reports on both complaints of harassment filed and those addressed.

Incidences of harassment, in breach of the Code of Ethics and Conduct and internal rules and regulations, are handled mostly through the Ethics and Compliance Channel.

We have also put in place policies and reached agreements with trade unions on guidelines for action to investigate complaints of sexual harassment and mobbing.

In 2022, we updated our equality plans and Protocol against Gender-based Harassment.

#### **Equality plans**

Depending on the number of employees, Cepsa Group companies either have an equality plan or a set of measures that articulate their commitment to equality. In either case, follow-up information on the equality plans or sets of measures is provided to workers' representatives in the annual report. At companies that do not have such representation, monitoring is carried out by their human resources unit.

## Universal accessibility

We have a specific procedure designed to ensure that workstations are adapted so that they are accessible to people at Torre Cepsa according to each person's specific situation. The aim is to provide people with disabilities access to employment, enable them to carry out their jobs, afford them career opportunities and give them access to training in line with related regulations.

Our Diversity and Inclusion Policy outlines specific integration plans for people with disabilities, providing all the necessary adjustments which will help us to continue advancing.

On this front, we signed an agreement with ILUNION in 2022 to conduct a comprehensive review of our physical and digital accessibility. We also undertook a variety of actions in conjunction with the Eurofirms Foundation to address real situations that people with disabilities face daily.

## Breakdown of employees with disabilities in 2022 and 2021

	2022	2021
Employees with disabilities (no.)	127	116
Employees with disabilities (%)	1.29 %	1.22 %

## Breakdown of employees in 2022 and 2021 by age group

	2022	2021
Under 30 years old (%)	9 %	8 %
30-50 years old (%)	61 %	64 %
Over 50 years old (%)	29 %	28 %

## Breakdown of employees in 2022 and 2021 by nationality

Nationality	2022		2021	
	Share of total employees (%)	Share of total management positions (%)	Share of total employees (%)	Share of total management positions (%)
Spanish	84 %	86 %	84 %	82 %
Portuguese	6 %	1 %	6 %	2 %
Brazilian	2 %	— %	2 %	2 %
Colombian	2 %	— %	2 %	4 %
Chinese	1 %	— %	1 %	1 %
Other nationalities	5 %	13 %	5 %	9 %

**[GRI 401-3] Parental leave****Paternity and maternity leave in 2022 and 2021**

	2022			2021		
	Women	Men	Total	Women	Men	Total
Employees entitled to parental leave in the reporting period (no.)	95	132	227	71	141	212
Employees that took parental leave in the reporting period (no.)	133	225	358	110	212	322
Employees that returned to work in the reporting period after parental leave ended (no.)	94	206	300	98	198	296
Employees that returned to work in the previous reporting period after parental leave ended (no.)	98	198	296	108	180	288
Employees that returned to work in the previous reporting period after parental leave ended that were still employed 12 months after their return to work (no.)	80	183	263	98	167	265
Return to work rate (%)	71 %	92 %	84 %	89 %	93 %	92 %
Retention rate (%)	82 %	92 %	89 %	91 %	93 %	92 %

**Promotion of local hiring**

At Cepsa, we encourage enhancement of local employability and promote partnership initiatives to create jobs in the areas where our facilities are located.

Cepsa's industry sustainability agreement with workers' representative at its refineries and chemical plants includes a pledge to promote, support and design training actions to upskill local personnel, to encourage dual vocational training for industrial jobs and favour, to the extent possible, employment of people from the communities where we have our industrial facilities.

We also partner with several universities in the areas where we have facilities to provide students with a glimpse of the business world, to enable us to learn more about each other and to promote research.

**[GRI 202-2] Proportion of senior management hired from the local community****Local senior managers in 2022 and 2021**

	2022	2021
Senior managers (Management Committee and Executives) from the local community (no.)	119	93
Senior managers (Management Committee and Executives) (no.)	140	112
Senior managers from the local community (%)	85 %	83 %

## 3.6.4 Learning culture

### [404-1] Average hours of training per year per employee

#### Total and average hours of training per employee in 2022 by category and gender

	Women	Men	Total	Training hours per employee
Executives	1,186	2,674	3,860	28
Department heads	10,311	25,181	35,492	47
Senior-level technical staff	33,701	77,185	110,886	52
Mid-level technical staff	13,678	43,249	56,927	45
Specialists	36,825	160,106	196,931	34
Clerical staff	951	567	1,518	21
Assistants	269	5,090	5,359	64
Total	96,921	314,052	410,973	40

#### Training hours per employee in 2022 by gender<sup>1</sup>

Female	Male
25	49

1. The Energy Parks and Chemicals businesses received the highest number of training hours because of the industrial training required in the plants. This also explains why the training ratio between men and women was different. Given the nature of these businesses, there are more men at our industrial facilities.

#### Total and average hours of training per employee in 2021 by category and gender

	Women	Men	Total	Average hours of training
Executives	518	1,690	2,208	20
Department heads	11,806	24,663	36,469	53
Senior-level technical staff	28,331	64,035	92,366	47
Mid-level technical staff	7,841	39,304	47,145	39
Specialists	30,123	148,806	178,929	32
Clerical staff	910	610	1,520	16
Assistants	493	3,721	4,214	53
Total	80,022	282,829	362,851	37



**Training hours per employee in 2021 by gender<sup>1</sup>**

	Women	Men
	22	46

1. The Energy Parks and Chemicals businesses received the highest number of training hours because of the industrial training required in the plants. This also explains why the training ratio between men and women was different. Given the nature of these businesses, there are more men at our industrial facilities.

**[GRI 403-5] Worker training on occupational health and safety**

Training on occupational health and safety is a key component of Cepsa's training plans. At all workplaces, activities related with the risks inherent in the various positions and general risks applicable to the specific workplace are scheduled bearing in mind the activity and circumstances. The main global activities that are significant due to either their volume or their cross-cutting nature in 2022 included:

- Basic OHS qualification: the percentage of personnel yet to obtain the qualification did so during the year, taking the office (30 hours) or industrial (50 hours) OHS courses.
- A specific course on OHS in service stations.
- Fire drills and prevention exercises.
- Specific first aid training.
- Training on personal protective equipment at industrial facilities, which is updated regularly along with actions to take in the event of emergencies in our offices.
- Training on the LOTO safety procedure to ensure equipment is prepared for maintenance work without incurring risks of accidental fires.

**[GRI 404-2] Programs for upgrading employee skills and transition assistance programs**

Training targets the most relevant aspects of our businesses, but we also promote training on safety and risk prevention.

We encourage employee self-development using the content offered on the company's campus, an online platform with free access to myriad educational elements for all staff. New spaces are now for specialised content per business and department are now being created as part of an initiative to reorganise content and enhance employees' learning experience.

In the area of transition assistance, we provide: pre-retirement planning for employees ending their careers through retirement; retraining for those intending to continue their careers; and severance pay, which can take into account employee age and years of service, for those ending their career through termination. Employees who are terminated may be offered job placement services and assistance (such as training, counselling) so they can find another job.

## 3.6.5 Remuneration: competitiveness and engagement

### **[GRI 2-19] Remuneration policies**

Remuneration of the members of the Board of Directors is regulated by the Remuneration Policy for Directors approved by both the Board and the General Shareholders' Meeting. The Board is responsible for adopting and regularly reviewing the policy's general principles and ensuring that they are applied.

The Nomination and Compensation Committee is tasked with reviewing and approving the remuneration of senior management and the implementing policies. These policies are reviewed annually.

### **[GRI 2-20] Process to determine remuneration**

Remuneration of members of the Board of Directors in their capacity as such is approved by the Board of Directors and General Shareholders' Meeting on a recommendation by the Nomination and Compensation Committee based on the duties and responsibilities ascribed to them, their individual role on the Board of Directors and its committees and other objective circumstances deemed relevant.

The system of director remuneration entails a fixed annual amount for directors in their capacity as such determined by the General Shareholders' Meeting and distributed among all directors.

The system of remuneration for directors performing executive duties in the company, in addition to adhering to principles of transparency, prudence and compliance with corporate governance recommendations, is dictated by market trends, alignment with shareholders' objectives, compatibility with appropriate and effective risk management in accordance with the risk management policy, a balanced remuneration mix between fixed and variable components, and a short-, medium- and long-term vision that encourages strategic performance by directors.

Therefore, the remuneration policy is geared towards generating value for the company through alignment with the interests of shareholders, prudent risk management and complete respect for good corporate governance recommendations.

In 2016, the Nomination and Compensation Committee engaged an external consultant to assess the structure and competitiveness of the remuneration policies of executive directors and senior managers. Based on the conclusions of this assessment, we came up with a proposal to implement an action plan to adjust the structure of senior managers' remuneration and bring it to the desired levels.

In 2018 and again in 2022, the Nomination and Compensation Committee asked the consultant for another review of the remuneration structure and competitiveness. It concluded both times that the plan was satisfactory as is and should continue to apply.

Remuneration of executive directors and senior managers comprises a fixed component, short- and long-term variable components and benefits (primarily pension plans, company car, petrol, parking and medical insurance, life and accident insurance).

The remuneration policy is geared towards generating value for the company and alignment with the interests of shareholder through prudent risk management and complete respect for good corporate governance recommendations.

**[GRI 2-21] Annual total compensation ratio****Ratio and trend in the ratio of annual total compensation in 2022 and 2021<sup>1</sup>**

	2021	2021	Trend in ratio (2)
	39.00	27.96	9.3

1. The fixed salary of the highest-earning individual did not increase in 2022. However, that individual did earn a bigger bonus as a result of a better earnings performance in 2021 (paid in 2022) relative to 2020 (paid in 2021) and the higher weight of his variable compensation affects the trend in the ratio.

2. The ratio evolution formula considers employees in 2022 who were employed by the company in 2021.

**[GRI 405-2] Ratio of basic salary and remuneration of women to men****Ratio<sup>1</sup> of remuneration of women to men in 2022 and 2021 by employee category and significant locations<sup>2</sup>**

Country	2022							2021						
	Executives	Department heads	Senior-level technical staff	Medium technician	Specialists	Clerical staff	Assistants	Executives	Department heads	Senior-level technical staff	Medium technician	Specialists	Clerical staff	Assistants
Spain	0.83	0.93	0.92	0.81	0.71	0.95	0.92	0.74	0.91	0.92	0.84	0.71	1.01	0.86
Americas	—	0.88	0.74	0.71	1.08	3.33	5.13	—	0.89	0.74	1.08	0.94	0.79	4.54
Asia	—	0.79	0.95	0	0.76	0.86	—	—	0.74	1.49	1.98	1.09	—	1.79
Europe	—	0.81	0.92	0.9	1.1	0.42	—	—	0.73	0.87	0.85	1.1	1.06	—
Africa	—	—	1.38	0.66	—	1.38	—	—	—	0.99	0.8	—	1.03	—
all locations	0.83	0.93	0.91	0.82	0.71	0.89	0.94	0.74	0.91	0.91	0.87	0.70	0.92	1.00

1. Ratio of women to men: average remuneration of women/average remuneration of men. hombres.

2. Empty cells correspond to disclosures for which there are no employees of both genders.

## Average pay and trend broken down by gender, age, employee category or equivalent metric

### Average remuneration 2022 and 2021 by employee category, age and gender (€)

Employee category	2022	2021
Executives	386,803	305,658
Department heads	110,906	104,928
Senior-level technical staff	59,487	56,184
Mid-level technical staff	41,699	40,159
Specialists	25,319	24,366
Clerical staff	27,887	31,383
Assistants	18,776	17,257
<b>Age group</b>		
Under 30 years old	22,616	20,349
30-50 years old	43,978	40,409
Over 50	56,089	49,568
<b>Gender</b>		
Female	35,779	32,319
Male	51,435	46,925

### Average remuneration in 2022 and 2021 by gender and employee category<sup>1</sup> (€)

Employee level	2022		2021	
	Female	Male	Female	Male
Executives	336,572	404,359	237,468	322,514
Executives (basic salary)	178,745	205,059	151,380	182,748
Department heads	105,121	113,043	97,681	107,534
Department head (basic salary)	79,712	85,299	75,548	79,992
Senior-level technical staff	55,678	61,383	52,837	57,863
Mid-level technical staff	36,102	44,077	36,060	41,682
Specialists	20,603	28,886	19,507	27,882
Clerical staff	26,478	29,637	30,310	32,980
Assistants	18,004	19,143	17,301	17,234
Other employees (basic salary) (2)	25,926	34,158	24,941	32,592

1. Ratio of women to men: average remuneration of women/average remuneration of men.

2. Other employees includes Senior-level technical staff, Mid-level technical staff. Specialists, Clerical staff and Assistants.

**Average and median compensation for all employees in 2022 and 2021 (€)**

	2022	2021
Average compensation for all employees (excluding the CEO)	45,488	41,494
Median compensation for all employees (excluding the CEO)	33,647	32,490

**Average remuneration of directors and executives in 2022 and 2021 by type of remuneration (thousand €)**

Category	Year	Fixed remuneration	Variable remuneration	Directors' fees	Other items	Pension plans and funds	Termination benefits
Executive directors	2022	1,440	979	225	3,080	313	0
	2021	800	595	182	3	199	233
Non-executive directors	2022	0	0	311	0	0	0
	2021	0	0	296	0	0	0

**Gender pay gap**

To prevent biases, our remuneration policies set common criteria for determining salaries and seek maximum objectivity in their application. All Cepsa companies have set up a remuneration register in accordance with the law to evaluate the current gender pay gap.

Considering all of our company's employees, the gross pay gap is 30.44%. However, this is very generic figure, since pay conditions are different in each of the countries in which we have operations. Therefore, we conducted a more in-depth analysis for the countries with the largest headcounts, i.e. Spain and Portugal. The gross pay gaps calculated for those countries were 30.05% and 21.96%, respectively. Although the overall figure is high, we also calculated the adjusted pay gap, comparing jobs of equal value held by people with similar characteristics. By that measure, the pay gaps in Spain and Portugal narrowed significantly, to 4.33% and 2.85%, respectively. The resulting figures are affected by the pay increases negotiated in 2022 under the scope of the collective bargaining agreements applicable in each business and the different female presence in each. Isolating that phenomenon, the pay gap was flat by comparison with 2021. We continue to implement a range of initiatives designed to eliminate the pay gap in as short a period of time as possible.

**Gender pay gap in 2022 and 2021 by employee category (%)**

	2022	2021
Executives	17 %	26 %
Department heads	7 %	9 %
Senior-level technical staff	9 %	9 %
Mid-level technical staff	18 %	13 %
Clerical staff	11 %	8 %
Specialists	29 %	30 %
Assistants	6 %	— %



## 3.6.6 Social dialogue and labour relations

### [GRI 2-30] Collective bargaining agreements

Employees covered by collective bargaining agreements in 2022 and 2021 by country (%)

Country	2022	2021
Algeria	— %	— %
Belgium	— %	— %
Brazil	92 %	92 %
Canada	— %	— %
China	— %	— %
Colombia	— %	— %
United Arab Emirates	— %	— %
Spain	90 %	92 %
United States	— %	— %
Italy	86 %	83 %
Morocco	— %	— %
Malaysia	— %	— %
Mexico	92 %	92 %
Netherlands	— %	— %
Peru	— %	— %
Portugal	98 %	98 %
UK	— %	— %
Singapore	— %	— %
Thailand	— %	— %
Total	87 %	87 %

## 3.7 BECOMING A ZERO-ACCIDENT WORKPLACE

### 3.7.1 Work-related injuries

#### **[GRI 403-4] Worker participation, consultation, and communication on occupational health and safety**

Occupational health and safety play an important role in shaping employment conditions in collective bargaining agreements, which also include actions to foster a culture of prevention and promotion of healthy habits and environment and prioritise regular monitoring of employee health.

Cepsa has health and safety committees, which are the competent bodies under OHS regulations for worker participation, consultation and communication on occupational health and safety.

In 2022, we made inroads on actions aimed at managing emotions, in line with the various dimensions of COVID-19-related psychosocial risks to our employees.

#### **[GRI 403-7] Prevention and mitigation of occupational health and safety impacts directly linked by business relationships**

The assessment of risks for employees in positions linked by business relationships is conducted in the same way as for all other employees. Key features include:

- From the psychosocial viewpoint, specific psychosocial studies carried out using the Fpsico 3.1 approach on factors that could be related with customer service, entailing questionnaires and interviews.
- From the health viewpoint, the same general health monitoring procedures implemented at corporate level apply. All other employees are invited to voluntarily take an overall health test to analyse indicators on the state of their health that could be linked to working conditions.

#### **[GRI 403-8] Workers covered by an occupational health and safety management system**

In both 2022 and 2021, all employees and workers who are not employees were covered by an occupational health and safety management system in the company subject to internal audit. Moreover, in both 2022 and 2021, 98% of employees and 90% of workers who are not employees were covered by an occupational health and safety management system in the company subject to a third-party audit or certification.

## Workplace accidents

### Injury rates of employees and workers who are not employees in 2022 and 2021

	Employees		Workers who are not employees	
	2022	2021	2022	2021
Hours worked (n°)	16,393,493	16,604,936	10,239,959	10,066,957
Lost workday injury (n°)	9	11	18	15
Lost workday injury frequency (LWIF) (1)	0.55	0.66	1.76	1.49
Days lost by lost workday injuries (n°)	1,030	1,304	662	419
Injury severity rate (2)	62.83	78.53	64.65	41.62
Number of fatalities (n°)	0	0	0	0
Rate of fatalities	0	0	0	0

1. LWIF: Total number of lost workday injuries/Total number of hours worked x 1,000,000

2. Injury severity rate: Total number of days lost/Total number of hours worked x 1,000,000

### [GRI 2-8] Workers who are not employees

Workers who are not employees (no.)	
2022	2021
5,039	5,619

### [GRI 403-9] Work-related injuries

The main types of work-related injuries for Cepsa employees are: being trapped, falling on the same level, fire and explosions, falling to a lower level, being struck by an object and overexertion.

Work-related hazards that pose a risk of high-consequence injury are: falling to a different level, being struck by falling objects, being trapped, contacts with electricity and exposure to toxic and hazardous chemical products. These have been determined based on the experience built up by the company over the years, as well as experience in similar industries.

Risk assessments of jobs are performed. Employees and service companies are apprised of the risks and the preventive measures related to their jobs and training is provided before a person can carry out a job. The company also has systems in place to minimise and control these risks, with both operations and maintenance assessing the risks inherent to the specific task to be performed. In tandem, audits of work permits, inspections and safety walkthroughs are carried out, along with evaluations taking samples of exposure to pollutant chemicals.

During the reporting period, as in previous years, there were no fatalities of either employees or workers who are not employees.

**High-consequence and recordable work-related injuries of employees in 2022 and 2021**

High-consequence work-related injuries				Recordable work-related injuries			
2022		2021		2022		2021	
Number	Rate (1)	Number	Rate(1)	Number	TRIR (1)	Number	TRIR (1)
0	0	3	0.18	16	0.98	20	1.20

1. Rate and TRIR = (Number of accidents /total number of hours worked by employees) x 1,000,000

**High-consequence and recordable work-related injuries of workers who are not employees in 2022 and 2021**

High-consequence work-related injuries				Recordable work-related injuries			
2022		2021		2022		2021	
Number	Rate (1)	Number	Rate(1)	Number	TRIR (1)	Number	TRIR (1)
1	0.10	0	0	29	2.83	26	2.58

1. Rate and TRIR = (Number of accidents /total number of hours worked by employees) x 1,000,000

**[SASB EM-EP-320a.1 / EM-RM-320a.1 / RT-CH-320a.1] Number of near misses and near miss frequency rate (NMFR)****Near misses and near miss frequency rate for work-related near misses in 2022 and 2021**

2022		2021	
Employees and workers who are not employees	Rate (1)	Employees and workers who are not employees	Rate (1)
678	25.46	1,921	72.02

1. Rate: (Number of near misses/total number of hours worked) x 1,000,000

**[SASB EM-RM-540a.2] Challenges to Safety Systems indicator rate****Challenges to safety systems indicator rate<sup>1</sup> in 2022 and 2021**

2022	2021
5.09	14.40

1. Rate: (Total Tier 3 indicator count/total hours worked) x 200,000

**[GRI 403-10] Work-related ill health**

There were no cases of work-related ill health among employees or workers who are not employees in either 2022 or 2021. Accordingly, there were also no fatalities as a result of work-related ill health of employees or workers who are not employees in 2022 and 2021.

Cepsa enjoys a low rate of work-related ill health, with around 95% of work-related ill health of employees in 2022 having to do with physical injuries and musculoskeletal disorders. For sub-contractors, roughly 93% of work-related ill health related to physical injuries and musculoskeletal disorders.

The main work-related hazards with the potential to cause injury or ill health are: exposure to noise, exposure to chemical products, overexertion, manual handling of loads and driving vehicles (accidents going to or from work).

The hazards are determined based on an assessment of each job using models of the Spanish Institute of Occupational Health and Safety (INSST) and the preparation of incident investigation procedures and plans of action. Measures in place to minimise these risks entail safety training, awareness campaigns, information on each accident -including near misses- and the preventive measures designed to eliminate or minimise risks, as well as systematic review through ongoing inspections of facilities.



## 3.7.2 Process incidents

### Safety incidents

#### Tier 1 and 2 process safety events in 2022 and 2021

2022			2021		
Tier 1	Tier 2	Total	Tier 1	Tier 2	Total
4	12	16	4	5	9

#### [SASB EM-EP-540a.1 / SASB EM-RM-540a.1 / SASB RT-CH-540a.1] Process safety event (PSE) rates for loss of primary containment (LOPC)

#### Process safety event (PSE)<sup>(1)</sup> rates for loss of primary containment in 2022 and 2021

2022		2021	
Tier 1 PSE rate	Tier 2 PSE rate	Tier 1 PSE rate	Tier 2 PSE rate
0.03	0.09	0.03	0.04

1. PSE rate: (Total process safety event (PSE) count/total hours worked) x 200,000.

#### Process safety total incident rate (PSTIR)<sup>(1)</sup> in the Chemicals business in 2022 and 2021

PSTIR	
Business	
Chemicals	0.01

1. PSTIR: Process Safety Total Incident Rate. PSIC x 200,000 / total annual hours worked by employees, contractors and subcontractors.

#### [SASB RT-CH-540a.2] Operational safety, emergency preparedness and response

#### Operational safety, emergency preparedness and response in the Chemicals business in 2022 and 2021

Number of transport incidents	
Business	
Chemicals	0

**[EM-RM 540 a.3] Discussion of measurement of Operating Discipline and Management System Performance through Tier 4 Indicators**

Tier 4 indicators are proactive indicators used to identify weaknesses in safety management systems to analyse performance and prevent Tier 1 and Tier 2 process safety events (PSE). Cepsa's most relevant Tier 4 indicators focus on:

- Updated risk assessments of units.
- Recommendations arising from risk assessments, investigations of accidents, audits, drills, change management, etc.
- Delivery of safety and prevention training plans.
- Review of process safety procedures according to the agreed planning.
- Compliance with planned drills, safety walk-throughs, preventive safety recommendations and order and clean up plans.
- Rate of corrective and preventive actions implemented.
- Rate of safety inspections: number of preventive safety inspections (PSIs) carried out against the established target.

## 3.8 FACILITATING A SUSTAINABLE SUPPLY CHAIN

### 3.8.1 Description of the supply chain

**[GRI 2-6] Activities, value chain and other business relationships / [GRI 204-1] Proportion of spending on local suppliers**

**Type of suppliers and purchase volume<sup>1</sup> in 2022**

	Suppliers (n <sup>2</sup> )	Suppliers (%)	Purchase volume (€) (1)	Total purchase volume (%)
Segment I (2)	76	2 %	631,613,768	54 %
Segment II (3)	143	4 %	243,360,124	21 %
Segment III (4)	296	9 %	163,598,153	14 %
Segment IV (5)	1,214	37 %	122,836,078	10 %
Segment V (6)	1,559	47 %	11,239,287	1 %
Total	3,288		1,172,647,410	

1. Purchase volume is calculated before VAT.

2. Segment I: Cepsa's main suppliers considered high impact (strategic) that represent more than 50% of annual procurement spend.

3. Segment II: Cepsa's main suppliers considered high impact (strategic) that represent 20-25% of annual procurement spend.

4. Segment III: Cepsa's main suppliers that, together with those in the previous segments, are considered critical; i.e., those that risk control management focuses on. Segment I, II and III suppliers represent over 85% of annual procurement spend and approximately 15% of the total number of suppliers.

5. Segment IV: Suppliers of goods and services with low impact that undergo operational, environmental, health and safety, compliance and cybersecurity risk assessments to identify those with a level of ESG risk that requires assessment and actions.

6. Segment V: Tail spend is outside the scope at requirement level and not subject to assessment or actions. Certain ad-hoc projects are carried out to reduce tail spend. However, monthly risk cards are made of all asset suppliers registered in the procurement platform.

### Type of suppliers and purchase volume<sup>1</sup> in 2021

	Suppliers (n°)	Suppliers (%)	Purchase volume (€) (1)	Total purchase volume (%)
Segment I (2)	66	2 %	350,201,329	50 %
Segment II (3)	121	4 %	146,178,596	21 %
Segment III (4)	240	8 %	103,556,409	15 %
Segment IV (5)	999	35 %	88,251,709	13 %
Segment V (6)	1,430	50 %	11,425,006	2 %
Total	2,856		699,613,049	

1. Purchase volume is calculated before VAT.

2. Segment I: Cepsa's main suppliers considered high impact (strategic) that represent more than 50% of annual procurement spend.

3. Segment II: Cepsa's main suppliers considered high impact (strategic) that represent 20-25% of annual procurement spend.

4. Segment III: Cepsa's main suppliers that, together with those in the previous segments, are considered critical; i.e., those that risk control management focuses on. Segment I, II and III suppliers represent over 85% of annual procurement spend and approximately 15% of the total number of suppliers.

5. Segment IV: Suppliers of goods and services with low impact that undergo operational, environmental, health and safety, compliance and cybersecurity risk assessments to identify those with a level of ESG risk that requires assessment and actions.

6. Segment V: Tail spend is outside the scope at requirement level and not subject to assessment or actions. Certain ad-hoc projects are carried out to reduce tail spend. However, monthly risk cards are made of all asset suppliers registered in the procurement platform.

### Breakdown of suppliers in 2022 by geographic location

Geographic location (1)	Suppliers (n°)	Suppliers (%)	Purchase volume (€) (2)	Total purchase volume (%)
Spain	1,515	46 %	918,575,879	78 %
Americas	1,139	35 %	95,905,437	8 %
Asia and Oceania	272	8 %	22,027,831	2 %
Africa	1	— %	11,555	— %
Europe	361	11 %	136,126,708	12 %
Total	3,288		1,172,647,410	

1. America: Brazil, Canada, Chile, Colombia, the United States, Mexico, Peru and Puerto Rico. Asia and Oceania: China, Hong Kong, India, Malaysia, New Zealand, Singapore and UAE. Africa: South Africa. Europe: EU countries and Turkey.

2. Purchase volume is calculated before VAT.

**Breakdown of suppliers in 2021 by geographic location**

Geographic location (1)	Suppliers (n°)	Suppliers (%)	Purchase volume (€) (2)	Total purchase volume (%)
Spain	1,327	46 %	552,781,038	79 %
Americas	1,043	37 %	76,629,255	11 %
Asia and Oceania	197	7 %	13,457,688	2 %
Africa	1	— %	32,676	— %
Europe	288	10 %	56,712,392	8 %
Total	2,856		699,613,049	

1. America: Brazil, Canada, Chile, Colombia, the United States, Mexico, Peru and Puerto Rico. Asia and Oceania: China, Hong Kong, India, Malaysia, New Zealand, Singapore and UAE. Africa: South Africa. Europe: EU countries and Turkey.

2. Purchase volume is calculated before VAT.

**[GRI 204 -1] Proportion of spending on local suppliers****Spending on local suppliers<sup>1</sup> in 2022**

Significant locations	Total spent on purchases from national suppliers (€)	Total spent on purchases from suppliers (national + international) (€)	Percentage of national purchases	Total spent on local purchases (€) (1)	Local purchases (%)
Spain	915,985,794	918,575,879	99.7 %	347,915,048	37.9 %
Colombia	49,044,992	49,044,992	100 %	22,290,134	45.4 %
Brazil	19,300,869	19,300,869	100 %	13,051,734	67.6 %
Rest of Europe	—	118,200,042	— %	—	— %
Chinese	18,856,100	18,856,100	100 %	10,554,050	56.0 %
Portugal	7,558,282	17,926,666	42.2 %	3,171,762	17.7 %
Peru	6,047,697	6,047,697	100 %	873,614	14.4 %
Canada	7,361,315	7,426,165	99.1 %	6,732,494	90.7 %
Others	—	17,269,000	— %	1,896,952	11.0 %
Total	1,024,155,049	1,172,647,410	87.3 %	406,485,789	34.7 %

1. Local suppliers: supplier based in the same geographic market as the facilities or plant of the contracting Cepsa company.



### Spending on local suppliers<sup>1</sup> in 2021

Significant locations	Total spent on purchases from national suppliers (€)	Total spent on purchases from suppliers (national + international) (€)	Percentage of national purchases	Total spent on local purchases (€) (1)	Local purchases (%)
Spain	552,491,415	552,781,038	99.9 %	219,637,908	39.7 %
Colombia	28,436,924	29,984,605	94.8 %	12,701,805	42.4 %
Brazil	13,764,589	13,764,589	100 %	10,051,101	73.0 %
Rest of Europe	—	47,467,427	— %	—	— %
SEA (Southeast Asia)	837,832	870,540	96.2 %	268,273	30.8 %
Chinese	11,079,932	11,080,596	100 %	10,377,579	93.7 %
Portugal	7,660,204	9,244,965	82.9 %	3,592,927	38.9 %
Peru	10,211,419	11,170,509	91.4 %	1,975,567	17.7 %
Canada	6,572,621	7,050,166	93.2 %	5,612,272	79.6 %
Others	—	16,198,614	— %	—	— %
Total	631,054,936	699,613,049	90.2 %	264,217,432	37.8 %

1. Local suppliers: supplier based in the same geographic market as the facilities or plant of the contracting Cepsa company.

## 3.8.2 Supplier relations

### [GRI 414-2] Negative social impacts in the supply chain and actions taken

We consider the following to be material adverse impacts:

- Environmental: suppliers with high environmental risk due to their activity that receive a negative performance assessment based on environmental KPIs.
- Compliance and good governance: suppliers that after an assessment of the counterparty pose higher-than-average risk and those for which defaults have been detected.
- Social: suppliers with a certain high risk (country, ESG or human rights), with unfavourable performance assessment of ethics and compliance KPIs and those with high HSE risk due to their activity or negative assessments in health and safety KPIs.

We did not identify any supplier with a material adverse impact in 2022.

### [GRI 414-1] New suppliers that were screened using ESG criteria

#### New suppliers screened using ESG criteria in 2022 and 2021

	2022	2021
Suppliers that began a business relationship with Cepsa for the first time (no.)	345	258
Suppliers that began a business relationship with Cepsa for the first time and were validated based on ESG criteria (no.) (1)	214	200
New suppliers that were screened using ESG criteria (%)	62 %	78 %

1. Includes segment V which, given its low amount, is not covered by procurement procedures. Of the total 214 suppliers, 132 are from the procurement area. Those that are not are not required to undergo the complete process.

### [GRI 414-2] Negative ESG impacts in the supply chain and actions taken

#### Detection of negative ESG impacts in the supply chain and corrective actions taken in 2022 and 2021

	2022	2021
Suppliers assessed for ESG impacts (no.)	666	881
Suppliers identified as having significant (actual and potential) (no.) negative ESG impacts (no.)	0	0
Suppliers identified as having significant (actual and potential) negative ESG impacts with which improvements were agreed upon as a result of assessment (%)	— %	— %
Suppliers identified as having significant (actual and potential) ESG impacts with which relationships were terminated as a result of assessment, and why (%)	— %	— %

## Identification of critical suppliers in 2022

	Suppliers (no.)	Amount spent on purchases (%)
Total Tier 1 suppliers	3,288	100 %
Critical Tier 1 suppliers (1)	820	91 %
Critical non-Tier 1 suppliers (2)	769	— %

1. Critical suppliers are defined as segment I, II and III suppliers and certain segment IV suppliers that are high-risk or contingency or conditional suppliers (i.e., for which there are no alternative suppliers).

2. Critical Tier 2 suppliers are subcontractors that perform services within our facilities. Since they are subcontracted, they are not included in the amount spent on purchases.

## ESG risks in the supply chain (2022-2020)

### Number of suppliers assessed for ESG risks in the last three years

	Number of suppliers assessed	Share of total (%)	Number of suppliers identified with high ESG risk	Share of total (%)
Tier 1 suppliers	3,157	96 %	0	— %
Critical non-Tier 1 suppliers	769	100 %	0	— %

### Percentage of suppliers with comprehensive<sup>1</sup> ESG assessment (2022-2020)

	Suppliers assessed annually (%)	Suppliers assessed at least every three years (%) (3)
Critical (Tier 1 and non-Tier 1) suppliers (2)	6 %	13 %

1. Assessment that includes at least one onsite visit. A total of 160 suppliers were audited in 2022, of which 91 were critical suppliers.

2. No suppliers were identified as having high ESG risk.

3. Excludes those assessed annually.

## Sustainable supply chain metrics (2022-2022) and objective for 2022

Metric	Objective	Year of objective	Results		
			2022	2021	2020
Suppliers with ESG score (%) (1)	80 %	2025	62 %	40 %	N/A
Closing of non-conformities (NC) arising from audits that include ESG criteria (%)	85 %	2023	82 %	83 %	77 %
Performance evaluation of critical suppliers considering ESG criteria (%)	99 %	2023	99 %	100 %	99 %

1. The new approach for ESG was established in 2021. In 2020, a different approach was used to score performance that is not comparable.

## 3.9 BEHAVING ETHICALLY AND RESPECTFULLY

### 3.9.1 Requests for advice and breaches

#### [GRI 2-26] Mechanisms for seeking advice and raising concerns

##### Requests for advice on ethics and conduct received in 2022 and 2021 by type

Type	2022	2021
Occupational health and safety	1	2
Commitment to human rights	1	2
Harassment and discrimination	0	1
Employment relationship issues	1	2
Inappropriate behaviour	1	1
Anti-money laundering and counter terrorist financing measures	0	0
Conflicts of interest	3	4
Control, governance and compliance in our operations	0	2
Anti-trust	1	1
Inside information and market manipulation	0	0
International trade	0	0
Environmental protection	0	0
Relationships with partners, suppliers, customers and other stakeholders	160	113
Relationships with governments and public authorities	0	0
Gifts, hospitality, events and anti-corruption effort	0	1
Use and protection of our assets and properties	1	0
Processing of confidential information and personal data	5	2
Intellectual and industrial property and trade secrets	0	0
Media and information transparency	1	0
Other concerns	2	3
Total	177	134

##### Requests for advice on ethics and conduct answered in 2022 and 2021

	2022	2021
Requests answered during the year (no.)	177	134
Requests answered during the year (%)	100 %	100 %

**Code of Ethics and Conduct breach complaints received in 2022 and 2021 by type**

Type of complaint	2022	2021
Occupational health and safety	29	51
Commitment to human rights	0	1
Harassment and discrimination	8	12
Employment relationship issues	18	10
Inappropriate behaviour	16	10
Anti-money laundering and counter terrorist financing measures	0	0
Conflicts of interest	1	1
Control, governance and compliance in our operations	0	1
Anti-trust	0	0
Inside information and market manipulation	0	0
International trade	0	0
Environmental protection	0	1
Relationships with partners, suppliers, customers and other stakeholders	11	11
Relationships with governments and public authorities	0	0
Gifts, hospitality, events and anti-corruption effort	0	2
Use and protection of our assets and properties	18	11
Processing of confidential information and personal data	1	1
Intellectual and industrial property and trade secrets	0	0
Media and information transparency	0	0
Other concerns	0	1
Total	102	113

**Code of Ethics and Conduct breach complaints addressed in 2022 and 2021**

	2022	2021
Complaints addressed during the year (no.)	102	113
Complaints addressed during the year (%)	100 %	100 %



### Disciplinary and corrective actions taken as a result of Code of Ethics and Conduct breaches in 2022 and 2021

		2022	2021
Activation of disciplinary measures	Dismissal	24	14
	Suspension of employment and pay	18	25
	Written warning	22	28
Activation of corrective measures	Communication action	2	9
	Training action	0	3
	Control measure	0	5
	Job transfer	1	1
Unsubstantiated (1)		21	20
Other (2)		3	1

1. Corrective measures were taken for some unsubstantiated complaints to avoid any breach of the Code of Ethics and Conduct.

2. Others includes measures such as verbal warnings or disqualification from promotion.

## 3.9.2 Employee training

### Training on ethics and conduct in 2022

Training topic	Group trained	Participants (n <sup>o</sup> )	Objective of the training	Description of the training
Criminal risk prevention	Managers, department heads and staff covered by collective bargaining agreement	284	Raise awareness about job-related criminal risk	Online training and final exam on the training provided
Supplier Code of Ethics and Conduct	Group suppliers	154	Present the Cepsa Supplier Code of Ethics and Conduct	Online training on the Cepsa Supplier Code of Ethics and Conduct
Code of Ethics and Conduct	Cepsa Group	1727	Present the Cepsa Code of Ethics and Conduct	Online training and final exam on the training provided
Manager and department head onboarding	Cepsa managers and department heads	150	Present the Cepsa Group Code of Ethics and Conduct and the main compliance programmes	Ethics and compliance onboarding for new managers and department heads
International sanctions and trade controls	Managers, department heads and staff covered by collective bargaining agreement	876	Raise awareness about trade control regulations and sanctions in international trade	Classroom training, available online for those who could not attend
Data protection and usage	Managers, department heads and staff covered by collective bargaining agreement	600	Raise awareness and discuss risks of data loss, including regulatory risks, and steps to take to protect data	Classroom training, available online for those who could not attend

### 3.9.3 Anti-corruption effort

#### [GRI 205-1] Operations assessed for risks related to corruption

	2022	2021
Internal audit projects with an anti-corruption/anti-fraud component (no.)	10	10
Crime prevention model (CPM) controls in place to mitigate corruption risk (no.)	226	189
ICFR system controls in place to mitigate fraud risk (no.)	556	457
Audit projects on non-operated assets (no.)	11	6
Significant investment agreements and contracts assessed for anti-corruption (Know Your Third Party/ KYTP) (no.)	13	17

#### [GRI 205-2] Communication and training about anti-corruption policies and procedures

Employees that anti-corruption policies and procedures were communicated to in 2022, broken down by employee category and region

Category	Spain		Rest of Europe		Africa		Americas		Asia		Total	
			Belgium, Italy, the Netherlands, Portugal and the United Kingdom		Algeria, Morocco		Brazil, Canada, Colombia, the United States, Mexico and Peru		China, United Arab Emirates, Malaysia, Singapore and Thailand			
	Total number	Percentage	Total number	Percentage	Total number	Percentage	Total number	Percentage	Total number	Percentage	Number	Percentage
Management Committee	12	100 %	0	— %	0	— %	0	— %	0	— %	12	100 %
Managers	123	99 %	0	— %	0	— %	1	100 %	3	100 %	127	99 %
Department heads	625	100 %	18	100 %	25	69 %	40	100 %	30	100 %	738	98 %
Senior-level technical staff	1,869	100 %	60	100 %	20	61 %	126	96 %	41	98 %	2,116	99 %
Mid-level technical staff	1,084	99 %	79	100 %	16	100 %	54	96 %	20	100 %	1,253	99 %
Specialists	2,456	48 %	47	10 %	6	100 %	149	90 %	60	100 %	2,718	46 %
Clerical staff	33	87 %	4	100 %	3	100 %	10	100 %	19	100 %	69	93 %
Assistants	40	82 %	0	— %	1	100 %	19	100 %	1	100 %	61	73 %
Total	6,242	69 %	208	33 %	71	75 %	399	95 %	174	99 %	7,094	69 %

### Employees that anti-corruption policies and procedures were communicated to in 2021, broken down by employee category and region

Category	Spain		Rest of Europe		Africa		Americas		Asia		Total	
			Belgium, Italy, the Netherlands, Portugal and the United Kingdom		Algeria, Morocco		Brazil, Canada, Colombia, the United States, Mexico and Peru		China, United Arab Emirates, Malaysia, Singapore and Thailand			
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Management Committee	0	— %	0	— %	0	— %	0	— %	0	— %	0	— %
Managers	109	100 %	0	— %	0	— %	2	100 %	0	— %	111	100 %
Department heads	566	100 %	14	78 %	0	— %	36	86 %	0	— %	616	89 %
Senior-level technical staff	1,722	100 %	46	81 %	0	— %	121	95 %	0	— %	1,889	97 %
Mid-level technical staff	1,023	100 %	68	88 %	0	— %	58	83 %	0	— %	1,149	94 %
Specialists	2,416	48 %	38	8 %	0	— %	119	74 %	0	— %	2,573	45 %
Clerical staff	54	95 %	5	56 %	0	— %	6	55 %	0	— %	65	70 %
Assistants	25	81 %	1	10 %	0	— %	16	94 %	0	— %	42	53 %
Total	5,915	70 %	172	27 %	0	— %	358	83 %	0	— %	6,445	66 %

### Employees that received training on anti-corruption policies and procedures in 2022, broken down by employee category and region

Category	Spain		Rest of Europe		Africa		Americas		Asia		Total	
			Italy, the Netherlands, Portugal and the UK		Algeria		Brazil, Canada, Colombia, Peru		United Arab Emirates and Singapore			
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Management Committee	0	— %	0	— %	0	— %	0	— %	0	— %	0	— %
Managers	48	39 %	0	— %	0	— %	0	— %	1	1 %	49	38 %
Department heads	171	27 %	0	— %	11	5 %	2	5 %	5	7 %	189	25 %
Senior-level technical staff	264	14 %	2	3 %	7	12 %	16	12 %	1	1 %	290	14 %
Mid-level technical staff	196	18 %	5	6 %	5	4 %	2	4 %	0	— %	208	16 %
Specialists	1,109	21 %	2	— %	2	1 %	2	1 %	2	3 %	1,117	19 %
Clerical staff	3	8 %	1	25 %	1	10 %	1	10 %	0	— %	6	8 %
Assistants	18	37 %	0	— %	1	— %	0	— %	1	1 %	20	24 %
Total	1,809	20 %	10	2 %	27	5 %	23	5 %	10	14 %	1,879	18 %

**Employees that received training on anti-corruption policies and procedures in 2021, broken down by employee category and region**

Category	Rest of Europe				Africa		Americas		Asia		Total	
	Spain		Italy, the Netherlands, Portugal and the UK		Algeria		Brazil, Canada, Colombia, Peru		United Arab Emirates and Singapore			
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Management Committee	0	— %	0	— %	0	— %	0	— %	0	— %	0	— %
Managers	0	— %	0	— %	0	— %	0	— %	0	— %	0	— %
Department heads	142	25 %	10	56 %	1	3 %	0	— %	0	— %	153	22 %
Senior-level technical staff	185	11 %	7	12 %	0	— %	0	— %	0	— %	192	10 %
Mid-level technical staff	87	9 %	37	48 %	0	— %	0	— %	0	— %	124	10 %
Specialists	16	— %	2	— %	0	— %	0	— %	0	— %	18	— %
Clerical staff	1	2 %	0	— %	0	— %	0	— %	0	— %	1	1 %
Assistants	0	— %	0	— %	0	— %	0	— %	0	— %	0	— %
Total	431	5 %	56	9 %	1	1 %	0	— %	0	— %	488	5 %



## 3.9.4 Human rights in security personnel

### [GRI 410-1] Security personnel trained in human rights policies or procedures

All security personnel in Brazil, Colombia and Peru, three countries identified as at significant risk of human rights violations, received training on upholding human rights.

#### Security personnel and workers who are not employees trained in human rights policies and procedures in 2022 and 2021<sup>1</sup>

Security personnel	Total		Employees		Workers who are not employees	
	2022	2021	2022	2021	2022	2021
Security personnel (no.)	89	553	7	7	82	546
Security personnel who have training in the organization's human rights policies or specific procedures and their application to security (no.)	85	64	3	3	82	61
Security personnel who have training in the organization's human rights policies or specific procedures and their application to security (%)	96 %	12 %	43 %	43 %	100 %	11 %

1. Data reported are on operated assets in countries where human rights protection is at risk: Brazil, Algeria, Peru, Colombia and Mexico.

## 3.10 LOCAL COMMUNITY RELATIONS

### [GRI 3-3] Management of material topics - local communities

Engagement with stakeholders in the Exploration & Production business:

Local authorities	Regular meetings to keep stakeholders abreast of the company's activities, addressing technical information on projects, economic impact on local communities, community investment, job creation and training. In 2022, we again took part in the panel discussion on action and development of indigenous people (Puerto Gaitán - Colombia) to following up on the agreements reached regarding community investment, job creation and the supply of goods and services. Meanwhile, in Macuya (Peru), we stepped up our participation in the round table made up of representatives of the national, regional and local government, Cepsa and civil society with the aim of monitoring execution of Summer Plan I (upgrades to 12 km of local roads) and addressing the execution of Summer Plan II (a further 18 km of roads).
Local communities	We maintain ongoing contact with local communities. The main actions involving relations with local communications include briefing meetings to discuss the company's activities, meetings to determine and present progress on community investment initiatives and presentations to disclose the opportunities opened up for local labour and businesses.
Contractors	Meetings to discuss the social context and local hiring and procurement requirements. Promotion of upskilling actions to enhance the competitiveness of local contractors.
Local business owners	In 2022, an upskilling project was carried out in the areas of administrative, health and safety and the environment for Colombian business owners near our operations.

### [GRI 413-2] Operations with significant actual and potential negative impacts on local communities

In the Exploration & Production business, no local communities are close enough for us to cause any measurable direct impacts. Potential negative impacts arising from our operations are the generation of particulate matter on roads, potential pollution from spills, emissions, the use of natural resources, water discharges and noise.

We control the potential adverse impacts derived from our operations by implementing planned, scheduled and monitored prevention and mitigation actions. Indeed, our operations are conducive to generating positive impacts, such as local skilled and unskilled jobs, training, purchases of goods and services, improvements in inter-city routes and growth in the region's resources and wealth.

Potential negative impacts of our industrial facilities in Spain include emissions to air, soil quality and use, waste generation, spills, smells and noise.

### [GRI 2-25] Processes to remediate negative impacts

All our Exploration & Production operations have an Environmental and Social Impact Assessment (ESIA) approved by the authorities including the required Environmental and Social Management Plan (ESMP), which describes all the preventive, corrective and compensatory measures companies undertake to implement before, during and after the end of operations to mitigate potential negative impacts on both the environment and local communities.

Measures featured watering roads to mitigate dust, having strong enough contingency teams in the field to control spills and entering into contracts with third parties to deal with a potentially major operational emergency in a timely manner time and efficiently, as well as performing regular emergency drills to be prepared. We have the appropriate engineering equipment and measures to control emissions and minimise the impact. We also control air quality with legally required monitoring and have yet to receive any complaints. We have all the pertinent water withdrawal permits in force and endeavour always to minimise withdrawal by designing water withdrawal-reduction, reuse and recovery programmes. There are no discharges from any our operations to bodies of water. Lastly, our operations are located far from population centres, so no resettlements have been necessary.

All these commitments are set out in the operating permit, which is the quintessential binding document.

For grievances in the Exploration & Production business, there is the Procedure for handling queries, requests and complaints (QRCs). QRCs are generally received via email, letters, communications, in writing, QRC forms, the website, briefing meetings with stakeholders, monitoring committees and any other means of communication provided to the community. Once a query, receipt or complaint is received, the Social Responsibility team first classifies and assess it, then systematizes it, assigns it a

priority classification, forwards it to the pertinent area and tracks it during processing until a solution is reached. Incidences of related impacts on activities are also analysed to identify the root cause, determine lessons learned and take corrective action to ensure it does not recur.

Some of our remediation commitments at our industrial facilities in Spain, such as Madre Vieja or La Laguna, are subject to constant monitoring, safety improvements, innovation projects, water reduction and reuse and biodiversity actions,

We have a Society Relations Manual for identifying and handling grievances and complaints that sets down the guidelines for managing these incidences. Some channels used are phone calls, network monitoring, relations with the media and mail.

### [GRI 203-1] Infrastructure investments and services supported

#### Contributions to community work at the operational level in 2022 and 2021 by type

	2022	2021
	Investment/contribution (€)	Investment/contribution (€)
Project execution and development expenditure (1)	235,480	574,317

1. In 2022 and 2021, the entire amount of investment in community work at the operational level went to project execution and development expenditure.

#### Contributions to community work at the operational level in 2022 and 2021 by area

	2022		2021	
	Investment/contribution (€)	Percentage	Investment/contribution (€)	Percentage
Social support	185,061	79 %	552,821	96 %
Scientific-educational	50,419	21 %	21,505	4 %
Total (1)(2)	235,480		574,326	

1. We did not make any contributions to community work at operational level in 2022 and 2021 related to the environment or processing expenditure.

2. Framed under social support actions in Peru and scientific-educational support actions in Colombia

#### Contributions to community work at the operational level in 2022 and 2021 by country

	2022		2021	
	Investment/contribution (€)	Percentage	Investment/contribution (€)	Percentage
Colombia	50,419	21 %	21,505	4 %
Peru	185,061	79 %	552,811	96 %
Total	235,480		574,316	

## [GRI 203-1] Infrastructure investments and services supported and [GRI 203-2] Significant indirect economic impacts

### Initiatives in community work at the operational level of the Exploration & Production business

Name of initiative	Country	Description of initiative and associated impact
Socio-environmental workshops and skill building in compliance with the Llanos 22 Environmental Management Plan (EMP)	Colombia	Institutional and community support as part of compliance with the Llanos 22 block permit. Workshops and skill building on growing aromatic plants to strengthen the social fabric of the town of Vereda la Sevilla.
Socio-environmental workshops and skill building in compliance with the Caracara EMP	Colombia	Socio-environmental workshops with communities in line with the commitments of the EMP.
Socio-environmental workshops and skill building in compliance with the oil pipeline EMP	Colombia	Support of local entrepreneurs to hone their skills in areas such as: occupational health and safety, administrative and commercial processes, planning and strategic thinking.
Socio-environmental workshops and skill building on the good and effective use of water resources	Colombia	Socio-environmental workshops with communities to comply with the commitments of the EMP on good water resource use
Health campaign	Peru	In conjunction with our health officers, we helped the healthcare professionals in the towns within our area of influence by donating medicine, furniture, medical equipment, computers and office equipment.
School campaign	Peru	Donation of audiovisual equipment (TVs and multimedia projectors) for primary and secondary school classrooms at Institución Educativa Jaime Tseng in Macuya.
Macuya road upgrade - Summer Plan I	Peru	Through an inter-institutional agreement between Cepsa and the Puerto Inca municipal government, we upgraded 12.2 km of local roads in Macuya as part of an agreement between Puerto Inca and the Peruvian Army. The Peruvian Army executes the work and Cepsa provides the fuel. Months: January, February, May, June and July 2022.
Macuya road upgrade - Summer Plan II (first step)	Peru	In an agreement with the Puerto Inca municipal government, we donated money and fuel to pave 13.9 km of roads in Macuya. Carried out by the Peruvian Army.
Groundwater geological research	Peru	<p>We performed groundwater geological studies for drilling five wells in sectors of the Macuya population centre: Paraíos Verde, Las Lomas, Macuya Centro, Pueblo Nuevo and Tres de Mayo. Objectives:</p> <ul style="list-style-type: none"> <li>• Record both natural and artificial underground water sources.</li> <li>• Determine the foundation's morphology and identify the various horizons comprising the subsoil and their geoelectric conditions.</li> <li>• Determine the layer's behaviour.</li> <li>• Locate the area with favourable hydrogeological conditions.</li> </ul>

## Grievances from local communities

### Grievances from local communities in Exploration & Production in 2022 and 2021

	2022	2021
Grievances (no.)	24	3
Grievances addressed and resolved (no.)	23	3
Grievances addressed and resolved (%)	96 %	100 %
Grievances resolved through remediation (no.)	4	0
Grievances resolved through remediation (%)	17 %	— %

### Grievances from local communities in industrial facilities in Spain in 2022 and 2021

	2022	2021
Grievances (no.)	0	0
Grievances addressed and resolved (no.)	0	0
Grievances addressed and resolved (%)	— %	— %
Grievances resolved through remediation (no.)	0	0
Grievances resolved through remediation (%)	— %	— %

## Community engagement

### Consultations with local communities in Exploration & Production assets in 2022 and 2021

	2022	2021
Assets in local communities (no.)	3	3
Assets in which there was consultation with the local community (no.)	3	3
Assets in which there was consultation with the local community (%)	100 %	100 %
Projects in progress (no.)	8	8
Projects in progress in which there was consultation with the community (no.)	8	8
Projects in progress in which there was consultation with the community (%)	100 %	100 %



## 3.11 Positive impact on society - Cepsa Foundation

### Cepsa Foundation management priorities

Priority	SDG	Company benefit KPIs	Social/environmental benefit KPIs
Inclusion of underprivileged groups to drive the development of communities where Cepsa has operations	10. Reduced inequalities	Stakeholder perception of the company	Number of partnerships spearheaded to promote public interest projects
Conservation and improvement of natural spaces near Cepsa's facilities and environmental awareness-raising and training	13. Climate action	Number of alliances with environmental organizations	Number of scientific research projects on the recovery of natural spaces and species of community interest
Promotion of scientific and university research on energy and technology to enhance training of young people in jobs related to Cepsa's business	8. Decent work and economic growth	Related studies and research conducted	Number of participations in training actions backed by the Cepsa Foundation

### [GRI 203-1] Infrastructure investments and services supported

#### Contributions by the Foundation to community work by type in 2022 and 2021

	2022		2021	
	Investment/contribution (€)	Percentage	Investment/contribution (€)	Percentage
Financial aid	2,851,738	67 %	2,665,011	68 %
Project execution and development expenditure	982,366	23 %	910,284	23 %
Processing expenditure	391,503	9 %	331,783	8 %
Total	4,225,607		3,907,078	

#### Contributions by the Foundation to community work in 2022 and 2021 by reason

	2022		2021	
	Investment/contribution (€)	Percentage	Investment/contribution (€)	Percentage
One-off contribution	2,035,023	48 %	2,093,075	54 %
Community investment	2,190,584	52 %	1,814,003	46 %
Initiative aligned with the business	—	— %	—	— %
Total	4,225,607		3,907,078	

## Contributions by the Foundation to community work in 2022 and 2021 by area

	2022		2021	
	Investment/contribution (€)	Percentage	Investment/contribution (€)	Percentage
Social support	1,808,750	43 %	2,137,873	55 %
Environmental	1,182,178	28 %	671,578	17 %
Scientific-educational	843,176	20 %	765,845	20 %
Processing expenditure	391,503	9 %	331,782	8 %
Total	4,225,607		3,907,078	

## Contributions by the Foundation to community work in 2022 and 2021 by country

	2022		2021	
	Investment/contribution (€)	Percentage	Investment/contribution (€)	Percentage
Brazil	—	— %	57,515	1 %
Canada	—	— %	3,900	— %
Colombia	568,712	13 %	728,745	19 %
Spain	3,374,120	80 %	2,868,882	73 %
Peru	176,559	4 %	121,171	3 %
Portugal	86,216	2 %	100,065	3 %
Algeria	20,000	— %	26,800	1 %
Total	4,225,607		3,907,078	

## [GRI 203-1] Infrastructure investments and services supported and [GRI 203-2] Significant indirect economic impacts

### Social support initiatives

Name of initiative	Country	Description of initiative and associated impact
Cepsa Foundation with Ukraine	Ukraine	Cepsa Foundation supports victims of the war in Ukraine through cooperation with two social enterprises in Ukraine and neighbouring countries: Educo (providing aid to families with young children and teenagers who are refugees in shelters) and UNHCR Spain (providing aid to vulnerable people still in Ukraine and meeting the most urgent needs of those who fled to neighbouring countries). Thanks to promotion by Cepsa Foundation, Cepsa employees donated over €10,000 to Ukrainian refugees through UNHCR Spain, Educo and CESAL.
Energy efficiency volunteering	Spain	Remote volunteering to provide a series of recommendations and an estimation of the resulting savings. The participating families also receive personalised energy efficiency kits.
Water wells	Peru	We spearheaded groundwater geological research in five Macuya villages to come up with alternatives or solutions to water withdrawal for human consumption and, where this is the right solution, build wells to improve access and water quality for 1,000 families in the area.

### Environmental initiatives

Name of initiative	Country	Description of initiative and associated impact
Sustainability conference	Spain	We hosted the 'Biodiversity, key to sustainability in Andalusia' technical conference in La Línea de la Concepción (Cádiz). Cepsa, the Cepsa Foundation, the Andalusian Regional Government and the International Union for Conservation of Nature all took part. The aim was to share environmental conditions and projects entailing research, maintenance and public use of protected natural enclaves carried out in the Huelva province so that they could possibly be replicated in areas, such as Arroyo Negro (Cádiz).
Plant-for-the-Planet	Spain	In 2022, we reinforced the reforestation projects undertaken in previous years with the assistance of a number of initiatives, including Plant-for-the-Planet, which we helped with its reforestation efforts in the area affected by the Las Peñuelas forest fire in 2017 in Doñana Natural Park and its environs.

### Scientific-educational initiatives

Name of initiative	Country	Description of initiative and associated impact
Second edition of the ProFormación vocational training scholarship programme	Spain	In the wake of the warm reception of the first edition of the ProFormación scholarships in 2021 for vocational training students in Cadiz, Huelva, Madrid and the Canary Islands, in 2022, we launched a second edition, raising the number of scholarships from 60 to 76 with a €190,000 budget and adding Las Palmas (Canary Islands). The number of applications increased by 16%.
Training in digital transformation skills – CDX	Spain	We promoted Cepsa Digital eXperience's Digital Trekking programme on the digital transformation aimed at professionals, freelancers and students offering two paths on new technologies and working methods related to digitalisation. We held the programme's second edition in Huelva in 2022 after its kick-off in 2021 in Campo de Gibraltar.
Chicas con energía	Spain	In conjunction with Inspiring Girls, we undertook efforts to show different STEM-related career opportunities for girls. Daughters of Cepsa employee's aged 10 to 17 were given the opportunity to talk to leading women in STEM fields in 10-minute group talks.
Let's Connect I+D	Spain	Series of conferences at which leaders in innovation explained to the academic community the criteria they use when deciding whether or not to support an RD&I project and researchers shared the challenges they face in transferring their scientific knowledge to the business world.

On a more cross-cutting level, a highlight was the rollout of the Just Transition Observatory. We conducted our first study of perception among citizens in Andalusia (Spain) and local stakeholders about green or energy transition processes. In a bid to drive this transition, we aim to prevent potential conflicts and provide recommendations for articulating the development plants of the various agents involved in this green transition. We are currently working on a nationwide study.

[\[Additional information on all the initiatives of the Cepsa Foundation\]](#)

## 3.12 Our customers

### Grievance management

Our customer care service caters to all customer demands, identifying their needs and recording them in our management systems.

Complaints are managed following our specific customer care and experience procedure.

Our customers can also submit their complaints through a number of other customer service channels (e.g. email, the website, our social media handles, our chat tool, telephone). Our claims management system monitors response and resolution times.

### [GRI 2-29] Requests and grievances received

#### Requests and grievances received and answered in 2022 and 2021

	Received during the year		Answered during the year	
	2022	2021	2022	2021
Requests received	581,016	536,915	576,201	533,444
Grievances unsubstantiated	221	249	221	249
Grievances substantiated	374	643	374	643

1. The above information corresponds to the New Commerce & Mobility and Commercial & Clean Energies businesses.

#### Grievances filed in 2022 and 2021

	2022	2021
Grievances filed	1	1

## APPENDIX 4. DETAILED INFORMATION ABOUT THE COMPANY'S KEY RISKS

The company classifies the universe of risks to which it is exposed into four major categories: strategic risks, financial risks, operational risks and compliance risks. The following risks, both separately and combined with other risks, could have a material adverse impact on the delivery of our strategy, our business and our operating results.

### Strategic risks

Strategic risks are related with the general business environment and include political, economic, socio-cultural and technological factors, as well as those related with the company's positioning and strategic planning.

Risks	Description and control measures
Geopolitical and economic risk	As a global firm, we are exposed to geopolitical tensions arising in our operating markets and the resulting changes to the social, economic and operating environment. This could result in, for example, regulatory changes, higher taxes, international trade wars, production caps or restrictions on operations. We manage this risk by constantly monitoring the situation in the countries where we operate and reviewing certain potential sources of risk, including security, political uncertainty, the efficiency and effectiveness of governments and the legal, tax and regulatory landscape. The most important development of 2022 was the Russia-Ukraine crisis, which triggered trade restrictions, international sanctions, commodity price inflation and global macroeconomic turbulence. We set up specific taskforces to assess, control and mitigate the effects of this event.
Market demand and competition risk	We offer our products and services in highly competitive markets, where differentiation poses a considerable challenge. Changes in market conditions and the arrival of new market entrants could have an impact on our margins and market share. The mere need to speed up the transition process means we must diversify and face rapidly evolving competitors who are entering markets for sustainable products. Demand for energy is shifting in line with changes in the economic landscape, regulatory pressure, efficiency-driven technological developments and changes in consumer preferences, and this could affect our business volumes. Levers to address these risks include our quest for customer service excellence, ongoing monitoring of market trends and continuous improvement as one of our core values.
Energy transition and sustainability: technology, regulation and climate change risk	We have aligned our strategy and operations to regulatory requirements and stakeholder expectations regarding climate change and the energy transition. Abrupt market changes, stricter regulations, technological challenges and developments or changes in the pace of transition could have adverse impacts on certain elements of our strategic approach. We are able to remain at the forefront of the transition by adapting to technological developments, closely monitoring and tracking recent and emerging trends and regulations in Spain, as well as elsewhere in Europe or the rest of the world, regarding sustainability, fuel quality and the promotion of renewable energies. In 2022, we updated our identification of risks and opportunities derived from climate change in accordance with the TCFD (Task Force on Climate-Related Financial Disclosures) taxonomy. In the fourth quarter, we identified and assessed risks and opportunities taking into consideration three different climate-related scenarios and we calculated the financial impact over three different time horizons, to 2030, 2040 and 2050, in order to evaluate the resilience of our strategy to climate change.

### Financial Risks

Financial risks are derived from fluctuations in commodity prices and other financial variables, such as interest or foreign exchange rates, as well as risks related with financial and tax management.

Risks	Description and control measures
Commodity price risk	We are a diversified company with operations along the energy value chain. As such, we are exposed to fluctuations in commodity prices, such as oil, gas, CO <sub>2</sub> , electricity and the prices of commodity by-products. Despite our diversification, commodity market fluctuations, potential interventions or supply disruptions can lead to unexpected deviations in the assumptions used in our planning. Note that potential corrections in certain commodity prices can actually have a positive impact. Commodity markets, especially the oil and gas markets, tightened in 2022 as Russian imports fell because of the Russia-Ukraine conflict, triggering considerable price volatility and distorting trade volumes. Price fluctuations, volatilities and liquidity in these markets are tracked constantly and managed using hedging strategies. Initiatives are also drawn up to streamline production processes and boost efficiency, thereby reducing energy dependence. This enables us to maximise margins during bouts of extreme volatility in energy markets.
Foreign currency risk	Our operations are generally sensitive to changes in the euro's exchange rate against the US dollar, as most crude and oil and petrochemical products are quoted in US dollars. Therefore, foreign exchange rate volatility poses a source of uncertainty that requires monitoring due to its potential implications for costs and revenues. We manage the currency risk in purchase and sale transactions centrally and by entering into currency hedges to hedge the overall net position of US dollar cash flows of the various group companies. We also hedge the currency risk of our investments in foreign operations by holding borrowings in the foreign currency in which the cash flows of each subsidiary are denominated.
Interest rate risk	We are exposed to changes in interest rates due to the potential impact on interest income and expenses on floating rate loans and borrowings and on the return on investments due to the impact on discounted cash flows. We keep a certain percentage of our financing at fixed rates or enter into interest rate hedges where considered appropriate to manage and mitigate this risk.



**Financial Risks**

Financial risks are derived from fluctuations in commodity prices and other financial variables, such as interest or foreign exchange rates, as well as risks related with financial and tax management.

Risks	Description and control measures
Liquidity risk	Liquidity risk refers to the company's ability to meet all its payment obligations, whether operational/recurring or projected/related with projects or investments, and any payments arising from debt maturities, as well as to cope with any situations of financial market stress or stress in the company's own business areas or geographical markets. We pursue a conservative financing policy to mitigate liquidity risk, holding considerable amounts of available cash and cash equivalents and undrawn credit facilities to meet future payment obligations over a period of a least 24 months in a cash neutral scenario. We only use highly-rated and renowned Spanish and international banks as counterparties and assess the counterparty risk of all the institutions with which we do business, especially when arranging investments and financial instruments.
Credit risk	We are exposed to credit risk arising from the risk that a counterparty (e.g. supplier, customer, partner, financial institution) will not meet its business or financial obligations. The current economic environment of widespread energy price inflation is squeezing margins and eroding customer solvency, increasing the probability of default. To manage credit risk, we have a sound credit-assessment process based on comprehensive and automated processing of internal and external business and financial data. With that data, we use scoring models and assessments by risk analysts to classify counterparties based on their credit risk, setting limits for each and reviewing these limits regularly. We also take out credit insurance policies to cover most of our commercial counterparty risk. Regarding credit risk from financial investments, derivatives and liquid assets, the vast majority of our counterparties are financial institutions and insurance companies with high credit ratings. Nevertheless, we also assess each counterparty's creditworthiness and assign it a credit limit.
Tax strategy and management risk	There is a specific tax regime for the energy sector. Taxes on profits, production and product consumption are commonplace in both the upstream and downstream sectors. That regime exposes us to the risk of changes in the tax regulations applicable in the countries where we have operations and different interpretations of the regulations by the taxation authorities. The main purpose of the company's tax strategy is to comply with applicable tax legislation where it operates and ensure that all Cepsa companies do the same.

**Operational risks**

Operational risks are associated with value chain management, operational effectiveness and efficiency, resource and people management, personal and facility safety and respect for the environment.

Risks	Description and control measures
Process, employee and environmental safety risk	Our activities inherently expose us to operational risks such as incidents or accidents affecting assets or, in a worst-case scenario, damage to third parties or the environment. We have undertaken several initiatives to manage this risk: <ul style="list-style-type: none"> <li>• Having a safety management system based on OHSAS 18001:2007 that is ISO 14,001 certified and covers safety at all levels in the organisation</li> <li>• Running our industrial plants in such a way as to ensure the integrity of our operations, putting in place hazard control and risk mitigation measures to minimise the consequences of potential major accidents and providing the highest level of protection and safety to the people who work at Cepsa, as well as the assets, processes and environments and populations around our facilities, as articulated in the HSEQ Policy</li> <li>• Renewing integrated environmental authorisations at all our plants in Spain to ensure compliance with principles of prevention and control over all processes to minimise environmental impacts</li> <li>• Implementing a company-wide safety culture action plan and drawing up a strategic safety standard maintenance and improvement plan</li> </ul>
Data security risk	Our business processes rely heavily on digital systems in both the information technology (IT) and the operational technology (OT) spheres. Therefore, a potential cyber attack on systems supporting critical and business processes could end up interrupting operations, affecting the related business units or resulting in a loss of information that is valuable to the company, sensitive or confidential. We manage this risk through the following: <ol style="list-style-type: none"> <li>1. The cybersecurity function, articulated around international standards and best practice</li> <li>2. Cybersecurity governance, consisting of <ol style="list-style-type: none"> <li>a. Management using scorecards, with regular reporting to the Management Committee</li> <li>b. Fostering a cybersecurity culture in the company through training and awareness initiatives, including compulsory training on cybersecurity and drills simulating real multichannel attack</li> </ol> </li> <li>3. Body of OT information systems and cybersecurity regulations, under the umbrella of the Cybersecurity Policy, articulated through their relevant standards and procedures and specific procedure</li> <li>4. Third-party cybersecurity risk management</li> <li>5. Secure architecture implemented in both IT and OT environments: reinforcement of access controls with two-factor authentication and VPN connection device authentication</li> <li>6. System hardening: eliminating obsolete protocols / updating patches</li> <li>7. Cybersecurity insurance, with ample coverage for the risk scenarios identified</li> <li>8. Cyber resilience: procedure for cybersecurity incident response and escalation to the highest corporate crisis management body (4C). We also have an ISO 20,000-certified continuous improvement process related to Cepsa's technology contingency plan</li> </ol>
Water management risk	Water is a scarce resource that is essential for our industrial operations so we must adapt water management to climate change. Protecting the environment is one of our core corporate values and we strive to minimise the environmental impact of our operations. Our sustainability pledge has led to the start-up of water recovery and withdrawal projects and initiatives to promote more rational use of water. We particularly monitor the amount and quality of water needed for our production activities.

**Operational risks**

Operational risks are associated with value chain management, operational effectiveness and efficiency, resource and people management, personal and facility safety and respect for the environment.

Risks	Description and control measures
Talent and culture management risk	We need a new business culture with more participative processes to address the challenges posed by the energy transition and digital transformation. More importantly, we need a new type of leadership, a new way of managing talent and we must identify and develop new skills. We are in the midst of our strategy to tackle the challenges thrown up by the energy sector's transition. Therefore, we could be affected if we are unable to attract and retain the right talent or if our organisational models and corporate culture are not aligned or in sync with this transition. So that our culture and strategic transformation can evolve in tandem, we are rolling out a transformation programme based on effective communication and active and inclusive leadership.
Project execution risk	Framed by the transition to a sustainable model, our Positive Motion strategy entails executing myriad ambitious projects to transform our production activity. A shortage of resources to execute these projects, which has become increasingly possible because of the Russia-Ukraine conflict, inflation-induced cost overruns and other factors (e.g., delays in securing permits and licences, changes in technical, tax, regulatory and political conditions) could have an adverse impact on project execution and, accordingly, our financial performance and the delivery of our strategy. We manage this risk through in-depth planning and ongoing control of all project costs and deadlines.
Supply risk	Shortages in global supply chains and of cargo ships and containers are putting pressure on the commodity and components markets, which could undermine product availability and cause prices to rise. Actions taken to minimise supply risk include identifying critical supplies and spare parts, maintaining open communication with existing suppliers to ensure we can procure them and entering into contracts to limit delivery risk and international shipping costs.

**Compliance Risks**

Compliance risks are related with governance and compliance with legal and other commitments assumed and with management of the company's legal affairs.

Risks	Description and control measures
Regulatory compliance risk	Sensitive or confidential data leakage or any breach of laws or regulations could have an adverse impact on our reputation and result in penalties or claims for compensation. We have an effective compliance management system in place to address this risk and minimise its impacts.
Ethical misconduct risk	Ethical misconduct or breach of rules and regulations exposes us to criminal or administrative proceedings that could have an adverse effect on our reputation, operations, financial performance and stakeholder value. As we operate internationally, we are also subject to anti-corruption and anti-bribery laws in many different jurisdictions. We manage this risk with: Our Code of Ethics and Conduct, which sets out the core principles, rules and the ethical conduct applicable to our people. An ISO 37,001 and UNE 19,601 certified criminal and anti-bribery compliance system.
Compliance risks associated with economic and trade sanctions imposed by the United States, the European Union or other jurisdictions	Non-compliance with international sanctions, which increased considerably in 2022 due to geopolitical tension, could have severe financial impacts for the company, particularly a potential disruption in funding sources or breach of other covenants with banks. We have a third-party due diligence procedure in place to manage this risk based on the Control Policy on Sanctions and Embargoes in Trade Relations, Exports and Dual-Use Goods approved by the Board of Directors. Due diligence is performed centrally by the Ethics and Compliance Office, with the assistance of an external consultant depending on the risk levels identified in the counterparties and transactions.
Litigation and arbitration risk	We manage administrative, judicial and arbitration proceedings in relation with claims arising in the ordinary course of business. We cannot predict the scope and final outcome reliably, irrespective of the amount of each case. Based on current information, management considers that these risks are reasonably covered by the amount of provisions recognised.

## APPENDIX 5. INTERNAL CONTROL SYSTEM

Our internal control system is based on international best practices, most importantly the methodologies established by COSO, the International Standard on Assurance Engagements (ISAE 3000), the international standard on compliance management systems (ISO 19600) and the international standard on anti-bribery management systems (ISO 37001).

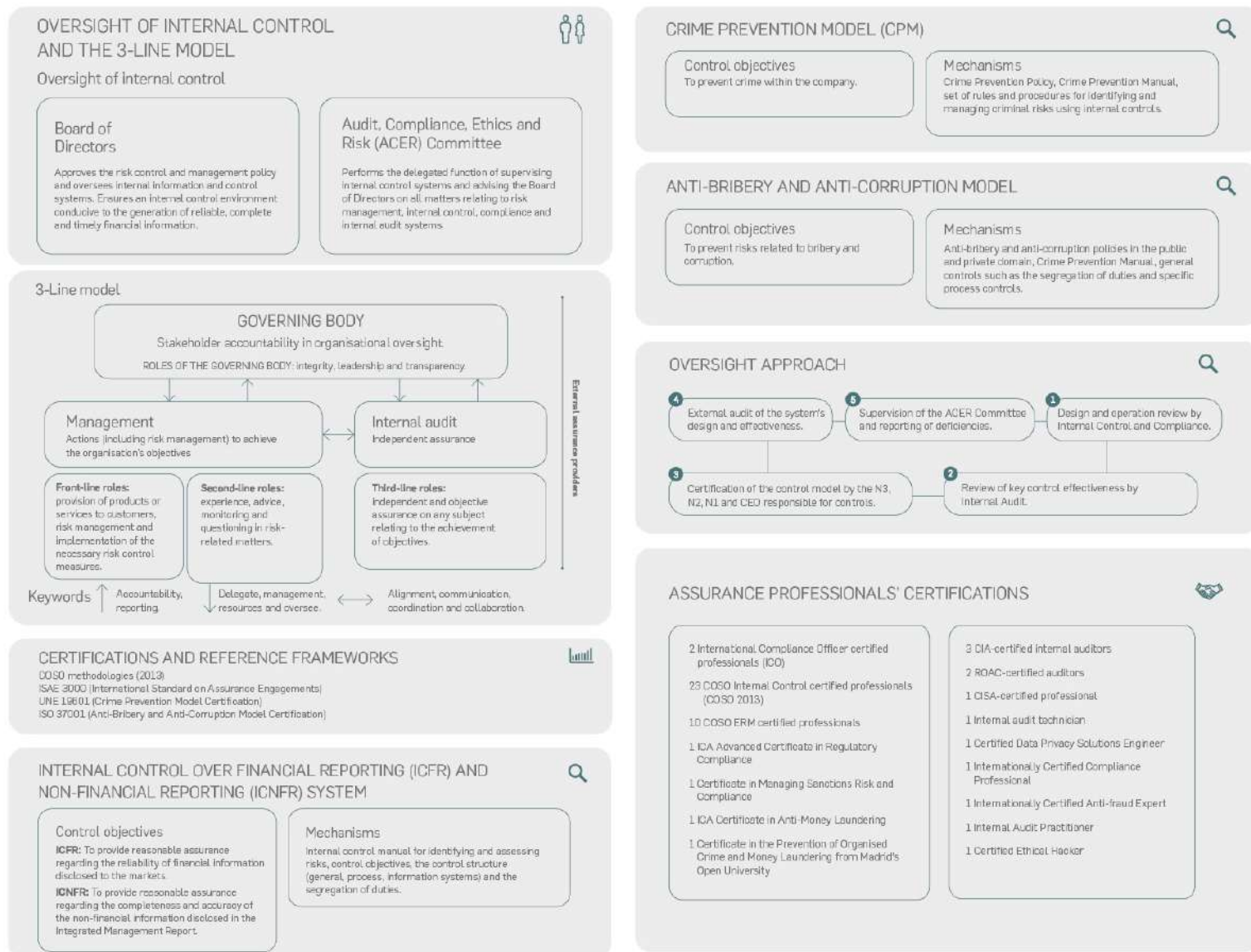
The control models that are audited and certified by the Audit, Compliance and Risk Department annually are:

- Internal control over financial reporting system (ICFR)
- Internal control over non-financial reporting system (ICNFR)
- Crime prevention model (CPM)
- Anti-bribery and anti-corruption model

The internal control system is based on combined assurance articulated around the Institute of Internal Auditor's Three Lines Model, which was updated in 2020, to provide an end-to-end vision of how the various parts of the organisation effectively interact and coordinate so as to render its management and relevant risk control processes more effective. The design and effectiveness of the internal control model is assessed annually prior to certification.

In 2022, Cepsa updated its internal control system to align it with the changes made within the organisation. In parallel, further improvements were made to the system, broadening its scope in the Exploration & Production, Energy Parks and Commercial and Clean Energies businesses. On the non-financial reporting front, the company did Taxonomy-related work, specifically working on a control system designed to ensure that the information reported in the integrated report presents a true and fair view.

## Key aspects of the internal control system



Supervision of the internal control system takes place at different levels of the organisation:

### **Board of Directors**

The Board approves the company's general policies and strategies and oversees its risk management and internal reporting and control systems. It is ultimately responsible for ensuring an internal control system that is conducive to generating reliable, complete and timely financial and non-financial information and laying the foundations for any other compliance programme needed. Functionally, it delegates execution of its duty of overseeing the organisation's internal control systems in its Audit, Compliance, Ethics and Risk Committee.

### **Audit, Compliance, Ethics and Risk Committee**

The Committee's duties include overseeing effectiveness of the internal control system and counselling the Board of Directors on all matters related with the risk management, internal control, compliance and internal audit systems.

### **Management: first line roles**

The Board of Directors and management team, ultimately responsible for internal control, set the tone from the top by means of the Code of Ethics and Compliance, its emanating policies and certain aspects of the control environment, including the organisational structure, segregation of duties and delegation of authority, needed to establish an appropriate control framework. As a result, our first line professionals are directly responsible for managing the organisation's risks and controls and for implementing and maintaining a consistently effective internal control system.

### **Management: second line roles**

Professionals in second line of defence roles are mainly tasked with supervising the risks, controls and compliance matters stipulated by the Board of Directors, suggesting guidelines and improvements and controlling execution by the first line.

The main second line assurance functions at our company, each within his or her respective area of responsibility, are:

- The Corporate Risk Unit under the umbrella of the integrated risk control and management system, along with the risk functions at the business level.
- The Compliance and Internal Control Units, which are responsible for proactively ensuring that the internal control system (ICFR, ICNFR and CPM) is working effectively and as intended.
- The Cybersecurity Unit, which supervises, monitors and reports on IT- and cybersecurity-related risks.
- The Health, Safety, Environment and Quality (HSEQ) Department, which supervises, monitors and reports on risks related with the safety of our industrial facilities and environmental risks.

### **Third line: internal audit**

The internal audit function, in its third line role, proactively ensures that the internal control system is working properly. It carries out its duties in line with the International Standards for the Professional Practice of Internal Auditing and boasts international Quality Assessment (QA) from the International Audit Institute. To ensure that the standards set internally are upheld, the Internal Audit Department has implemented a specific quality assurance function that carries out audits to review the quality of the internal audits conducted annually.

To guarantee independence, the Internal Audit, Compliance and Risk Department reports functionally to the Audit, Compliance, Ethics and Risk Committee and hierarchically to the Chief Legal & Assurance Officer.

The annual internal audit plan is drawn up taking a risk-based approach designed to help deliver our objectives, in response to the demands of the Audit, Compliance, Ethics and Risk Committee and ad-hoc requests made by management.



The internal control system is reviewed annually in coordination with the statutory external auditor and the external Crime Prevention Model auditor, checking the system's critical controls to verify they are working correctly prior to certification.

### **External assurance providers**

In addition, external auditors and regulators independently verify that Cepsa is compliant with its requirements and performing the controls put in place to ensure the correct functioning of the corporate governance and risk management and control systems.

## APPENDIX 6. ADDITIONAL FINANCIAL INFORMATION

### Appendix 6.1 Profits

#### Country-by-country profits (€ thousand)

Country	2022	2021
Spain	266,540	179,000
Algeria	235,091	108,498
Belgium	1,589	1,220
Brazil	62,338	54,758
Canada	27,396	31,767
China	-721	15,297
Colombia	90,556	112,194
United Arab Emirates	282,786	34,389
USA	-43	-163
Indonesia	53,471	24,737
Italy	9,249	3,713
Mexico	-3,642	-2,734
Morocco	1,949	5,339
Malaysia	0	-151
Nigeria	18,025	5,845
Netherlands	2,859	1,476
Peru	13,560	14,613
Portugal	19,729	22,613
UK	13,925	11,894
Singapore	19,370	32,823
Suriname	-25,927	-3,049
Thailand	6,822	4,423
Luxembourg	4,739	2,687
Total	1,099,661	661,187

## Appendix 6.2 Value generated and distributed

### [GRI 201-1] Direct economic value generated and distributed

#### Direct economic value generated (€ million)

	2022	2021
Direct economic value generated		
Revenue (including excise duty)	33,877	24,532
Other operating income	91	48
Finance income	407	204
Share of profit of associates	103	51
Proceeds from disposals of assets	22	35
Total	34,500	24,870

#### Direct economic value distributed (€ million)

	2022	2021
Direct economic value distributed		
Economic relationships with suppliers (including purchases of crude oil, raw materials and energy products)	28,221	20,207
Payments to capital providers	727	639
Shareholders	578	514
Financiers	149	125
Total taxes paid by Cepsa <sup>1</sup>	3,634	2,819
Total employee salaries and compensation	836	615
Investment in social programmes and initiatives	0	0
Total	33,418	24,280

1. Includes excise duty, income tax and other taxes.

#### Direct economic value retained (€ million)

	2022	2021
Direct economic value retained	1,082	590

## Appendix 6.3 Additional activity metrics

### CHEMICALS

#### [SASB RT-CH-000.a1] Production by reportable segment

Production in 2022 and 2021 (thousand tonnes)

Segment	2022	2021
LAB - Puente Mayorga	242,085	209,269
LABSA - Mayorga Bridge	33,998	35,688
Paraffin - Puente Mayorga	347,837	382,489
LAB - Bécancour	135,848	151,738
LAB - Deten	196,843	210,594
LABSA - Stop	81,474	79,830
Phenol - Palos de la Frontera	305,476	527,765
Acetone - Palos de la Frontera	190,591	330,237
Cumene - Palos de la Frontera	591,992	763,503
AM - Palos de la Frontera	11,002	17,362
Phenol - Shanghai	297,832	299,906
Acetone - Shanghai	186,581	188,172
Cumene - Shanghai	411,647	421,745
Solvents - Puente Mayorga	165,595	129,320

#### [SASB RT-CH-410a.1] Revenue from products designed for use-phase resource efficiency

Revenue from products designed for use-phase resource efficiency in 2022 and 2021 (€)

Facilities	2022	2021
Cepsa Chemical Shanghai	870,020	639,583
Cepsa Chimie Bécancour, INC.	286,780	200,426
Cepsa Italy	98,224	65,203
Cepsa Chemical Products	2,567,020	2,162,871
Cepsa UK	129,004	133,093
Detén Química	470,553	301,848
Total revenue	4,421,601	3,503,024

## Exploration & Production

### Oil and gas production

Net production volume<sup>1</sup> in 2022 and forecast production volume for FY 2025 (MMBOE)

Type of fuel	Production volume	
	2022	2025 forecast
Fossil	24.6	27.7
Natural gas (2)	1	0.5
Total hydrocarbon reserves	25	28.2

1. We do not have any hydrocarbon production or revenue from oil sands (including extra-heavy bitumen and synthetic crude), from shale oil and gas (developed using hydraulic fracturing) or from ultra-deep water or Arctic drilling.

2. Conversion rate: 1boe = 6,000 scf

### Oil and gas reserves

Net estimated hydrocarbon reserves (MMBOE)

Type of fuel	Proved reserves (1P)	Proved + probable reserves (2P)
Fossil	252.7	360.5
Natural gas (2)	2.5	3.2
Total hydrocarbon reserves	255.2	363.6

1. We do not have any reserves from oil sands (including extra-heavy bitumen and synthetic crude) or from shale oil and gas (developed using hydraulic fracturing).

2. Conversion rate: 1boe = 6,000 scf



## Appendix 6.4 Glossary

Alternative Performance measure	Unit	Relevance of use
EBITDA	Millions €	Measure of operational profitability deducting the interests, taxes, provisions and amortizations.
Current cost of Supplies (CCS)	Millions €	The Current Cost of Supply (CCS) is commonly used in this industry to disclose the Downstream businesses which must work with huge inventories subject to continual price fluctuations.
Non-recurring items	Millions €	It allows the results disclosure excluding those atypical expenses/income not directly related to the activity (non-recurring).
Net debt	Millions €	It measures the company's level of debt.
Capital employed	Millions €	It measures own and external capital invested in the company.
Leverage ratio	%	It measures the Group's indebtedness proportion in relation to its profitability, usually with its operating profitability.
Free cash flow	Millions €	It is used for evaluating the funds available for paying dividends, and debt service payments.
Net operating profit	Millions €	Used for ROACE's calculation
ROACE	%	Measure used to evaluate the earning capacity of the investments in operation.
Gearing	%	Measure of the weighing of the external resources in the Group financing.

## APPENDIX 7. COUNTRY-BY-COUNTRY REPORTING OF TAXES

[GRI 207-4] Presentación de informes país por país

### Country-by-country reporting 2021

Company	Tax jurisdiction	Revenues from third-party sales (€)	Revenues from intragroup transactions (€)	Total revenues (€)	Profit/(loss) before tax (€)	Income tax paid (on a cash basis) (€)	Income tax accrued. Current year (€)	Declared capital (€)	Retained earnings (€)	Tangible assets other than cash and cash equivalents (€)
Spain	Spain	20,008,564,453	25,819,959,998	45,828,524,451	454,992,856	(42,098,098)	(30,959,948)	3,352,948,254	3,576,839,354	6,627,703,681
Algeria	Algeria	128,303,725	306,328,852	434,632,577	246,337,283	(65,512,836)	(140,080,917)	—	—	355,328,022
Belgium	Belgium	63	3,230,860	3,293,502	1,649,251	(239)	(429)	65	1,345,875	5
Brazil	Brazil	296,143,660	17,751,401	313,895,061	65,006,364	(5,415,403)	(5,411,727)	159,328,096	139,631,206	96,986,765
Canada	Canada	147,162,613	68,673,596	215,836,209	43,582,142	(10,497,054)	(11,815,287)	1,152,428	68,051,738	77,155,088
China	China	487,653,944	163,013,789	650,667,733	1,171,473	—	2,434,791	267,813,580	(96,839,443)	418,229,958
Colombia	Colombia	142,737,377	1,892,991	144,630,368	81,600,969	(1,963,844)	41	—	—	95,217,225
Italy	Italy	64,345,849	1,788,341	66,134,190	5,036,045	(1,253,914)	(1,302,037)	6,024,800	10,278,423	6,706,307
Luxembourg	Luxembourg	3,051,595	—	3,051,595	4,326,357	(38)	(488)	2,725,000	41,385,354	—
Malaysia	Malaysia	328	—	328	(210)	(119)	—	4,925,883	2,204,856	338
Mexico	Mexico	146,402,263	—	146,402,263	(1,290,641)	(340)	—	16,173,402	(8,358,461)	9,056,179
Morocco	Morocco	21,050,276	—	21,050,276	2,815,419	(92)	(349)	48,778,052	5,315,158	2,472,745
Netherlands	Netherlands	14,022,182	3,035,824	17,058,006	2,198,609	(928)	(509)	184,460,311	(78,008,790)	65
Peru	Peru	37,712,728	—	37,712,728	19,389,647	(6,946,870)	(4,827,108)	95,168,877	(46,165,307)	23,859,361
Portugal	Portugal	904,603,594	248,487,734	1,153,091,328	32,975,091	(3,734,606)	(10,176,616)	53,547,051	37,546,795	158,284,611
Singapore	Singapore	1,944,586,431	21,583,066	1,966,169,497	11,828,629	(436)	(920)	186,319,115	(237,830,332)	178,415,891
Suriname	Suriname	1,504,928	35	1,540,114	(587)	—	(2,462,214)	—	—	—
Thailand	Thailand	7	1,234,292	1,240,999	(3,242,332)	8,947,652	4,357,408	3,878,374	(31,234,229)	97
United Arab Emirates	United Arab Emirates	22,674,841	626,668,981	649,343,822	447,230,142	(239,223,661)	(431,292,183)	475	1,299,343	1,595,600,802
UK	UK	133,193,123	786	133,979,173	15,121,592	(1,356,153)	(2,873,894)	3,337,490	21,364,938	10,637,601
USA	USA	—	—	—	(163)	(845)	(848)	8	(281)	—

## Country-by-country reporting 2020

Company	Tax jurisdiction	Revenues from third-party sales (€)	Revenues from intragroup transactions (€)	Total revenues (€)	Profit/(loss) before tax (€)	Income tax paid (on a cash basis) (€)	Income tax accrued. Current year (€)	Declared capital (€)	Retained earnings (€)	Number of employees (no.)	Tangible assets other than cash and cash equivalents (€)
Spain	Spain	14,040,168,148	15,381,055,564	29,421,223,712	(1,183,026,828)	(1,046,549)	228,163,986	3,394,823,252	3,514,622,089	8,299	5,173,337,016
Algeria	Algeria	114,517,772	233,817,269	348,335,041	(4,979,798)	(153,636,729)	(77,077,023)	—	—	130	303,955,909
Belgium	Belgium	0	3,280,202	3,280,202	178,701	(320,000)	(60,283)	6,500	125,952	9	49,443
Brazil	Brazil	221,587,475	6,156,952	227,744,427	62,985,616	(2,208,341)	(2,350,081)	162,845,216	95,962,907	179	75,013,314
Canada	Canada	79,419,911	76,940,514	156,360,425	21,953,765	(745,570)	(5,888,235)	115,242	36,284,882	63	55,008,066
China	China	340,230,508	75,533,065	415,763,573	93,671,149	—	—	267,813,580	(100,445,707)	118	378,496,164
Colombia	Colombia	72,045,555	18,401,822	90,447,377	-55310725	4,000,056	(26,921,805)	—	—	182	86,766,479
Italy	Italy	41,511,683	1,256,739	42,768,422	3,968,083	(843,784)	(1,084,036)	6,024,800	6,544,414	6	6,189,927
Luxembourg	Luxembourg	1,645,145	0	1,645,145	801,168	3,470	6,226	2,725,000	37,546,575	—	—
Malaysia	Malaysia	10,028,109	22,173	10,050,282	-10225401	(2,483,653)	2,078,173	27,521,538	2,419,869	11	312,162
Mexico	Mexico	51,529,831	0	51,529,831	(2,591,947)	—	685,002	13,880,576	(5,570,997)	10	4,630,730
Morocco	Morocco	7,650,411	0	7,650,411	786,726	—	(171,517)	6,898,772	2,439,387	13	1,050,756
Netherlands	Netherlands	6,571,999	3,001,246	9,573,245	(39,108,277)	(794,293)	(602,299)	184,837,078	(93,491,625)	5	122,543
Peru	Peru	25,149,709	3,744	25,153,453	(32,537,329)	(5,456,437)	(6,047,873)	95,168,877	(60,727,845)	46	8,513,699
Portugal	Portugal	689,969,592	207,661,006	897,630,598	8,196,232	(2,891,692)	(2,845,019)	53,541,051	14,698,372	598	142,212,790
Singapore	Singapore	674,833,908	52,807,512	727,641,420	4,954,828	(1,644,800)	(1,902,400)	242,664,129	(192,691,965)	7	13,479,266
Suriname	Suriname	2,769,869	336,395	3,106,264	2,741,754	—	(14,552)	—	—	—	—
Thailand	Thailand	22,229,342	12,428,308	34,657,650	(9,265,299)	(4,695,729)	(2,036,738)	3,878,374	(31,717,960)	42	246,230
United Arab Emirates	United Arab Emirates	7,446,215	333,215,664	340,661,879	(17,243,750)	(91,538,669)	(26,074,073)	1,123,554	842,052	32	1,418,396,059
UK	UK	80,948,850	218,025	81,166,875	6,123,219	(1,533,845)	(1,370,910)	3,337,490	9,117,240	7	6,878,039
USA	USA	68	0	68	-121255	0	0	8477	-117091	2	0

## List of companies and core business<sup>2</sup>

Company	Tax jurisdiction	Business
ATLAS, S.A. COMBUSTIBLES Y LUBRIFICANTES	Spain	Sales, marketing and distribution
CEPSA ENERGY COMPANY INTERNATIONAL, SLU	Spain	Manufacturing and production
CEDIPSA COMPAÑIA ESPAÑOLA DISTRIBUIDORA DE PETROLEOS, S.A	Spain	Sales, marketing and distribution
CEPSA (RHOURE EL ROUNI) LIMITED	Spain	Manufacturing and production
CEPSA ALGERIE, S.L.	Spain	Manufacturing and production
CEPSA AVIACIÓN, S.A.	Spain	Sales, marketing and distribution
CEPSA BIOENERGÍA SAN ROQUE, S.L.U	Spain	Manufacturing and production
CEPSA BUSINESS SERVICES S.A.	Spain	Administration, management and support services
CEPSA CARD, S.A.U.	Spain	Sales, marketing and distribution
CEPSA COLOMBIA, S.A.	Spain	Manufacturing and production
CEPSA COMERCIAL PETROLEO, S.A.U.	Spain	Sales, marketing and distribution
CEPSA E.P. ABU DHABI, S.L.U	Spain	Manufacturing and production
CEPSA EP ESPAÑA, S.L.U.	Spain	Manufacturing and production
CEPSA GAS Y ELECTRICIDAD, S.A.U	Spain	Sales, marketing and distribution
CEPSA PERU, S.A.	Spain	Ownership of shares or other equity instruments
CEPSA PETRONUBA, S.A.U.	Spain	Administration, management and support services
CEPSA QUIMICA CHINA, S.A.	Spain	Ownership of shares or other equity instruments
CEPSA QUIMICA, SA	Spain	Research and development, sales, marketing and distribution
CEPSA, S.A.	Spain	Ownership of shares or other equity instruments
CEPSA SURINAM, S.L.U	Spain	Manufacturing and production
CEPSA TRADING, S.A.U.	Spain	Purchases and supplies, supply, marketing and distribution
CMD AEROPUERTOS CANARIOS, S.L.	Spain	Sales, marketing and distribution
COASTAL ENERGY COMPANY, S.L.U.	Spain	Ownership of shares or other equity instruments
COASTAL ENERGY COMPANY (KHORAT) LTD	Spain	Ownership of shares or other equity instruments
COMPAÑIA ESPAÑOLA DE PETROLEOS, SA	Spain	Research and development; ownership and management of intellectual property; purchases and supplies; manufacturing and production; sales, marketing and distribution; administration, management and support services; provision of services to unrelated companies; intragroup financing; insurance; ownership of shares or other equity instruments
ERS SPAIN GESTIÓN CORREDURÍA DE SEGUROS, S.L.	Spain	Sales, marketing and distribution
GENERACIÓN ELÉCTRICA PENINSULAR, S.A.	Spain	Manufacturing and production

<sup>2</sup> Difference from 2020:

- Exclusions: PLASTIFICANTES DE LUTXANA, S.A.; INTRANSPORT SERVICE XXI, S.L.U.
- Changes in business: CEPSA QUIMICA, SA, addition of activity; IOT4OIL, S.L.U., idle; MITRA MEDULAS, S.L.U, MITRA ALFA, S.L.U., MITRA BETA, S.L.U., MITRA GAMMA, S.L.U., change of activity; CEPSA OLEO E GAS DO BRASIL LTDA., idle.

Company	Tax jurisdiction	Business
OLEODUCTOS CANARIOS, S.A.	Spain	Provision of services to unrelated companies
PETROLEOS DE CANARIAS, SA	Spain	Sales, marketing and distribution
RED ESPAÑOLA DE SERVICIOS, S.A.U	Spain	Sales, marketing and distribution
RESSA SERVICE, S.L.U.	Spain	Idle
SERVICIOS ENERGÉTICOS DE ALTA EFICIENCIA, S.A.U.	Spain	Sales, marketing and distribution
SPANISH INTOPLANE SERVICES, S.L.U.	Spain	Sales, marketing and distribution
SURESA RETAMA, S.L.U.	Spain	Sales, marketing and distribution
CEPSA FOUNDATION	Spain	Non-profit organisations
CEPSA FINANCE, S.A.U.	Spain	Intragroup financing
CEPSA TREASURY, S.A.U.	Spain	Intragroup financing
CEPSA GAS COMERCIALIZADORA, S.A.	Spain	Sales, marketing and distribution
MITRA DELTA SLU	Spain	Sales, marketing and distribution
MITRA IOTA SLU	Spain	Sales, marketing and distribution
MITRA EPSILON SLU	Spain	Sales, marketing and distribution
GASIB SOCIEDAD IBERICA DE GAS LICUADO, S.L.U.	Spain	Sales, marketing and distribution
MITRA SIGMA SLU	Spain	Sales, marketing and distribution
MITRA LAMBDA SLU	Spain	Sales, marketing and distribution
MITRA NU SLU	Spain	Sales, marketing and distribution
MITRA OMICRON	Spain	Sales, marketing and distribution
MITRA PI SLU	Spain	Sales, marketing and distribution
IOT4OIL, S.L.U.	Spain	Sales, marketing and distribution; idle.
MITRA MEDULAS, S.L.U.	Spain	Sales, marketing and distribution
MITRA ALFA, S.L.U.	Spain	Sales, marketing and distribution
MITRA BETA, S.L.U.	Spain	Sales, marketing and distribution
MITRA GAMMA, S.L.U.	Spain	Sales, marketing and distribution
SESELLE RENOVABLES, S.L.U.	Spain	Sales, marketing and distribution
REDES RENOVABLES, S.L.U.	Spain	Sales, marketing and distribution
CHANTEIRO RENOVABLES, S.L.U.	Spain	Sales, marketing and distribution
MAGNA EXPERGERE, S.A.	Spain	Sales, marketing and distribution
DIGITAL X COMPANY, S.L.U.	Spain	Sales, marketing and distribution
GENERACION CARTEIA, S.L.U.	Spain	Sales, marketing and distribution
CEPSA (RHOURE EL ROUNI) LTD., Permanent Establishment	Algeria	Manufacturing and production
CEPSA ALGERIE S.L., Permanent Establishment	Algeria	Manufacturing and production
CEPSA QUIMICA BELGIUM, N.V.	Belgium	Sales, marketing and distribution
CEPSA OLEO E GAS DO BRASIL LTDA.	Brazil	Idle



Company	Tax jurisdiction	Business
DETEN QUIMICA, S.A.	Brazil	Manufacturing and production
PETRESA PARTICIPAÇÕES, LTDA	Brazil	Idle
CEPSA CHIMIE BÉCANCOUR, INC.	Canada	Manufacturing and production
CEPSA CHEMICAL PRODUCTS (SHANGHAI) Co., Ltd.	China	Sales, marketing and distribution
CEPSA CHEMICAL (SHANGHAI), CO., LTD.	China	Manufacturing and production
CEPSA COLOMBIA, S.A. (Colombia Branch)	Colombia	Manufacturing and production
CEPSA ITALIA, S.p.A.	Italy	Sales, marketing and distribution
CONSORCIO RESSA	Italy	Sales, marketing and distribution
TEIDE RE, S.A.	Luxembourg	Insurance
COASTAL ENERGY KBM SDN BHD	Malaysia	Manufacturing and production
DETISA COMERCIAL PETRÓLEO, S.A. DE C.V.	Mexico	Sales, marketing and distribution
CEPSA E.P. MEXICO, S DE R.L. DE C.V.	Mexico	Sales, marketing and distribution
PETROSUD, S.A.	Morocco	Manufacturing and production
CEPSA MAGHREB, S.A.	Morocco	Manufacturing and production
CCP HYDROCARBURES, S.A.R.L.	Morocco	Manufacturing and production
CEPSA INTERNATIONAL, B.V.	Netherlands	Intragroup financing
CEPSA QUIMICA NETHERLANDS, B.V.	Netherlands	Sales, marketing and distribution
CEPSA PERUANA, S.A.C.	Peru	Manufacturing and production
CEPSA PORTUGUESA PETRÓLEOS, S.A.	Portugal	Sales, marketing and distribution
PROPEL-PRODUTOS DE PETROLEO, L.D.A.	Portugal	Sales, marketing and distribution
GASIB SOCIEDADE IBÉRICA DE GÁS LIQUEFEITO LTD	Portugal	Sales, marketing and distribution
CEPSA GAS Y ELECTRICIDAD, S.A. - PORTUGAL BRANCH	Portugal	Sales, marketing and distribution
MOPU HOLDINGS (SINGAPORE) PTE LTD	Singapore	Sales, marketing and distribution
CEPSA TRADING ASIA PTE LTD (SINGAPORE)	Singapore	Sales, marketing and distribution
CEPSA SURINAM, S.L.U EP	Suriname	Manufacturing and production
CEPSA ENERGY COMPANY INTERNATIONAL, SLU (Thailand Branch)	Thailand	Manufacturing and production
CEC SERVICES (THAILAND) LTD.	Thailand	Administration, management and support services
NUCOASTAL (THAILAND) LIMITED	Thailand	Sales, marketing and distribution
CEPSA MARINE FUELS DMCC	United Arab Emirates	Sales, marketing and distribution
CEPSA PETROLEUM OPERATIONS MIDDLE EAST LLC	United Arab Emirates	Administration, management and support services
CEPSA EP ABU DHABI, S.L.U (Abu Dhabi Branch)	United Arab Emirates	Manufacturing and production
CEPSA UK, LTD.	United Kingdom	Sales, marketing and distribution
CEPSA TRADING AMERICAS, INC	United States	Sales, marketing and distribution

## APPENDIX 8. SUSTAINABILITY STANDARDS INDEX

### Spanish Law 11/2018 and GRI Cross-Reference Table

#### LIST OF CONTENTS REQUIRED UNDER LAW 11/2018

Disclosures sought under Spanish Law 11/2018	Reporting criterion	Section of the report in which the disclosures under Law 11/2018 are provided
<b>GENERAL INFORMATION</b>		
A brief description of the undertaking's business model, including disclosures relating to its business environment, organisation and structure	GRI 2-6 Activities, value chain and other business relationships	1.3 OUR COMPANY 1.3.3 Our businesses
Operating markets	GRI 2-1 Organizational details GRI 2-6 Activities, value chain and other business relationships	1.3 OUR COMPANY 1.3.5 Global footprint
The undertaking's objectives and strategy	GRI 2-22 Statement on sustainable development strategy GRI 3-3 Management of material topics	3.1 MOVING TOWARDS A NET ZERO WORLD 3.1.2 Strategy under the guidance of Positive Motion
Main trends and factors that could affect future development	GRI 2-22 Statement on sustainable development strategy GRI 201-2	1.1 TRANSFORMING OUR ENERGY BUSINESS
Reporting framework used	GRI 1-3 System of GRI standards	APPENDIX I ABOUT THIS REPORT
Materiality principle	GRI 3-1 Process to determine material topics GRI 3-2 List of material topics	APPENDIX 2 MATERIALITY
Principal short-, medium- and long-term risks	GRI 3-3 Management of material topics	APPENDIX 4 DETAILED INFORMATION ABOUT THE COMPANY'S KEY RISKS
Key performance indicators		The key performance indicators (KPI) pertaining to the non-financial information are distributed throughout the report. Refer to the cross-reference table for further details.
<b>ENVIRONMENTAL MATTERS</b>		
Management approach: description and results of the policies addressing these matters and of the principal risks related to matters linked to the undertaking's operations	GRI 2-12 Role of the highest governance body in overseeing the management of impacts GRI 2-23 Policy commitments GRI 3-3 Management of material topics	3.1 ADVANCING TOWARDS A NET ZERO WORLD 3.2 MOVING FORWARD ON MINIMISING OUR ENVIRONMENTAL IMPACT
<b>DETAILED GENERAL INFORMATION</b>		
Detailed information about the current and foreseeable impacts of the undertaking's activities on the environment and, as appropriate, on health and safety	GRI 3-3 Management of material topics	3.2 MOVING FORWARD ON MINIMISING OUR ENVIRONMENTAL IMPACT 3.2.1 Managerial excellence Appendix 3.5.1 Managerial excellence Appendix 3.5.2 Environmental investments
Environmental assessment and certification processes	GRI 2-23 Policy commitments	3.2 MOVING FORWARD ON MINIMISING OUR ENVIRONMENTAL IMPACT 3.2.1 Managerial excellence Appendix 3.5.1 Managerial excellence Appendix 3.5.2 Environmental investments

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Disclosures sought under Spanish Law 11/2018	Reporting criterion	Section of the report in which the disclosures under Law 11/2018 are provided
Resources dedicated to preventing environmental risks	GRI 3-3 Management of material topics	3.2 MOVING FORWARD ON MINIMISING OUR ENVIRONMENTAL IMPACT 3.2.1 Managerial excellence Appendix 3.5.1 Managerial excellence Appendix 3.5.2 Environmental investments
How the precautionary principle is addressed	GRI 2-23 Policy commitments GRI 3-3 Management of material topics	3.2 MOVING FORWARD ON MINIMISING OUR ENVIRONMENTAL IMPACT 3.2.1 Managerial excellence Appendix 3.5.1 Managerial excellence Appendix 3.5.2 Environmental investments
Amount of provisions recorded or guarantees extended for environmental claims	GRI 3-3 Management of material topics	3.2 MOVING FORWARD ON MINIMISING OUR ENVIRONMENTAL IMPACT 3.2.1 Managerial excellence Appendix 3.5.1 Managerial excellence Appendix 3.5.2 Environmental investments  We have environmental liability insurance for all our production, storage and supply facilities, coverage which goes beyond our regulatory requirement. Note 28 of our annual financial statements, "Environmental matters", provides disclosures about our provisions.
<b>POLLUTION</b>		
Measures to prevent, reduce or repair the emissions that seriously impact the environment, taking into consideration any form of air pollution specific to the business, including noise and light pollution	GRI 3-3 Management of material topics GRI 305-1 Direct (Scope 1) GHG emissions GRI 305-2 Indirect (Scope 3) GHG emissions GRI 305-3 Other indirect (Scope 3) GHG emissions GRI 305-5 Reduction of GHG emissions GRI 305-7 Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ) other significant air emissions	3.2 MOVING FORWARD ON MINIMISING OUR ENVIRONMENTAL IMPACT 3.2.5 Continuous control of our air emissions  3.5 MOVING FORWARD ON MINIMISING OUR ENVIRONMENTAL IMPACT 3.5.6 Continuous control of our air emissions
<b>CIRCULAR ECONOMY, PREVENTION AND WASTE MANAGEMENT</b>		
Measures for the prevention, recycling, reuse and other forms of recovering and eliminating waste. Initiatives undertaken to eliminate food waste.	GRI 306-2 Waste generation and significant waste-related impacts GRI 306-3 (2020) Waste generated GRI 306-3 (2016) Significant spills GRI 306-4 Waste diverted from disposal GRI 306-5 Waste directed to disposal	3.2 MOVING FORWARD ON MINIMISING OUR ENVIRONMENTAL IMPACT 3.2.4 Making the business more circular  3.5 MOVING FORWARD ON MINIMISING OUR ENVIRONMENTAL IMPACT 3.5.5 Making the business more circular
<b>SUSTAINABLE USE OF RESOURCES</b>		
Water consumption and supply, in keeping with local limitations	GRI 303-3 Water withdrawal GRI 303-5 Water consumption	3.2 MOVING FORWARD ON MINIMISING OUR ENVIRONMENTAL IMPACT 3.2.2 Responsible water consumption  APPENDIX 3.5 MOVING FORWARD ON MINIMISING OUR ENVIRONMENTAL IMPACT 3.5.3 Responsible water consumption
Use and protection of raw materials	GRI 301-1 Materials used by weight or volume GRI 301-2 Recycled input materials used	3.2 MOVING FORWARD ON MINIMISING OUR ENVIRONMENTAL IMPACT 3.2.4 Making the business more circular  3.5 MOVING FORWARD ON MINIMISING OUR ENVIRONMENTAL IMPACT 3.5.5 Making the business more circular

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Disclosures sought under Spanish Law 11/2018	Reporting criterion	Section of the report in which the disclosures under Law 11/2018 are provided
Energy: Direct and indirect energy consumption. Measures taken to improve energy efficiency. Use of renewable sources of energy	GRI 3-3 Management of material topics	3.2 ADVANCING TOWARDS A NET ZERO WORLD
	GRI 302-1 Energy consumption within the organization	
	GRI 302-2 Energy consumption outside the organization	
	GRI 302-3 Energy intensity	APPENDIX 3.4 ADVANCING TOWARDS A NET ZERO WORLD
<b>CLIMATE CHANGE</b>		
Greenhouse gas emissions generated as a result of the undertaking's activity, including through use of the goods and services it produces	GRI 301-1 Materials used by weight or volume	
	GRI 305-1 Direct (Scope 1) GHG emissions	3.1 ADVANCING TOWARDS A NET ZERO WORLD 3.1.4 Key climate change metrics
	GRI 305-2 Indirect (Scope 3) GHG emissions	APPENDIX 3.4 MOVING TOWARDS A NET ZERO WORLD 3.4.2 GHG emissions
	GRI 305-3 Other indirect (Scope 3) GHG emissions	
	GRI 305-4 GHG emissions intensity	
Measures taken to adapt for the consequences of climate change	GRI 3-3 Management of material topics	3.1 ADVANCING TOWARDS A NET ZERO WORLD 3.1.4 Key climate change metrics
	GRI 201-2 Financial implications and other risks and opportunities due to climate change	APPENDIX 3.4 MOVING TOWARDS A NET ZERO WORLD 3.4.2 GHG emissions
	GRI 305-5 Reduction of GHG emissions	
Medium- and long-term GHG emission-cutting targets voluntarily adhered to and the measures implemented to that end	GRI 3-3 Management of material topics	3.1 ADVANCING TOWARDS A NET ZERO WORLD 3.1.4 Key climate change metrics
	GRI 305-5 Reduction of GHG emissions	APPENDIX 3.4 MOVING TOWARDS A NET ZERO WORLD 3.4.2 GHG emissions
<b>BIODIVERSITY PROTECTION</b>		
Measures taken to preserve or restore biodiversity	GRI 3-3 Management of material topics	3.2 MOVING FORWARD ON MINIMISING OUR ENVIRONMENTAL IMPACT
	GRI 304-3	3.2.3 Biodiversity protection
		3.5 MOVING FORWARD ON MINIMISING OUR ENVIRONMENTAL IMPACT 3.5.4 Biodiversity protection
Impacts caused by the undertaking's activities or operations on protected areas	GRI 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	3.2 MOVING FORWARD ON MINIMISING OUR ENVIRONMENTAL IMPACT 3.2.3 Biodiversity protection
		3.5 MOVING FORWARD ON MINIMISING OUR ENVIRONMENTAL IMPACT 3.5.4 Biodiversity protection
<b>SOCIAL AND EMPLOYEE MATTERS</b>		
Management approach: description and results of the policies addressing these matters and of the principal risks related to matters linked to the undertaking's operations	GRI 2-12 Role of the highest governance body in overseeing the management of impacts	3.3 READY FOR WORKPLACE CHANGE
	GRI 2-19 Remuneration policies	3.3.5 Social dialogue and labour relations
	GRI 2-23 Policy commitments	APPENDIX 3.6 CREATING A WORKPLACE READY FOR CHANGE
	GRI 3-3 Management of material topics	3.6.6 Social dialogue and labour relations

## LIST OF CONTENTS REQUIRED UNDER LAW 11/2018

Disclosures sought under Spanish Law 11/2018	Reporting criterion	Section of the report in which the disclosures under Law 11/2018 are provided
EMPLOYMENT		
Total number and breakdown of employees by country, gender, age and employee category	GRI 2-7 Employees	3.3 READY FOR WORKPLACE CHANGE
	GRI 3-3 Management of material topics	APPENDIX 3.6 CREATING A WORKPLACE READY FOR CHANGE 3.6.1 Workforce overview
	GRI 405-1 Diversity of governance bodies and employees	
Total number and breakdown by contract category and average annual number of permanent, temporary and part-time contracts by gender, age and employee category	GRI 2-7 Employees	3.3 READY FOR WORKPLACE CHANGE
	GRI 2-8 Workers who are not employees	APPENDIX 3.6 CREATING A WORKPLACE READY FOR CHANGE 3.6.1 Workforce overview
Number of dismissals by gender, age and employee category	GRI 401-1 New employees hires and employee turnover	3.3 READY FOR WORKPLACE CHANGE
		APPENDIX 3.6 CREATING A WORKPLACE READY FOR CHANGE 3.6.1 Workforce overview
Average pay and trend broken down by gender, age, employee category or equivalent metric	GRI 2-21 Annual total compensation ratio	3.3 READY FOR WORKPLACE CHANGE
	GRI 405-2 Ratio of basic salary and remuneration of women to men	APPENDIX 3.6 CREATING A WORKPLACE READY FOR CHANGE 3.6.1 Workforce overview
Wage gap, remuneration per equivalent job or company average	GRI 405-2 Ratio of basic salary and remuneration of women to men	3.3 READY FOR WORKPLACE CHANGE
		APPENDIX 3.6 CREATING A WORKPLACE READY FOR CHANGE 3.6.1 Workforce overview
Average remuneration for directors and executives, including bonuses, attendance fees, termination benefits, long-term savings/pension benefits and any other compensation, broken down by gender	GRI 2-19 Remuneration policies	3.3 READY FOR WORKPLACE CHANGE
	GRI 2-20 Process to determine remuneration	APPENDIX 3.6 CREATING A WORKPLACE READY FOR CHANGE 3.6.1 Workforce overview
Implementation of right-to-disconnect policies	GRI 3-3 Management of material topics	3.3 READY FOR WORKPLACE CHANGE
		APPENDIX 3.6 CREATING A WORKPLACE READY FOR CHANGE 3.6.1 Workforce overview
Number of employees with a disability	GRI 405-1 Diversity of governance bodies and employees	3.3 READY FOR WORKPLACE CHANGE
		APPENDIX 3.6 CREATING A WORKPLACE READY FOR CHANGE 3.6.1 Workforce overview
ORGANISATION OF WORK		
Organisation of working time	GRI 2-7 Employees	APPENDIX 3.6 CREATING A WORKPLACE READY FOR CHANGE 3.6.6 Social dialogue and labour relations
Absenteeism in hours	GRI 3-3 Management of material topics	APPENDIX 3.6 CREATING A WORKPLACE READY FOR CHANGE 3.6.6 Social dialogue and labour relations
Measures designed to facilitate work-life balance and sharing of caring responsibilities	GRI 3-3 Management of material topics	3.3 READY FOR WORKPLACE CHANGE 3.3.2 A diverse and inclusive workplace
	GRI 401-3 Parental leave	APPENDIX 3.6 CREATING A WORKPLACE READY FOR CHANGE 3.6.3 A diverse and inclusive workplace



## LIST OF CONTENTS REQUIRED UNDER LAW 11/2018

Disclosures sought under Spanish Law 11/2018	Reporting criterion	Section of the report in which the disclosures under Law 11/2018 are provided
<b>HEALTH AND SAFETY</b>		
Health and safety conditions in the workplace	GRI 3-3 Management of material topics	
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	GRI 403-2 Hazard identification, risk assessment, and incident investigation	
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	GRI 403-5 Worker training on occupational health and safety	APPENDIX 3.7 BECOMING A ZERO-ACCIDENT WORKPLACE
	GRI 403-6 Promotion of worker health	
	GRI 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	
Workplace accidents, specifying frequency and severity and work-related illnesses, broken down by gender.	GRI 403-8 Workers covered by an occupational health and safety management system	
	GRI 403-2 Hazard identification, risk assessment, and incident investigation	3.4 BECOMING A ZERO-ACCIDENT WORKPLACE 3.4.1 Creating a safety culture
	GRI 403-9 Work-related injuries	APPENDIX 3.7 BECOMING A ZERO-ACCIDENT WORKPLACE
	GRI 403-10 Work-related ill health	
<b>MANAGEMENT-EMPLOYEE RELATIONS</b>		
How management-employee dialogue is organised, including procedures for informing and consulting employees and negotiating with them	GRI 2-28 Membership of associations	
	GRI 2-29 Approach to stakeholder engagement	3.3 READY FOR WORKPLACE CHANGE
	GRI 402-1 Minimum notice periods regarding operational changes	3.3.5 Social dialogue and labour relations
	GRI 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	
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		APPENDIX 3.6 CREATING A WORKPLACE READY FOR CHANGE 3.6.3 A diverse and inclusive workplace
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	GRI 403-4 Worker participation, consultation, and communication on occupational health and safety	3.4 BECOMING A ZERO-ACCIDENT WORKPLACE 3.4.2 Safety management: commitment and best practices
	GRI 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	
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Accessibility for persons with disabilities	GRI 405-1 Diversity of governance bodies and employees	3.3 READY FOR WORKPLACE CHANGE 3.3.2 A diverse and inclusive workplace APPENDIX 3.6 CREATING A WORKPLACE READY FOR CHANGE 3.6.3 A diverse and inclusive workplace
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	GRI 404-2 Programs for upgrading employee skills and transition assistance programs	APPENDIX 3.6 CREATING A WORKPLACE READY FOR CHANGE 3.6.3 A diverse and inclusive workplace
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	GRI 405-2 Ratio of basic salary and remuneration of women to men	
	GRI 406-1 Incidents of discrimination and corrective actions taken	
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	GRI 405-1 Diversity of governance bodies and employees	APPENDIX 3.6 CREATING A WORKPLACE READY FOR CHANGE 3.6.3 A diverse and inclusive workplace
	GRI 405-2 Ratio of basic salary and remuneration of women to men	
	GRI 406-1 Incidents of discrimination and corrective actions taken	
RESPECT FOR HUMAN RIGHTS		
Management approach: description and results of the policies addressing these matters and of the principal risks related to matters linked to the undertaking's operations	GRI 2-12 Role of the highest governance body in overseeing the management of impacts	3.6 BEHAVING ETHICALLY AND RESPECTFULLY 3.6.1 Ethics in our day-to-day operations
	GRI 2-23 Policy commitments	APPENDIX 3.9 BEHAVING ETHICALLY AND RESPECTFULLY 3.9.4 Human rights
	GRI 3-3 Management of material topics	

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	GRI 408-1 Operations and suppliers at significant risk for incidents of child labor	APPENDIX 3.9 BEHAVING ETHICALLY AND RESPECTFULLY 3.9.5 Legal
	GRI 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	
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	GRI 411-1 Incidents of violations involving rights of indigenous peoples	
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	GRI 408-1 Operations and suppliers at significant risk for incidents of child labor	APPENDIX 3.9 BEHAVING ETHICALLY AND RESPECTFULLY 3.9.5 Legal
	GRI 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	
	GRI 410-1 Security personnel trained in human rights policies or procedures	
	GRI 411-1 Incidents of violations involving rights of indigenous peoples	
Claims of humans rights abuses	GRI 414-2 Negative social impacts in the supply chain and actions taken	3.6 BEHAVING ETHICALLY AND RESPECTFULLY 3.6.2 Human rights
	GRI 2-26 Mechanisms for seeking advice and raising concerns	
	GRI 3-3 Management of material topics	APPENDIX 3.9 BEHAVING ETHICALLY AND RESPECTFULLY 3.9.4 Human rights
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	GRI 3-3 Management of material topics	3.6 BEHAVING ETHICALLY AND RESPECTFULLY 3.6.1 Ethics in our day-to-day operations
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	GRI 205-2 Communication and training about anti-corruption policies and procedures	APPENDIX 3 Sustainability performance 3.9 BEHAVING ETHICALLY AND RESPECTFULLY 3.9.3 Anti-corruption effort
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	GRI 201-1 Direct economic value generated and distributed	
	GRI 203-2 Significant indirect economic impacts	3.7 LOCAL COMMUNITY RELATIONS
	GRI 204-1 Proportion of spending on local suppliers	3.8 POSITIVE IMPACT ON SOCIETY - CEPSA FOUNDATION
	GRI 413-1 Operations with local community engagement, impact assessments, and development programs	
	GRI 413-2 Operations with significant actual and potential negative impacts on local communities	
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2-3	Reporting period, frequency and contact point	—	—	Report for financial year 2022. Annual. Contact points: comunicacion@cepsa.com sostenibilidad@cepsa.com
2-4	Restatements of information	Appendix 1. About this report	—	
2-5	External assurance	—	—	See independent assurance report at the end of this document
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2-12	Role of the highest governance body in overseeing the management of impacts	APPENDIX 3.2 CORPORATE GOVERNANCE	—	
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		APPENDIX 3.9 BEHAVING ETHICALLY AND RESPECTFULLY 3.9.1 Requests for advice and breaches		

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305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	3.2 MOVING FORWARD ON MINIMISING OUR ENVIRONMENTAL IMPACT 3.2.5 Continuous control of our air emissions 3.5 MOVING FORWARD ON MINIMISING OUR ENVIRONMENTAL IMPACT 3.5.6 Continuous control of our air emissions	11.3.2	
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403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	APPENDIX 3.7 BECOMING A ZERO-ACCIDENT WORKPLACE	11.9.8	
403-8	Workers covered by an occupational health and safety management system	APPENDIX 3.7 BECOMING A ZERO-ACCIDENT WORKPLACE	11.9.9	
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<b>Management of water resources</b>				
3-3	Management of material topics - Management of water resources	3.2 MOVING FORWARD ON MINIMISING OUR ENVIRONMENTAL IMPACT 3.2.2 Responsible water consumption APPENDIX 3.5 MOVING FORWARD ON MINIMISING OUR ENVIRONMENTAL IMPACT 3.5.3 Responsible water consumption	11.6.1	
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406-1	Incidents of discrimination and corrective actions taken	—	11.11.7	There were no incidents of discrimination in 2022 or 2021. Therefore, no corrective actions needed to be taken.

GRI standard	Description	Reference in the Integrated Report	GRI 11 Sector standard code	Explanatory notes
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<b>Biodiversity</b>				
3-3	Management of material topics - Biodiversity	3.2 MOVING FORWARD ON MINIMISING OUR ENVIRONMENTAL IMPACT 3.2.3 Biodiversity protection; 3.2.5 Continuous control of our air emissions	11.3.1 11.4.1	
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	APPENDIX 3.5 MOVING FORWARD ON MINIMISING OUR ENVIRONMENTAL IMPACT 3.5.4 Biodiversity protection	11.4.2	
304-2	Significant impacts of activities, products, and services on biodiversity	APPENDIX 3.5 MOVING FORWARD ON MINIMISING OUR ENVIRONMENTAL IMPACT 3.5.4 Biodiversity protection	11.4.3	
304-3	Habitats protected or restored	APPENDIX 3.5 MOVING FORWARD ON MINIMISING OUR ENVIRONMENTAL IMPACT 3.5.4 Biodiversity protection	11.4.4	
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	APPENDIX 3.5 MOVING FORWARD ON MINIMISING OUR ENVIRONMENTAL IMPACT 3.5.4 Biodiversity protection	11.4.5	
<b>Circular economy</b>				
3-3	Management of material topics - Circular economy	3.2 MOVING FORWARD ON MINIMISING OUR ENVIRONMENTAL IMPACT 3.2.4 Making the business more circular	11.5.1	
301-1	Materials used by weight or volume	APPENDIX 3.5 MOVING FORWARD ON MINIMISING OUR ENVIRONMENTAL IMPACT 3.5.5 Making the business more circular	—	
301-2	Recycled input materials used	APPENDIX 3.5 MOVING FORWARD ON MINIMISING OUR ENVIRONMENTAL IMPACT 3.5.5 Making the business more circular	—	
306-1	Waste generation and significant waste related impacts	3.2 MOVING FORWARD ON MINIMISING OUR ENVIRONMENTAL IMPACT 3.2.4 Making the business more circular APPENDIX 3.5 MOVING FORWARD ON MINIMISING OUR ENVIRONMENTAL IMPACT 3.5.5 Making the business more circular	11.5.2	
306-2	Management of significant waste-related impacts	3.2 MOVING FORWARD ON MINIMISING OUR ENVIRONMENTAL IMPACT 3.2.4 Making the business more circular APPENDIX 3.5 MOVING FORWARD ON MINIMISING OUR ENVIRONMENTAL IMPACT 3.5.5 Making the business more circular	11.5.3	
306-3	Waste generated	APPENDIX 3.5 MOVING FORWARD ON MINIMISING OUR ENVIRONMENTAL IMPACT 3.5.5 Making the business more circular	11.5.4	
306-3 (2016)	Significant spills	APPENDIX 3.5 MOVING FORWARD ON MINIMISING OUR ENVIRONMENTAL IMPACT 3.5.5 Making the business more circular	11.8.2	
306-4	Waste diverted from disposal	APPENDIX 3.5 MOVING FORWARD ON MINIMISING OUR ENVIRONMENTAL IMPACT 3.5.5 Making the business more circular	11.5.5	
306-5	Waste directed to disposal	APPENDIX 3.5 MOVING FORWARD ON MINIMISING OUR ENVIRONMENTAL IMPACT 3.5.5 Making the business more circular	11.5.6	



GRI standard	Description	Reference in the Integrated Report	GRI 11 Sector standard code	Explanatory notes
<b>Human Rights</b>				
3-3	Management of material topics - Human rights	3.3 READY FOR WORKPLACE CHANGE. 3.3.5 Social dialogue and labour relations	11.13.1	
		APPENDIX 3.6 READY FOR WORKPLACE CHANGE. 3.6.6 Social dialogue and labour relations	11.18.1	
			11.12.1	
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	—	11.13.2	None reported.
408-1	Operations and suppliers at significant risk for incidents of child labor	—	—	No operations or suppliers considered to be at significant risk for incidents of forced or compulsory labour or of child labour were uncovered during the routine assessment of risks of delivering the budget and business plan in 2022.
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	—	11.12.2	No operations or suppliers considered to be at significant risk for incidents of forced or compulsory labour or of child labour were uncovered during the routine assessment of risks of delivering the budget and business plan in 2022.
410-1	Security personnel trained in human rights policies or procedures	APPENDIX 3.9 BEHAVING ETHICALLY AND RESPECTFULLY 3.9.4 Human rights in security personnel	11.18.2	
411-1	Incidents of violations involving rights of indigenous peoples	—	11.17.2	None of our operations are located on sites of indigenous communities. There were no reports of incidents of violations involving rights of indigenous peoples. In line with our Community Management Plan, we accept and embrace, in all their actions, the Universal Declaration of Human Rights and the Conventions of the International Labour Organization (ILO). We also subscribe to the Organization for Economic Co-operation and Development (OECD) Guidelines, the United Nations Global Compact and the Code of Good Tax Practices issued by the Spanish Government.
<b>Ethics and compliance</b>				
3-3	Management of material topics - Ethics and compliance	3.6 BEHAVING ETHICALLY AND RESPECTFULLY 3.6.1 Ethics in our day-to-day operations	11.20.1	
205-1	Operations assessed for risks related to corruption	3.6 BEHAVING ETHICALLY AND RESPECTFULLY 3.6.1 Ethics in our day-to-day operations	11.20.2	
205-2	Communication and training about anti-corruption policies and procedures	APPENDIX 3.9 BEHAVING ETHICALLY AND RESPECTFULLY 3.9.3 Anti-corruption effort	11.20.3	
205-3	Confirmed incidents of corruption and actions taken	—	11.20.4	No incidents of corruption arose in the company.
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	—	11.19.2	This year, the sanction for breach of the 2009 resolution of the Spanish National Markets and Competition Commission (CNMC) was confirmed, but the CNMC was required to recalculate the amount owing to an error in the based year used to calculate the sanction.

GRI standard	Description	Reference in the Integrated Report	GRI 11 Sector standard code	Explanatory notes
415-1	Political contributions	—	11.22.2	Cepsa's Code of Ethics and Conduct expressly prohibits any kind of donations or any financial or in-kind contributions to political parties, public entities and trade unions. The company has not made any public contributions.
Cybersecurity				
3-3	Management of material topics - Cybersecurity	1.3 OUR COMPANY 1.3.6. Innovation, digitalisation and cybersecurity	—	
Employee well-being				
3-3	Management of material topics - Employee well-being	3.3 READY FOR WORKPLACE CHANGE 3.3.1 Talent with purpose; 3.3.4 Remuneration: competitiveness and engagement; 3.3.5 Social dialogue and labour relations	—	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	3.3 READY FOR WORKPLACE CHANGE 3.3.4 Remuneration: competitiveness and engagement	11.10.3	
Good governance				
3-3	Management of material topics - Good governance	2. CORPORATE GOVERNANCE	—	
207-2	Tax governance, control, and risk management	2. GOOD GOVERNANCE 2.4 Risk management	11.21.5	
		3.6 BEHAVING ETHICALLY AND RESPECTFULLY 3.6.3 Fiscal transparency and responsibility		
		APPENDIX 4 DETAILED INFORMATION ABOUT RISKS		
405-1	Diversity of governance bodies and employees	3.3 READY FOR WORKPLACE CHANGE	11.11.5	
		APPENDIX 3.6 CREATING A WORKPLACE READY FOR CHANGE 3.6.1 Workforce overview		
Social commitment				
3-3	Management of material topics - Social commitment	3.7 LOCAL COMMUNITY RELATIONS	11.14.1	
		3.8 POSITIVE IMPACT ON SOCIETY - CEPESA FOUNDATION	11.15.1	
			11.17.1	
202-2	Proportion of senior management hired from the local community	APPENDIX 3.6 CREATING A WORKPLACE READY FOR CHANGE 3.6.2 A diverse and inclusive workplace	11.11.2	
203-1	Infrastructure investments and services supported	APPENDIX 3.10 LOCAL COMMUNITY RELATIONS APPENDIX 3.11 POSITIVE IMPACT ON SOCIETY - CEPESA FOUNDATION	11.14.4	
203-2	Significant indirect economic impacts	3.7 LOCAL COMMUNITY RELATIONS	11.14.5	
		3.8 POSITIVE IMPACT ON SOCIETY - CEPESA FOUNDATION		
413-1	Operations with local community engagement, impact assessments, and development programs	3.7 LOCAL COMMUNITY RELATIONS	11.15.2	
413-2	Operations with significant actual and potential negative impacts on local communities	APPENDIX 3.10 LOCAL COMMUNITY RELATIONS	11.15.3	

GRI standard	Description	Reference in the Integrated Report	GRI 11 Sector standard code	Explanatory notes
<b>Tax transparency</b>				
3-3	Management of material topics - Tax transparency	3.6 BEHAVING ETHICALLY AND RESPECTFULLY 3.6.3 Fiscal transparency and responsibility	11.21.1	
201-4	Financial assistance received from government	—	11.21.3	Financial assistance received from government in 2022 and 2021 amounted to €11.3 million and €25.3 million, respectively.
207-1	Approach to tax	3.6 BEHAVING ETHICALLY AND RESPECTFULLY 3.6.3 Fiscal transparency and responsibility APPENDIX 7. Country-by-country reporting of taxes	11.21.4	
207-3	Stakeholder engagement and management of concerns related to tax	3.6 BEHAVING ETHICALLY AND RESPECTFULLY 3.6.3 Fiscal transparency and responsibility	11.21.6	
207-4	Country-by-country reporting	APPENDIX 7. Country-by-country reporting of taxes	11.21.7	
<b>Innovation, technology and digitalisation</b>				
3-3	Management of material topics - Innovation, technology and digitalisation	1.3 OUR COMPANY 1.3.6. Innovation, digitalisation and cybersecurity	—	
<b>Sustainable supply chain</b>				
3-3	Management of material topics - Sustainable supply chain	3.5 FACILITATING A SUSTAINABLE SUPPLY CHAIN	—	
204-1	Proportion of spending on local suppliers	3.5 FACILITATING A SUSTAINABLE SUPPLY CHAIN 3.5.2 Our supply chain APPENDIX 3.8 FACILITATING A SUSTAINABLE SUPPLY CHAIN 3.8.1 Description of the supply chain	11.14.6	
308-1	New suppliers that were screened using environmental criteria	APPENDIX 3.8 FACILITATING A SUSTAINABLE SUPPLY CHAIN	—	
414-1	New suppliers that were screened using social criteria	APPENDIX 3.8 FACILITATING A SUSTAINABLE SUPPLY CHAIN 3.8.2 Supplier relations	11.10.8	
414-2	Negative social impacts in the supply chain and actions taken	3.5 FACILITATING A SUSTAINABLE SUPPLY CHAIN APPENDIX 3.8 FACILITATING A SUSTAINABLE SUPPLY CHAIN 3.8.2 Supplier relations	11.10.9	
<b>Stakeholder engagement</b>				
3-3	Management of material topics - Stakeholder engagement	2.5 PROACTIVE STAKEHOLDER ENGAGEMENT	11.22.1	
413-1	Operations with local community engagement, impact assessments, and development programs	3.7 LOCAL COMMUNITY RELATIONS	11.15.2	
<b>Talent management</b>				
3-3	Management of material topics - Talent management	3.3 READY FOR WORKPLACE CHANGE 3.3.1 Talent with purpose	11.10.1	
401-1	New employee hires and employee turnover	APPENDIX 3.6 CREATING A WORKPLACE READY FOR CHANGE 3.6.1 Workforce overview	11.10.2	
402-1	Minimum notice periods regarding operational changes	3.3 READY FOR WORKPLACE CHANGE 3.3.5 Social dialogue and labour relations	11.10.5	

GRI standard	Description	Reference in the Integrated Report	GRI 11 Sector standard code	Explanatory notes
404-1	Average hours of training per year per employee	APPENDIX 3.6 CREATING A WORKPLACE READY FOR CHANGE 3.6.4 Learning culture	11.10.6	
404-2	Programs for employee upskilling and transition assistance programs	3.3 READY FOR WORKPLACE CHANGE APPENDIX 3.6 CREATING A WORKPLACE READY FOR CHANGE 3.6.1 Workforce overview 3.6.4 Learning culture	11.10.7	

## SASB content index

Indicator	Description	Associated GRI indicator	Section	Explanatory notes
EM-EP-110a.1 EM-RM-110a.1 RT-CH-110a.1	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	305-1 (partial) 201-2	APPENDIX 3.4 ADVANCING TOWARDS A NET ZERO WORLD 3.4.2 GHG emissions	
EM-EP-110a.2	Amount of gross global Scope 1 emissions from: (1) flared hydrocarbons, (2) other combustion, (3) process emissions, (4) other vented emissions, and (5) fugitive emissions	11.1.5 (partial)	APPENDIX 3.4 ADVANCING TOWARDS A NET ZERO WORLD 3.4.2 GHG emissions	
EM-EP-110a.3 EM-RM-110a.2 RT-CH-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	201-2 305-5	3. DRIVING POSITIVE IMPACT 3.1 ADVANCING TOWARDS A NET ZERO WORLD	
RT-CH-130a.1	1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable, (4) total self-generated energy	302-1 (partial)	APPENDIX 3.4 ADVANCING TOWARDS A NET ZERO WORLD 3.4.1 Energy consumption	
EM-RM-410a.1	Percentage of Renewable Volume Obligation (RVO) met through: (1) production of renewable fuels, (2) purchase of "separated" renewable identification numbers (RIN)	302-5	APPENDIX 3.4 ADVANCING TOWARDS A NET ZERO WORLD 3.4.3 Renewable energy	
EM-EP-420a.2	Estimated carbon dioxide emissions embedded in proved hydrocarbon reserves	305-1 305-2	APPENDIX 3.4 ADVANCING TOWARDS A NET ZERO WORLD 3.4.2 GHG emissions	
EM-EP-120a.1 EM-RM-120a.1 RT-CH-120a.1	Air emissions of the following pollutants: (1) NOX (excluding N2O), (2) SOX, (3) volatile organic compounds (VOCs), and (4) hazardous air pollutants (HAPs)	305-7	APPENDIX 3.2.3.4 ADVANCING TOWARDS A NET ZERO WORLD 3.2.6 Continuous control of our air emissions	
EM-RM-120a.2	Number of refineries in or near areas of dense population.	—	APPENDIX 3.5 MOVING FORWARD ON MINIMISING OUR ENVIRONMENTAL IMPACT 3.5.4 Biodiversity protection	
EM-EP-140a.1 RT-CH-140a.1 EM-RM-140a.1	(1) Total fresh water withdrawn, (2) percentage recycled, (3) percentage in regions with High or Extremely High Baseline Water Stress	303-3 303-5	APPENDIX 3.5 MOVING FORWARD ON MINIMISING OUR ENVIRONMENTAL IMPACT 3.5.3 Responsible water consumption	
EM-EP-140a.2	Volume of produced water and flowback generated; percentage (1) discharged, (2) injected, (3) recycled; hydrocarbon content in discharged water	11.6.5 (partial)	APPENDIX 3.5 MOVING FORWARD ON MINIMISING OUR ENVIRONMENTAL IMPACT 3.5.3 Responsible water consumption	
EM-RM-140a.2 RT-CH-140a.2	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	2-27 (partial)	APPENDIX 3.5 MOVING FORWARD ON MINIMISING OUR ENVIRONMENTAL IMPACT 3.5.3 Responsible water consumption	
RT-CH-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	303-1 (partial)	APPENDIX 3.5 MOVING FORWARD ON MINIMISING OUR ENVIRONMENTAL IMPACT 3.5.3 Responsible water consumption	
EM-EP-140a.3	Percentage of hydraulically fractured wells for which there is public disclosure of all fracturing fluid chemicals used	—	—	Cepsa does not employ hydraulic fracturing techniques.

Indicator	Description	Associated GRI indicator	Section	Explanatory notes
EM-EP-140a.4	Percentage of hydraulic fracturing sites where ground or surface water quality deteriorated compared to a baseline	—	—	Cepsa does not employ hydraulic fracturing techniques.
EM-RM-150a.1 RT-CH-150a.1	Amount of hazardous waste generated, percentage recycled	306-2	APPENDIX 3.5 MOVING FORWARD ON MINIMISING OUR ENVIRONMENTAL IMPACT 3.5.5 Making the business more circular	
EM-EP-160a.1	Description of environmental management policies and practices for active sites	3-3 Management of material topics - Climate change and energy transition; water resources; circular economy; biodiversity	3.2 MOVING FORWARD ON MINIMISING OUR ENVIRONMENTAL IMPACT	
EM-EP-160a.2	Number and aggregate volume of hydrocarbon spills, volume in Arctic, volume impacting shorelines with ESI rankings 8-10, and volume recovered	306-3	—	There were no spills or discharges in the Arctic or shoreline in the 2018-2020 period.
EM-EP-160a.3	Percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status or endangered species habitat	304-1 (partial)	APPENDIX 3.5 MOVING FORWARD ON MINIMISING OUR ENVIRONMENTAL IMPACT 3.5.4 Biodiversity protection	
EM-EP-210a.1	Percentage of (1) proved and (2) probable reserves in or near areas of conflict	11.17.3 (partial)	—	In 2021 and 2022, 0% of proved and probable reserves were in or near areas of conflict.
EM-EP-210a.2	Percentage of (1) proved and (2) probable reserves in or near indigenous land	11.17.3 (partial)	—	In 2021 and 2022, 0.2% of proved reserves and 0.1% of probable reserves were in or near areas of indigenous land.
RT-CH-210a.1 EM-EP-210b.1	Discussion of process to manage risks and opportunities associated with community rights and interests	203-1 (partial), 413-1 (partial)	3.7 LOCAL COMMUNITY RELATIONS	
EM-EP-210a.3	Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict	Management of material topics - Human rights	3.6 BEHAVING ETHICALLY AND RESPECTFULLY 3.6.2 Human rights	
EM-EP-210b.2	Number and duration of non-technical delays	—	—	There were no non-technical delays in 2022. In 2021, there was a non-technical delay that lasted 45 days.
EM-EP-320a.1 EM-RM-320a.1 RT-CH-320a.1	(1) Total recordable incident rate (TRIR), (2) fatality rate, (3) near miss frequency rate (NMFR), and (4) average hours of health, safety, and emergency response training for (a) full-time employees, (b) contract employees, and (c) short-service employees	403-5 403-9	3.4 BECOMING A ZERO-ACCIDENT WORKPLACE APPENDIX 3.7 BECOMING A ZERO-ACCIDENT WORKPLACE 3.7.1 Work-related injuries	Additionally: Average employee safety training was 10 hours per employee in 2022 and nine hours per employee in 2021.
EM-RM-320a.2	Discussion of management systems used to integrate a culture of safety	403-1	3.4 BECOMING A ZERO-ACCIDENT WORKPLACE	
RT-CH-410a.1	Revenue from products designed for use-phase resource efficiency	302-5	APPENDIX 6. ADDITIONAL FINANCIAL INFORMATION 6.3 Additional activity metrics	
RT-CH-410b.1.	1) Percentage of products that contain Globally Harmonized System of Classification and Labeling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances, (2) percentage of such products that have undergone a hazard assessment	—	—	According to the Chemical Safety Assessment and Reporting (CHESAR) tool, 90% of products from the Chemicals business in 2022 and 2021 contained health and environmental hazardous substances. All of these products underwent a risk assessment.



Indicator	Description	Associated GRI indicator	Section	Explanatory notes
RT-CH-410b.2	Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human and/or environmental impact	—	—	The Chemical Safety Assessment and Reporting (CHESAR) tool is used for this discussion.
RT-CH-410c.1	Percentage of products by revenue that contain genetically modified organisms (GMOs)	—	—	We do not have any products that contain genetically modified organisms.
EM-EP-420a.3	Amount invested in renewable energy, revenue generated by renewable energy sales	11.2.2 (partial)	—	Revenue generated by renewable energy sales for the Company as a whole amounted to €8,483 thousand.
EM-EP-510a.1	Percentage of (1) proved and (2) probable reserves in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	3-3 (partial)	—	No proved or probable reserves were in these countries in 2021 and 2022.
EM-EP-510a.2	EM-EP-510a.2. Description of the management system for prevention of corruption and bribery throughout the value chain	3-3 (partial)	3. DRIVING POSITIVE IMPACT 3.9 BEHAVING ETHICALLY AND RESPECTFULLY 3.6.1 Ethics in our day-to-day operations	
EM-RM-520a.1	Total amount of monetary losses as a result of legal proceedings associated with price fixing or price manipulation	—	—	There were no monetary losses as a result of this type of legal proceedings in 2021 and 2022.
EM-EP-530a.1	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	—	3. DRIVING POSITIVE IMPACT 3.1 ADVANCING TOWARDS A NET ZERO WORLD	
EM-RM-530a.1				
RT-CH-530a.1				
EM-EP-540a.1	Process Safety Event (PSE) rates for Loss of Primary Containment (LOPC) of greater consequence (Tier 1)	—	APPENDIX 3.7 BECOMING A ZERO-ACCIDENT WORKPLACE 3.7.2 Process incidents	
EM-RM-540a.1				
RT-CH-540a.1	Process Safety Incidents Count (PSIC), Process Safety Total Incident Rate (PSTIR), and Process Safety Incident Severity Rate (PSISR)	—	APPENDIX 3.7 BECOMING A ZERO-ACCIDENT WORKPLACE 3.7.2 Process incidents	
EM-RM-540a.2	Challenges to Safety Systems indicator rate (Tier 3)	—	APPENDIX 3.7 BECOMING A ZERO-ACCIDENT WORKPLACE 3.7.2 Process incidents	
RT-CH-540a.2	Operational safety, emergency preparedness and response	—	APPENDIX 3.7 BECOMING A ZERO-ACCIDENT WORKPLACE 3.7.2 Process incidents	
EM-EP-540a.2	Description of management systems used to identify and mitigate catastrophic and tail-end risks	403-2	APPENDIX 3.7 BECOMING A ZERO-ACCIDENT WORKPLACE 3.7.1 Work-related injuries	
EM-RM-540a.3	Discussion of measurement of Operating Discipline and Management System Performance through Tier 4 Indicators	—	APPENDIX 3.7 BECOMING A ZERO-ACCIDENT WORKPLACE 3.7.2 Process incidents	
EM-RM-000A	The total volume of crude oil and other feedstocks processed in the refinery system during the reporting period	—	4. FINANCIAL AND BUSINESS PERFORMANCE 4.2 Key financial and business indicators	
EM-EP-000A	Production of: (1) oil, (2) natural gas, (3) synthetic oil, and (4) synthetic gas	—	4. FINANCIAL AND BUSINESS PERFORMANCE 4.2 Key financial and business indicators	
RT-CH-000A	Production by reportable segment	—	APPENDIX 6. ADDITIONAL FINANCIAL INFORMATION 6.3 Additional activity metrics	
EM-RM-000B	Refining operating capacity	—	—	491 kbb/d

Indicator	Description	Associated GRI indicator	Section	Explanatory notes
EM-EP-000B	Number of offshore sites	—		2 offshore sites, understood by location of the various blocks meaning the different operated and non-operated blocks where the Company has a presence.
EM-EP-000C	Number of terrestrial sites	—		8 terrestrial sites, understood by location of the various blocks meaning the different operated and non-operated blocks where the Company has a presence.



**Compañía Española de Petróleos, S.A. and Subsidiaries (Cepsa Group)**

**Consolidated Financial Statements and Integrated Management Report – 2022 Financial Year**

I hereby certify that, to the best of my knowledge and belief, the Consolidated Financial Statements (Balance Sheets, Income Statements, Statements of Changes in Equity, Statement of Comprehensive Income recognized in Equity, Cash Flow Statements and Notes to the Financial Statements), along with the Integrated Management Report of Compañía Española de Petróleos, S.A. and Subsidiaries (CEPSA Group) for 2022 and drafted and approved by the Board of Directors of Compañía Española de Petróleos, S.A. at its meeting held on 2 March 2023, were prepared in accordance with generally applicable accounting standards and present a true and fair view of the assets and liabilities, financial position and results of Cepsa.

Madrid, 2 March 2023

A handwritten signature in blue ink, consisting of a large 'C' and 'A' intertwined.

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Carmen Angela de Pablo Redondo  
Chief Financial Officer

## COMPAÑÍA ESPAÑOLA DE PETRÓLEOS, S.A. AND SUBSIDIARIES (CEPSA GROUP)

### Consolidated Financial Statements and Consolidated Management Report for the year ended December 31, 2022

The Consolidated Financial Statements (Consolidated Balance Sheets, Consolidated Statements of Income, Consolidated Statements of Changes in Equity, Consolidated Cash Flow Statements and Notes to the Consolidated Financial Statements) and Consolidated Management Report which includes the Consolidated Non-Financial Information Statement of Compañía Española de Petróleos, S.A. and Subsidiaries (CEPSA Group), for the year ended December 31, 2022, contained in this document, have been adopted and Issued by the Board of Directors of Compañía Española de Petróleos, S.A. (CEPSA) at its meeting held on March 2, 2023 in compliance with Article 253 of the Spanish Companies Act in force.

To the best of our knowledge, the Consolidated Financial Statements, prepared in accordance with generally accepted accounting principles, offer a true and fair view of the financial situation and results of the CEPSA Group, and the Consolidated Management Report, which includes the Consolidated Non-Financial Information Statement, accompanying the Consolidated Financial Statements offers a true and fair view of the development and performance of the businesses and financial position of the CEPSA Group, together with a description of the key risks and uncertainties that it faces.

Madrid, March 2, 2023



Mr. Ahmed Yahia  
Chairman



Mr. Martialis Quirinus Henricus van Poecke  
Vice Chairman



Mr. Maarten Wetselaar  
Managing Director



Mr. Gregory Mark Nikodem  
Director



Mr. Ángel Corcóstegui Guraya  
Director



Mr. Saeed Mohamed Hamad Fares Almazrouei  
Director

A handwritten signature in blue ink, appearing to read "alyazia".

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Ms. Alyazia Ali Saleh Ahmed Alkuwaiti  
Director

A handwritten signature in blue ink, appearing to read "Marwan Nijmeh".

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Mr. Marwan Naim Nijmeh  
Director

A handwritten signature in blue ink, appearing to read "J. Maguire".

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Mr. James Robert Maguire  
Director

A handwritten signature in blue ink, appearing to read "Jacob Schram".

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Mr. Jacob Schram  
Director

A handwritten signature in blue ink, appearing to read "Haring".

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Mr. Jörg Christian Häring  
Corporate Secretary (Non-Director)

A handwritten signature in blue ink, appearing to read "José Aurelio Téllez Menchén".

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Mr. José Aurelio Téllez Menchén  
Corporate Deputy Secretary (Non-Director)



# **Compañía Española de Petróleos, S.A. and Subsidiaries**

Independent limited assurance report  
on the consolidated non-financial  
information statement of Compañía  
Española de Petróleos, S.A. and  
subsidiaries for 2022

*Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.*

## **INDEPENDENT LIMITED ASSURANCE REPORT ON THE CONSOLIDATED NON-FINANCIAL INFORMATION STATEMENT OF COMPAÑÍA ESPAÑOLA DE PETRÓLEOS, S.A. AND SUBSIDIARIES FOR 2022**

To the Shareholders of Compañía Española de Petróleos, S.A.,

In accordance with Article 49 of the Spanish Commercial Code, we have performed the verification, with a scope of limited assurance, of the Consolidated Non-Financial Information Statement ("NFIS") for the year ended 31 December 2022 of Compañía Española de Petróleos, S.A. and subsidiaries ("the Group"), which forms part of the accompanying Consolidated Directors' Report of the Group.

The content of the Consolidated Directors' Report includes information, additional to that required by current Spanish corporate legislation relating to non-financial reporting, that was not the subject matter of our verification. In this regard, our work was limited solely to verification of the information identified in the "Spanish Law 11/2018 and GRI Cross-Reference Table" in the accompanying Consolidated Directors' Report.

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### **Responsibilities of the Directors**

The preparation and content of the NFIS included in the Group's Consolidated Directors' Report are the responsibility of the Board of Directors of Compañía Española de Petróleos, S.A. The NFIS was prepared in accordance with the content specified in current Spanish corporate legislation and with the criteria of the selected Global Reporting Initiative Sustainability Reporting Standards (GRI standards), as well as other criteria described as indicated for each matter in the "Spanish Law 11/2018 and GRI Cross-Reference Table" of the aforementioned Consolidated Directors' Report.

These responsibilities of the Board of Directors also include the design, implementation and maintenance of such internal control as is determined to be necessary to enable the NFIS to be free from material misstatement, whether due to fraud or error.

The directors of Compañía Española de Petróleos, S.A. are also responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for the preparation of the NFIS is obtained.

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## **Our Independence and Quality Control**

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including the standards on independence), which is based on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies international standards on quality in force and, accordingly, maintains a system of quality control including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our engagement team consisted of professionals who are experts in reviews of non-financial information and, specifically, in information about economic, social and environmental performance.

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## **Our Responsibility**

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed. We conducted our work in accordance with the requirements established in International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements other than Audits or Reviews of Historical Financial Information ("ISAE 3000 Revised"), currently in force, issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and with the guidelines published by the Spanish Institute of Certified Public Accountants on attestation engagements regarding non-financial information statements.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and, consequently, the level of assurance provided is substantially lower.

Our work consisted of making inquiries of management and the various units of Compañía Española de Petróleos, S.A. that participated in the preparation of the NFIS, reviewing the processes used to compile and validate the information presented in the NFIS, and carrying out the following analytical procedures and sample-based review tests:

- Meetings held with Group personnel to ascertain the business model, policies and management approaches applied, and the main risks relating to these matters, and to obtain the information required for the external review.

- Analysis of the scope, relevance and completeness of the contents included in the 2022 NFIS based on the materiality analysis performed by the Group and described in the “Appendix 2. Materiality” section, taking into account the contents required under current Spanish corporate legislation.
- Analysis of the processes used to compile and validate the data presented in the 2022 NFIS.
- Review of the information relating to risks and the policies and management approaches applied in relation to the material matters presented in the 2022 NFIS.
- Verification, by means of sample-based review tests, of the information relating to the contents included in the 2022 NFIS, and the appropriate compilation thereof based on the data furnished by information sources.
- Obtainment of a representation letter from the Directors and management.

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## Conclusion

Based on the procedures performed in our verification and the evidence obtained, nothing has come to our attention that causes us to believe that the Group’s NFIS for the year ended 31 December 2022 was not prepared, in all material respects, in accordance with the content specified in current Spanish corporate legislation and with the criteria of the selected GRI standards, as well as other criteria described as indicated for each matter in the “Spanish Law 11/2018 and GRI Cross-Reference Table” of the aforementioned Consolidated Directors’ Report.

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## Emphasis of Matter

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment establishes the obligation to disclose information on how and to what extent the activities of certain companies, mainly public interest entities, are associated with aligned economic activities in relation to the climate change mitigation and climate change adaptation objectives for the first time for 2022, in addition to the information referring to eligible activities required in 2021. Although, as established in “Appendix 1. About this Report” and in “Appendix 3.1. EU Taxonomy”, the Group is not subject to this Regulation it has decided to present the information required by the Regulation for 2022 on a voluntary basis. As a result, the accompanying NFIS does not include comparative information in relation to eligibility and alignment.

In addition, it should be noted that the directors of Compañía Española de Petróleos, S.A. have included information on the criteria which, in their opinion, best enable them to comply with the aforementioned obligations and which are defined in "Appendix 3.1. EU Taxonomy" in the accompanying NFIS. Our conclusion is not modified in respect of this matter.

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### Use and Distribution

This report has been prepared in response to the requirement established in corporate legislation in force in Spain and, therefore, it might not be appropriate for other purposes or jurisdictions.

DELOITTE, S.L.



Javier Medrano Domínguez

2 March 2023