CEPSA

2023

INTEGRATED MANAGEMENT REPORT

Moving together

towards a better future

Contents

Chairman's statement

AHMED YAHIA AL IDRISSI

On behalf of Cepsa's Board of Directors, I would like to sincerely thank the entire Cepsa team for their extraordinary efforts throughout 2023. In a climate marked by persistent global challenges, including geopolitical conflicts and energy price volatility, the commitment and professionalism exhibited by Cepsa's workforce has been essential to progressing the company along its path to climate neutrality by 2050.

Throughout 2023 we continued to advance on our Positive Motion strategy. The strategy, which we launched in March 2022, aims to generate more than half of our EBITDA from sustainable green businesses by 2030. To deliver on our pledges, we committed to undertaking all climate actions needed to accelerate the energy transition and move towards a low-carbon economy.

> Another key highlight was the rollout of pioneering projects such as the Andalusia Green Hydrogen Valley, set to be Europe's largest hydrogen producer, and our joint venture with Bio-Oils for the construction of the largest second-generation (2G) biofuel plant in southern Europe.

During the year, we rounded out our Positive Motion strategy by launching a Sustainability Plan. This plan will build on the Sustainable Development Goals and 2030 Agenda through eight levers: talent, climate, circular economy, environment, health and safety, ethics and human rights, supply chain and communities.

The climate pledges set out in that plan include cutting our Scope 1 and 2 emissions by 55% by 2030, from a 2019 baseline, mitigating the carbon intensity of the energy products we sell by 15-20% by 2030 also from a 2019 baseline, and becoming net-zero before 2050.

We have set very ambitious targets that needed to be actioned urgently, and I am proud to say we have already delivering some of those targets.

A key milestone achieved in 2023 was the sale of our Exploration & Production assets in Abu Dhabi to TotalEnergies. This sale allowed us to accelerate our strategic goal of migrating our businesses into new sustainable areas such as green hydrogen and biofuels.

Another key highlight was the rollout of pioneering projects such as the Andalusia Green Hydrogen Valley, set to be Europe's largest hydrogen producer, and our joint venture with Bio-Oils for the construction of the largest second-generation (2G) biofuel plant in southern Europe, involving a €1.2 billion investment.

To reinforce Cepsa's commitment to innovation, Cepsa Chemicals will build the world's first plant in Huelva for the sustainable production of isopropyl alcohol (IPA), a product used in hydroalcolic gels as well as in other industries such as the medical-pharmaceutical, electronic and automotive industries.

Together, all these achievements reflect Cepsa's unwavering commitment to innovation and leadership in the transition to cleaner and more sustainable energy.

It is a major source of pride to see that we are continuously moving ahead and placing sustainability at the heart of all

our financing and investment decisions and day-to-day operations. Faced by an ever-changing global landscape, we are unwavering in our commitment to future-proofing our business and completing our sustainability transformation while remaining completely focused on delivering on our ambitious goals.

Letter from the CEO

MAARTEN WETSELAAR

It is my honour to introduce Cepsa's Integrated Report for 2023, a year replete with progress on our Positive Motion strategy.

From the very beginning I was certain that Cepsa would be able to transform itself swiftly, pivoting from being a prominent player in the Spanish oil sector to become a leader in the production of green molecules in Europe.

A strategic shift that is, moreover, necessary to respond to the global effort to combat climate change. Cepsa is doing its part in delivering the shared goals by tripling its renewable energy capacity by 2030, as agreed at the last COP28, held in Dubai. The vision underpinning our net positive ambition is to leave the generations to come a better world in the form of more sustainable mobility and energy.

In 2023 we reached a pivotal moment, marked by major transformation on the world stage, in which energy is playing a key role, with the need to step up efforts coming into clear view. Here at Cepsa we made great strides, guided by our Positive Motion strategy, all related with green hydrogen, renewable energies, biofuels and sustainable energy, taking firm steps in our transformation. Allow me to name a few examples:

> At Cepsa we made great strides, guided by our Positive Motion strategy, all related with green hydrogen, renewable energies, biofuels and sustainable energy

- We announced the development of Europe's largest green methanol plant, in partnership with C2X, and we are driving, together with Rotterdam Port, the creation of the green hydrogen maritime corridor that will connect up northern and southern Europe. We made progress on our flagship project, Andalusia Green Hydrogen Valley, destined to become largest producer of this molecule in Europe, thanks to strategic agreements struck with leading players such as Fertiberia, Enagas, Alter Enersun and EDP.
- In order to realise our ambition to lead the production of 2G biofuels, in 2023 we set up a joint venture with Bio-Oils to build the largest 2G biofuels plant in southern Europe. Last year we also sealed new alliances with Volotea, Wizz Air and Air Europa to accelerate the decarbonisation of air travel through the use of sustainable aviation fuel (SAF).

  In sustainable mobility, another cornerstone of the new Cepsa, we expanded our alliance with Endesa, launching an end-to-end charging solution designed to boost electric mobility by helping to roll out the infrastructure needed to enable this technology.

- In chemicals we announced the construction of the world's first plant for the sustainable production of isopropyl alcohol (IPA), in Huelva.
- We sold our Exploration & Production assets in Abu Dhabi, a momentous deal that is similarly framed by our Positive Motion strategy. That transaction puts us a step closer to achieving our goal of becoming a leading player in sustainable energy.

As for our business performance, 2023 was clearly a year of transition in which Cepsa continued to forge far-reaching transformation, recalibrating its global portfolio towards more sustainable businesses and gradually increasing its sustainable investments. All of which in a complex regulatory and fiscal framework in which we suffered the adverse impact of the windfall tax levied on energy companies.

It would be remiss of me not to underline that talent is key for the transformation of Cepsa and the success of Positive Motion. In 2023 we continued to hire new professionals to boost our transformation. We have an unprecedented opportunity to champion green talent, leveraging the advantages afforded by multi-disciplinary backgrounds and committing to new skills that can bring the energy sector's new paradigm to life.

I would like to underline that talent is key for the transformation of Cepsa and the success of Positive Motion.

And so I would like to end these lines by thanking the more than 10,000 Cepsa employees who, with their hard work, commitment and positive attitude, are allowing this centennial company to transform itself into a European benchmark in the energy transition. My thanks also to our shareholders, Mubadala and Carlyle: without them and their firm commitment to Positive Motion, none of this would be possible. And, of course, my gratitude to our customers, partners and suppliers for your tremendous support in this shared mission of guaranteeing a fair and inclusive energy transition to leave a better world for future generations.

2023 milestones

01
We enhanced the Andalusia Green Hydrogen Valley through alliances with a number of partners: Fertiberia, Enagás, Alter Enersun and EDP.

02
We bolstered the company, hiring over 1,000 professionals to reinforce our green shift in the last two years.

03
More than 500 Cepsa service stations already feature solar panels installed by Redexis.

04
We accelerated implementation of our Positive Motion Strategy by selling our Exploration & Production assets in Abu Dhabi and initiating the process of disposing of other assets in Latin America.

05
Our international ESG ratings shone the spotlight on our leadership in sustainability matters.

06
Our solar power pipeline surpassed the 2-GW mark.

07
We sealed alliances with Volotea, Wizz Air and Air Europa to accelerate the decarbonisation of air travel through the use of sustainable aviation fuel (SAF).

08
We created a joint venture with Bio-Oils for the largest construction of the largest second-generation (2G) biofuels plant in southern Europe, a €1.2 billion investment.

09
We renewed our Cepsa Gow loyalty programme, adding new discounts and benefits. .

10
We partnered with Grupo Ibereólica Renovables to further reinforce our renewables pipeline.

11
We entered into a strategic alliance with Maersk and Renfe to pilot test 2G rail fuel in Spain for the first time, successfully completing the first 100 trips.

12
Together with Yara Clean Ammonia, we struck an alliance for the development of the largest green ammonium plant in Europe.

13
We unveiled the first green hydrogen shipping corridor between northern and southern Europe in the presence of the Kings of Spain and the Netherlands.

14
We announced construction of the world's first plant for the manufacture of hydro-alcoholic gel using renewable inputs.

15
We reached the milestone of selling SAF at five of Spain's main airports.

16
The EIB awarded us a €150-million loan to fund our strategy for boosting electric mobility in Spain.

17
With Endesa, we launched a comprehensive solution for facilitating electric mobility.

18
We reached an agreement to acquire the Ballenoil service station network.

19
At COP28, alongside the president of Spain, we unveiled our partnership with C2X, an investee of AP Moller-Maersk, to develop Europe's largest green methanol plant.

20
We embarked on the development of biomethane productive facilities fuelled by agricultural waste.

Key indicators

Financial indicators

Earnings (€ million)

	2023	2022
Revenue [1]	25,159	33,446
EBITDA - IFRS[2]	630	3,262
Adjusted EBITDA	1,402	2,939
Net profit attributable to equity holders of the parent - IFRS	(233)	1,100
Adjusted net profit attributable to equity holders of the parent	278	790

Financial data (€ million)

	2023	2022
Share capital	268	268
Equity attributable to equity holders of the parent	3,526	4,706
Net debt	2,291	2,756

Sustainability indicators

	2023	2022
Scope 1 & 2 GHG emissions (million tCO_2eq)	4.9	5.6
Scope 3 GHG emissions (million tCO_2eq)	58.0	62.2
Freshwater withdrawn (thousand m^3)	15,240	16,707
Waste recovered (%)	70.9 %	64.4 %
Female employees (%)	38.9 %	38.0 %
Women in management positions (%)	28.9 %	26.7 %
Employees covered by collective bargaining agreements (%)	87 %	87 %
Employee lost workday incident frequency (LWIF)[3]	0.59	0.55
Employee total recordable incident rate (TRIR)[4]	0.71	0.98
Local suppliers (%)[5]	36.2 %	34.7 %

[1] Includes excise duty on hydrocarbons passed through on sales.
[2] International Financial Reporting Standards.
[3] LWIF: Total number of lost-time employee injuries / Actual hours worked x 1,000,000.
[4] TRIR: Total number of employee incidents recorded / Actual hours worked x 1,000,000.
[5] Supplier based in the same geographic market as the facilities or plant of the contracting Cepsa company.

01 Positive Motion

1.1
Positive Motion

Our purpose: we transform energy and mobility to improve the world together.

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. We are looking to create positive value, experiences and solutions in energy and mobility so that our customers can tackle the decarbonisation challenge and have a positive impact on their surroundings. Positive Motion translates into an ambitious investment programme through 2030, with over 60% of the total going into sustainable projects.

Sustainability lies at the heart of our transformation. We want our activities to have a positive impact on the planet and on people. To this end, in 2023 we rounded out Positive Motion by launching our sustainability plan: Driving Positive Impact. We have tied our strategy to sustainability criteria by expanding our environmental and social commitments.

1.2
Value chain

GRI: 2-6

We are a leading international company committed to sustainable mobility and energy.

EXPLORATION & PRODUCTION

We search for, find and extract oil and natural gas, both on land (onshore) and at sea (offshore).

COMMERCIAL & CLEAN ENERGIES

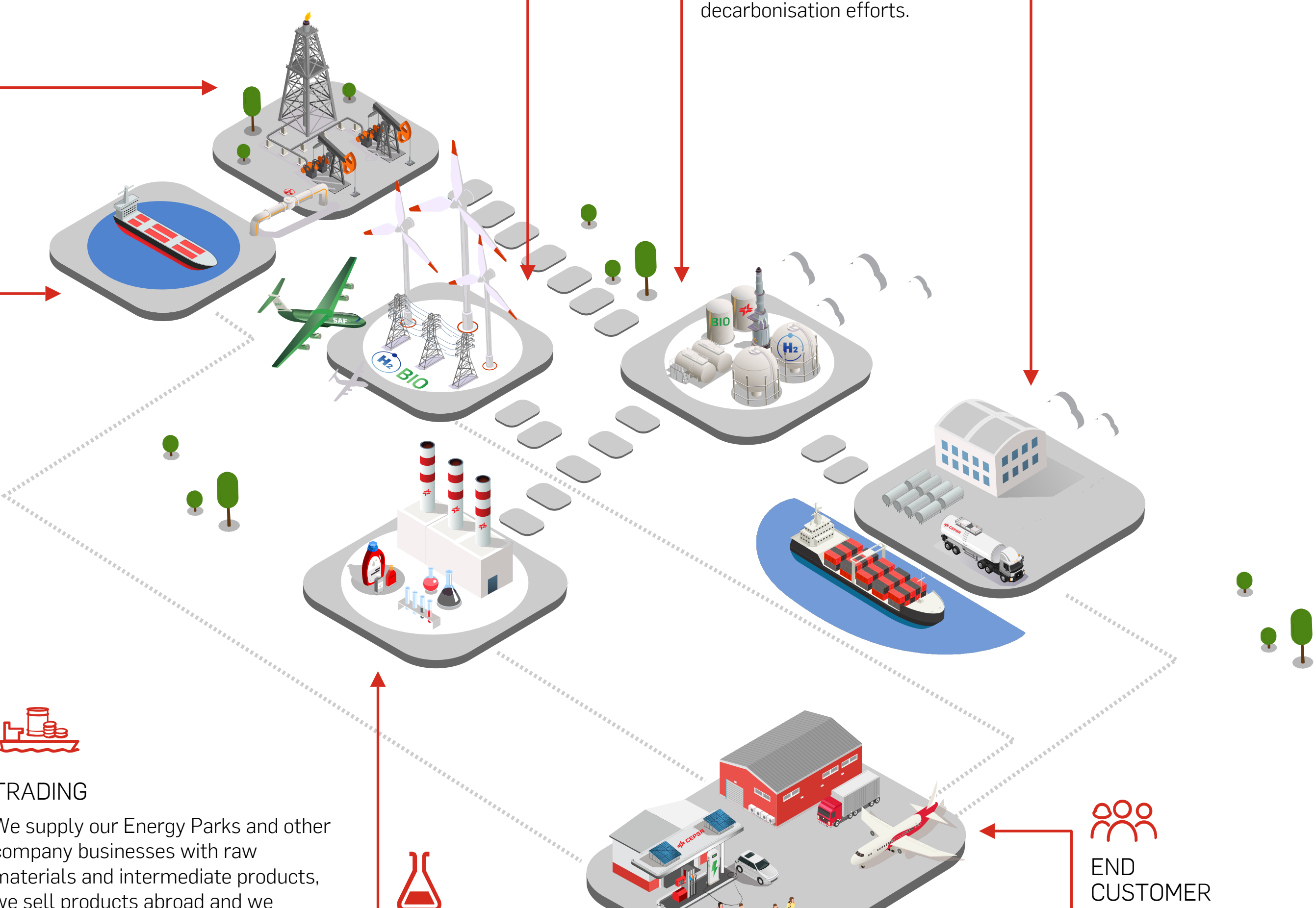
We are getting ready for the large-scale sale of biofuels and hydrogen. We distribute aviation fuel, lubricants, asphalts, gas-oil, butane and propane.

ENERGY PARKS

We transform crude oil and other renewable raw materials into products and raw materials for other industries. We leverage our innovation and sustainability efforts to develop new green products (e.g., biofuels and soon green hydrogen) in order to decarbonise our productive process and also help other sectors with their decarbonisation efforts.

MOBILITY & NEW COMMERCE

We are helping our customers with their mobility needs by offering them energy solutions that match their needs, specifically a multi-energy and ultra-convenient range over a wide-reaching network of service stations, and we are driving the decarbonisation of ground transportation (including electric mobility).



TRADING

We supply our Energy Parks and other company businesses with raw materials and intermediate products, we sell products abroad and we provide shipping fuel solutions. We participate in contract and energy asset optimisation, leveraging our market expertise. Through our Vetting area we manage the fleet devoted to our activities and ensure our quality standards are met.

CHEMICALS

We make derivatives that are used as raw materials for the manufacture of biodegradable detergents, paints, synthetic fibres, polycarbonates and specialties, among other products.

END CUSTOMER

We help our customers reduce their environmental footprint by selling them more sustainable products.

1.3

Global footprint

We are present in over 20 countries, offering energy solutions tailored for each reality.

Chemicals
Exploration & Production
Energy Parks
Gas and Electricity
Trading
Corporate
Distribution and marketing of chemical products
Distribution and marketing of energy products
Renewable energy generation

1.4

Our businesses

GRI: 2-6

1.4.1

Energy

1.4.1.1

Energy Parks

2023 MILESTONES

125 thousand tonne increase in our Energy Parks' bio-material co-processing capacity thanks to the introduction of new units.

Sale of the first shipments of HVO (100%-renewable diesel) from the La Rábida Energy Park (Huelva, Spain) following the start-up of the Gulfinishing unit at the end of 2022.

Commissioning of an ultrafiltering and reverse osmosis plant at the San Roque Energy Park (Cadiz, Spain) to permit the reuse of 20% of the water discharged into the sea and reduce withdrawal from municipal networks by more than one million m^3.

Our refining business is concentrated at two Energy Parks, located in Campo de Gibraltar (Cadiz) and Palos de la Frontera (Huelva), which we are adapting for the production of renewable fuels such as biofuels and green hydrogen. We transform crude oil into higher value-added products to meet society's needs for energy and basic materials. For example, we serve the transport, residential, industrial and petrochemicals sectors. Our refining business accounts for 30% of total installed capacity in Spain.

We are working to remain competitive in a context conditioned by the existence of surplus refining capacity in Europe, the competitiveness of new refineries located outside of Europe, the impact of the energy transition on demand for traditional products, increasingly rigorous environmental regulations and technical specifications for products in terms of carbon emissions and the growing presence of biofuels.

Our Energy Parks are strategically located close to key shipping ports with significant production and storage capabilities and excellent logistics connections for catering to national and international demand for refined products. The parks generate the cash flow needed to enable the energy transition strategy and we use the internet of things (IoT) combined with advanced analytics and artificial intelligence to optimise our production processes.

Our priorities are to safeguard the safety and competitiveness of our Energy Parks from an operational viewpoint, ensure integration with the rest of our businesses to optimise our logistics and sales functions and contribute to the company's transformation and energy transition by developing new green products and decarbonising our productive process.

To that end, in 2023 we continued to execute continuous improvement programmes that are key to our operational excellence with the aim of realising our full potential, specifically:

- Brio: improvement in how our teams work.
- Pilotage: optimisation of commercial operations along the value chain.
- Compas: improvement in value chain planning and programming applications.
- Cumbre: digitalisation of operating data.

In parallel, we embarked on a cultural transformation process to increase our operating discipline and ensure safety at our parks.

We also made progress on the decarbonisation of our facilities and processes by executing energy efficiency projects, reducing the use of energy derived from fossil fuels and increasing the production of biofuels. In the years to come we will make additional progress on decarbonisation by means of electrification and the supply of biomethane.

We are working to reduce our water consumption. To achieve that goal, we are investing in water filtering and reuse processes and improving our day-to-day management constantly. These water savings will allow us to take on new projects without increasing our municipal water withdrawal.

We also made progress on a number of logistics infrastructure projects, including the new pipeline under construction in Huelva, slated for commissioning in 2025, to make it easier to get new green energy solutions to the sea, and the South Quay project for the construction of a new quay to facilitate the development of the biofuels business in 2026.

SANTA CRUZ VERDE 2030

'Santa Cruz Green 2030'

The dismantling of the Santa Cruz de Tenerife refinery will pave the way for Santa Cruz Green 2030, a project destined to become one of the most ambitious industrial-to-urban site reconversions in Europe. It will have a positive impact on the city by turning the site of the former refinery into a transformed urban space with green attributes, framed by an approach that combines energy and environmental sustainability.

To ensure the supply of energy to the Canary Islands and facilitate access to new energy solutions, we plan to develop a logistics terminal in Tenerife, around 55km to the south of the current facilities, adapted for the islands' current needs and configured to bring sustainable energy solutions to the archipelago.

1.4.1.2

Commercial & Clean Energies

2023 MILESTONES

Joint venture with Bio-Oils for the construction of the largest second-generation (2G) biofuels plant in southern Europe. The complex, to be located in Palos de la Frontera (Huelva, Spain), at the La Rábida Energy Park, will entail up to €1.2 billion of investment.

Strategic alliance with Fertiberia to boost the production of green hydrogen and decarbonise the industry in Huelva (Spain) via the joint development of a large-scale renewable hydrogen plant fuelled by green energy and other renewable gases.

Agreement with C2X for the development of the largest green methanol plant in Europe, entailing up to €1 billion of investment.

Commercial & Clean Energies caters to the various customer segments, including the management of B2B businesses in the manufacturing, aviation, shipping and ground transportation industries, proving lubricant, asphalt, gas and electricity solutions.

Our strategy is to respond to growing demand for clean energies by gradually replacing fossil fuel sources. Specifically, we are advancing on the development of our green hydrogen, biofuel and renewable energy businesses. We are also developing ad-hoc solutions to help our customers with their decarbonisation efforts.

Green hydrogen

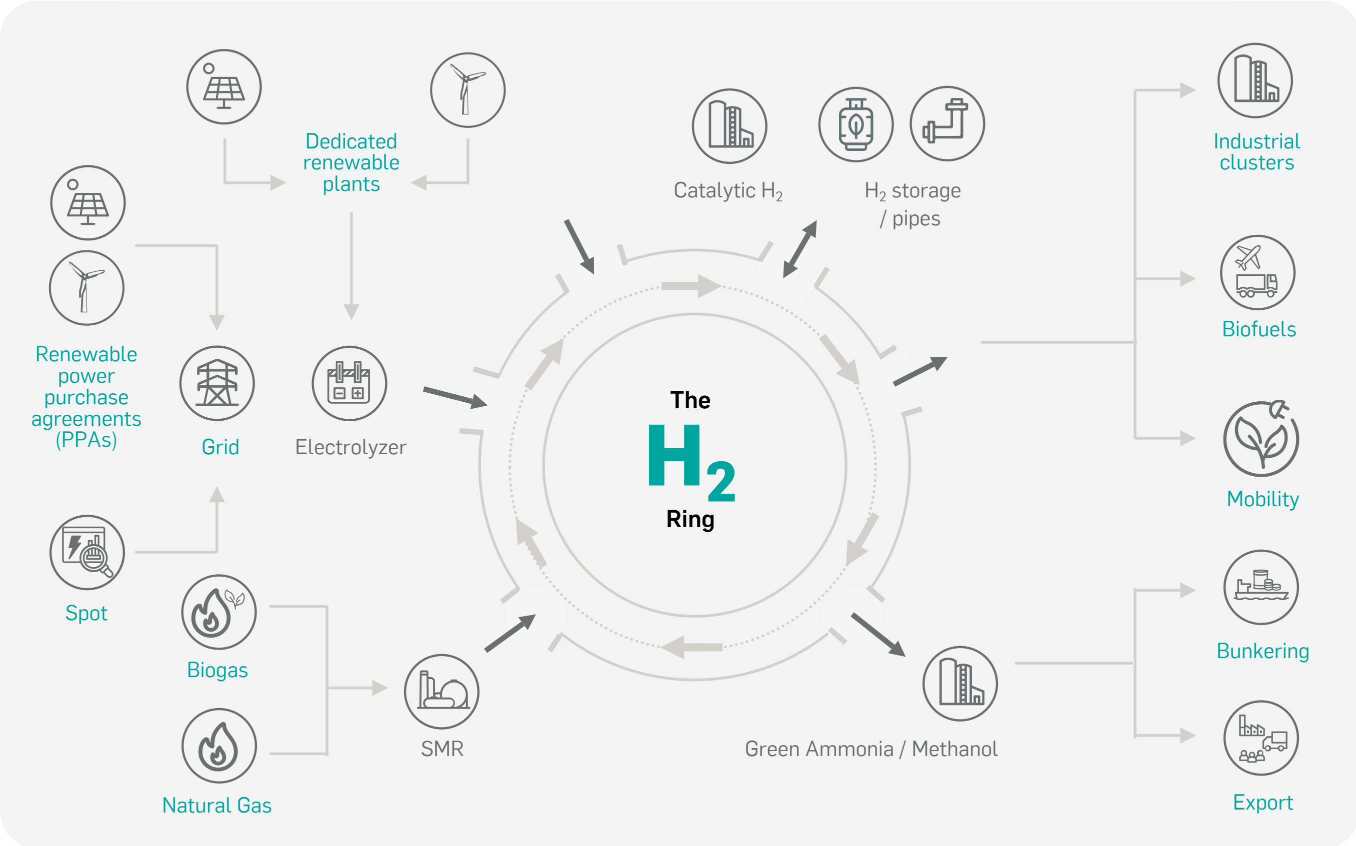
In 2030, we will have the capacity to generate 2 GW of green hydrogen, enabling us not only to cover our own needs but also to help with our customers' decarbonisation efforts, including customers in the shipping industry, to whom we will sell green hydrogen molecules in the form of green ammonium and methanol.

Framed by Positive Motion, we continue to develop Andalusia Green Hydrogen Valley, Spain's most ambitious renewable hydrogen project and one of the largest in all of Europe. The Valley will accelerate the energy transition and endow the continent with greater energy autonomy.

The project, which entails over €3 billion of investment, will see the construction of two green hydrogen production facilities at our Energy Parks in Palos de la Frontera (Huelva) and San Roque (Campo de Gibraltar, Cadiz). The facilities will have combined electrolysis capacity of 2 GW and produce up to 300,000 tonnes of green hydrogen a year. Their construction will also allow us to boost the production of 2G biofuels and derivative products such as green ammonium and methanol, helping our customers in the manufacturing and heavy road transportation sectors with their decarbonisation efforts.

In 2023 we announced the development of an hydrogen ring in Huelva (Spain). The pioneering engineering feat implied by the construction of this piece of infrastructure lies with connecting up hydrogen producers with consumers, ensuring more sustainable, efficient, secure and competitive supplies and tapping synergies across all neighbouring industries.

Hydrogen ring



We also spearheaded the creation of the Andalusian Hydrogen Cluster, the first association devoted to the development of this form of energy in Andalusia (Spain). Its purpose is to contribute know-how about this technology, its uses and its markets and to spark development and research in this field, while fostering its implementation across this area of Spain.

To boost hydrogen production, we have signed strategic alliances and preliminary product supply and offtake agreements.

Strategic alliances

25/01 — enagas renovable, alter enersun

Joint development of a green hydrogen plant and an associated 200 MW photovoltaic energy plant in Huelva within the Andalusia Green Hydrogen Valley complex. We also signed a complementary agreement with Enagás Renovable for the production and offtake of biomethane.

30/01 — edp

Analysis of the potential joint production of up to 1 GW of green hydrogen in Algeciras Bay under the umbrella of the Andalusia Green Hydrogen Valley initiative, a project that also encompasses the supply of renewable electricity and possible collaboration on the production of sustainable shipping fuels.

20/02 — ace Terminal Rotterdam

Rotterdam Port Terminal: project for the first green hydrogen shipping corridor from Spain to the Netherlands for which we will supply green ammonium to the planned ACE Terminal for conversion into green hydrogen, a facility slated for commissioning 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.

22/02 — Fertiberia

Impetus for the production of green hydrogen and decarbonisation of industry in Huelva via joint development of a large-scale renewable hydrogen plant and pioneering hydrogen ring, under the umbrella of the Andalusia Green Hydrogen Valley project.

10/05 — GETEC

Supply of green hydrogen to industrial customers in Europe, marking a step further in the maritime link-up between Andalusia Green Hydrogen Valley and Rotterdam Port.

01/06 — Grupo Ibereólica Renovables

Reinforcement of renewable energy supplies for our green hydrogen developments.

14/06 — Yara Clean Ammonia

In the presence of the Kings of Spain and the Netherlands, we sealed an alliance for the promotion of the green hydrogen shipping corridor between northern and southern Europe. We also struck an agreement with Dutch firm Gasunie which guarantees access to its green hydrogen transport network in the Netherlands, which will connect Rotterdam Port with other industrial clusters in Europe, including in Germany, the Netherlands and Belgium, as part of the Delta Corridor initiative.

01/12 — C2X

Development of a green methanol plant in Huelva, entailing up to €1 billion of investment, which is set to become one of the world's five-largest green methanol plants, with annual production capacity of 300,000 tonnes. The green hydrogen produced in the Andalusia Green Hydrogen Valley will provide some of this new plant's hydrogen requirement.

Biofuels

Biofuels are set to play a key role in the decarbonisation of transport. They are currently the most cost-efficient way of decarbonising this 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.

Second-generation (2G) biofuels are made from waste, such as used cooking oil and biodegradable waste generated in different industries, so favouring circular economy dynamics, unlike first-generation (1G) biofuels, which compete with food. This circularity makes it possible to reduce carbon emissions by as much as 90% compared to traditional fuels.

These 2G biofuels are a cornerstone of our Positive Motion strategy. Our aim is to lead in 2G biofuels in Spain and Portugal with 2.5 million tonnes of capacity by 2030, 800,000 tonnes of which will be sustainable aviation fuel (SAF).

Production of biofuels

We have been producing 2G biofuels at our La Rábida Energy Park since 2022 thanks to the reconversion of some of our productive facilities. In 2023 we announced the construction, together with Bio-Oils, of the largest 2G biofuel plant in Europe at our La Rábida Energy Park. The new plant will lock in most of its raw material (organic waste) sourcing under a long-term framework agreement between Apical Group, Bio-Oils' parent in Huelva (Spain), and our Advanced Feedstocks business. The new facility will produce, under a flexible scheme, 500,000 equivalent tonnes of SAF and renewable diesel. It is slated for commissioning in 2026.

Last year we also embarked on the development of plants for the production of biomethane from farming and breeding waste, having entered into an agreement with Kira Ventures for the development of as many as 15 biomethane plants in Spain this decade. Our goal is to decarbonise our industrial activity by switching biomethane for natural gas at our facilities. Biomethane can cut carbon emissions by up to 100% and it contributes to the energy transition immediately as its use does not require any reconfigurations in industry or transport networks.

Air travel

We are one of the leading producers and suppliers of aviation fuel in Spain and we want to be at the forefront of the air travel sector's decarbonisation. We have struck alliances for the use of SAF with top-class airlines including Iberia, Iberia Express, Air Nostrum, Vueling, Binter, Etihad, TUI, Wizz Air and Volotea.

In 2023 we became the first company to offer SAF at four of the main Spanish airports - Madrid, Barcelona, Palma de Mallorca and Seville - and we have since added sales at Malaga airport. We also reached an agreement with Air Europa under which we will supply them with SAF for one year for the firstly monthly Madrid-La Habana flight.

Shipping

We are the leading Spanish supplier of shipping fuel and we want to be the top provider of sustainable fuel also. In 2023, among other operations, we supplied 2G biofuels for trips by Naviera Armas Trasmediterránea in Algeciras Port. We also began to supply biofuels at Barcelona Port by supplying a container ship which operates in the Mediterranean.

Ground transportation

In 2023 we began to sell 100%-renewable diesel (hydrotreated vegetable oil, or HVO) at our service stations as well as directly at our professional customers' facilities. In rail travel, together with Maersk and Renfe, we successfully completed the first 2G biofuel tests.

Renewables, gas and electricity

We are developing renewable solar and wind power projects to help meet our decarbonisation targets. We are aiming to develop a portfolio of 4.5 GW by 2030. In parallel, we are looking for co-development opportunities and agreements with third parties to make up the remainder of our green energy requirement as efficiently as possible. We already have permits to connect around 2 GW to the grid. In 2023 we also obtained environmental impact statements for several of our pipeline projects.

We currently have a 29-MW wind farm in Jerez with 11 wind turbines. We also have one combined cycle power plant and seven combined heat and power plants at our main productive facilities, which mainly cover internal heat needs. Through our trading companies, we also supply gas and power to industrial and service sector consumers. Most of the electricity we sell our customers comes from certified renewable sources.

1.4.1.3

Mobility & New Commerce

2023 MILESTONES

We entered into an agreement for the acquisition of the Ballenoil service stations chain, a pioneer and benchmark in the low-cost segment in Spain.

We launched a new retail customer loyalty programme: Cepsa Gow.

We are making progress on the transformation of our service stations to a customer- and convenience-centric model with more environmentally-friendly car wash solutions.

Our Mobility & New Commerce business manages the transformation of our mobility business with the aim of making road transportation more sustainable. Specifically, we are expanding our range of energy and sales solutions for retail and professional customers and in our service stations network, which is the second largest in Spain and Portugal, along with a presence in Morocco and Mexico.

Customers are becoming increasingly demanding: focused on price, the low-cost format is growing. Other key trends include a shrinking fuel market, loyalty schemes and booming new retail formats. Our strategic priorities are designed to respond to these trends and demands. To that end, we are developing:

- A broad electric mobility ecosystem offering EV users an end-to-end ultra-rapid charging solution in partnership with Endesa, covering all use cases, from home charging to mobility along major interurban routes.
- The largest network of ultra-rapid charging points in Spain and Portugal equipped with chargers of at least 150 kW. The plan is to have over 1,000 service stations equipped with chargers by 2030.
- Transformation of our service stations, converting them into digitalised venues that offer a wide variety of ultra-convenient services and eateries.
- A broad range of renewable fuels for sale. All of our fuels contain at least 10.5% of biofuels. We are also selling HVO (100%-renewable diesel) to our professional customers.

We currently operate around 1,800 service stations in Spain and Portugal. The acquisition of Ballenoil will lift that figure to over 2,000 thanks to its network of 240+ low-cost establishments in Spain. Ballenoil will keep its current business model and structure, consolidating its benchmark presence in the low-cost segment in Spain and offering the market a range of fuels at affordable prices.

In parallel, we will continue to develop our network of premium service stations, where customers can choose from multiple energy solutions and a range of ultra-convenient services including eateries, supermarkets and a premium car-washing experience with automatic payment and sustainable products. In 2022, we launched our own restaurant label, R'SPIRO, which already has more than 200 establishments inside our stations, as well as standalone locations and food trucks. This year we took new steps in our transformation process when we introduced our Food Hall concept, offering customers a choice of culinary options for eating in the station, taking away or ordering via the delivery platforms.

We also reinforced our loyalty programme by launching Cepsa Gow to offer our customers bigger discounts and better rewards. Members can earn rewards by shopping at Cepsa and at other establishments and exchange them for fuel, EV charges, car washes or store products. That has meant building a deep ecosystem of alliances with more than 40 partner firms. Customers can earn as much as 10% of their purchases at these establishments in rewards.

1.4.1.4

Trading

2023 MILESTONES

First energy firm in Europe to operate a hybrid diesel-electric bunker barge for the supply of shipping fuel.

Our Trading unit supports and adds value to all our businesses with the aim of becoming the company's commercial enabler. To achieve this, it has the following lines of business.

The Crude & Products business procures the raw materials and intermediate products needed by our production facilities and participates in the management of product storage, marketing and sales, in coordination with the rest of the business units. It also manages most of the shipping side of the business (and is in fact the leading supplier of shipping fuel in Spain), ensuring compliance with safety protocols, specifically the guidelines set by the Vetting unit, which is responsible for assessing and approving the tankers that operate for the company.

We operate in Singapore, one of the world's most important trading hubs, and offer shipping fuel solutions from a position of leadership in the Strait of Gibraltar.

In 2023, in a first in Europe, we added a hybrid bunker barge, which operates in Algeciras Bay, to our shipping fuel supply fleet. This barge can reduce fuel consumption by 30% and carbon emissions by 35% by comparison with a conventional barge. Moreover, when it is docked at port, it does not generate any emissions, so helping improve port air quality.

Our Gas Trading business supplies gas to the company and to third parties, while optimising the company's assets and increasing their flexibility. Lastly, the Electricity & Environmental Product Trading business provides the company with access to the market, optimising the electricity and emissions portfolio.

All this allows us apply our experience managing volatility and the risks intrinsic to our businesses and constantly searching for business opportunities in the futures and derivatives markets.

1.4.2

Exploration & Production

2023 MILESTONES

We accelerated implementation of Positive Motion with the sale of our Exploration & Production assets in Abu Dhabi and embarked on the process of selling other assets in Latin America, while terminating our exploratory blocks in Mexico.

We reached cumulative production of 100 million barrels in Caracara (Colombia).

We approved a new development plan for Ourhoud (Algeria).

Our Exploration & Production unit, which is present in Algeria and Latin America, explores for, develops and produces oil and natural gas. We participate in our assets using a range of formulas, including as operator and joint venturer. The oil and gas we produce is mainly sold by our Trading teams.

We are constantly trying to enhance our portfolio by strengthening our position and orienting our assets towards efficiency, prioritising the safety of our staff, contractors and local communities across all our operations and activities. We generate value by means of a centralised management model at both operated and non-operated fields. We have a resilient and long-life business in which:

- We are helping reduce the carbon intensity of our fields.
- We are focusing on streamlining our operations and keeping our barrels low-cost.
- We have a highly experienced team of technical experts.
- We pursue attractive options for investing in production fields and top-quality exploration opportunities.

We are committed to sustainability and social responsibility in our business communities and we are part of the World Bank's Zero Routine Flaring by 2030 initiative.

In 2023 we continued to streamline costs to extract efficiency gains and enable select investments. Our priorities were safety and maximising the value of our assets. Our flagship projects were the re-development of Rhourde el Krouf (Algeria) and infill drilling in Ourhoud (Algeria).

Last year we also reached the milestone of 100 million barrels of accumulated production in Caracara (Colombia). We also made progress with our partners on the potential development of the *Baja* discovery in Block 53 in Suriname, in which we have a 25% interest, in what was a major milestone as it marked our first deep water find. Evaluation of this discovery continued in 2023.

Key Exploration & Production assets

Algeria:

Rhourde el Krouf (RKF): onshore crude oil field located in the Berkine Basin. Joint operation | Cepsa interest: 49%.

Ourhood: onshore crude oil field located in the Berkine Basin. Joint operation | Cepsa interest: 37%. Second largest oil field in Algeria.

BMS: onshore crude oil field located in the Berkine Basin. Joint operation | Cepsa interest: 75%.

Timimoun: onshore natural gas field located in the Timimoun Basin. Joint operation | Cepsa interest: 11%.

Colombia:

Caracara: onshore crude oil field located in the Los Llanos Basin. Operated | Cepsa interest: 70%.

LLanos 22: onshore crude oil field located in the Los Llanos Basin. Operated | Cepsa interest: 55%.

La Cañada Norte: onshore crude oil field located in the Magdalena Upper Valley. Not operated | Cepsa interest: 17%.

Mexico:

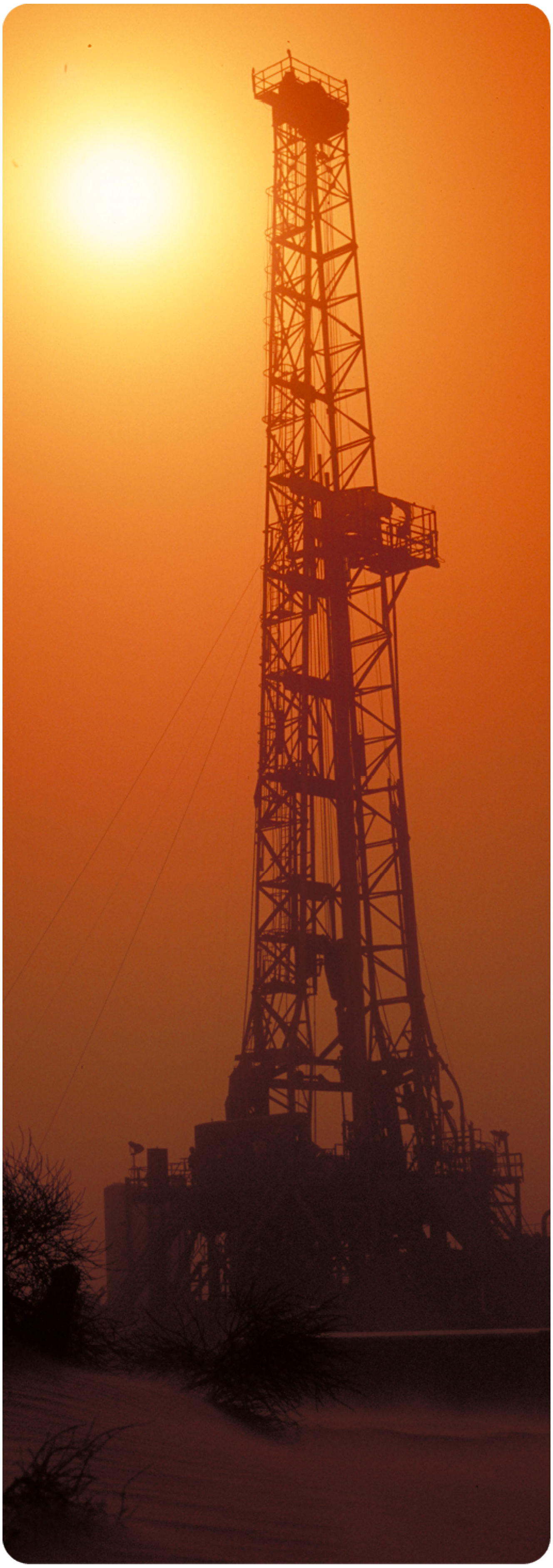
Three shallow-water offshore blocks (Blocks 16, 17 and 18). Located in the Tampico-Misantla Basin. Not operated | Cepsa interest: 20%. At the abandonment phase.

Peru:

Los Ángeles (Block 131): onshore crude oil field located in the Ucayali Basin. Operated | Cepsa interest: 100%.

Suriname:

Block 53: deep offshore field located in the Guyana-Suriname Basin. Not operated | Cepsa interest: 25%. Evaluation of this discovery continued in 2023.



1.4.3

Chemicals

2023 MILESTONES

Launch of the IPA project for the construction in Huelva of the first plant capable of producing isopropyl alcohol (IPA or isopropanol) using renewable or circular materials. This plant will be connected to the acetone production plant in Palos de la Frontera and the green hydrogen ring in the new Andalusia Green Hydrogen Valley project.

Start of testing of a pioneering new flexitank model in Europe for transporting chemical products made of up to 35% of recycled materials made from waste.

We added low carbon NextLab to our range of new sustainable products and launched our first digital blockchain sustainability certification in the detergent and homecare industry.

Our Chemicals business comprises six chemical plants - two in Spain, adjacent to our Energy Parks, and plants in Canada, Brazil, Nigeria and China - and two oleochemical facilities in Indonesia and Germany. Our products are used as raw materials for detergents, resins, electronic parts, synthetic fibres and pharmaceutical products, among others. We conduct research, innovation and development work to ensure the sustainability and quality of our products and advance on the use of circular economy criteria to streamline the use of resources in our productive processes.

Thanks to our technological leadership, we are the world's leading producer of linear alkylbenzene (LAB), the key raw material used in biodegradable detergents, and we are the number-two producer of phenol/acetone, which are essential raw materials for the automotive, construction and pharmaceutical industries. We are pioneering the introduction of sustainable raw materials into the manufacture of these products: in 2023 we launched new NextLAB ranges, becoming the first company in the world to produce sustainable LAB at an industrial scale, and NextPhenol. To certify the advantages of

using NextLAB, we completed external life cycle assessments (LCA) for two of the products we sell in this range. That analysis compares the products' environmental impacts compared to products made using fossil fuels, signalling a reduction in greenhouse gas emissions of up to 79% when the raw material is renewable and of 19% when the energy used to make it is renewable.

All of our production plants are ISCC+ (International Sustainability and Carbon Certification) certified, giving us the ability to produce new sustainable product ranges.

We also have certification guaranteeing the sustainable origin of the raw material we use to produce our renewable NextLab.

In addition, we are co-owners of the best LAB manufacturing technology available in the market and are leading its implementation by transforming the Puente Mayorga factory (DETAL Project). This means we can increase LAB production using a safe, efficient and sustainable process which optimises the use of raw materials and electricity, while reducing the generation of emissions and waste and the consumption of water.

To reinforce our leadership of a sector in the throes of transformation, we plan to continue to increase our production capacity, expand our strategic alliances and advance towards more sustainable chemicals by using renewable and circular (made from waste) raw materials and developing lower-carbon products.

To that end, in 2023 we announced the construction of a plant in Huelva as part of the Andalusia Green Hydrogen Valley for the manufacture, for the first time in the world, of renewable isopropyl alcohol, the raw material used to make hydro-alcoholic gel, pharmaceutical and cosmetic products and paint, among other products. Last year we also managed to make circular phenol from single-use plastics for the first time in Spain, having successfully tested the processing of plastic waste in the form of pyrolysis oil. We also made the first tonnes of NextLAB-low carbon made by replacing natural gas with biomethane at our plant in Bécancour (Canada). We started to test a pioneering new flexitank model in Europe for transporting chemical products made of up to 35% of recycled materials made from waste, reducing the use of resources and generation of emissions. Lastly, in 2023 we launched the first digital-blockchain sustainability certification in the detergents and homecare sector, so that the customers who buy our chemical products can ascertain the origin of their raw materials at any time and consult the sustainability certificates and guarantees associated with the products they purchase.

1.5 Customer-centric strategy

GRI 2-29, 2-30, 3-3

One of the cornerstones of Positive Motion is offering energy and commercial solutions that help reinforce our long-term relationships with our customers.

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 and sustainable mobility solutions to facilitate the energy transition, reducing our customers' carbon footprint and enabling their circularity, 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. To that end, we analyse trends in their feedback, needs and expectations to fine-tune our processes, enhance our contact points and propose new services that boost their loyal.

In addition to broadening our discounts, in 2023 we launched a new loyalty programme, Cepsa Gow, thanks to which customers can earn credit by shopping physically at our service stations or shopping online at a broad range of partner firms. We are focusing on digitalisation by offering web services for order management and monitoring, as well as paperless receipts across our service stations in Spain and on our Cepsa Gow and Starressa apps.

We measure our customers' satisfaction continually by means of surveys and we track specific KPIs such as our net promoter score (NPS). In fact, our NPS improved by over three points compared to 2022.

To manage complaints and claims, our customer service area follows our specific customer care and experience procedure, addressing all customer requests, identifying their needs and recording them in our management systems so we can monitor response and resolution times. Our customers can submit complaints through a number of channels, including email, the website, our social media handles, the Integrity Channel, our chat tool and phone.

For further information about how we are helping our customers reduce their carbon footprints, refer to 1.4.1.2 Commercial & Clean Energies

For further information about how we are helping our customers reduce their carbon footprints, refer to 1.4.1.3 Mobility & New Commerce

For further information, refer to Appendix 2.7 Stakeholders

1.6

Transformational innovation, digitalisation and cybersecurity

GRI 3-3

2023 MILESTONES

Pioneering production of circular phenol and acetone in Spain from discarded single-use plastics at the La Rábida Energy Park in Huelva (Spain).

Start-up of 2023-2027 Green Digital, the new digital strategy.

Drafting of the 2023-2026 Cybersecurity Master Plan.

KEY INDICATORS	2023	2022
Innovation projects focused on energy transition technologies (%)	80 %	50 %
Collaboration partners (no.)	85	75
Digital transformation projects (no.)[6]	400	333
Employees in digital practice communities (no.)[7]	601	—
People with digital skills (no.)	1,899	1,209

1.6.1

Transformational innovation and digitalisation

As part of Positive Motion and considering the acceleration in the uptake of decarbonisation technologies, we have pledged to transform our businesses by applying innovative and cutting-edge solutions. Through our Focus innovation projects, we identify, coordinate and develop technology solutions, starting up research at our Innovation Centre and then driving the development of large-scale technology demonstrators of products and processes to make it easier for the company to grow in new businesses. And our advanced analytics labs add value to our energy assets.

We follow an in-house approach, i.e., the 'one-pot' innovation approach', to accelerate the development of value-added research projects aligned with Positive Motion. This approach has enabled us to develop both second generation (2G) and third generation (3G) biofuels in under two years from the start of pilot plant testing.

[6] The digital transformation project number includes the cumulative number of projects undertaken since 2018.
[7] Communities created in 2023.

In 2023, we worked on choosing the right technology for new green hydrogen businesses, carrying out a comprehensive review of the global electrolyser business, technology and suppliers. We also stepped up execution of our innovation pipeline in low carbon and 2G biofuels and carried out a number of innovation projects focused on developing new technologies and sustainable products in our chemicals business.

At our Innovation Centre, we work on these research projects at lab scale for our production centres and sales units, while also providing our customers, particularly in lubricants and specialties with technical assistance.

The centre is equipped with laboratories, next-generation equipment and pilot plants capable of reproducing, at small scale, the processes we carry out at our production centres. The aim is to create more efficient and eco-friendly processes and develop new fuels. We also drew up a plan in 2023 to set up labs specifically for hydrogen and sustainable mobility.

In 2023, we won an award in the Company and Science category at the 5th annual Hipatia awards, given by el Economista in recognition of women who have done the most to advance science and research in any scientific fields

Intellectual property management is core to protecting our progress maximising returns. To that end, we protect and manage the technical knowledge generated through patents, know-how, utility models, licences and non-disclosure agreements (NDAs). We were granted nine new patents in 2023, bringing the total to over 70 across 26 different countries.

Strategic lines of initiative in innovation

- Advanced 2G and 3G biofuels.
- Innovation in green chemicals.
- Innovation in circular economy.
- Green hydrogen and renewable gases.
- Innovative CO_2 capture and transformation.

Digitalisation, driving growth

The objective of our digitalisation strategy is to drive business growth and accelerate the energy transition, empowering our employees to create value and giving our customers solutions to fuel their decarbonisation.

In 2023, we embarked on 2023-2027 Green Digital, our new digital strategy entailing over 260 initiatives to promote decarbonisation, drive sustainable mobility and enhance the customer and employees experiences by using data, artificial intelligence (AI) and the internet of things (IoT) to streamline, optimise and automate their day-to-day operations. We are unlocking this strategy through the Green Digital movement, showcasing via digital experiences the strategy behind each business, our key projects and the digital leaders who are driving this transformation.

Framed by this strategy, we have set the following objectives::

- Green by Digital: to identify more than 150 initiatives targeting business growth, decarbonisation and sustainable mobility by 2027.
- Green Digital Skills for All: to provide digital skills training to a further 25% of staff by 2027.
- Green Digital Safety: to increase the amount of data collected for better decision-making on health and safety risks by fivefold by 2027.
- Green Digital Alliance: to have +100 partners in our innovation ecosystem by 2025.

Green Digital also provides a new work model arranged into five digital hubs[8] with the aim of becoming more agile, more autonomous and closer to the businesses by providing a more strategic vision. With this in mind, to become closer to our employees and spread knowledge within the organisation we created digital practice communities during the year.

We embarked on a data and AI democratisation and governance strategy that included setting up a new Data Management Office to ensure quality, traceability and security through a series of procedures, policies and standards. We also put in place a company-wide group to ensure ethical and responsible use of AI and we created the first IoT lab at the Innovation Centre.

This year we launched Green IT, our strategy for reducing the energy consumption and environmental impact of our digital devices and solutions by:

- Reusing, recycling and donating user devices through the Cepsa Foundation.
- Migrating our solutions to the cloud, tapping its energy efficiency and scalability and eliminating unnecessary local consumption.
- Selecting and screening our IT suppliers using sustainability criteria, which are now a basic requirement in our procurement processes.
- Periodically measuring our consumption and the impact of our projects on our applications and infrastructure for rationalisation purposes.

Key digitalisation and energy transition projects

- Digital native plant: construction of the first digital native plant from the design phase through to construction, operation and maintenance.
- Cepsa Gow and Starressa: platforms for enhancing individual and business customer experiences in mobility. Cepsa Gow members can fill up and recharge, pay using their devices, build credit and enjoy partner brand benefits and perks. With Starressa, users can make payments and perform other day-to-day activities, eliminating the need for physical cards.
- Visbreaker AI: assistance controlling severity in the visbreaking unit and enhancing its performance, saving both energy and money.
- YAPP: mobility inspection platform designed to optimise and automate work at our Energy Parks through flexible and automated field management and reporting.
- Dremio and Knolar: employee data democratisation platform, with autonomous data access and analysis. Knolar also produces scorecards that help with Energy Park operation, management and maintenance.

Key innovation and digitalisation collaborations

Our open innovation ecosystem employs a 360-degree collaboration strategy, partnering with entrepreneurs and professionals to develop projects and technologies and drive the value chain. We entered into more than 60 innovation agreements in 2023 with different partners to assess new projects. Our screening of start-ups provided more than 400 opportunities for acceleration, seeking to mainstream technology linked to Positive Motion. We also raised financing for projects related with the use of sustainable raw materials and the development of bio-aviation fuel. Our Innovation 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.

On the digitalisation front, we set up an Open Innovation area to liaise with the innovation ecosystem, searching for IT solutions that help the company deliver its objectives. For instance, we are promoting the Green Digital Alliance programme to search for eco-partners and have been named AWS's exclusive partner on the Carbon Lake project to drive decarbonisation.

In 2023, we earned CIONET-Vocento prizes in the Best company in technology and Best artificial intelligence project categories. We also received the Forbes Prize for Innovation for our New Industrial User Post project.

[8] Data, artificial intelligence and cloud solutions; the internet of things and the X industry; open innovation; user experience and design; and change, content and capabilities.

1.6.2

Information and operational cybersecurity

Given the current digital environment, marked by massive data usage and exponentially-growing hyperconnectivity, we need to safeguard the confidentiality, integrity and availability of our information, making this a priority of our digitalisation strategy and ensuring that all our businesses can operate reliably and without interruption.

To achieve this, we have a Cybersecurity Policy as well as a 2023-2026 Cybersecurity Master Plan, which sets out the main lines of action and forms the basis of an ambitious set of programmes and initiatives.

Our cybersecurity model and integrated information security management system, which is based on the NIST Framework (National Institute of Standards and Technology) and is ISO 27001 certified[9], is underpinned by a suitable technology risk management approach and the deployment of top-notch, innovative technical services and solutions.

Cybersecurity governance is articulated around the three lines of defence model:

- First line: operational management of risks and implementation of controls, actions and strategies. This line is led by the Managed Security Service, which reports directly to the cybersecurity area.
- Second line: risk governance and oversight of compliance and implementation of the strategy, actions plans and defined controls. The cybersecurity area is responsible for this line.[10]
- Third line: agent with full independence from the first two lines. This line of defence rests with Internal Audit, which reports functionally to the Audit, Compliance, Ethics and Risk Committee[11] and also reports to the Management Committee.

We have a cybersecurity dashboard, which is reviewed monthly, and we perform specific measurements to monitor and manage the mitigating measures put in place to guard against major threats.

[9] The scope of that certification is the entire company. In 2023, our management systems were re-certified according to the latest version of the UNE-EN ISO/IEC 27001:2022 standard

[10] The cybersecurity area is part of the Information Systems Department (ISD) headed up by the Chief Information Officer (CIO). The CIO reports directly to the cybersecurity area, which reports regularly to the Management Committee.

[11] Twice-yearly, we review and report on our cybersecurity risks to this committee, which endorses any new initiatives and certifies delivery of the planned milestones.

Protection measures

- Increase in the boundary of overall protection coverage by adding supervisory and control solutions and capabilities.
- Enhancement of endpoint protection: equipment hardening, 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.
- Enhancement of response capabilities in the event of potential cybersecurity events by conducting a range of cyber drills.
- Solidification of our IT (information technology) cybersecurity protection capabilities by making our cloud environments, service stations and company bases more secure via network and cybersecurity architecture.
- Addition of monitoring capabilities for our OT (operational technology) environments so we can detect anomalies and vulnerabilities to our operational assets.

Cepsa holds an A-rating from RiskRecon[12] for its approach to cybersecurity, which is the highest rating and means it is above the 95th percentile in its sector.

Fostering a culture of cybersecurity

We have upgraded the mandatory cybersecurity training our professionals have to complete and moved forward with the initiatives outlined in our annual awareness plan: real attack simulation, in-person awareness sessions for professionals at our main industrial facilities and regular multi-channel publication of cybersecurity knowledge pills.

The cybersecurity team also receives specific training and certifications, including CISSP (Certified Information Systems Security Professional), CISM (Certified Information Security Manager) and CCSP (Certified Cloud Security Professional).

Key collaborations

To manage and adapt our cybersecurity measures, we work closely with several Spanish organisations, including the National Institute of Cybersecurity (INCIBE for its acronym in Spanish), the National Centre for Critical Infrastructure Protection (CNPIC) and the Cybersecurity Coordination Office (OCC). We also take part in taskforces, such as ISMS Forum, to promote cybersecurity training and specialisation, cultivate a cybersecurity culture and raise awareness.

[12] A Mastercard company and leading provider of automated cybersecurity risk assessments.

02 Corporate Governance

2.1
Corporate governance

GRI 2-9, 2-10, 2-11, 2-15, 2-17, 2-18

KEY INDICATORS	2023	2022
Board members (as at 31 December) (no.)[13]	11	10
Board meetings (no.)	8	7
Board meeting attendance (%)[14]	95 %	97 %

[13] The average length of service of the members of the Board of Directors decreased from 3.9 years in 2022 to 3.5 years in 2023 due to the addition of two new directors during the year. The number of external directors with four mandates or fewer at other companies increased from 9 in 2022 to 10 in 2023, as a result of one of the new directors.
[14] Attendance topped 95 % in 2023, one director having been absent from the meetings held on 26 January, 18 May, 19 May and 12 December, albeit appointing another director as proxy in the last three instances.

2.1.1

Governing bodies and director selection

Our Corporate Governance Model is articulated around the recommendations set out in Spain's Code of Good Governance for Listed Companies, prevailing company law and internationally accepted best practices to ensure compliance with strict principles around ethics, honesty and transparency.

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 to 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 and Management Committee 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 Cepsa.

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 about related decisions.

Strategy and Sustainability Committee

This Board committee advises the Board on all 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.

Our Strategy and Sustainability Committee is the specialised body tasked with driving the integration of sustainability into Cepsa's strategic decisions

The supervision of sustainability management is central to our governance structure. The current members of our Board of Directors are renowned technical, economic, financial, economic and sales experts with extensive track records, knowledge and experience in addressing matters related with the energy transition. Nevertheless, they receive the support and information needed on matters related to sustainability, renewable energies or other relevant topics based on a needs assessment. The members of both the Board of Directors and the ACER Committee receive training on matters related with emerging risks, notable among which cybersecurity. The Board is committed to continuously improving its performance, as is clear from the annual Board self-assessment where new actions plans are implemented based on the results of the survey.

We have two committees in charge of managing our day-to-day operations:

Refer to chapter 2.3.1 We integrate sustainability into our management

- 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 made up of the heads of the various business lines and corporate functions, as well as the CEO.

- Investment and Contracts Committee: the tasks assigned to this internal committee include reviewing and ruling on contracts and investment-related decisions, subject to certain thresholds stipulated in the powers delegated to it. It also monitors the scope and development of investment projects underway and any budget deviations affecting projects under its remit.

Composition of the Board of Directors and its committees

As at 31 December 2023, the Board was made up of 11[15,16] directors, eight proprietary directors, one independent director[17], one executive director and one who qualifies as 'other external.

[15] On 1 February 2023, the company's shareholders accepted the resignation of Joost Dröge from Cepsa's Board of Directors and agreed to appoint Gregory Nikodem for the statutory term of six years, at the recommendation of the Board's Nomination and Compensation Committee.
[16] In order to fill a Board vacancy, on 10 October 2023, the company's shareholders named Abdulla Shadid a director of Cepsa for the statutory term of six years, likewise at the recommendation of the Board's Nomination and Compensation Committee.
[17] The company uses the independent director definition provided in article 529.12 of Spain's Corporate Enterprises Act.

Name	Board of Directors	Audit, Compliance, Ethics and Risk Committee	Nomination and Compensation Committee	Strategy and Sustainability Committee	Class of director	Length of service	Shareholder represented
Ahmed Yahia	Chairman			Chairman	Proprietary	Since 4/02/2021	Majority shareholder
Marcel van Poecke	Vice Chairman		Member	Member	Proprietary	Since 15/10/2019	Minority shareholder
Maarten Wetselaar	Chief Executive Officer			Member	Executive	Since 1/01/2022	—
Ángel Corcóstegui	Member	Chairman			Independent	Since 1/02/2016	—
Alyazia Al Kuwaiti	Member		Chairwoman		Proprietary	Since 18/01/2016	Majority shareholder
Saeed Al Mazrouei	Member			Member	Proprietary	Since 13/11/2018	Majority shareholder
Gregory Nikodem	Member				Proprietary	Since 1/02/2023	Minority shareholder
Marwan Naim Nijmeh	Member		Member		Proprietary	Since 15/10/2019	Majority shareholder
Bob Maguire	Member	Member		Member	Proprietary	Since 15/10/2019	Minority shareholder
Abdulla Shadid	Member	Member			Proprietary	Since 10/10/2023	Majority shareholder
Jacob Schram	Member				Other external	Since 27/10/2022	
Jörg Häring	Non-Director Secretary	Secretary	Secretary	Secretary		Since 7/06/2021	
José Téllez Menchén	Non-Director Deputy Secretary	Deputy Secretary				Since 24/10/2014	

How the members of the company's governing bodies are selected

The company's shareholders are ultimately responsible for individually appointing and re-electing Board directors, on the basis of recommendations by the Nomination and Compensation Committee.

The Nomination and Compensation Committee selects the most suitable candidates for the various positions on the Board of Directors and its three committees. In the event of a Board vacancy, motions for the appointment of new directors are submitted at the General Meeting for ratification, while any resulting vacancies on the Board's committees are addressed by submitting appointment proposals directly to the Board for approval.

The selection process, in which the members of the Board are chosen one by one, considers a range of aspects including Cepsa's shareholder structure, the universe of boardroom skills and expertise, the ability to dedicate enough time to the post and the candidates' mastery of matters of particular relevance (specific businesses within the energy sector, industry know-how, financial acumen, etc.). An effort is made to ensure the Board's composition is well balanced, marked by a wide majority of non-executive directors.

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.

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. Each member of this committee must bring financial expertise and at least one must meet the definition of financial expert stipulated in the ACER Committee's regulations.

2.1.2

Conflicts of interest

Our directors must inform the Board of Directors of any conflicts between their interests or those of people related to them and the interests of Cepsa, whether direct or indirect, and must refrain from any involvement on behalf of the company in the transaction giving rise to the potential conflict, subject to the exceptions provided for in applicable legislation.

In keeping with that same legislation, and on the basis of a prior recommendation from the Audit, Compliance, Ethics and Risk Committee, we submit all transactions between the company and its directors to the Board of Directors for authorisation for subsequent ratification by the company's shareholders.

Any conflicts of interest affecting our directors are disclosed to the company's stakeholders as required in the notes to its annual financial statements.

2.2
Risk management

MILESTONES 2023

Update of the methodology used to analyse and manage risks around investment projects.

Business Continuity Plans at three company bases in order to enhance responsiveness to events that could interrupt business.

Update of the methodology used to calculate the financial impacts of identified climate change risks in line with the recommendations made by the Task Force on Climate-related Financial Disclosures (TCFD) and revision of the risk map associated with our Decarbonisation Plan to reflect the progress made on our sustainability projects.

Risk management model

Our Integrated Risk Management and Control System is compliant with the COSO-ERM framework and ISO 31000 standard and sets out the principles and procedures for efficiently managing all classes of risks.

We have a Board-approved General Risk Policy, which sets out the principles and guidelines needed to ensure due management and control of threats, framed by our defined risk tolerance thresholds.

In 2023 we revised our General Risk Control and Management Procedure, fine-tuning the methodology used to analyse investment project risks. The new methodology yields more detailed and precise analysis of the possible risks implicit in our new sustainability projects.

To support the strategic planning process, we analyse the main risks to which the company is exposed, including emerging risks, assigning probability of occurrence and impact parameters to each, as well as factoring in other parameters such as speed of materialisation and duration.

The key phases of our integrated risk management process are:

1. Understanding the external and internal contexts, establishing assessment criteria.
2. Identifying the resulting risks, including those related with climate change, for which our risk taxonomy is aligned with the criteria established by the TCFD. In 2023, we updated the financial impact calculations for our climate risks and revised the risk map associated with our Decarbonisation Plan.
3. Analysing and assessing the risks, looking at both positive and negative causes and consequences.
4. Mitigating the risk, depending on its relevance and our risk appetite, as established in our policy, by implementing the most appropriate responses.
5. 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.

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 General 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 risk-response actions 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, which encompass the company's ESG risks, specifically including energy transition and climate change risks:

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

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

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

Appendix 3. Key risks

Emerging risks

As part of our strategic planning process, we identify and analyse key emerging risks and cross-check them against external sources. We are monitoring those new risks at least quarterly. The main emerging risks identified in 2023, in line with the most recent Emerging Risks reports published by Gartner, include the loss of third-party viability, technological uncertainty associated with the energy transition and the impact of the mass availability of generative artificial intelligence (AI).

Appendix 3. Key risks

Risk culture

Our General Risk Policy aims to foster a risk culture by working on several fronts:

- Internal training on risk methodology and technical improvements.
- Ongoing risk training for new hires and regular meetings and/or reports addressing trends, emerging risks and ad-hoc topics.
- Specific sessions covering quantification and statistical modelling tools.
- Communication initiatives such as internal communication of key milestones and participation in learning and development events.
- Creation of multi-disciplinary taskforces to monitor events that could have a company-wide impact, such as geopolitical crises.

Workshops in which we identify, assess and debate cross-cutting risks with senior management, looking at the most pressing threats specific to each business..

Business continuity

The business Continuity Plan includes the mechanisms needed to recover and restore our critical processes as well as actions designed to prevent or limit a stoppage in our business operations. By identifying our continuity risks we can take the steps needed to ensure delivery of our strategic targets.

In 2023, we implemented a pilot Continuity Plan at three of our bases with the goal of enhancing our responsiveness in the event of developments that could interrupt our business activities. That consisted of identifying the critical processes (analysing the potential consequences of any interruptions), the associated resources (people, systems, infrastructure and suppliers) and the available continuity alternatives.

2.3
Sustainability management

GRI: 2-12, 2-13, 2-14, 2-16, 2-23, 2-24, 2-28, 2-29, 3-1, 3-2, 3-3 / SASB: EM-EP-530a.1, EM-RM-530a.1, RT-CH-530a.1

MILESTONES 2023

We launched our Sustainability Plan to ensure we have a positive impact on society.

Known as a solid sustainability manager and performer, we continue to command leadership positions on benchmark international ESG rankings.

Rollout of our Employee Sustainability Plan, designed to get everyone who works at Cepsa to reduce our environmental footprint as a result of how we move, use energy and water and handle waste.

2.3.1

We integrate sustainability into our business

We want to spearhead the energy transition by having a positive impact on the planet and its people, while meeting our stakeholders' expectations.

In 2023, we rolled out our Sustainability Plan, framed by our Positive Motion strategy, so as to have a positive impact on people, our customers, the environment, the economy and society as a whole. That high-level vision is underpinned by ambitious objectives and a solid roadmap.

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% decrease in Scope 1 and 2 CO_2 emissions by 2030 by comparison with 2019
- 15-20% decrease in the carbon intensity of the energy we sell by 2030 by comparison with 2019
- Net zero before 2050

CIRCULAR ECONOMY

- 50% increase in the intensity of the circularity of our waste by 2030 versus 2019
- 15% increase in the share of renewable and circular raw materials in our energy parks by 2030 versus 2019

NATURAL CAPITAL

- 20% reduction in freshwater withdrawal from water-stressed areas
- No net loss and, later, net positive impact at our wind and photovoltaic power plants

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 rating by 2025
- 80% of all suppliers with ESG rating by 2025

COMMUNITIES

- Active engagement with local communities in areas of operation
- Support of social organisations in Cepsa's local environment

Positive Motion and our Sustainability Plan are aligned with our purpose as a company:

We transform energy and mobility to improve the world together.

This purpose translates into our corporate values, which shape the way we are and how we do things:

We care about people

We enthuse our customers

We care for the planet

We create value, together

We dare to try

Therefore, our corporate culture strives to integrate sustainability into all our processes, projects and people, as well as into our value chain.

Sustainable employee

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.

Governance and sustainability management

The Board of Directors sets Cepsa's sustainability course and ambitions. Sustainability is part of the agenda of all of the Board committees and was addressed specifically at least quarterly last year[18]. The Strategy and Sustainability Committee devises the strategy and monitors the related KPIs. The Audit, Compliance, Ethics and Risk Committee supervises and reports on sustainability-related risks. The Nomination and Compensation Committee, meanwhile, ensures that Cepsa's remuneration schemes are suitably aligned with the company's progress and performance around these matters. This structured reporting process is designed to facilitate efficient supervision and agile decision-making by our governing bodies.

Refer to Chapter 2.1
Corporate governance

Our company-wide management model fosters swift and cross-cutting decision-making. To articulate that model we have created a number of multidisciplinary committees and taskforces to manage our performance along different dimensions.

The 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. This allows us to take a firm-wide approach to defining our commitments, as set down in our Sustainability Plan, adopt best practices and make progress on energy transition challenges. The Management Committee is responsible for implementing the plan and runs the initiatives owned by the corporate functions and business units.

[18] Climate matters are specifically included on the boardroom agenda at least once a year.

Sustainability governance

- Board of Directors
  - Strategy and Sustainability Committee
  - Audit, Compliance, Ethics and Risk Committee
  - Nomination and Compensation Committee
    - Management Committee
      - CFO, Chief Strategy and Sustainability Officer and Member of the Management Committee
        - Head of Strategy and Sustainability
          - Sustainability and Energy Transition; Market Intelligence
          - Corporate Planning
      - ESG Steering Team
        - Energy Transition Panel; Water Panel; Sustainable Employee Team; Biodiversity Panel; Human Rights Team
        - Diversity and Inclusion Committee; Circular Economy Panel; Sustainable Finance Team; Safety Team

Sustainability policies

In line with the Sustainability Plan, our Board-approved policies[19] [20] cover all our material topics from the sustainability standpoint. They define the commitments and codes of conduct incumbent upon all our employees, who are kept informed about any new policy or policy changes via the intranet.

Refer to Cepsa's website to see its corporate policies

Corporate policies

Rules and regulations, purpose and values

Code of Ethics and Conduct

Sustainability Policy

Environmental policies	Social policies	Governance policies	
• HSEQ	• Human Resources	• Data Protection and Privacy	• Control on Sanctions and Embargoes in Trade Relations, Exports, and Dual-Use Goods
• Climate Action	• Diversity and Inclusion	• Defence of Fair and Effective Competition	• Crime Prevention
• Biodiversity	• Sustainable Procurement	• Bribery, Corruption, and Conflict of Interest Prevention	• General Risk Policy
	• Customer Relationship	• Corporate Tax	• Cybersecurity
	• Human Rights	• Integrity Channel	• Communication
			• Security

[19] These policies apply to Cepsa, the group subsidiaries it effectively controls, their directors and employees and other legally-bound third parties. The people who represent the company at other businesses or entities that are not part of Cepsa or over which Cepsa does not have effective control promote, to the extent possible, the implementation of policies and guidelines that are consistent with contents of the corporate policies.
[20] In 2023, the Board of Directors approved the amendment of our 23 corporate policies in order to align them with our Positive Motion strategy, our new Sustainability Plan and the best practices followed by third parties.

ESG ratings: acknowledgement and continuous improvement

We are benchmarking our progress on sustainability management by tracking how third parties, particularly the ESG rating agencies, assess our performance, including the areas for improvement they flag. Our scores and ratings have etched out a very solid performance and currently leave us in the top positions in our sector.

S&P Global	S&P Global Corporate Sustainability Assessment (CSA) Last updated: November 2023 Min. 0 - Max. 100	1st place worldwide in our sector 74 points	Top 1% S&P Global ESG Score having finished joint first in the O&G Upstream & Integrated sector, a 3-point improvement from 2022, earning a spot in the Sustainability Yearbook for the second year in a row.
Sustainalytics	Sustainalytics ESG Risk Rating Last updated: July 2023 Min. 100 - Max. 0	1st place worldwide in our sector 21.8 points	Industry Top Rated emblem and first position in the Integrated O&G sector for the third year in a row.
Moody's ESG	Moody's ESG Assessment Last updated: June 2023 Min. 0 - Max. 100	Third place in Europe in our sector 65 points	Advanced performance (highest category), third place in the Energy (O&G) sector in Europe and a 4 points improvement from the year before.
ecovadis	EcoVadis Last updated: June 2023 Min. 0 - Max. 100	Cepsa: Top 3% worldwide I 73 points Cepsa Chemicals Top 2% worldwide I 75 points	Cepsa: Gold Medal and top 3% worldwide, considering all the sectors, marking a 10 points improvement from previous assessment. Cepsa Chemicals: Gold Medal and top 2% worldwide, considering all the sectors,in its first participation in the assessment.
Clarity AI	Clarity AI Last updated: November 2023 Min. 0 - Max. 100	1st place worldwide in our sector Leader status 86 points	First place and "Leader" category in the Integrated O&G sector for second year in a row and 4 points improvement form the year before.

2.3.2.

Stakeholders and materiality

We strive to address our stakeholders' expectations proactively in order to have a positive impact on our surroundings. We are working to build solid and transparent relations that generate value for all of our stakeholder groups.

Our management system establishes a general framework for action which allows us to prioritise and manage 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 and financial community	• Financial and business performance • Key investment and strategy decisions • Progress on sustainability matters • Key management appointments • Main risks and mitigation measures	• Governing body representation • Tailored communication
Customers	• Product and service safety • Climate change and energy transition • Service quality and customer satisfaction • Supply security and access • Fair trade	• Satisfaction measurement and grievance management systems • Customer service • Integrity Channel • Social media • Business website
Employees	• Stable and quality work • Flexibility • Pleasant workplace climate and good working conditions • Strategy and investments • Equal pay and opportunities • Safety	• MAX virtual assistant • Integrity Channel • Commitment surveys • Corporate intranet • Internal communication effort
Society and communities	• Personal and facility security • Climate change, energy transition and environmental protection • Business sustainability • Human rights and ethics • Product quality • Community work	• Corporate communications • Neighbourhood associations • Open days • Public consultations • Email suggestions inbox • Local community management teams • Integrity Channel • Corporate website • Social media • Associations, voluntary organisations and initiatives
Suppliers	• Equal terms and conditions • Business terms and relationships • Personal and facility security • Climate change and energy transition • Human rights	• Supplier portal within the corporate website • Satisfaction surveys • Email suggestions inbox and support centres • Supplier events • Integrity Channel

Materiality assessment

We identify, analyse and prioritise the topics of relevance to our organisation and to our stakeholders, integrating them into our materiality assessment. That assessment is updated annually, approved by our Management Committee and sent to our Audit, Compliance, Ethics and Risk Committee for review.

In 2023, we updated our corporate materiality assessment to factor in key trends and stakeholder expectations. The conclusions from that process were used as the basis for the contents of this report.

Our materiality assessment methodology is data-driven. To assess topic importance for our various stakeholders, previously identified and segmented, we carried out surveys[21], benchmarked other sector players and analysed mandatory and voluntary regulations, news items and social media posts.

[21] The stakeholders participating in the materiality assessment included: legislators, regulators, investors, sector players, media representatives, suppliers, customers (both individuals and professionals), employees, and representatives of the financial community, local communities and NGOs.

Materiality assessment

PRIORITY TOPICS

- Climate strategy and energy transition
- Health and safety
- Management of water resources
- Resilience vis-a-vis the business environment and regulations
- Diversity and inclusion
- Circular economy
- Customer centricity

OTHER IMPORTANT TOPICS

- Talent management
- Employee wellbeing
- Biodiversity
- Corporate governance
- Sustainable supply chain
- Cybersecurity
- Social commitment
- Human and labour rights
- Stakeholder engagements
- Ethics and compliance
- Environmental impact management
- Transparency
- Innovation, technology and digitalisation

Our Management Committee made the final call on the importance of each topic for the organisation during a dedicated work session where it weighed up considerations related with our internal and external communication during the previous year, the aspects underpinning the variable remuneration earned by every employee, the commitments assumed by Cepsa and our identified stakeholders.

That materiality assessment allowed us to determine the topics of greatest importance to the company and its stakeholders. We then categorised them as either priority or other important topics.

Institutional Relations

Framed by Positive Motion, our Institutional Relations Plan enables us to proactively take part in public debate and further our engagement with stakeholders, in line with the company's targets.

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. It sets out specific lines of initiative for pursuing within the company and externally, each with concrete targets and actions, energy transition being one of the priority agenda items. The Plan defines an institutional relations governance system and assigns duties and responsibilities at various levels of the company's management.

'Sumamos Energías' Programme

We continued to implement this programme, which is designed to maximise the integration of our renewable facilities into their surroundings and help to create opportunities for social and economic development and growth in the local communities where we carry out renewable projects. The initiative comprises three main commitments:

- To drive social and economic development in the communities where plants are to be located.
- To protect the environment and biodiversity, minimising our impact on ecological habitats.
- To ensure we report to and communicate with all stakeholders transparently.

We have specific methodology for evaluating our membership and roles in associations and whether to join a new association and for prioritising where to focus our efforts, framed by our Positive Motion strategy and, therefore, closely aligned with the Paris Agreement.

We are also members of business and/or industry associations and think thanks. This allows us to bring our technical expertise to enhancing the legislative process and promote research in order to foster social awareness around the ecological transition, so encouraging citizen participation. We are involved with a range of different initiatives designed to promote best practices in the sector and cross-sector partnerships.

In order to participate actively in the energy transition and decarbonisation thrust, in 2023 we joined Hydrogen Europe, Europe's foremost hydrogen association, and reinforced our commitment to Gasnam - Neutral Transport, which is championing the production and use of renewable gases and their derivatives, such as hydrogen, renewable ammonium and biomethane, as transport fuel. We also continue to participate in associations and initiatives such as the Spanish Business Council, where we participate actively in the clusters working on climate change and social impact, which are accelerating action, facilitating networking opportunities and promoting partnerships and dialogue with the public authorities and other benchmark institutions. We expanded our role in international initiatives such as the World Economic Forum, Global Renewables Alliance and Planning for Climate Commission, which are working to accelerate the energy transition, taking an equitable transition approach.

We also advocated for certain regulatory developments through sector outreach initiatives and direct dialogue and participated in taskforces such as the Hydrogen Advisory Group. Lastly, we provided input into the formulation of the Spain's 2023-2030 National Energy and Climate Plan (NECP) through a number of the national sector associations in which we participate.

Initiatives and platforms in which Cepsa is involved

ASSOCIATIONS
European Clean Hydrogen Alliance
AOP
RLCF Alliance
IPIECA
IOGP
Fuels Europe
UN Global Compact
Feique
CEFIC
Forética
AEDIVE
Hydrogen Europe
Gasnam - Neutral Transport

In 2023 we participated for the first time in a United Nations Climate Change Conferences (COP 28), in Dubai. There we presented our Positive Motion strategy and contributed to the debate about the importance of energy transition for decarbonisation and delivery of the climate targets.

2.3.3

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

SDG 7

AFFORDABLE AND CLEAN ENERGY

Framed 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.

SDG 8

DECENT WORK AND ECONOMIC GROWTH

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.

SDG 12

RESPONSIBLE PRODUCTION AND CONSUMPTION

Guided by our Positive Motion strategy and Sustainability Plan, we are working to reduce our environmental impact and make our operations more efficient. We are fostering the responsible use of natural resources, while working to minimise the waste we generate and reuse any we do generate in our operations and value chain.

SDG 13

CLIMATE ACTION

We are reducing our carbon emissions in line with international agreements such as the Paris Agreement. We are also helping our customers in heavy industry and the transport sector reduce their greenhouse gas emissions.

03

Driving positive impact

3.1 Advancing towards a net zero world

TFCD / GRI: 3-3, 201-2, 302-1, 303-3, 303-4, 305-1, 305-2, 305-3, 305-5 / SASB: EM-EP-110a.3, EM-RM-110a.2, RT-CH-110a.2, EM-EP-530a.1, EM-RM-530a.1, EM RM-140a.1

MILESTONES 2023

Expansion of the scope of Cepsa's ISO 14067 product carbon footprint certification to include asphalts and lubricants.

Expansion of the scope of Cepsa's ISO 14064 carbon footprint certification to include all the facilities and assets under operating control.

Addition of certified low-carbon LAB to the low-carbon product portfolio.

KEY INDICATORS	2023	2022
Scope 1 GHG emissions (million tCO_2eq)	4.7	5.3
Scope 2 GHG emissions (million tCO_2eq)[22]	0.2	0.2
Scope 3 GHG emissions (million tCO_2eq)[23]	58.0	62.2
Energy consumption (TJ)[24]	63,134	65,929

[22] Reported using the Scope 2 market-based method.
[23] 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).
[24] 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

The Board of Directors is tasked with approving strategic climate change targets and signing off on the matters delegated in its advisory committees:

- The Strategy and Sustainability Committee supervises Decarbonisation Plan, indicator and target recommendations and the impact of climate change risks and opportunities on the company's strategy.
- The Audit, Compliance, Ethics and Risk Committee supervises climate change risks and compliance matters and oversees correct implementation of the internal control systems.
- The Nomination and Compensation Committee supervises the correlation between the company's climate targets and its variable compensation.[25]

Lastly, the Management Committee is responsible for decision-making and resource allocation and checking that the company is performing in line with the established target.

We have an Energy Transition Panel, made up of a multidisciplinary team of people from all across the company, which is tasked with implementing the Decarbonisation Plan and monitoring the climate change mitigation measures put in place to address transition risks. Elsewhere, the Water Panel monitors the physical risks related with climate change associated with water scarcity.

For further information, refer to 2.3.1 We integrate sustainability into our business

To articulate our climate change and energy transition ambitions, we have formulated a number of related action plans that were reviewed and approved by the Board of Directors in 2023.

In addition to our dedicated Climate Action Policy, our commitments in this area are set down in our Code of Ethics and Conduct , Supplier Code of Ethics and Conduct, Sustainability Policy, Biodiversity Policy and our General Risk Policy.

For further information, refer to 2.1 Corporate governance

[25] The Scope 1 and 2 emissions reduction targets set down in the Positive Motion strategy were added to the company's variable remuneration metrics in 2023 and are monitored monthly.

3.1.2

Climate strategy

Management articulated around Positive Motion

Our goal is to achieve net zero emissions before 2050[26]. We aim to be an active and leading player in the transition towards a carbon-neutral economy by embracing more sustainable business models and providing our customers with lower-carbon types of energy and chemical products.

In line with Positive Motion, we have drawn up a Decarbonisation Plan, which runs to 2030 and pursues a dual target:

- Reducing our Scope 1 and 2 carbon emissions by 55% in 2030 by comparison with 2019, so shrinking the carbon footprint of our industrial facilities.
- Reducing the carbon intensity index of the energy we sell to end customers by between 15% and 20% in 2030 by comparison with 2019 levels, so shrinking the carbon footprint of the solutions we offer our customers.

Our goal of becoming net zero before 2050 aligns us with the climate scenarios[27] for global warming of no more than 1.5ºC of the International Energy Agency (IEA) Intergovernmental Panel on Climate Change (IPCC) and the Network for Greening the Financial System (NGFS), while our 2030 targets are consistent with the IEA's Sustainable Development Scenario (SDS) of < 2ºC.

For further information, refer to 1.1 Positive Motion

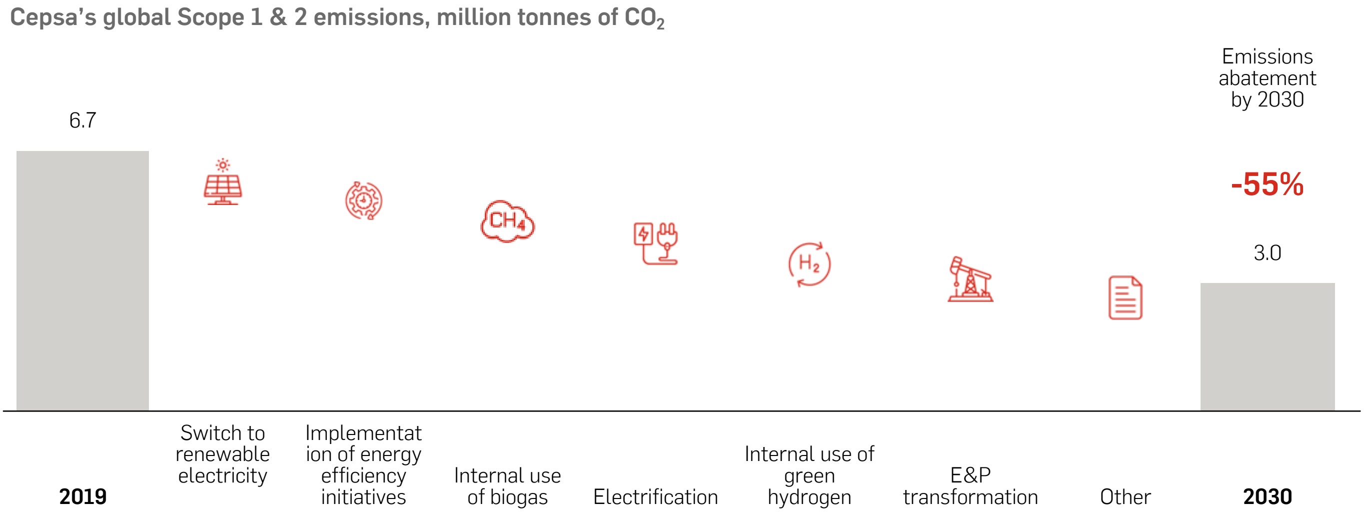
Our Decarbonisation Plan was evaluated using the Assessing Low Carbon Transition (ACT)[28], methodology specific for the oil & gas sector. The conclusions of that assessment endorse the solidity of our climate change governance model, our decarbonisation aspirations and targets and the reach of our Positive Motion strategy.

Decarbonisation Plan

The goals for reducing our Scope 1 and 2 emissions are tied to the productive activity of the facilities under our operational control and 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 are monitoring those levers constantly to assess the speed at which they are being implemented as a function of technological developments and utility sector prices, among other factors. Moreover, we factor the internal price of carbon emissions into our decisions and revenue projections. Specifically, we are projecting an internal carbon price of €140/tonne in 2030[29] based on a range of market forecasts.

[26] In line with the SBTi's Corporate Net-Zero Standard, to attain our goal by 2050, we will take measures to reduce our Scope 1, 2 and 3 emissions by at least 90% compared to benchmark levels. Any remaining emissions will be offset using nature-based solutions.
[27] Combination of climate, regulatory, technological, supply and demand factors, among others.
[28] Note that we used ACT methodology because the SBTi initiative has yet to publish a specific assessment protocol for the oil & gas sector and the Transition Pathway Initiative (TPI) only includes listed companies.
[29] In 2023, the internal carbon price was €86/tonne.

Scope 1 and 2 carbon emissions reduction plan



Switching 100% of our facilities' electricity consumption to renewable sources[30] and our electricity generation portfolio to renewable energy, ceasing to generate electricity from fossil fuels.

Technology solutions for reducing the consumption of fossil fuels.[31]

Replacement of natural gas, a fossil fuel, with biogas in both fuel and raw material applications.

Electrification of CHP, 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 green hydrogen in all our production processes.

Transformation of our E&P assets to reduce their carbon intensity.[32]

Other emission-abatement initiatives.

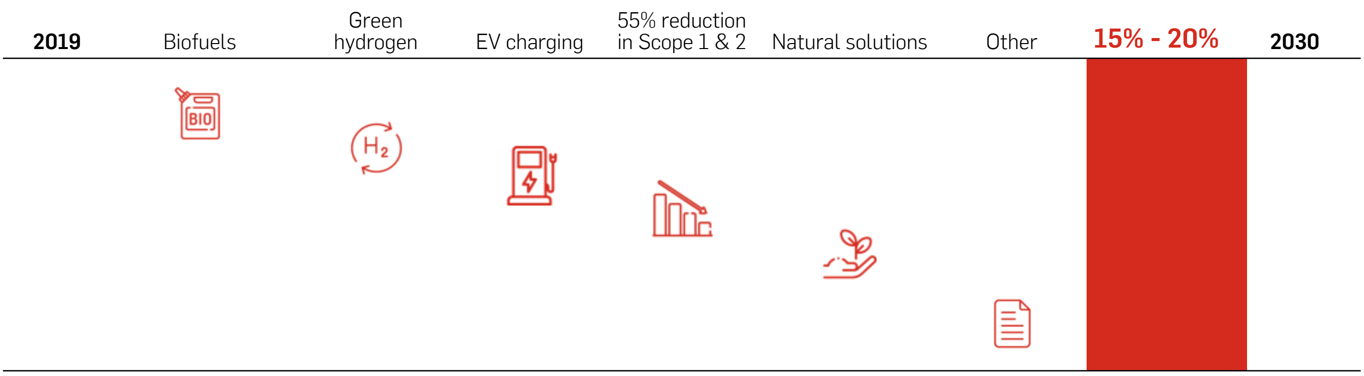
[30] Our Spanish chemicals facilities consume renewable electricity only. Since 2021, all productive areas of our Energy Parks and our factory in Tenerife are likewise exclusively consuming green electricity. In addition, in the Mobility & New Commerce and Commercial & Clean Energies businesses, our network of service stations and lubricant and asphalt factories are supplied solely with renewable electricity.
[31] 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.
[32] The assets we operate in this business have not generated emissions from venting since 2021.

Elsewhere, the reduction of the carbon intensity index (CII)[33] of the energy sold to end customers is related with the transition to low-carbon business models.

The Commercial & Clean Energies' new customer decarbonisation area focuses on evaluating how our customers can decarbonise and striking alliances for the supply of renewable energy.

As for offsetting, we have created a new voluntary carbon credit area within this same business that is devoted to searching for new investments in nature-based projects so as to build a carbon offset portfolio for the purpose of offering carbon-neutral products. In 2023, the volume of emissions offsets associated with products sold to customers was 31,000 tCO_2.

Cepsa aims to reduce its carbon intensity by 15% to 20% by 2030



- Increased co-processing at our facilities. We already have a fatty acid methyl ether (FAME) production facility and we are planning to commission new biofuel facilities.
- Renewable hydrogen for direct sale to third parties or for conversion into new green molecules, 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
- Reduction of the carbon intensity of the energy we sell will be spurred by the levers underpinning the direct emissions reduction target.
- Offset of the emissions from our products 'in use' by offering our customers a range of carbon-neutral products.
- Other emission-abatement initiatives.

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 2020.

For further information, visit the CDP's website

[33] The CII is expressed in terms of tonnes of CO_2 per unit of energy (tCO_2/TJ). The numerator is the sum of the Scope 1 and 2 emissions generated upstream and downstream in producing energy products and the Scope 3 emissions associated with the use of those products. The denominator reflects the energy the company puts on the market. Chemical products are excluded from the calculation because the CII is only used to express the intensity of the carbon of the energy Cepsa sells. The company follows the Transition Pathway Initiative's methodology to define this metric.

3.1.3.

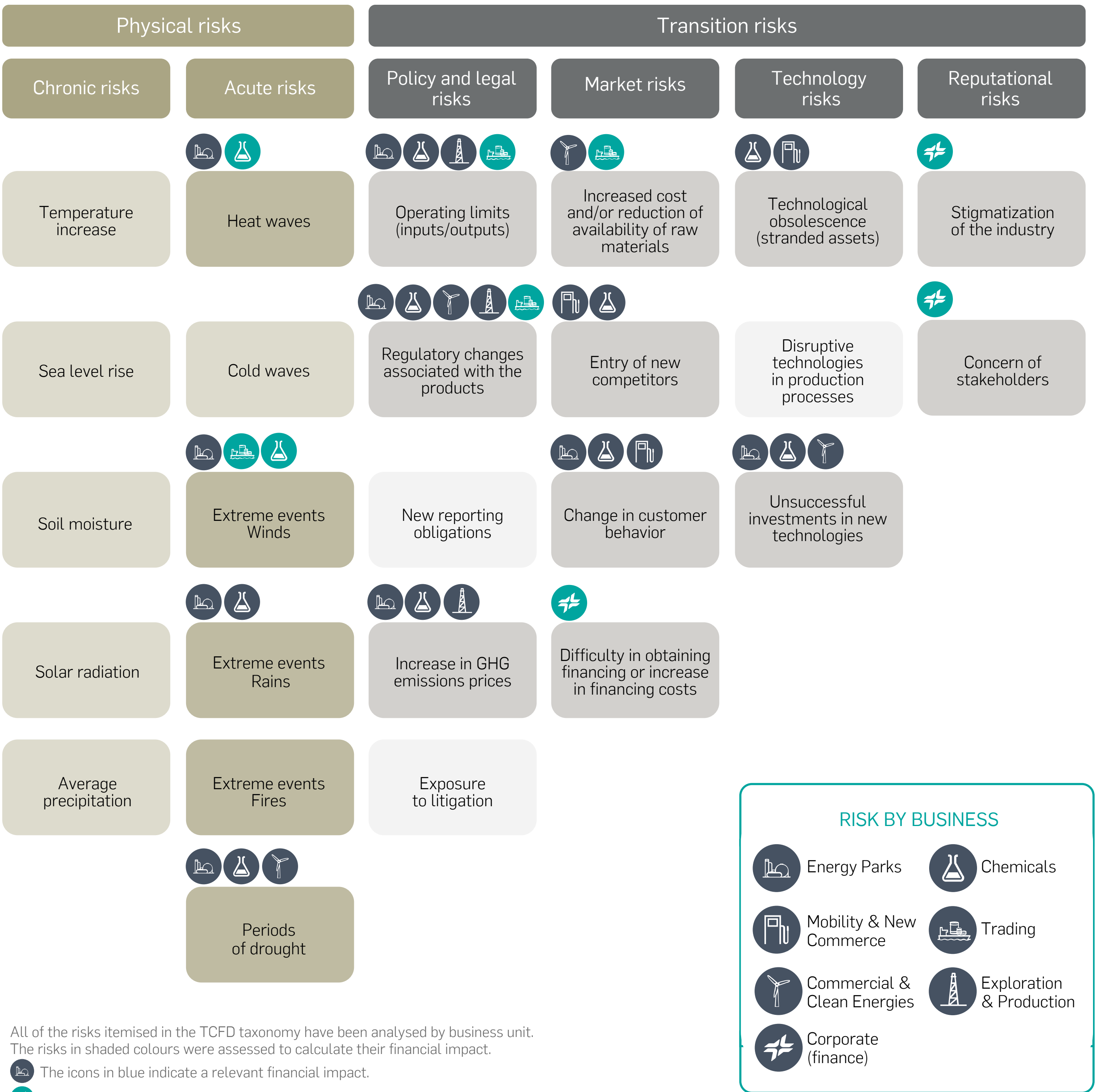
Climate change: risk and opportunity management

Climate risks

Climate risk management falls under the scope of our Integrated Risk Management and Control System. We classify climate risks following TCFD recommendations, taking a bottom-up approach for all businesses, then consolidating them in the company's risk map. The steps in this process are: scenario-setting; physical and transition risk identification; analysis, evaluation and impact assessment; risk management; and monitoring and review.

For further information, refer to 2.2 Risk management

Key risks identified by business



All of the risks itemised in the TCFD taxonomy have been analysed by business unit. The risks in shaded colours were assessed to calculate their financial impact.

The icons in blue indicate a relevant financial impact.

The icons in green indicate risks without a relevant financial impact.

Climate opportunities

The company also classifies its climate-related opportunities following TCFD recommendations.

Key opportunities identified by business

Energy source	Products and services	Markets	Resource efficiency
Use of lower-emission sources of energy	Development of low emission goods and services	Use of supportive policy incentives	Reduced water usage and consumption
Participation in carbon market	Shift in consumer preferences	Access to new markets	

Financial impact of climate-related risks and opportunities

We defined three climate scenarios using the guidance provided by the IEA, IPCC and NGFS to test the resilience of Positive Motion and our climate ambitions over three time horizons: 2030, Positive Motion; 2040, interim horizon; and 2050, net zero ambition:

- Scenario 1. Source: Net Zero Emissions in 2050 (NZE-IEA), SSP 1-1.9ºC (IPCC), Net Zero 2050 (NGFS - Orderly Scenario).
- Scenario 2. Source: Sustainable Development Scenario in 2050 (SDS-IEA), SSP 1-2.6ºC (IPCC), NGFS- NDCs Scenario.
- • Scenario 3. Source: Stated Policies Scenario in 2050 (STEPS-IEA), SSP 2-4.5ºC (IPCC), NGFS- Fragmented World.

We then determined the financial impacts of the relevant risks assessed under the three defined climate scenarios and three time horizons. We improved our risk analysis in 2023 and updated our financial impact calculations; by better aligning the climate scenarios and calculation criteria we obtained more coherent findings.

The scenario with the lowest impact on our cash flow is the 1.5ºC scenario in which we leverage our leadership in the energy transition. The biggest financial impact would derive from the scenario of greatest global warming in which the targets announced by the public sector are not met and our leadership is not acknowledged by society or the market. Uncertainty around regulations, social demand and technology is higher in the 2040 scenario.

The transition risks have a greater financial impact that the physical risks in all scenarios, accounting on average for over 80% of all estimated impacts. The physical risks increase over time and are more pronounced in the second half of this century.

The differences in financial impact between the various scenarios over the three time horizons are low (around 10% on average), evidencing the resilience of the Positive Motion strategy on.

As for quantification of our climate-related opportunities, note that they are included in the new businesses and targets set down in the Positive Motion strategy and are therefore reflected in the related financial projections.

3.1.4

Climate change metrics

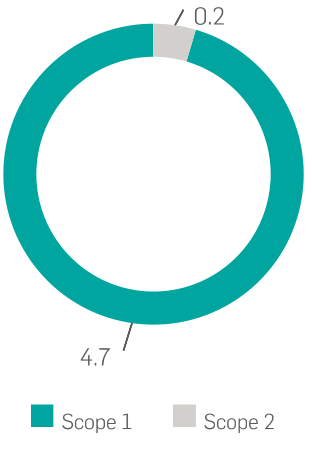
Scope 1 and 2 emissions

Every year we certify our carbon footprint under ISO 14064. This measurement covers our facilities and our assets under operating control. This year we added our international chemicals facilities and our lubricant and aviation fuel businesses to the measurement and certification. We also drew up a specific certificate for the Exploration & Production business. 93% of our Scope 1 and 2 emissions are under regulated carbon systems, which, coupled with ISO 14064 certification, means that all our reported emissions figures are reliable, traceable and offer a high level of assurance.

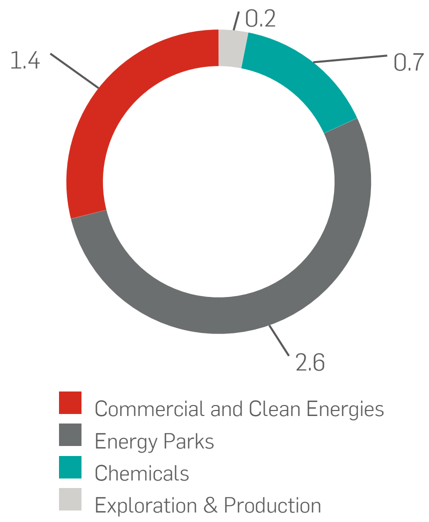
In 2023 we also widened the scope of our product carbon footprint certification under ISO 14067 to include asphalts and lubricants, in addition to all the products made at our Energy Parks. By constantly improving our calculation methodology and having an accredited third party certify it, we are able to provide our customers with information about our products' footprints over the different stages of their life cycles that can help them manage and track their own decarbonisation goals and commitments.

In 2023 our Scope 1 and 2 emissions totalled 4.9[34] million tonnes of CO_2eq, which is down around 28% from 2019.

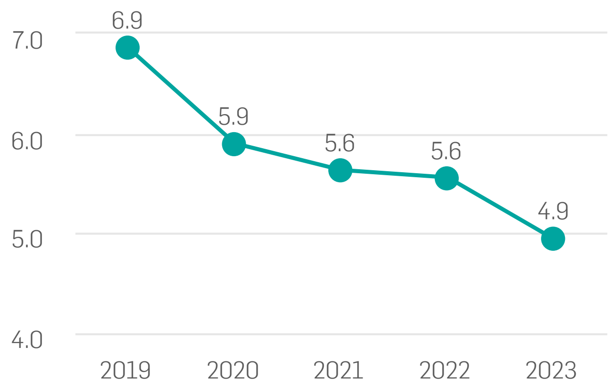
Scope 1 and 2 GHG emissions in 2023 (million tCO_2eq)



Scope 1 and 2 GHG emissions by business in 2023 (million tCO_2eq)



Trend in Scope 1 and 2 emissions over last 5 years (million tCO_2eq)

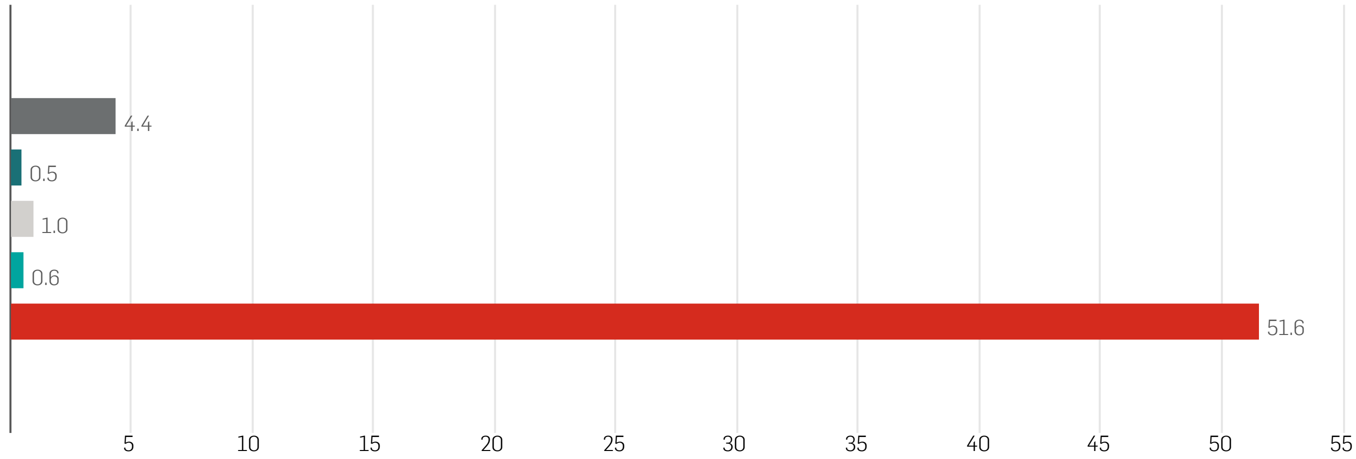


The reduction during the last five years demonstrates the strength of our commitment to reducing our emissions and has been driven notably by the increased use of low-carbon energy sources like renewable electricity, the consumption of biomethane at our chemicals facility in Bécancour (reduction of 4.782 tCO_2eq) and the use of renewable energy generated by co-processing vegetable oil at our Energy Parks (reduction of 5,238 tCO_2eq),as well as our ongoing efforts to spur energy efficiency projects. Our emissions also decreased in 2023 as a result of a reduction in our business volumes.

[34] The scope of the Positive Motion target differs slightly from that reported in this Integrated Report. The Positive Motion target is circumscribed to CO_2 emissions and excludes fugitive emissions from our assets. Nevertheless, the latter are indirectly addressed and tackled in the Decarbonisation Plan measures. Additionally, the Positive Motion target does not include other GHG emissions, except for the CH4 emissions from our Exploration & Production assets as a result of flaring. Elsewhere, the asphalts business and the bioenergy plant in San Roque are not included in the scope on account of their scant materiality.

Scope 3 emissions[35]

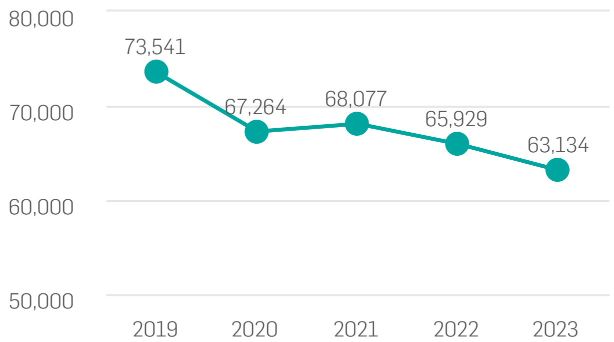
Scope 3 GHG emissions by category in 2023 (million tCO_2eq)



In 2023 the Scope 3 emissions included in this scope amounted to 58.0 million tonnes of CO_2eq, which is down 7% from 2022. This reduction is attributable to an improved calculation methodology in the 'Purchased goods and services' category, specifically reflecting the origin of our crudes by using the Ecoinvent database.

Energy consumption

Trend in energy consumption over last 5 years (TJ)



Our operations consumed 63,134 TJ[36] of energy in 2023, down 4% from 2022, in line with the downtrend in emissions and drop in business volumes. In 2023 we used less fuel-oil than in 2022, with renewable energy contributing a bigger share of the mix.

[35] The five most important Scope 3 categories are represented, meaning those that account for at least 95% of ISO 14064-certified total Scope 3 emissions.
[36] This figure relates to the energy consumed within the organisation and excludes the energy generated and sold to third parties.

3.2
Managing the environment responsibly

GRI: 2-23, 3-3, 303-1, 303-2, 303-3, 303-4, 304-2, 305-7, 306-1, 306-2, 306-3, 413-2 / SASB: EM-EP-160a1, RT-CH-140a.3

MILESTONES 2023

AENOR certification of our circular economy strategy.

Publication of our biodiversity commitment at our wind and photovoltaic plants

Implementation of the ZERO waste management and traceability platform in Commercial & Clean Energies.

KEY INDICATORS	2023	2022
Water withdrawn (thousand m_3)	31,395	33,143
Freshwater withdrawn from water-stressed regions (thousand m_3)	13,103	14,385
Waste generated (tonnes)	80,889	62,768
Waste recovered (%)	70.9 %	64.4 %
Habitats protected or restored (cumulative, m_2)	570,900	555,900

For further information, refer to Appendix 2.2 Environment

3.2.1

Managerial excellence

Our HSEQ Policy is formulated to ensure we conserve and preserve the environment in the course of our business activities. It also provides the foundation for implementing our Environmental Management System (EMS) across our organisation, framed by the main applicable standards.

Our EMS is aligned with the new High Level Structure (HLO) common framework for ISO management system standards, which makes it possible to integrate different ISOs into a single management system while facilitating access to external global certifications. Our EMS is audited and reviewed annually by an independent third party. We also carry out on-site inspection visits annually to verify its implementation and effectiveness.

100 % of our productive facilities are certified under international environmental standards and 91 % are ISO 14001-certified

The technical teams in each business, with support from the corporate team of technical experts, control and manage all environmental aspects, verify compliance with applicable regulatory requirements and strive to minimise their impacts.

We apply the precautionary approach established in the Rio Declaration on the Environment to our activities:

- 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 by means of plans, protocols and simulations.

We draw up and publish environmental statements for our major facilities in Spain annually. Those statements identify and assess the most significant environmental aspects. They are validated externally together with their management systems under EMAS (eco-management and audit scheme) requirements and can be viewed on our website.

We have environmental liability insurance for all our production, storage and supply facilities whose coverage which goes beyond that required by law.

3.2.2

Responsible water consumption

We are committed to making reasonable use of water resources and managing water responsibly. This commitment goes further than our legal requirement and is set down in our HSEQ Policy. We only use the water needed to operate our facilities safely and we foster initiatives that save or reuse water and search for new sources.

In our Position and Strategy on the Use of Water and the Treatment of Wastewater, we address the availability of and access to freshwater as a human right and outline our dependence on water and our strategy for reducing our water footprint.

In addition to our corporate targets, we have local and business-specific targets in Energy Parks and Chemicals. Our monitoring effort allows us to track our performance and introduce new measures.

Our goal is to reduce our withdrawal of freshwater from water-stressed areas by 20% in 2025 by comparison with 2019

From our Water Panel, a cross-cutting taskforce involving professionals from all relevant businesses and departments, we identify and assess ways to improve our water management. We also monitor delivery of our freshwater consumption reduction target and the initiatives to be implemented in each business, paying special attention to the facilities located in water-stressed regions.

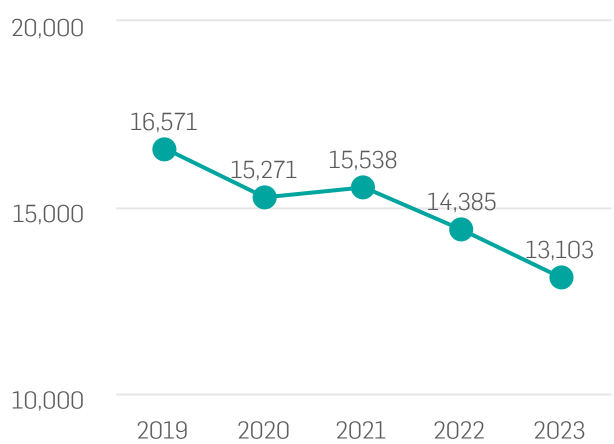
CDP Water

- We have ranked in the leadership group with a score of A- since 2020.

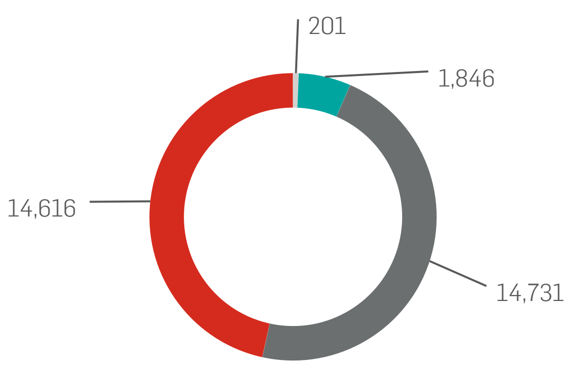
Water risks are included in the corporate risk map and we use the WWF's Water Risk Filter tool to measure them. This tool evaluates our physical, regulatory and reputational risks considering operational information specific to each facility and the water basin where they are located. We also assess and quantify our water impacts and risks using the TCFD methodology used to identify and measure climate risks. Our TCFD assessments conclude that the risk of water scarcity would mainly impact us via government restrictions on the use of water, which could impact production or require us to make new investments.

We urge our value chain to likewise embrace our commitment to using water responsibly by collaborating closely with our suppliers and customers and participating actively in sector associations such as the IPIECA's Water Working Group and CONCAWE's Soil & Waste Management Group. We also carry out awareness work by getting involved in the Water Cycle events organised by the financial daily *Cinco Días* and the seminars targeted at journalists in San Roque and Huelva, as well as participating in numerous workshops and press articles.

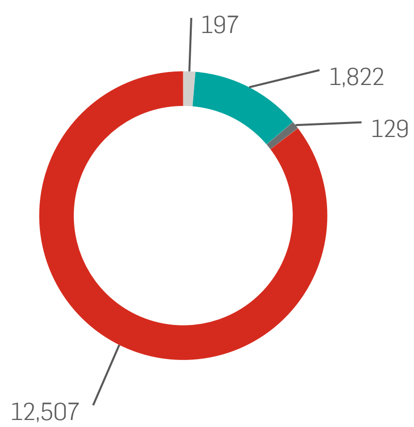
Freshwater withdrawn from water-stressed regions (thousand m^3)



Water withdrawal by source in 2023 (thousands of m^3)



Water withdrawal from water-stressed regions by source in 2023 (thousands of m^3)



Surface water | Groundwater | Produced water | Water supply

In line with our target for reducing freshwater withdrawal in water-stressed regions, our water withdrawal continued to trend lower in 2023. The reduction was the result of a number of factors, including optimisation of the effluent treatment facility at the La Rábida Energy Park, lower production volumes at our chemicals plants, optimisation of the cooling tower and pressure tank cycle at the San Roque Energy Park and operational improvements across the processes that use water.

Below is a summary of some of the main measures undertaken in 2023 by business:

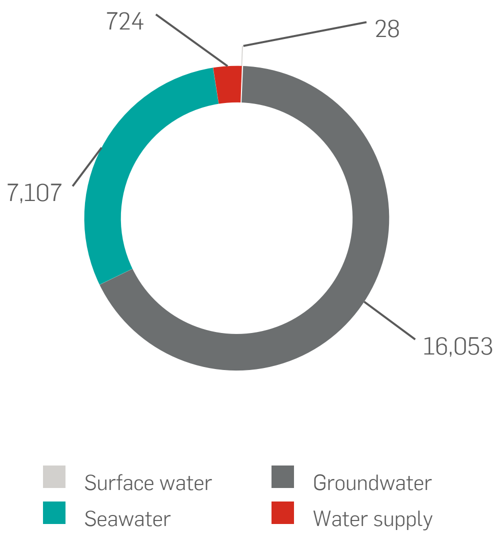
- Commercial & Clean Energies: formulation of water savings plans at each facility.
- Mobility & New Commerce: study into the installation of smart flowmeters.
- La Rábida Energy Park: improvements to the cooling process.
- San Roque Energy Park: agreement with ARCGISA, the public sector company that manages urban services in Campo de Gibraltar (Spain), for the reuse of regenerated water, derived from urban wastewater, in our processes. In 2023 we made progress on our project for recycling up to 20% of our water to be launched in 2024.
- Chemicals Puente Mayorga: launch of the Nalco cooling tower optimisation project and performance of the hydraulic test using seawater in a bid to reduce freshwater consumption.
- Exploration & Production - BMS asset: installation of a new produced water ultrafiltration system and resumption of the process of reinjecting that water into the ground, minimising the risks associated with handling produced water at surface level.

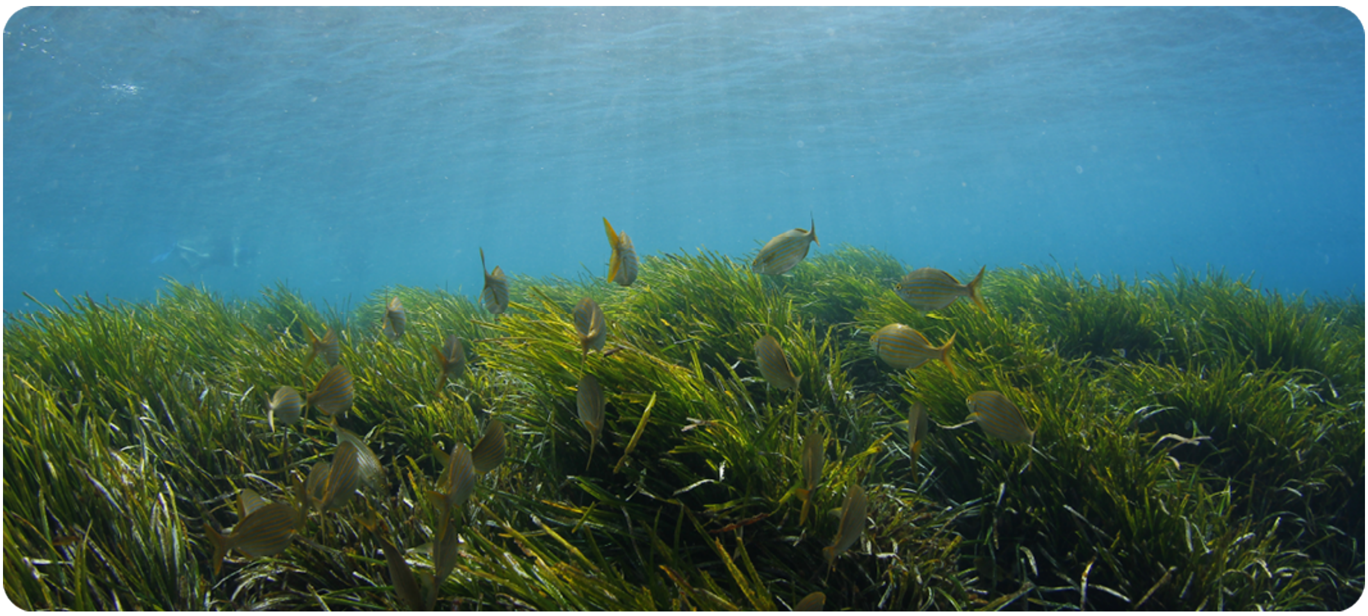
Wastewater management

We apply best available techniques to control and minimise the environmental impact of our discharges so as ensure compliance with the quality requirements outlined in our production facilities' environmental permits.

The competent authorities grant these permits after all the corresponding environmental aspects have been identified, studied and assessed. In keeping with applicable legislation and framed by our use of best available techniques, the permit limits (including discharge parameters) are then set, along with monitoring and control plans.

Water discharge by type of destination (thousand m^3)





3.2.3

Fostering biodiversity

Our Biodiversity Policy fosters regular identification and assessment of the key impacts our activities have on our habitat to ensure they are managed correctly.

Our Biodiversity Panel, a working group made up of representatives from the different businesses and relevant departments, identifies, analyses and implements initiatives designed to enrich biodiversity and minimise our impact.

We have set ourselves the goal of preserving and nurturing biodiversity at our wind and solar farms as we work initially towards no net loss at these plants and before going on to achieve a net positive impact.

To learn more about our activities' impacts and dependencies we use the ENCORE tool and the SBTN (Science Based Target Network) Sectoral Materiality Tool. Our process and its results are outlined in a document titled Analysis of Cepsa's Impacts and Dependencies.

In addition, specifically to identify sensitive areas, we used internationally recognised databases such as the World Database on Protected Areas (WDPA) and Important Bird and Biodiversity Areas (IBAs) dataset.

We then use this information to design and implement biodiversity action plans. We apply the mitigation hierarchy principle (avoid, minimise, restore and, as a last resort, offset) at our productive facilities, whether located in biodiversity-stressed regions or adjacent areas. Below are a few examples of the actions taken:

- Avoid: development of bi-annual biological and biodiversity monitors at our Exploration & Production asset in Peru.
- Minimise: fauna management protocols to facilitate the protection and relocation of any fauna that might appear along the perimeter of our Exploration & Production operations.
- Restore: the Cepsa Foundation is carrying out restoration work at the Primera de Palos lagoon (Huelva, Spain), a Ramsar wetlands site of international importance. We also maintain the Madrevieja environmental station in San Roque.
- Offset: we work to conserve and rescue sea turtles. For example, we are involved in the Tamar Project in Detén (Brazil) and the SOS Caretta Project, which is championed by the Foundation. Also through the Foundation we contributed to the reforestation of the area affected by the fire in Peñuelas in 2017 inside the Doñana Nature Park and joined in the 1m^2 beach and sea cleaning drive to clean up the Los Cristianos beach.

We carry out activities to raise awareness among our professionals, suppliers and other stakeholders about the importance of protecting and conserving nature and we reach out to the authorities, non-governmental organisations and local communities, among other stakeholder groups.

We also help the scientific community by studying the species and ecosystems close to our main productive facilities. In 2023, through the Cepsa Foundation, we collaborated with the International Union for Conservation of Nature (IUCN) to draft a Nature-Based Solutions Guide by sharing practical cases, including our restoration work at the Primera de Palos lagoon.

3.2.4

Making our operations more sustainable

In our HSEQ Policy we also pledge to use resources efficiently and minimise the amount of waste we generate. The HSEQ Policy is complemented by our Position and Strategy on Waste Production and Management, which expounds how we seek to apply the waste hierarchy principle, specifically by preventing the generation of waste, rationalising the use of raw materials through reuse and recycling, recovering waste and, when there is no alternative, disposing of it via authorised handlers.

Circularity is one of the cornerstones of Positive Motion. In 2023 we had AENOR certify our circular economy strategy, so evidencing its integration into our value chain. This certification effort establishes a framework for determining the importance of circular economy aspects to be tackled and the international principles the strategy contributes to.

- We plan to increase the intensity of the circularity of our waste by 50% by 2030 versus 2019.
- We will increase the share of renewable and circular raw materials used at our Energy Parks to 15% by 2030 by comparison with 2019. That will imply the use of 2.8 million tonnes of biological raw materials in 2030, 75% of which consisting of 2G raw materials and other waste that otherwise would end up going to landfill.
- We will switch the fossil fuel sources in the chemical products we sell by introducing renewable and recycled materials.
- By 2030, all of the 100% renewable gas-oil and sustainable aviation fuel (SAF) we produce will be second generation.

Our Circular Economy Panel, a cross-cutting taskforce involving professionals from all relevant businesses and departments, identifies and implements circular alternatives for both the waste produced by the company and society and the raw materials we use.

Among the many circular economy practices carried out, we would stress the adaptation of our Energy Park facilities and processes to enable the manufacture of new sustainable fuels, as well as the reuse of the spent FCC catalyst and the chemical co-processing of plastics for use as an input in La Rábida; development of the Green Certification Scheme to ensure that the activities carried out in Commercial & Clean Energies meet the most stringent sustainability standards; implementation of a 2G biofuel production complex using residual raw materials in Commercial & Clean Energies; the manufacture of NextLab using biomass in Chemicals; and the reuse of osmosis water to prepare drilling sludge in Exploration & Production.

Waste management

We generate different kinds of waste and distinguish between waste derived from production processes, from maintenance operations, from construction and demolition work and from work done in our offices, canteens and other areas. We classify waste as hazardous, non-hazardous or municipal based on its composition.

ZERO platform

In 2023 we implemented our ZERO platform at our different Commercial & Clean Energies facilities. This tool helps us extract operating efficiencies and rationalise resource usage through enhanced traceability and access to real-time information, as well as centralised data tracking and control.

We are authorised waste handlers and also use external managers in specific instances. If we are unable to treat our waste, we prioritise its treatment locally to avoid unnecessary journeys. We urge our waste handlers to make the most of our waste through its recovery, setting them targets and rewards for their delivery. We also track where our waste ends up so as to ensure compliance with our requirements.

The chart above illustrates our commitment to giving our waste a second life. This shows that the volume of waste that is recovered continues to increase, while the volume directed to disposal increased slightly due to demolition waste generated during the process of abandoning the Merecure, Jilguero and Puntero fields in Colombia in the Exploration & Production business. This year the volume of waste generated at our Ramiriquí asset in Casanare (Colombia) fell sharply on the back of a decrease in operating activities. We also managed to recover new types of waste, including biological sludge and residual asphalt, which has had a positive impact on our circular economy commitments.

In terms of alliances, we struck an agreement with ARCGISA, the public sector company that manages urban services in Campo de Gibraltar (Spain), for the reuse of urban wastewater in the San Roque Energy Park.

Finally, with a view to identifying new waste recovery technologies and solutions, we collaborate with universities and stay in contact with third parties in a position to bring us know-how and experience with emerging techniques.

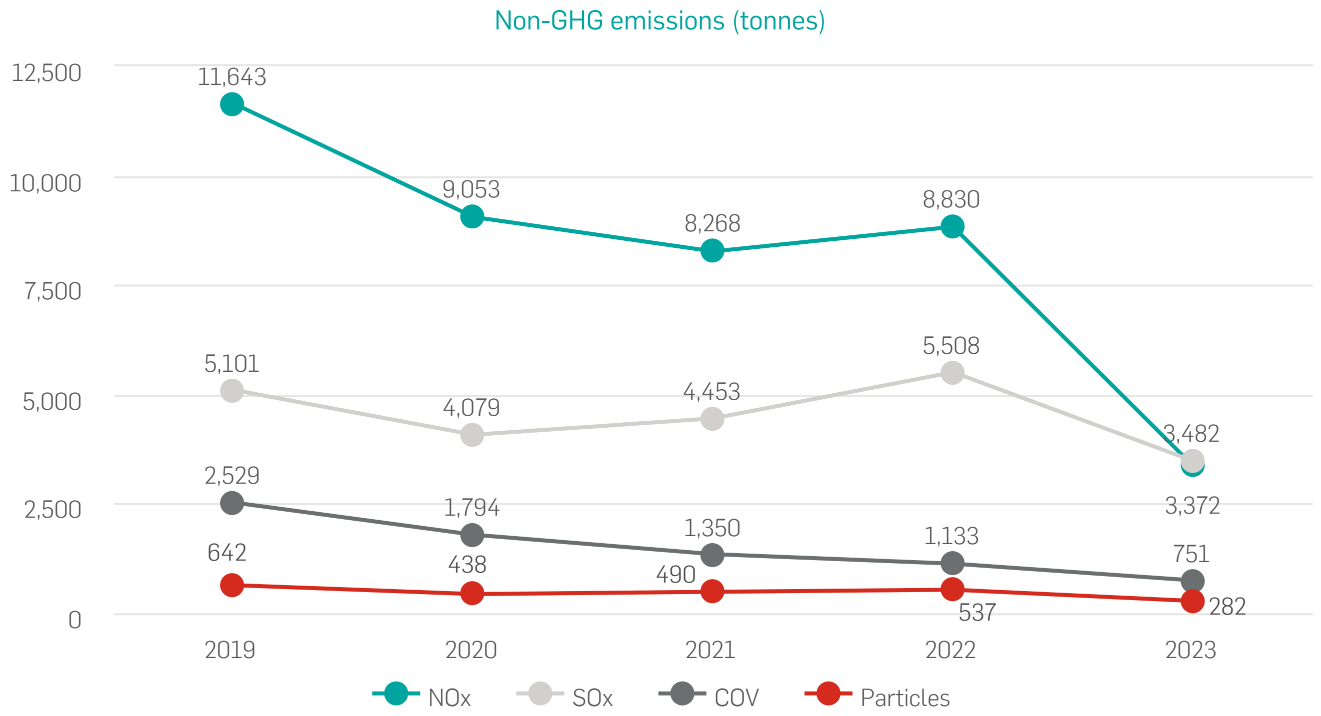
3.2.5

Continuous control of our air emissions

We are committed to preventing pollution and minimising our impact on the atmosphere, as formally set down in our HSEQ Policy and our Position and Strategy on Air Emissions. We apply best available techniques to reduce our emissions and we monitor them constantly. We also have self-control mechanisms and collaborate with an authorised environmental quality provider to develop new measures.

In a bid to prevent or at least minimise our non-greenhouse gas emissions, we have implemented a number of initiatives across our various businesses. Highlights from 2023 included the start-up of an electrostatic precipitator at the FCC unit at the La Rábida Energy Park, so reducing our particles emissions; the installation of a regenerative thermal oxidizer (TRO) to abate VOCs at our chemicals facility in Palos de la Frontera; the boiler fuel switch in Mobility & New Commerce from gas-oil to natural gas; and road watering in our Exploration & Production business to reduce dust.

Elsewhere we carry out olfactometry studies to control odour levels at all relevant facilities and take steps to mitigate noise.



Emissions have generally been trending lower in recent years. Thanks to the decision to cease using fuel-gas in the boilers in our Exploration & Production asset in Caracaca (Colombia), virtually all our emissions, particularly NOx, have fallen. Elsewhere, the drop in activity at the RKF asset (Algeria) also implied a considerable reduction in emissions, in this instance most notably in VOCs.

Lastly, the energy efficiency projects executed at the La Rábida Energy Park (fuel and fuel load rationalisation) have driven a reduction in SOx emissions.

In terms of stakeholder engagement, we participated in the drafting of air quality improvement plans through a number of sector associations, while continuing to reach out to the competent authorities.

3.3
Ready for workplace change

GRI 3-3, 2-19, 2-20, 2-29, 2-30, 403-5, 404-2, 407-1

Our People Strategy, which is an addition to our Positive Motion strategy, aims to drive and reinforce the businesses in their quest to deliver their objectives in four key areas: talent culture, agile and flexible organisation, employee experience and inclusive culture.

MILESTONES 2023

A new 'Leadership model', underpinned by our corporate values, with specific behaviour and practices expected of all our leaders and 360 degree feedback, and start-up of the eMotion Journey leadership development programme.

Signing of the Group's II Partial Collective Bargaining Agreement, setting out and regulating the working conditions until 2025 of more than 2,000 people at the Madrid workplaces, the sales offices and the Innovation Centre.

New digital platform to manage talent selection processes for our services stations to reduce recruitment times.

KEY INDICATORS	2023	2022
Employees (no.)	10,865	10,310
Female (%)	38.9 %	38.0 %
Women in management positions (%)	28.9 %	26.7 %
Employees with disabilities (%)	1.63 %	1.14 %
Employees with permanent employment contracts (%)	94 %	95 %
Employees covered by collective bargaining agreements (%)	87 %	87 %

Appendix 2.3. Human resources

3.3.1

Talent with purpose

We offer quality, sustainable and stimulating work and create a positive working environment in which all our people can grow. We invest in honing our employees' skills and energy sector specialisation and promote diversity so as to enrich our talent and enhance their experience working at Cepsa.

We pursue a people-centric approach to bolster our Employer Branding strategy and make us an attractive employer so we can draw talent. We are a well-established company that is growing and undergoing transformation, aiming to spearhead the energy transition. This enables us to offer high-quality employment and development opportunities through internal mobility policies, international exposure and career advancement.

This approach garnered us several awards and accolades in 2023. For instance, we won recruitment awards from the EAE and EOI business schools and were finalists in the Best Employer Brand category of the LinkedIn Awards; we were also named one of the best 100 places to work by Forbes in 2023.

We are particularly on the lookout for junior talent, running a number of programmes for university and dual vocational training students, as well as recent graduates. One of our leading programmes is Talent Call, which helps these students and graduates to start their careers. Initiatives include: Welcome U, work & study internships; Developing U, an opportunity to carry out undergraduate or master's dissertations with the support of the company's experts; and Challenging U, an offer of a permanent contract and certain perks to recent graduates, in addition to training at a business school during their first year. In 2023, Challenging U promoted the hiring of women and people with disabilities. Indeed, 70% of new hires were women and 5% were people with a disability.

We also encourage local employability through alliances and partnerships to create jobs in the areas where our facilities are located. As stated in our Human Rights Policy, we are committed to identifying and assessing the situation of the local communities and their needs and aspirations and promoting alliances or partnerships to create jobs. To that end, we partner with several universities in the areas where we have facilities in order to provide students with a glimpse of the business world, learn more about each other and promote research.

Digitalisation of recruitment at our service stations

We have a new digital platform at our service stations for posting job vacancies, collecting resumes and keeping an employment portal to reduce recruitment times. We were the first major company in the sector to use this technology at service stations in Spain, earning the company a Cegos award in the 'Attracting and Integrating Talent' category'.

Steering career development

Our integrated evaluation model is geared towards enhancing employee performance through:

- MIDE system: a tool for measuring performance against company, business and individual objectives. It also factors in behaviours related to our values. We carry out annual evaluations, providing interim feedback during the year to guide employees on how to deliver these objectives.
- Leadership model: guide that combines our purpose, vision, strategy and corporate culture. It focuses on the behaviours leaders must display to represent our corporate values and practices, which are specific and tangible actions, including safety. 360º is a development tool designed to trigger our model and help draw up an action plan based on feedback.
- Talent committees: designed to identify potential and specify development commitments so our team is prepared to tackle the company's challenges. They target department heads and senior technicians.
- Succession plans: these pinpoint the company's relevant positions, assign successors for those positions and draw up career plans to facilitate the transition to a new position.

How to add talent: work-life balance and job flexibility

Our work-life balance management programme fosters a new culture based on flexibility, respect, trust and mutual commitment. We want all our people to contribute their talent, no matter what their personal situation and needs are.

Collective bargaining agreements set out, for instance, the various types of employee working hour arrangements, the annual work schedule, timetables, types of employment arrangements, performance and compensation scheme. Most staff in industry and service stations work shifts, with different sequences and rotation cycles. The corporate and sales areas use the flexi-time model, with completely flexible hours.

To that end, we have guidelines with work-life balance measures tailored to each job market. These include flexi-time, teleworking, transfers for work-life balance reasons, part-time work, remote working, childcare vouchers, breastfeeding facilities (e.g. building up leave or specific breastfeeding areas) and paid leave to care for family members in addition to parental leave.

We recognise our people's right to digitally disconnect, respecting their right to time off and private life to help reduce 'technostress'. The Group's II Partial Collective Bargaining Agreement, its most important by number of employees covered, stipulates the right to turn off digital devices outside working hours, ensures that employees are not penalised for exercising this right, and outlines training and awareness-raising actions on the reasonable use of IT tools.

We also have initiatives in place targeting physical health and sports. One example is Sanitas' Healthy Cities initiative, through which we promote healthy lifestyles and help make cities more sustainable.

Certifications

- Top Employer
- Most Loved Workplace

3.3.2

A diverse and inclusive workplace

Part of our Positive Motion vision is to make Cepsa an inclusive and compassionate space. The success of our strategic plan hinges on making our company a place that embraces diversity, where equal opportunity for development and inclusion of all our people is guaranteed in our values and culture, the cornerstone of which is well-being. As part of our "We care about people" value statement, we work to make all our people feel that they are welcome and belong to the company.

Our Diversity and Inclusion Policy is a testament to our firm commitment in this area. 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 fosters respect so as to prevent all forms and manifestations of harassment, intimidation or violence.

We have set a target of having 30% women in leadership positions and 3% of employees with disabilities by 2025[37].

[37] Between in-house staff and external partners.

Our Diversity and Inclusion Committee promotes diversity and an inclusive culture across the company, ensuring an enterprise and cross-cutting approach, singling out best practices and tracking the progress towards achieving objectives. To help us with this drive, we have a diversity champions team. Members of both this and our human resources teams have received training on diversity essentials to create spaces for addressing diversity and taking tangible actions.

We have also stepped up our commitment with 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, support and cooperation initiatives.

Our Diversity and Inclusion team draws up annual plans taking into account our employees' expectations as collected in the diversity and inclusion (D&I) questionnaire, alongside the heads of the business and functional areas, the D&I Champions and the employee diversity networks.

Each company has its own equality plan, while there is also a plan for companies covered by the Group's second Partial Collective Bargaining Agreement.

In 2023, we focused particularly on providing training to all our people. We offered courses totalling more than 2,000 hours and initiatives such as the Inclusive Language Handbook, the glossary of LGBTI+ terms and the Inclusive Recruitment Guide. We also celebrated key dates and conduct awareness campaigns.

We want to extend our D&I pledge to all of society. To that end, we held our first 'We care about people. Chats with Bettina', an online series in which Bettina Karsch, Cepsa's HR head, talks with both Cepsa and non-company people who are leaders in the realms of communication, culture, business or society. The aim is to inspire watchers through enlightening talks about equality and diversity.

During pride month, as a show of our support to the LGBTI+ community, we put up rainbow flags at our Madrid, Cadiz and Barcelona service stations. We were also a Madrid Pride 2023 sponsor.

Anti-sexual/gender harassment protocols

We have a procedure in place explaining how to investigate reports of sexual harassment, mobbing or gender harassment. All group companies must comply with both this procedure and the company's various anti-harassment protocols.

These protocols also provide guidelines for management, which must do everything it can to ensure that any reports filed are handled appropriately, objectively and confidentially.

This year we also launched a course about preventing and tacking workplace harassment.

Intrama Diversity and Inclusion Awards

Our training programme designed to enhance the employability of people with disabilities was a runner-up in Intrama's Diversity & Inclusion Awards in the Disability category. These awards recognise the work of companies and professionals committed to becoming more equitable.

Real inclusion

We remain firmly committed to adapting our workplaces and making our facilities accessible to people with disabilities. We have taken certain measures to promote hiring of people with disabilities, such as posting job offers in specific talent portals, prioritising their use for coverage of temporary vacancies and creating talent pools. Care plans are also in place for families of workers who have children with disabilities to promote their socio-economic and labour market integration.

In a bid to make further inroads on this front, in 2023 we began conducting an in-depth analysis of the architectural and digital accessibility of our facilities. To assist us with this endeavour, we engaged Ilunion Accesibilidad, a member of the ONCE Social Group, whose aim is to help companies, public bodies and third sector organisations achieve their digital transformation and that of their spaces through 360-degree accessibility. This project will provide us with a basic overview of accessibility to our buildings, along with both physical and digital accessibility handbooks.

Accolades and partnerships

Our drive to achieve full employee inclusion has captured a number of accolades:

Financial Times Diversity Leaders ranking for 2023.

Diversity Leading Company Seal, which certifies us as a leading company in diversity, equity and inclusion.

Empowering Women's Talent Seal, for promoting female talent within the organisation.

Top40Company - INTRAMA's VariableD2023 report, ranking us among the top 30 companies in Spain in terms of D&I commitment.

Also, for the first time we applied for inclusion in the Bloomberg Gender-Equality Index 2023 (GEI). We received the GEI logo for private businesses in recognition of our efforts to support gender equality in the company through increased transparency about related policies and practices.

Noteworthy partnerships and initiatives include:

- Endorsement of the Standards for Conduct for Business: Tacking Discrimination against LGBTI+ people.
- We participated in the third edition of Target Gender Equality, a gender equality accelerator programme for participating companies.
- We renewed our participation in the diversity charter run by Fundación Diversidad.
- We worked with the ONCE Foundation on its Inserta labour inclusion programme, so helping to boost employment and training of people with disabilities.
- Partners of Women Action Sustainability (WAS).

We took part in the following events:

- CERAWeek Women in Energy.
- Redes de Emplead@s y Aliad@s LGBTIQ+ (employee and ally networks for LGBTIQ+ people).
- Women's Talent Day.

We hosted the Business Council this year, to celebrate pride month, at Torre Cepsa. The event was organised by Fundación Diversidad, of which we are a member, and afforded us the opportunity to stress the importance of sexual orientation diversity in the workplace and share best practices with different companies.

3.3.3

Learning culture

We continue to develop our learning model to help all our people acquire critical skills so we can address the energy transition. This model is articulated around three areas:

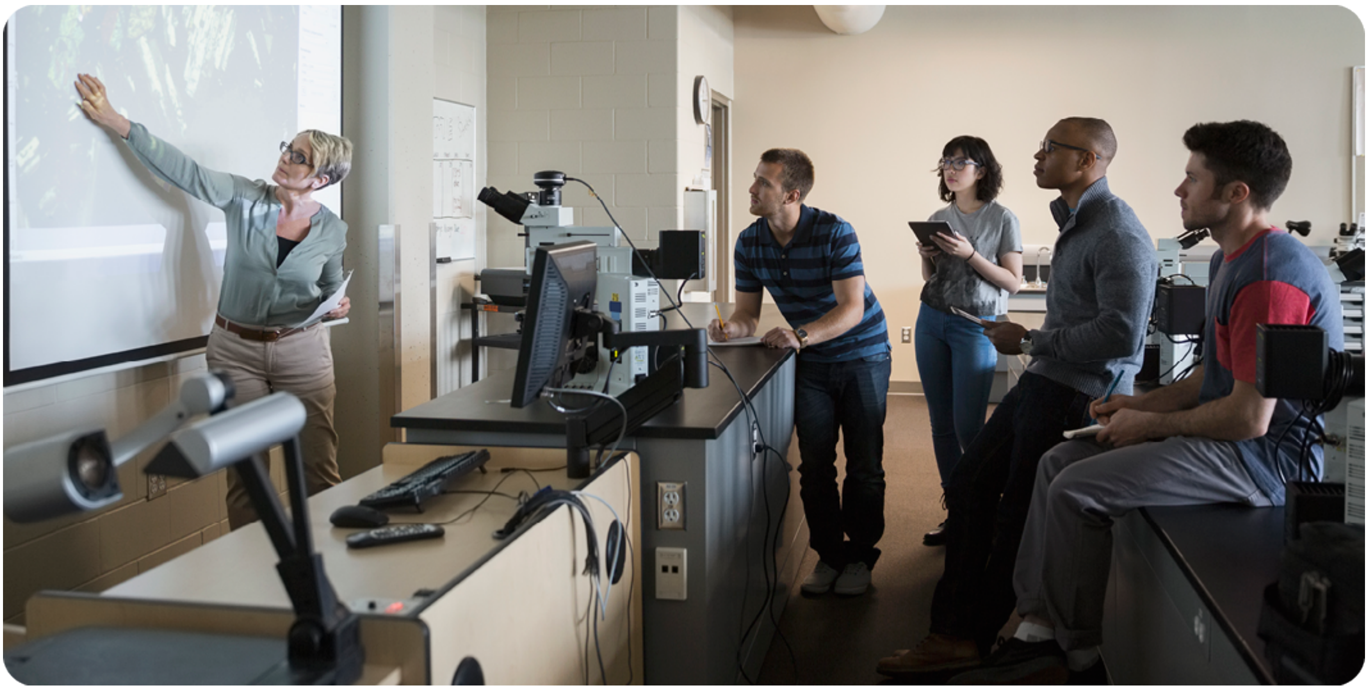
- Designing programmes and developing resources for upskilling and reskilling: we have a process in place for identifying and mapping skills focused on green and other relevant skills for our sector, which is making it easier to pinpoint needs, as well as internal and external mobility.
- Leveraging continuous learning to drive transformation and a culture of development:
  - Learning Days: on the next-to-last Friday of every month, all staff are allowed to spend four hours on learning and development.
  - Expert communities: spaces for cooperative learning, where people share best practices.
  - Learning Corners: areas set up so our people can create, access and make use of their collections of learning resources.
- Setting up a state-of-the-art, technology-based, personalised and efficient training experience: we are devising a new learning platform featuring artificial intelligence (AI), LXP (Learning Experience Platform), which provides a learning ecosystem based on personalised skills and needs.

We also have several cutting-edge solutions available. Examples include Linkedin Learning, which provides democratised learning and a broad offering, with 17,000 courses available, and Speex, one of the market's highest rated online language learning solutions. We have also set up a virtual reality platform to provide training on health and safety.

Energy transition programmes

In 2023, we paid particular attention to the upskilling and reskilling programmes:

- Green Skills Academy: learning programmes on new energies. One example is the Clean & Green Energies Learning Program, comprising four modules: green hydrogen, biofuel, renewables and SAF, with its own online certification. Another is the Renewable Hydrogen Programme for technical staff in different business areas focusing on Energy Parks.
- Digital: geared towards developing digital skills. Key programmes include CDX and Digicom.
- Power Skills: designed to develop learning skills, a necessary tool for driving our transformation that includes programmes such as Boosting your Learnability.
- Specific technical programmes for businesses.



Health and safety programmes

We launched three programmes in 2023, in addition to those already in place, to promote the value of health and safety:

- Risk Factor: programme put in place at industrial facilities to teach employees and raise awareness about both work-related and personal risk factors.
- Driving safety: a programme offering both theoretical and practical training, with content designed to improve driving so as to make it both safer and more efficient.
- Leadership in safety: workshop included as part of the Emotion Journey leadership development programme on the importance of safety and safe behaviour to reduce injury rates.

In addition to these programmes, we also carry out myriad training actions at our workplaces tailored to specific risks.

Leadership development programmes

Two of the main leadership development programmes carried out during the year were:

- Emotion Journey: for 590 department heads overseeing teams and 150 executives. It entails over 20 hours of training and features an in-person workshop, digital content and peer learning. The aim is to take the new leadership model up another notch in Cepsa, reflect on the company's values and foster enterprise-wide and inter-area work. The programme encourages leaders to become fully engaged with the company's strategy and understand the key role they play in its transformation.
- Leadership Induction (new managers programme or NMP): new onboarding programme for new managers. The programme works on honing relevant skills; e.g. public speaking, strategic communication, values, leadership model, self-leadership and emotional management. Two editions of the programme were carried out in 2023 for a total of 34 new managers.
- In-house coaches: we provide coaching training to key leaders identified as role models for the company's culture. After completing three years of training, they are certified as professional coaches by the International Coaching Federation. Thanks to this programme, our leaders are helping to nurture new leaders and high potential individuals.

Employee training

We completed training highly qualified people out of work in the areas of influence of the Huelva and San Roque Energy Parks with a view to both improving their employability and meeting the recruitment needs of operations staff. This initiative yielded 39 job-seekers ready for hiring.

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; 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

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.

To prevent biases, our remuneration policies set common criteria for determining salaries and seek maximum objectivity in their application. All companies have set up a remuneration register in accordance with the law to evaluate the gender pay gap.

Director and officer remuneration

Remuneration of the members of the Board of Directors is regulated by the Remuneration Policy for Directors approved by both the Board[38] and at the General Shareholders' Meeting on a recommendation by the Nomination and Compensation Committee. The Nomination and Compensation Committee is tasked with reviewing and approving the remuneration of senior management and the implementing policies.

The director remuneration system entails a fixed annual amount which is determined at the General Shareholders' Meeting and allocated among all members. For directors performing executive duties, in addition to principles of transparency, prudence and compliance with corporate governance recommendations, the remuneration system considers market trends, alignment with shareholder objectives and compatibility with appropriate and effective risk management. It is marked by a balanced and efficient mix of fixed and variable components and is designed with short-, medium- and long-term horizons in mind.

Remuneration of executive directors and senior managers comprises fixed remuneration, short- and long-term variable remuneration, and benefits (primarily pension plans, company cars, petrol, parking and medical, life and accident insurance).

Sustainability performance is included in the overall[39] targets for employees and executives through the variable remuneration scheme. Sustainability criteria accounted for 25% of targets in 2023 and 30% of the long-term targets set this year for executives.

In 2016, the Nomination and Compensation Committee engaged an external consultant to assess the remuneration policies of executive directors and proposed an action plan to adjust the structure of their remuneration and bring it to the desired levels. In 2018 and again in 2022, it 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.

[38] The Board is responsible for adopting and regularly reviewing the policy's general principles and ensuring that they are applied. .

[39] Matters considered in the short-term sustainability targets are CO_2 emissions, the TRIR (total recordable incident rate) and ESG rating results. Long-term targets include CO_2 emissions, the TRIR and diversity and inclusion.

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.

Employees covered by collective bargaining agreements (%)	87 %

Our Human Rights Policy recognises the importance of respecting the right to freedom of association and the participation of workers' representatives. In addition, one commitment of our Human Resources Policy is to maintain optimal dialogue with trade union organisations and workers' legal representatives, promoting smooth and effective labour relations.

In addition to ongoing dialogue, a number of monitoring committees were set up for areas including health and safety, remote working, working times, employee categorisation and equality.

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.

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.

A major development for its relevance and impact was the signing of the Group's II Partial Collective Bargaining Agreement, regulating the working conditions until 2025 of more than 2,000 people at the Madrid workplaces, the sales offices and the Innovation Centre. Also notable was the II Refining Collective Bargaining Agreement, which covers all of our Energy Parks.

3.4

Safety in Motion: striving for excellence

GRI: 3-3, 403-1, 403-2, 403-3, 403-6, 403-7, 403-9 / SASB: RT-CH-320a.2, EM-EP-320a.2, EM-RM-320a.2, EM-EP-540a.2, EM-RM 540 a.3

2023 MILESTONES

Launch of our new safety vision: Safety in Motion.

Organisation of our first global security day, involving over 4,000 employees and contractors, at 65 of our workplaces.

Formulation of our Safety Excellence Plan with DuPont Sustainable Solutions (dss+) with the aim of bringing about a safety transformation at the company.

KEY INDICATORS	2023	2022
Fatalities, employees and non-employees (no.)	—	—
Employee lost workday injury frequency (LWIF)[40]	0.59	0.55
Non-employee lost workday injury frequency (LWIF)	0.88	1.76
Employee total recordable incident rate (TRIR)[41]	0.71	0.98
Non-employee total recordable incident rate (TRIR)	2.02	2.83
Level 1 or 2 process safety incidents (no.)	13	16

For further information, refer to Appendix 2.4 Health and safety

[40] LWIF: Total number of lost-time injuries / Actual hours worked x 1,000,000.
[41] TRIR: Total number of recordable incidents / Actual hours worked x 1,000,000.

3.4.1.

Leadership in safety

Safety is a prerequisite before starting on any work. With that in mind, in keeping with Positive Motion, we launched a new safety vision in 2023, Safety in Motion, which is part of our identity and has been shared with everyone who works at our facilities. With it we are striving to translate our principles into everyday conduct by placing safety at the heart of all decision-making.

We view leadership in safety as a cornerstone of our transformation and seek to inspire our teams by leading by example through safe behaviour and by caring for all of the professionals working at Cepsa, our contractors and our places of work. We want everyone to embrace the commitment to protecting each other.

First global safety day

To encourage all our employees and contractors to embrace Safety in Motion, we held our first global safety day. More than 4,000 employees and contractors from all our business units participated in the event, which involved safety workshops at 65 workplaces, demonstrating that we are all essential to leading our transformation.

Principles of the Safety Manifest

1. Safety is a prerequisite
2. We are and feel safe
3. We learn and apply what we learn
4. We dare to look after ourselves
5. We are all leaders when it comes to safety

To reinforce our leadership in safety we have specific continuous improvement and innovation plans for each business, including Brio, Orion and Kaizen:

- Brio: focused on improving how our teams work. This plan promotes leadership through specific actions such as starting the workday with a 'safety minute', the assumption of daily challenges and use of the Leader Standard Work, a set of recurrent management techniques for enhancing leaders' time management.
- Orion: designed to spark continuous improvement and innovation, with safety as one of the programme categories.
- Kaizen: a cross-cutting continuous improvement model that involves everyone in process optimisation by honing our customer focus, raising awareness around safety, tightening operational discipline by leveraging data and transforming how we lead and manage teams.

Moreover, in the course of 2023, with the goals of empowering our teams, equipping them with the tools and resources needed and delivering our commitments, we ran safety workshops for different cohorts, including our Management Committee, executives, department heads and business unit employees.

3.4.2

Workplace health

Our Code of Ethics and Conduct and HSEQ Policy set down specific objectives to ensure that we meet the highest standards around health. These commitments are implemented by means of internal procedures that address health service functions.

We follow the model established by the Spanish Institute of Occupational Health and Safety (INSST), complemented by specific methodologies for risks for which there are no official guidelines. We conduct internal and external audits to ensure compliance with regulations and certify the quality of our health services.

Cepsa's medical service is staffed by in-house health professionals available to answer any type of health-related query. We also offer more holistic health services: healthy food in all our canteens and restaurants; the promotion of skills and habits for improving our emotional health and wellbeing; the addition of an overall health test to our annual check-ups; quit smoking drives; cancer detection drives; emotional care programmes for employees; and mindfulness sessions, among others.

In 2023 the medical service started to provide dedicated mental health sessions.

3.4.3

Product safety

Our HSEQ Policy sets down our commitment to protecting the health and safety of our customers. In addition, our Customer Relationship Policy sets out our consumer protection commitments.

We conduct rigorous product assessments 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.

All information on the safety of our products is included in the product safety data sheets we send to customers when they make their first purchase and whenever we make updates. We also have a tool for automatically requesting our suppliers' safety data sheets.

We draw up and review the safety information included on our packaged product labels and notify hazardous mixtures to the toxicology centres that sell them. We also have product regulatory information sheets (PRIS) with the regulatory information applicable to each of our products.

We monitor the substances included on the European Chemicals Agency's list of substances of very high concern (SVHC) even though we do not currently make any such substances.

3.4.4

Excellence in safety

The aim of our HSEQ Policy, which we updated in 2023, is to take care of all the people who work at and collaborate with Cepsa, our customers, our communities and our surroundings. It establishes specific actions and targets based on a risk and opportunity assessment, context analysis, evaluations, internal and external audits, review reports and the needs and expectations expressed by our employees, suppliers and internal and external health and safety committees.

Safety Excellence Plan

The goal of this plan is to transform the entire company around safety. To achieve it, we having been working with one of the most prestigious operations management consultants, DuPont Sustainable Solutions (dss+), since 2021.

It is structured into different lines of initiative designed to strengthen our safety culture, process safety and stakeholder management. In 2023, we added a new corporate lane to define a uniform management and support model for each business. We also developed a quality management programme to ensure that the methodology, processes and routines implemented are followed over time and driven by a continuous improvement quest.

We have an integrated management system based on benchmark international rules and standards and 91% of our productive facilities are ISO 45001-certified.

Compliance with the OHS management safety system's requirements and commitments is evaluated at different levels:

- At the business level by planning, executing and monitoring internal assurance processes.
- By the internal audit unit, which is independent of the businesses, by means of internal audits carried out by outside experts.
- From 2024 on, by the Corporate Safety Department, which will plan and monitor activities related with compliance with in-house health and safety rules.

Any deviations detected in the course of any of these evaluations are followed up by the process owners in question, depending on the level at which they are detected, and corrective action or improvement plans are set in motion to prevent recurrence or mitigate any risks detected.

Risk prevention

We identify and evaluate safety risks in a proactive manner. We define tolerable risk levels and then implement action plans and controls, factoring in what we have learned from incidents taking place inside and beyond the organisation. We keep all stakeholders informed about the process and its results. This process is carried out for operations in progress, hazardous materials, new projects, products and services and changes.

Verbal communication about workplace risks is common at our industrial facilities. We also provide our employees and contractors with a range of resources and tools for capturing risks they may detect. We also operate a 'near misses' communication channel, correspond with the Safety Department's OHS area and issue general service and maintenance notifications. Any safety breaches can also be notified through our Integrity Channel.

The annual safety planning process and the OHS management system are articulated around quantified targets and the people responsible for their execution and oversight are identified, as are the human resources and materials needed and the deadlines for their delivery. Progress on planning and target delivery is reviewed with the workers' representative bodies periodically. Lastly, the annual report drafted by the OHS area presents the final results of this effort.

Safety at suppliers

Suppliers are assessed and evaluated to ensure they meet our safety qualification standards. Specific safety clauses are included in the General Contracting Terms and individual contracts.

Those clauses and contracts and how we assess contractors and subcontractors' safety records were revised in 2023 and we widened the selection criteria for related tenders.

All service company employees receive specific information and training on basic safety rules, risks and consequences, the actions to take in the event of emergencies and personal protective equipment as a prerequisite to entering our facilities.

For further information, refer to 3.5.1 Procurement approach and positive supplier relations

To help make sure we act consistently with all our contractors, we have a single approval process for service company supervisors across our industrial facilities in Spain.

Asset integrity and critical incident

Our HSEQ Policy includes principles designed to safeguard our operations. We take a range of steps to keep our assets secure and manage potential incidents, including asset inspection and maintenance programmes, itemisation of critical security elements, risk assessments, information transfer protocols and the formulation of effective emergency plans.

All group sites have an emergency plan tailored for each place of work and the laws applicable in each country. Drills are performed to check the level of plan implementation and any applicable corrective measures are drawn.

We also participate actively in occupational and industrial safety taskforces in Spain and abroad, including IOGP (International Oil and Gas Producer Association), FEIQUE (Spanish chemical industry confederation), CONCAWE (European association of oil companies for health, safety and environmental matters in refining and distribution), COASHIQ (autonomous OHS commission for chemical and similar industries) and local industry associations.

Incident investigation

We have a procedure for investigating incidents which stipulates the investigation methodology and the process for generating the required reports and 'lessons learned', irrespective of the category, gravity, potential impact or location of the incident.

All safety incidents must be reported immediately. We determine the potential gravity of an incident based on our risk matrix and we inform the Management Committee of high potential and very impact incidents. The corresponding corrective actions are included in the investigation reports.

3.5
Sustainable supply chain

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

MILESTONES 2023

Our Supplier ESG plan was voted the best sustainability initiative for 2023, garnering the Diamond Award from AERCE, the Spanish association of procurement professionals.

It was also certified under the ISO 20400 standard, denoting best practices in sustainable procurement.

We transformed the organisation and management of our procurement effort to align it with the decarbonisation strategy so as to create global sourcing solutions.

KEY INDICATORS	2023	2022
Total procurement spending (€ million)	1,423	1,173
Suppliers in the company's supply chain (no.)	3,394	3,288
Spending on local suppliers (%)	36.2 %	34.7 %

For further information, refer to Appendix 2.5 Suppliers

3.5.1

Procurement approach and positive supplier relations

Our approach to procurement is designed to strengthen relations between suppliers and our businesses. It includes automated processes to ensure traceability and transparency, helps to control risks and fosters free competition.

Our mixed approach standardises and coordinates both centralised and business-level purchasing[42], streamlines processes and maximises efficiency through planning and early supplier involvement in new projects.

Excellence in procurement management

We are certified under UNE 15896 Value added purchasing management, and the ISO 9001, 14001, 50001, EFQM and ISO 45001 standards.

In 2023, we were awarded ISO 20400 certification, which recognises our commitment to ensuring a responsible and sustainable supply chain.

In 2023, we aligned our approach to our Positive Motion strategy, thereby creating Global Sourcing Solutions based on three key lines of action:

- Being a liquid organisation, so we can mobilise resources for collaboration on new projects and obtain the right skills to make the energy transition.
- Readying the supply chain for adaptation to the growth and expansion of new businesses.
- Strengthening our commitment to ensuring a responsible and sustainable value chain.

A key commitment of our Sustainable Procurement Policy is to promote best practices through responsible and sustainable management. Our Supplier Code of Ethics and Conduct furthers our commitment to ethics and transmitting values to our suppliers. Our specific sustainability requirements are standardised in the General Contracting Terms and our contractual models and must be accepted by any third party that does business with Cepsa.

Therefore, all contracts include clauses on sustainability matters. In 2023, we reviewed and reinforced the sustainability requirements, as well as the specific health and safety requirements.

Lastly, we have a Supplier ESG Plan to encourage alignment by our suppliers, including Tier 2 suppliers, with our sustainability commitments and requirements and to help them on this front.

We follow a four-step supplier relationship management process:

1. Registration and approval
   - ESG questionnaire
   - Level of related risk
2. Risk segmentation and control
   - Supplier segmentation
   - Ongoing risk assessment
3. Performance evaluation
   - Evaluation of quality, execution and ESG performance of active suppliers
4. Audit
   - Compliance with internationally accepted ESG standards

[42] The procurement teams in the Chemicals and Exploration & Production businesses are decentralised, although the approach to procurement management and processes is the same.

Registration and approval

We ensure that suppliers commit to our requirements and that the level of related risk is acceptable. We only award contracts to approved suppliers; in other words 100% of our suppliers are systematically rated.

We have an ESG rating system based on a detailed questionnaire, which is available on the procurement platform. The scores are automatically transferred to the award sheets. Nearly 75% of our critical suppliers had a score in 2023, so we are closing in on our target of having 100% of those suppliers with a sustainability rating by 2025. During the year, we extended the supplier rating system to critical Tier 2 suppliers, who were also added to the assessment plan.

We prioritise awarding contracts to higher-rated suppliers and disclose their score to them, as well as their position relative to other sector peers through the MyAchilles platform. Lower-rated suppliers are invited to ESG development meetings to pinpoint opportunities for improvement, for which pertinent recommendations are given. We provide technical support and monitor implementation.

We also calculate added value by embedding sustainability into decision-making (Total Value of Ownership), promoting sustainable procurement.

Risk segmentation and control

We segment by risk level and type to identify critical suppliers. These comprise suppliers in 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.

We assess suppliers on an ongoing basis for operational, economic, ESG, human rights, health and safety, country, information security and counterparty (Know Your Counterparty or KYC) risks. We also assess them for risks related to our business, including those associated with services and products.

We performed 3,031 risk assessments on active suppliers in 2023. Additional compliance analysis was conducted on a further 373 suppliers, cross-checking against international lists in accordance with the KYC procedure. We also have a real-time risk-monitoring tool and alert system (RiskMethods), which considers sustainability and human rights issues and is integrated into the procurement area's platform. We did not uncover any supplier with high or very high risk.

Performance evaluation

We have an evaluation plan for active suppliers that factors in quality, execution and sustainability issues. We have also begun to assess Tier 2 supplier with access to our facilities. These evaluations are carried out through a variety of questionnaires filled out by end users of the good or service supplied.

Over the course of 2023, we conducted 2,244 evaluations of 807 suppliers, of which 771 were due to their criticality. Accordingly, 99% our critical suppliers have undergone at least one performance evaluation, which is in line with our target of screening at least 98% these suppliers, including an assessment of ESG issues.

ESG audits and performance enhancement

Lastly, we ensure that suppliers meet our requirements through on-site audits performed by Achilles, an independent firm. We follow a procedure for verifying compliance with international accepted sustainability standards that is standard in the sector. In addition, internal staff of Cepsa carry out on-site audits.

We carried out 97 on-site audits in 2023. We have audited a total of 216 active suppliers. Audit findings are valid for 24 months, during which we help them address any non-conformities. Action plans are drawn up and must be implemented, and evidence must be provided for 100% of audited suppliers. We proactively encourage, also with Achilles, resolution of non-conformities. The target is to close 85% of non-conformities arising during the previous two years. We closed 89% of non-conformities in 2023.

We round off this process with development meetings, following a specific procedure for the sustainability questionnaire. Each supplier was given a detailed report outlining pertinent recommendations and a related action plan. We held 26 development meetings with suppliers in 2023.

Continuous training of suppliers and procurement staff

We have a Supplier Campus, where we provide suppliers specific training on the priorities for more responsible and sustainable procurement of goods and services. In 2023, we added new topics to the training syllabus, such as water management, cybersecurity and health & safety. The number of supplier in skill-building programmes is 547. 35% of our critical suppliers participated in these programmes.

Procurement staff receive ongoing sustainability training via the Cepsa Campus. In parallel, buyers receive specific training at the Supplier Campus to ensure alignment in procurement management and to share best practices

We listen to our stakeholders and share best practices

At different procurement forums, we explain the company's strategy, our commitments and the roadmap for delivering our sustainability targets.

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

wePioneer programme

wePioneer

We held our fifth wePioneer supplier recognition programme in 2023. This initiative recognises our suppliers for their sustainability performance. The topic this time was carbon footprints.

3.5.2

Our supply chain

Our supply chain[43] comprises 3,394 suppliers, of which 1,790 are covered by our 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), 83% goes to services. The rest goes to a range of goods; e.g. 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 15% of our suppliers and over 89% of our annual spend. We gear all our initiatives towards these segments and tailor relationship models to the extent possible.
- Segments IV and V[44]: these are non-strategic suppliers, but we monitor them for all operational and sustainability risks through risk cards. Some high-risk segment IV suppliers are considered critical and managed separately.

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, in addition to making it easier to control country risk.

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

In 2023, for locations around the world where we have significant operations[45], we sourced approximately 90.5% from domestic suppliers. Specifically, 36.2% of the total spend was purchased from suppliers based locally.

46.9% of the company's suppliers are Spanish and they account for 80% of total expenditure. Nearly 39.8% of contracts were arranged with suppliers near a Cepsa operation.

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

[43] 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, not the amounts invoiced.

[44] We manage segment V suppliers, included in tail spend (purchases under €25,000), efficiently through automation and digitalisation.

[45] Locations with significant operations are the main sites where we have our industrial plants and Exploration & Production assets. For the purposes of this report, those locations are Spain, Portugal, Colombia, Peru, Brazil, China and Canada.

3.6
Ethical and respectful conduct

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

MILESTONES 2023

- Organisation of the company's eighth Ethics Day, at which we unveiled our new compliance movement.
- Definition of ethical principles on the use of artificial intelligence.
- New Integrity Channel to adapt to Spain's whistleblower protection act (Law 2/2023).

KEY INDICATORS	2023	2022
Breaches notified via the Integrity Channel (no.)	151	102
Requests for ethics and compliance-related advice (no.)	265	177
Internal audit projects with an anti-corruption/anti-fraud component (no.)	18	10

For further information, refer to Appendix 2.6 Ethics and human rights

3.6.1.

Ethics in our day-to-day operations

We foster a culture based on ethics, honesty and transparency and are committed to abiding by the law and complying with our policies, commitments and values, seeking to encourage all our people to do the right thing out of conviction. We encourage people to report any breach, ensuring confidentiality without any fear of retaliation, when made in good faith. We take a zero-tolerance stance towards non-compliance of any kind.

Our Code of Ethics and Conduct[46] and our compliance policies, all previously approved by the Board of Directors, guide how we conduct ourselves in the workplace. They embody applicable best practices and the values of our shareholders. Employee contracts include clauses specifying these commitments and employees receive mandatory training. Subsidiary endorsement of the Code is formally documented before their respective governing bodies.

We 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. 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.

During the year we set up an artificial intelligence (AI) taskforce to draw up a framework for the ethical and responsible use of this emerging technology.

For further information, refer to 2.3 Sustainability management

Organisation of the company's eighth Ethics Day

The event kicked off with a simulated case of harassment or inappropriate conduct to raise awareness about these potentially unacceptable situations. Then we unveiled the new compliance movement and presented the new Integrity Channel and the Compliance and Internal Control team. We also acknowledged employee commitment to exemplary conduct with our 2023 Compliance Awards. The closing remarks at the award ceremony were given by the chair of the Audit, Compliance, Ethics and Risk Committee, who is also one of the company's independent directors.

We have put in place internal control and compliance systems which articulate the compliance risk prevention and management mechanisms. These systems are audited and certified annually by the Assurance Department and, in certain cases, by an independent expert. In 2023, we also renewed the UNE 19601 and ISO 37001 certifications underpinning our corporate criminal risk and anti-bribery management systems.

For further information, refer to Appendix 4. Internal control system

Integrity Channel

We set up a new Integrity Channel in response to Spain's new whistleblower protection act (Law 2/2023). Any employee or third party can report inappropriate conduct or other breaches of the Code of Ethics and Conduct, prevailing legislation or our body of in-house rules and regulations. The channel is confidential and reports can be made anonymously via the web or by telephone 24/7 in Spanish, English, French, Portuguese and Chinese.

[46] The Code applies to Cepsa, the subsidiaries it effectively controls, their directors and employees and third parties with whom Cepsa has legal dealings that have committed to complying with the Code under the various formal documents that govern the relationship.

Target of zero cases of corruption and anti-competitive behaviour in the company

The channel falls under the responsibility of the Chief Compliance Officer and is managed entirely by the Ethics and Compliance Office which, in turn, reports to the Audit, Compliance, Ethics and Risk Committee.

The channel is publicised on our website and its existence is notified in the contracts that govern our business dealings. We provide our employees with related training.

Anti-fraud and anti-corruption effort

Our Bribery, Corruption and Conflicts of Interest Prevention Policy establishes our commitments in this area. The rules of conduct are set out in the Bribery, Corruption and Conflict of Interest Prevention Policy.

Our anti-bribery and criminal risk management systems are certified under ISO 37001 and UNE 19601, respectively. Each year we conduct corruption and bribery risk assessments and test the effectiveness of the control framework at our companies. To date, this exercise has not revealed any significant corruption risk at any of them. Moreover, our approach entails continuously monitoring our risk mitigation action plans and providing regular update reports to management on the measures taken.

Key measures against corruption, bribery and money laundering in 2023

- Awareness drives such as communication of the Integrity Channel statistics for 2022 and organisation of the company's eighth Ethics Day.
- Provision of online training on crime prevention, the Code of Ethics and Conduct, the Integrity Channel and international sanctions and trade controls. We also provided training to suppliers dealing with integrity in business.
- Assessment of the performance of the specific controls put in place to mitigate corruption risks.
- Update 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.

Antitrust and fair competition

Our Code of Ethics and Conduct sets down our commitment to fair competition. Our Policy for the Defence of Fair and Effective Competition in Markets, which we updated in 2023, is designed to prevent anti-competitive conduct, guaranteeing defence of fair competition. On this front, we devised a risk map, which is updated annually, implemented a series of controls, such as the Antitrust and Fair Competition Manual and the Home Inspections Handbook, and published action procedures for potentially sensitive situations. We also regularly provide related training.

3.6.2

Human Rights

Our Human Rights Policy, which is aligned with international standards and practices, articulates our commitment to human rights in all locations where we operate and oversight of this commitment by performing due diligence. It also governs the conduct required of our employees and of the third parties we engage with.

Committed to compliance with the most demanding 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

We require all our suppliers and contractors to respect human rights all along their supply chain. As in prior years, we did not identify any irregularities or human rights violations across our operations in 2023.

Impact assessment and due diligence

We considered human rights in the company's risk map[47] and have defined methodology, aligned with the UN Guiding Principles on Business and Human Rights, for assessing our human rights impacts to identify, prevent, mitigate and address any adverse consequences. This methodology includes an assessment of human rights impacts in our operations and in mergers & acquisitions, as well as due diligence in the supply chain and dealings with other counterparties. In 2023, we held a skill-building workshop on the methodology led by an expert international consultant.

The methodology in our operations entails a five-stage assessment of our key assets: a study of the local community, relations with the related stakeholders, impacts, management measures and monitoring and reporting measures. Our human rights assessment[48] of the supply chain takes into account country, product or service, industry, and level of compliance. In mergers & acquisitions and other relevant third-party dealings, the due diligence includes assessment of their country, shareholder structure, ultimate beneficial owner and board of directors against different international benchmarks, their reputational risks and their compliance systems.

Security and human rights

We have a Security Policy and specific rules governing the conduct of security staff, who must demonstrate high levels of technical and professional expertise, as well as proven human rights acumen. Those requirements extend to outsourced security.

We likewise follow the Voluntary Principles on Security and Human Rights guidelines to ensure safety across our operations.

To that end, our private security providers must be aware of and agree to abide by the Voluntary Principles on Security and Human Rights. To ensure this, we provide the related training. We design the content and communicate it to achieve an appropriate level of awareness. We make sure that all staff are included and investigate any potential abnormalities detected.

[47] Our risk map is reviewed, updated and reported to the Management Committee and the Audit, Compliance, Ethics and Risk Committee each quarter.
[48] Our assessments consider issues such as compulsory labour, child labour, human trafficking, freedom of association and collective bargaining, equal pay or discrimination, and cover different groups, e.g. women, children, indigenous peoples, migrant workers, contractors or local communities.

3.7
Fiscal transparency and responsibility

GRI: 207-1, 207-2, 207-3, 3-3

The tax contributions we make everywhere we do business help maintain public employment and ensure basic services that benefit citizens, families and society at large. We are committed to complying with the letter and spirit of prevailing tax legislation as it applies to our business across our various markets, paying the taxes and providing the information required of us.

To that end, our Board-approved Corporate Tax Policy sets down our tax strategy and our 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

The 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 ensuring and checking 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 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).

For further information, refer to Appendix 4. Internal control system

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 the Management Committee or Board of Directors.

In addition, we have a tool for facilitating tax management and reinforcing compliance with our tax obligations.

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.

We have also drawn up a specific map of tax risks which is validated by the company's Risk Committee. 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.
- Prior 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 for each group company and for the consolidated financial statements. Lastly, the tax situation is reviewed by the authorities in the various jurisdictions where the group does business by both their tax management and inspection teams.

Good tax practices, collaboration with the tax authorities and transparency

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 seek 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, facilitating collaboration and understanding and leaving the door open to friendly agreements with the various tax authorities.

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 busines..

Transparency is an essential part of our conduct and is key to ensuring that our various stakeholders understand our tax policy and the specific outcomes it leads to. To that end we publish all the tax-related information required under applicable regulations and the voluntary agreements we have endorsed.

We also publish a country-by-country tax report disclosing the taxes accrued and paid in each market, along with other relevant information.

Refer to the country-by-country tax report here

Tax contribution

Cepsa paid a total of €662 million of corporate income tax in 2023, broken down by country as shown below.

Corporate tax paid country by country (€ million)[49]

	2023	2022
Spain	161	150
Algeria [50]	140	244
Belgium	1	—
Brazil	35	9
Canada	6	16
Colombia	42	24
United Arab Emirates	252	939
Italy	5	2
Morocco	—	1
Netherlands	—	1
Peru	7	13
Portugal	7	15
UK	3	4
Singapore	3	1
Total	**662**	**1,419**

The income tax figure for Spain exceptionally includes two reimbursements for surplus tax paid in 2021 (€69 million) and 2022 (€107 million). It also includes the temporary energy levy paid in 2023 in the amount of €323 million.

The figures for the United Arab Emirates only include payments to March 2023 on account of the sale of that business.

In addition to corporate income tax, we pay other taxes, most notably excise duty. We are also tasked with collecting certain other taxes which we immediately pass on to the competent tax authorities.

In 2023, Cepsa paid €3,071 million of tax, including income tax, and collected a further €2,457 million.

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

[49] The exchange rate used to translate taxes paid in currencies other than the euro was the average monthly rate.mensual".
[50] Includes the tax rates applicable to earnings from the production of oil and gas, which are higher than the general rates.

Tax borne and collected in 2023 (€ million)

Tax borne	Corporate income tax	662
	Excise duty	2,152
	Other	257
	Total	**3,071**
Tax collected	VAT	1,851
	Excise duty	438
	Other	168
	Total	**2,457**

3.8

Giving back to local communities

GRI: 3-3, 203-2, 411-1, 413-1, 413-2 / SASB: EM-EP-210a.3, EM-EP-210b.1, RT CH-210a.1,

MILESTONES 2023

Completion of stage one of the rural road upgrade plan in Peru known as Summer Plan II, with work on 14 km of the planned 18 km finished in 2023.

Publication of the first state report on how society perceives the ecological transition in Spain by the Just Transition Observatory, spearheaded by the Cepsa Foundation (Spain).

KEY INDICATORS	2023	2022
Total social contribution (€ m)	4.7	4.5
Voluntary social contribution (Cepsa Foundation)		
Contribution (€ m)	4.3	4.2
Voluntary contribution over the total (%)	92 %	95 %
Direct beneficiaries (no.)	120,734	121,744
Indirect beneficiaries (no.)	361,934	364,961
Collaborating entities (no.)	144	154
Initiatives supported (no.)	164	171
Corporate volunteering initiatives (no.)	26	24
Participants in voluntary initiatives (no.)	722	427
Community work at the operational level		
Contribution (€ m)	0.4	0.2
Direct beneficiaries (no.)	35,983	49,650
Indirect beneficiaries (no.)	95,323	249,969
Collaborating entities (no.)	55	76
Initiatives supported (no.)	42	39

For further information, refer to Appendix 2.7 Stakeholders

3.8.1

Local community relations

Under our Sustainability policy, we have pledged to create long-term value for the company and society, promoting a sustainable business model that contributes to local social and economic development.

We respect all cultures and communicate actively with the local communities living close to our facilities in order to identify and address their concerns. We strive to support the local communities and social organisations and invest in community initiatives in an effort to respond to society's needs and priorities.

Regularly, we assess the risks, opportunities and impacts of our activities on local communities, both when applying for environmental permits (when we conduct environmental and social impact assessments) and during the social risk analyses conducted in the course of operations, as well as during investment and project execution processes. We formulate local community engagement programmes which include preventive, corrective and compensation measures, while also seeking to generate opportunities and positive impacts.

Our Society Relations Manual lays down the guidelines for engaging with our local communities. Our Exploration and Production business has its own specific Community Management Plan for the management of assets in Latin America. That plan is articulated around four lines of initiative: environment reconnaissance; stakeholder engagement; risk and impact management; and due diligence. It is implemented by means of operating procedures[51], such as the Local and regional employment generation procedure, addressing training, skills development and access to technology, and the Local and regional sourcing of goods and services procedure, designed to invigorate local commerce.

Local community communication and outreach

We engage in two-way dialogue with our local communities, providing them with accurate information about our activities and addressing their concerns in a timely manner.

The community outreach activities undertaken at our main industrial facilities focus on steady institutional dialogue with the authorities and government, as well as with the neighbouring residents. We use a number of different tools to do this, including community liaison committees, open day events and seminars.

[51] Early entry into the area of influence; Stakeholder engagement; Prior community consultation; Local and regional job creation; Local and regional sourcing of goods and services; Community investment; and Management of requests, grievances and enquiries.

In our Exploration & Production business, under the scope of our Community Management Plan, we have implemented community engagement programmes at 100% of our operated assets with local communities in their areas of influence, which applies to our operations Colombia and Peru. We have specialist teams with the skills needed to communicate and address concerns, questions and suggestions about our projects. These teams proactively organise initiatives targeted at specific stakeholders[52] with the aim of boosting their knowledge and participation in operating matters, community investment initiatives, job opportunities and public-private social development alliances.

Claims and grievance management is regulated in the Society Relations Manual. The channels used include the Integrity Chanel, phone lines, email, postal service, briefing sessions and committee meetings, which we complement with traditional and social media monitoring. In addition, in the Exploration and Production business we have a specific grievance management procedure so we can monitor the development and resolution of claims and complaints (those in progress, those closed and how long they are taking to resolve).

Public-private partnership to upgrade local roads in Peru

In 2022 we finished Summer Plan I, upgrading 12 km of local roads, and in 2023, we completed phase one of Summer Plan II, upgrading 14 km of local roads near the town of Pueblo de Macuya, which lies in the area of influence of the Los Ángeles field in Peru.

This initiative is a public-private partnership in collaboration with the Ministry of Energy and Mining, the Peruvian army and local town councils, as well as Cepsa. It directly benefits more than 1,000 families whose livelihoods are farming and fishing and who need to use the roads in order to sell their fresh products any time of the year.

Indigenous communities

We specifically acknowledge and respect the rights of indigenous communities in our Sustainability policy and our Human rights policy, in line with the 10 United Nations Global Compact Principles, United Nations Declaration on the Rights of Indigenous Peoples and ILO Convention no. 169 on Indigenous and Tribal Peoples.

We do not carry out operations on indigenous people's land and, therefore, there are no indigenous communities within the direct areas of influence of any of our assets. We have a close relationship with the Wacoyo indigenous community whose reservation borders the outer edge of block at the Caracara field in Colombia. In partnership with this community and under the scope of our Community Management Plan, we conduct voluntary social investment initiatives designed to foster their economic and social development.

At that same block we are participating in an initiative being spearheaded by the local government in Puerto Gaitán, which aims to pursue coordinated community projects involving the state, indigenous communities and private companies.

As a precaution, we also have a specific prior consultation procedure which encourages early entry into the sites of ethnic communities and effective and formal participation so as to safeguard ethnic and cultural integrity. Since none of our operations are located on the sites of indigenous communities, we have not yet had to activate this procedure and no resettlements have been necessary.

Community work at the operational level

Our community work at the operational level, which is centred in our Exploration and Production business, is driven by legal and business permit requirements and is articulated around operational transparency, doing business harmoniously and respectfully with the communities in our areas of direct influence and furthering their development, making room for the diversity that exists from one operation to another.

This work, which is concentrated in Colombia an.d Peru, focuses primarily on local social and economic development, health, culture, tourism, education and environmental protection.

These initiatives are all assessed by the competent authorities who check the suitability, effectiveness and results of the measures taken. Lastly, we undertake ad-hoc social impact assessments to measure the effects of our community engagement endeavours so we can continually fine-tune our programmes to ensure they continue to have a positive impact.

[52] Local communities, neighbours, local and regional authorities, contractors, local business owners, landowners and traditional leaders and, if applicable, farming and indigenous communities.

3.8.2

Cepsa Foundation

The Cepsa Foundation's mission is to have a positive impact on society by promoting a just green transition, leveraging three lines of action:

Social support: by collaborating with social and public entities we strive to make people's lives better, paying special attention to the most vulnerable; drive energy efficiency via corporate volunteering initiatives designed to tackle energy poverty, and grant our Social Value Awards to the best energy transition projects.

Positive environmental impact: lending support for the recovery and conservation of high nature value spaces, prioritising the regeneration of wetlands, and driving citizen awareness campaigns to foster more environmentally-friendly conduct.

Scientific learning: championing research and innovation in areas such as Industry 4.0, the energy transition, the circular economy and energy efficiency and encouraging teenagers and youths, especially students, to pursue careers in the sciences.

For further information about our positive environmental impact, refer to 3.2.3 Fostering biodiversity

Over the past few years we have oriented these three lines of action around the just green transition thrust. In 2022 we backed the Just Transition Observatory with the aim of actively listening to how Spanish society perceives the green transition for analytical purposes and, together with experts and other agents, detect opportunities and mitigate risks. In 2023 the Observatory published the first state report whose title translates as: How Spanish society perceives the ecological transition, 2022-2023.

Last year the Cepsa Foundation also redefined its strategy for giving back to society and caring for our surroundings by focusing it from this year on three lines of initiative: people (our commitment to society's wellbeing); biodiversity (our contribution to repairing the planet); and social innovation (our role as an engine for green transformation).

In order to measure the impact generated by the Cepsa Foundation we have designed special methodology for monitoring that impact, segmented by area of intervention.

Most of our projects are carried out in collaboration with stakeholders such as social entities and public authorities, playing the role of backer, financier or partner. Execution of the projects themselves is undertaken by expert entities on the ground.

One example of how we collaborate are our Social Value Awards, created in 2005. These awards are organised and granted by the Cepsa Foundation and are targeted at non-profits located in the areas of influence of our operations. Local juries and the public authorities ultimately decide which projects receive the awards.

Training and local employment

The Cepsa Foundation carries out a range of initiatives in support of local employment and training, which are led by our social support and scientific learning efforts.

In Spain we award vocational training scholarships to vulnerable youths under the age of 30. We collaborate with universities through six Cepsa Foundation Chairs in science departments related with energy and we support research and student and faculty recognition initiatives. We also work with the local authorities to help with job programmes, for example, the programme for young job-seekers run by the town council of Palos de la Frontera (Huelva), and we do volunteering with people looking for work. We work with a range of initiatives such as the Wetlands Seminar and the Energy Campus.

In Colombia and Peru we are involved in farming and fishing training initiatives for the local communities aimed at contributing to economic development and income diversification. Also in Colombia we provide skills and community leadership training to children and youths. And in Peru we help local producers analyse their situations to help them approach and penetrate the production chains.

The Cepsa Foundation additionally contributes to local education and employment in Spain, Portugal and Colombia via the Social Value Awards.

04 Financial and business performance

4.1 Business environment

4.1.1

Global macroeconomic environment

The economic climate in 2023 and the outlook for the years ahead are marked by unusual circumstances that are worth flagging.

Firstly, the accumulation of unfortunate events over such a short period of time. Since the start of this decade, the global economy has undergone a succession of disruptions that are having long-lasting effects. To start with, the onset of the pandemic in 2020, which temporarily paralysed the global economy, prompting unprecedented contractions in international trade, output and employment. Then, after a swift recovery in 2021, proving that the economy's resilience and coordinated government response were capable of restoring equilibrium, a war broke out in Eastern Europe, shaking the foundations of the European Union's economy, as the sanctions imposed on Russia triggered a shortage of energy commodities in the eurozone and tremendous global price volatility, affecting natural gas prices in particular. The resulting sharp inflation, to levels not seen in decades, next forced the advanced economies' central banks to intervene. Their measures, mainly interest rate increases and the gradual withdrawal of the support measures introduced in the wake of the pandemic, caused a significant slowdown in economic growth. Lastly, just when the anti-inflation measures appeared to be having success, a new conflict broke out in the Middle East, with implications for key shipping routes through the Red Sea, once again knocking the economy off kilter.

On the other hand, the global economy's reaction has been less dramatic than in prior episodes of crisis, displaying considerable resilience in the face of all these shocks. Nevertheless, the global economy grew by an estimated 2.6% in 2023, below the growth of 2022 and far from average for the last three decades (which had their share of crises); the forecast is for even lower global GDP growth in 2024. However, in contrast to other crises, and despite the harshness of the monetary measures in place to curb inflation, the economy continues to grow, the labour market is holding up well in terms of unemployment and for now we have not seen a financial crisis capable of felling systemically important banks or companies, as we saw in 2008.

Growth in 2023 was uneven from one region to another. While the advanced economies fell short of the mark (growing at an estimated 1.5%, with the European Union well below that threshold), the developing and emerging economies reported average growth of 4%, with Asia-Pacific and South Asia topping 5%.

The World Bank's forecasts for the global economy point to slower growth in most economies - advanced and developing - in 2024 and 2025 than in the decade that ended with the pandemic. Global growth is therefore expected to slow for the third year in a row, to 2.4%, in 2024, going to recover to 2.7% on 2025.

While in 2019 the economy appeared to be on the cusp of a decade of transformation, ready to eliminate extreme poverty, eradicate malaria and other contagious diseases and halve greenhouse gas emissions, the events of the first few years of this decade have largely laid those plans to waste.

The effects of the failure to curb emissions are clearly making themselves felt. The global average ground temperature is already around 1.2°C above pre-industrial levels, which is causing heatwaves and other extreme meteorological events. The winter of 2023/24 is the warmest on record and greenhouse gas emissions have yet to peak.

In this complex environment, the emergence of a new clean energy economy, led by photovoltaic solar power and electric vehicles (EVs), represents the silver lining and way forward. Investment in clean energies has jumped by 40% since 2020. The world added an estimated +500 GW of renewable energy capacity in 2023, a new record. More than €1 billion is being spent each day to deploy solar power.

Turning to Spain, the economy grew at an estimated 2% in 2023. The Bank of Spain recently cut its GDP forecasts for 2024 (1.6%) and 2025 (1.9%) due to the slowdown in global activity, especially in China and the eurozone.

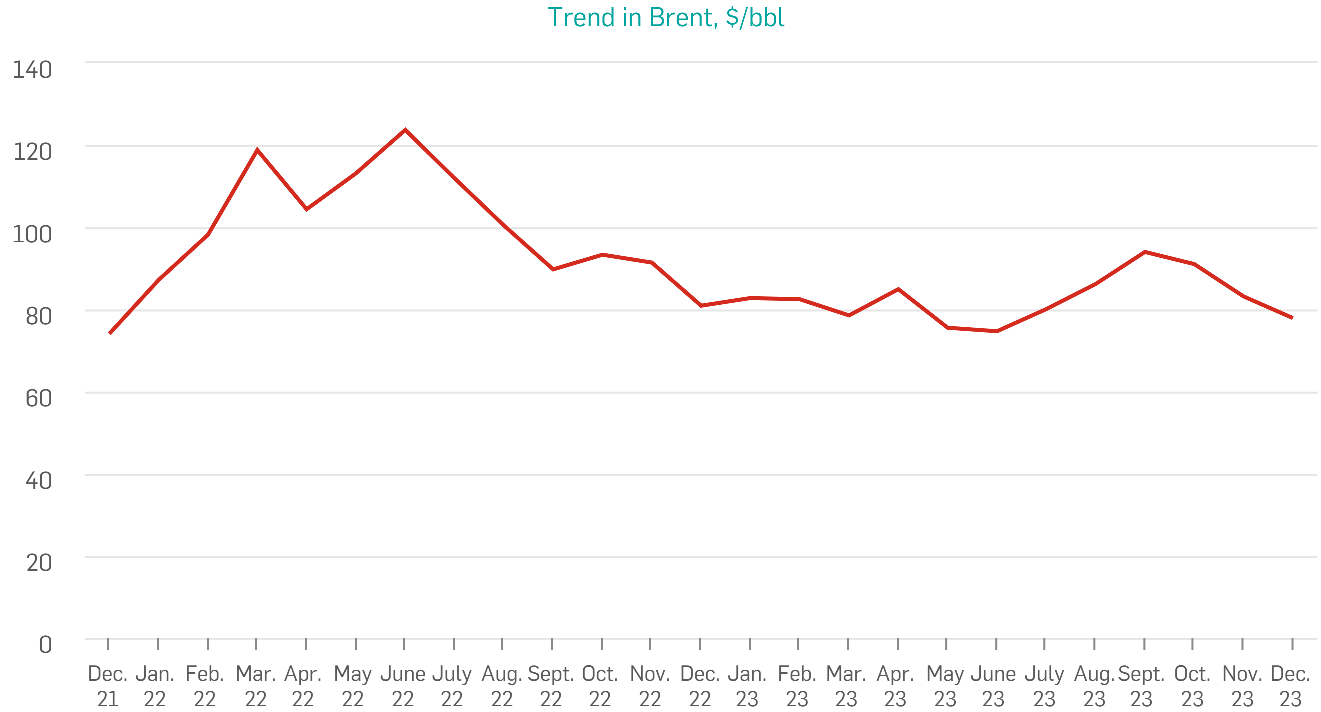
On the price front, headline inflation, which averaged 8.3% in 2022, eased to 3.1% in 2023 and is expected to come down further over the projection horizon to average rates of 3.3% in 2024, 2% in 2025 and 1.9% in 2026.

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:



According to the International Energy Agency, although some of the most immediate sources of pressure derived from the global energy crisis have eased, the energy markets, geopolitics and global economy remain unstable and the risk of major disturbances is ever-present. Although fossil fuel prices have fallen back from their highs of 2022, the markets remain tight and volatile. More than one year on from the onset of conflict between Russia and Ukraine, there is now also a risk of a prolonged conflict in the Middle East. The macroeconomic panorama is pessimistic, marked by persistent inflation, higher borrowing costs and high debt levels.

In early 2023 crude oil prices were volatile, marked by the cap of $60/b imposed on Russian oil by the G7. In April, OPEC+ decided to cut production by 1.16 million barrels a day. That decision did not stop the downtrend in Brent prices, prompting Saudi Arabia and Russia to announce additional cuts of 1.3 million barrels a day mid-year. With that second round of cuts, OPEC+ managed to push prices higher: crude increased by 27% between July and September, when prices reached $97/b.

Significant uncertainty around the global economy coupled with the conflict in the Middle East ended up dissipating the effects of the cuts and crude headed back to near the $80 mark. In November, OPEC+ announced further cuts for 2024. However, the market questioned the group's ability to implement them and the gradual effect of monetary tightening on the state of the economy drove crude to its lows for the year. Towards the end of 2023, crude prices increased slightly, mainly due to the freight shipping issues in the Red Sea.

The International Energy Agency is forecasting growth in global oil supply of 1.5 mb/d to a new high of 103.5 mb/d, boosted by record production in the US, Brazil, Guyana and Canada. In contrast, OPEC+ output is expected to remain virtually flat compared to 2023, the assumption being that the voluntary additional cuts that recently came into play will gradually be eliminated in the second quarter of 2024.

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-28, organised in Dubai at the end of 2023, energy transition has been climbing agendas worldwide, in line with growing social and political awareness. COP-28 took matters a step further by advocating for the abandonment of fossil fuels in energy systems in a “fair, orderly and equitable manner”. It also envisages accelerating action in this decade so as to achieve net zero by 2050, a milestone the scientific community currently sees as imperative. 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 the need to comply with sustainability criteria.

We continue to work to foster and facilitate the energy transition inside and outside of the organisation. To that end, Cepsa and C2X, owned by the Danish giants A.P. Moller Holding and A.P. Moller-Maersk, announced plans to jointly develop what will be Europe’s largest green methanol plant in Huelva, and one of the five-largest green methanol plants in the world. Requiring an investment of up to €1 billion, it will have annual production capacity of an estimated 300,000 tonnes of green methanol. The plant will be fuelled in plant by the hydrogen produced in Andalusia Green Hydrogen Valley.

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. Moreover, the announcement, albeit with successive delays, of the addition of new refining capacity around the world, is threatening margins in the near term.

In 2023, however, refining margins were at historically high levels all year long. The economic recovery across the West sparked very strong demand at a time of very low medium distillate inventory levels in Europe much lower energy costs compared to recent years, driving margins higher.

In the first quarter of 2023, Brent prices traded at around $80/b. Energy prices went on to correct significantly. For example, TTF (the natural gas benchmark in Europe) prices started the year at €65/MWh and ended the first quarter at €44/MWh. The correction in natural gas prices trickled through to electricity prices, improving energy costs and propping up healthy refining margins, which were further helped by low inventories of light and middle distillates worldwide, contributing to wider jet, gasoil and petrol crack spreads.

Margins began to trend lower in the second quarter by comparison with the first quarter, mainly due to a drop in crack spreads in middle distillates on the back of higher global production, particularly in India and China, and also as a result of higher inventory levels in Europe. Brent held up at around $80/b while energy costs continued to trend lower as natural gas inventories recovered in Europe, with TTF prices hitting a low of around €35/MWh. The interest rate increases did nothing to help refining margins by scaring off some spending and affecting the main macroeconomic indicators.

The third quarter of the year was marked by the onset of the conflict between Israel and Palestine in October, affecting shipping flows through the Suez Canal and driving growth in Brent and other leading product benchmark prices. Crude rose to $87/b, shaped mainly by intensification of the war in November and December and its extension to third countries.

These tensions drove refining margins higher to levels at which they consolidated in the fourth quarter, helping deliver a year of historically high refining margins. Brent ended the year at around $84/b and middle distillate inventories remained somewhat tight in Europe.

That momentum has carried over to the start of 2024, when refining margins remain high. However, they are expected to be affected in the second half of the year by the addition of significant new capacity, especially in Asia and Africa.

Exchange rates

The exchange rate started the year at $/€1.066, with the euro going on to trade within a range of $/€1.06-1.10 for most of 2023, above the average recorded in 2022 of $/€1.05.

In July, it traded briefly well outside that range when the ECB looked more inclined to continue to raise interest rates to combat inflation than the Federal Reserve, sparking a spate of euro appreciation. The exchange rate peaked at 1.128 in August.

At that point the market outlook shifted as the prospect of better remuneration in euros was offset by the relatively stronger economic momentum being observed in the US, where growth was stronger in 2023 than in 2022, while growth in the European Union slowed to barely above zero. Between September and October the European currency traded at its lowest level for the year, marking a low of $/€1.052.

Towards the end of the year the exchange rate returned to its stable range, gradually appreciating to end the year at $/€1.105.

Trend in exchange rate, $/€

4.2

Key financial and business indicators

Earnings (€ million)

	2023	2022
Revenue[53]	25,159	33,446
EBITDA IFRS[54]	630	3,262
Clean CCS EBITDA	1,402	2,939
Net income IFRS	(233)	1,100
Clean CCS Net income	278	790

Financial data (€ million)

	2023	2022
Share capital	268	268
Equity attributable to equity holders of the parent	3,526	4,706
Net debt excluding impact of IFRS 16	2,291	2,756
Capital employed - IFRS	6,568	8,324
Cash flow from operating activities	1,126	1,549
Free cash flow	1,614	901
Capital expenditure	732	743
Sustainability	*289*	*185*
Growth	*128*	*327*
Maintenance	*315*	*231*

Business environment indicators

	2023	2022
Average annual Brent price ($/bbl)	82.6	101.2
Average annual $/€ exchange rate	1.08	1.05
Spanish pool price (€/MWh)	87.1	167.5
Dutch TTF Natural Gas price (€/MWh)	40.7	120.5

Business and operating indicators

	2023	2022
Working interest crude production (thousand bbl/d)	42.1	82.8
Net entitlement Crude Oil prod. (thousand bbl/d)	31.4	69.6
Realized oil price ($/bbl)	80.7	97.7
Crude oil Sales (million bbl)	8.3	22.3
Crude oil distilled (million bbl)	146.3	151.1
Refining output (million tonnes)	20.3	20.7
Refining utilisation (%)	90 %	92 %
Refining margin ($/bbl)	10	9.6
Commercial product sales (million tonnes)	17.0	17.7
Chemical products sales (million tonnes)	2.1	2.5
Electricity production (GWh)	2,385	2,896
Natural Gas Sales (GWh)	27,520	25,468

[53] Includes excise duty on hydrocarbons passed through on sales.
[54] International Financial Reporting Standards.

4.3 Consolidated earnings analysis

Overall performance

Key performance indicators (€ million)

	2023	2022
Revenue[55]	25,159	33,446
Clean CCS EBITDA	1,402	2,939
EBITDA - IFRS[56]	630	3,262
Clean CCS Net income	278	790
Net income IFRS	(233)	1,100
Cash flow from operating activities	1,126	1,549
Free cash flow	1,614	901
Capital expenditure	732	743

Cepsa reported €1,402 million of EBITDA in 2023, underpinned by a solid performance across all business segments in the wake of the strategic repositioning achieved by the sale of the company's assets in Abu Dhabi. The optimisation initiatives driven by management continued to enhance earnings across all functional and business areas.

Clean CCS Net income amounted to €278 million, whereas IFRS net profit was significantly affected by movements in the measurement of inventories and expenditure of €323 million on the extraordinary tax levied on energy companies in Spain.

Cash flow from operating activities after working capital movements amounted to €1,126 million, down 27% from 2022, due to lower earnings, affected by the extraordinary tax payments.

In 2023, Cepsa streamlined its investments, actively managing its capital expenditure to ensure ongoing robust cash generation, while continuing to bolster sustainability-related investments.

Capital expenditure amounted to €732 million last year, in line with the 2022 figure (€743 million). Sustainability investments increased by 56% from 2022, reflecting progress on execution of the Positive Motion strategy. In 2023, the company reallocated capital towards energy transition investments. Specifically, it began construction of Europe's second-largest 2G biofuels plant and announced plans to build the largest green methanol plant in Europe, among other noteworthy investments.

Growth capital expenditure declined by 43% from 2022. Maintenance, health & safety and environmental investments increased from €231 million in 2022 to €317 million in 2023, driven by efficiency projects at the Energy Parks and programmed repair work throughout the year.

The breakdown of Clean CCS EBITDA and net profit by segment is provided below:

Clean CCS EBITDA (€ million)

	2023	2022
Exploration & Production	493	1,868
Energy	830	828
Chemical	223	382
Corporation	(144)	(139)
Clean CCS EBITDA	**1,402**	**2,939**

[55] Includes excise duty on hydrocarbons passed through on sales.
[56] International Financial Reporting Standards.

Capital expenditure (€ million)

	2023	2022
Energy	**554**	**365**
Sustainability	*201*	*111*
Growth	*69*	*49*
Maintenance	*284*	*205*
Chemicals	**78**	**169**
Sustainability	*78*	*68*
Growth	*—*	*101*
Exploration & Production	**58**	**183**
Growth	*49*	*171*
Maintenance	*9*	*12*
Corporation	**42**	**26**
Sustainability	*10*	*5*
Growth	*10*	*6*
Maintenance	*22*	*14*
Total	**732**	**743**

Replacement cost adjustments and non-recurring items

Clean CCS EBITDA (million euros)

	2023	2022
Clean CCS EBITDA	**1,402**	**2,939**
CCS adjustment (replacement cost valuation)	*(379)*	*480*
Other non-recurring items	*(393)*	*(158)*
EBITDA - IFRS	**630**	**3,262**

The non-recurring items include the difference between the Average Cost Method-used in the consolidated Financial Statements-and the Replacement Cost Method-used to measure the operating segments-in the value of inventory sold, as well as the IFRS valuation adjustment applied during the year to the book value to adjust it to the year-end market value.

The Replacement cost method facilitates analysis of the business segments' performance and comparisons between reporting periods. Under this method, the cost of sales is determined by reference to the average market price in the current month rather than the historical value derived from the accounting valuation method. Consequently, the replacement cost adjustment is determined as the difference between these two methods.

The transactions classified within "other non-recurring items" are itemised in note 6.3 of the consolidated financial statements for 2023. In 2023, they mainly included the extraordinary expense associated with the temporary energy tax calculated over 2022 sales and paid in 2023 in the amount of €323 million. In the case of investees accounted for using the equity method, the adjustments are similar, i.e., the replacement cost adjustment and asset impairment losses deducted from these investees' earnings.

Earnings by segment

Energy

Key performance indicators

	2023	2022
Crude oil distilled (million bbl)	146.3	151.1
Refining utilisation (%)	90 %	92 %
Refining output (million tonnes)	20.3	20.7
Refining margin ($/bbl)	10.0	9.6
Natural Gas Sales (GWh)	27,520	25,468
Electricity production (GWh)	2,385	2,896
Spanish pool price (€/MWh)	87.1	167.5
Dutch TTF Natural gas price (€/MWh)	40.7	120.5
Product sales (million tonnes)	17	17.7
Motor and heating fuel (millions of tonnes)	*8.9*	*9.6*
Bunker fuel (millions tonnes)	*3.7*	*3.9*
Aviation fuel (millions tonnes)	*2.7*	*2.5*
Other (millions tonnes)	*1.7*	*1.7*
No. of service stations	1,790	1,760
Clean CCS EBITDA (million euros)	830	828
Capital expenditure (million euros)	554	365
Growth	*69*	*49*
Maintenance	*284*	*205*
Sustainability	*201*	*111*

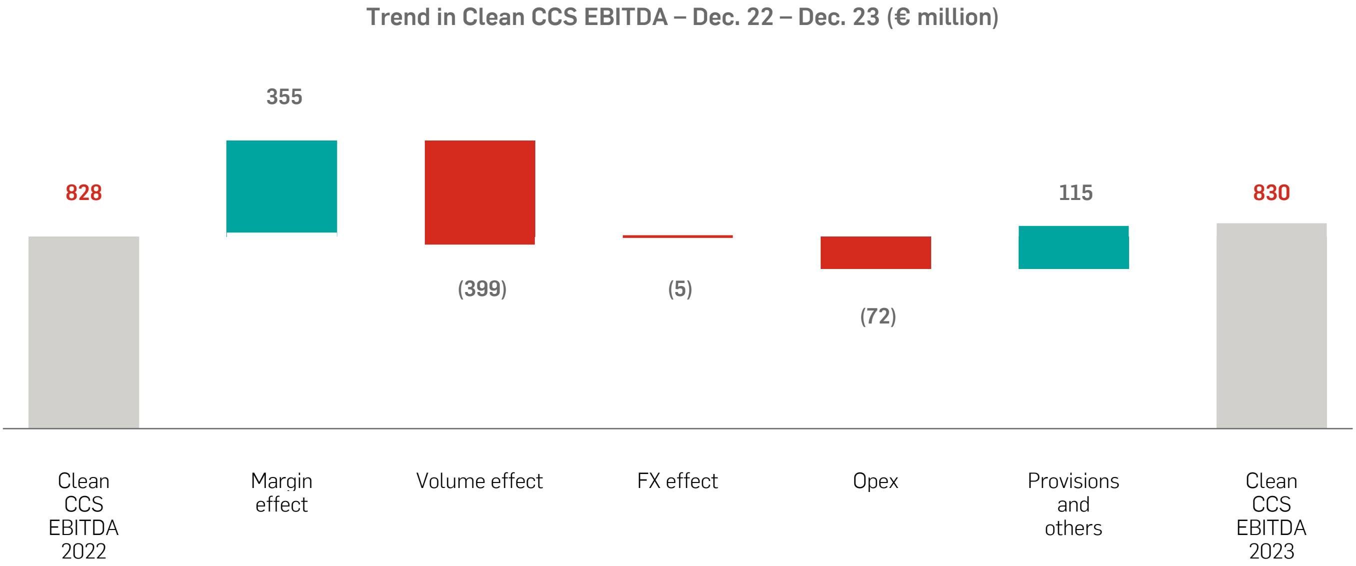
Operations

In 2023, refining margins averaged to $10.0/bbl, up 4% from 2022 ($9.6/bbl), shaped by lower volatility in the crude oil markets in 2023. Refining margins increased in the earlier stages of the year to close to record levels before embarking on a downward trend due to the drop in petrol and fuel-oil crack spreads.

Average refining utilisation at Cepsa's Energy Parks was flat by comparison with 2022, at 90 % in 2023, compared to 92 % in 2022. That stability was affected slightly by several maintenance stoppages programmed during the year, coupled with a final scheduled maintenance stoppage in Huelva towards the end of the year.

Product sales declined slightly (-4%) from 2022, due to oil price instability, as well as the fact that sales volumes in 2022 were boosted by discounts introduced from April on. Inflation also affected the B2B and B2C segments in 2023.

Earnings



Clean CCS EBITDA in the Energy segment amounted to €830 million in 2023, with all business lines contributing to that performance. The Energy Parks made a considerable contribution to earnings in this segment, due mainly to solid refining margins all year long. The Mobility & New Commerce segment also boosted earnings in Energy, performing much better in 2023 due to the extraordinary discounts extended to all customers in 2022.

Capital expenditure in Energy increased sharply, primarily on the back of sustainability investments. In 2023, capital expenditure in this business totalled €554 million, compared to €365 million in 2022, growth of 52%. Sustainability investments were 80% higher than in 2022. Those investments were earmarked primarily to investments in engineering projects in the Energy Parks and Commercial & Clean Energies businesses, biofuel production, hydrogen development, renewable energy projects and electric vehicle charging infrastructure.

Growth and maintenance capital expenditure also increased in 2023, driven mainly by digitalisation efforts, repair and maintenance work, asset replacements and service station remodelling.

Chemicals

Key performance indicators

	2023	2022
Chemical product sales (thousand tonnes)	2.12	2.49
LAB / LABSA	*0.61*	*0.66*
Phenol / Acetone	*1.08*	*1.31*
Solvents	*0.43*	*0.52*
Clean CCS EBITDA (€ million)	223	382
Capital expenditure (€ million)	78	169
Growth	*0*	*101*
Sustainability	*78*	*68*

Operations

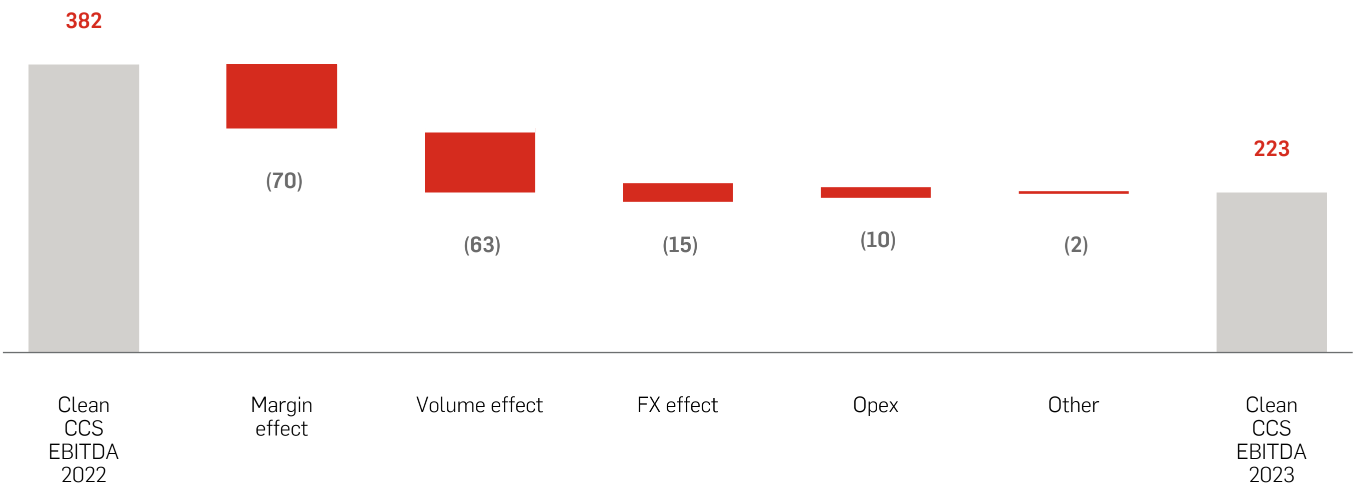
Cepsa's Chemicals business proved resilient in the face of lower overall volumes due to a slump in demand, economic uncertainties, inflationary pressures and high interest rates, thanks to the drop in energy costs, which effectively offset the loss of volumes.

Volumes were lower in the surfactants segment as a result of destocking and lower demand. To offset the loss of volumes, Cepsa sought out new opportunities in India and the Middle East.

In the intermediate products segment, phenol volumes fell considerably from 2022 due to a slump in demand in Europe, which forced customers to slow or even pause their operations. However, that situation began to gradually reverse course from mid-2023. In solvents, volumes decreased by 17% due mainly to more intense price competition in Europe and closure of the phthalic acid plant in Energy Parks.

Earnings

Trend in Clean CCS EBITDA evolution – Dec. 22 – Dec. 23 (€ million)



Clean CCS EBITDA amounted to €223 million in Chemicals in 2023, down from €382 million in 2022, as a result of the drop in sales volumes and difficult trading conditions.

Capital expenditure in the Chemicals segment increased by 15% in 2023 due to acceleration of certain key projects such as the decarbonisation plan, redesign of the Puente Mayorga factory and recovery of the industrial paint unit in Detén. Cepsa also invested in remodelling the Shanghai factory, several green project studies and product diversification initiatives in 2023.

Exploration & Production

Key performance indicators

	2023	2022
Working interest crude production (thousand bbl/d)	42.1	82.8
MENA	*35.8*	*75.71*
LatAm	*6.3*	*7.09*
Net entitlement crude production (thousand bbl/d)	31.4	69.6
Crude oil sales (million bbl)	8.3	22.3
Average achieved crude price ($/bbl)	80.7	97.7
Average crude price ($/bbl)	82.6	101.2
Clean CCS EBITDA (€ million)	493	1,868
Capital expenditure (€ million)	58	183
Growth	*49*	*171*
Maintenance	*9*	*12*

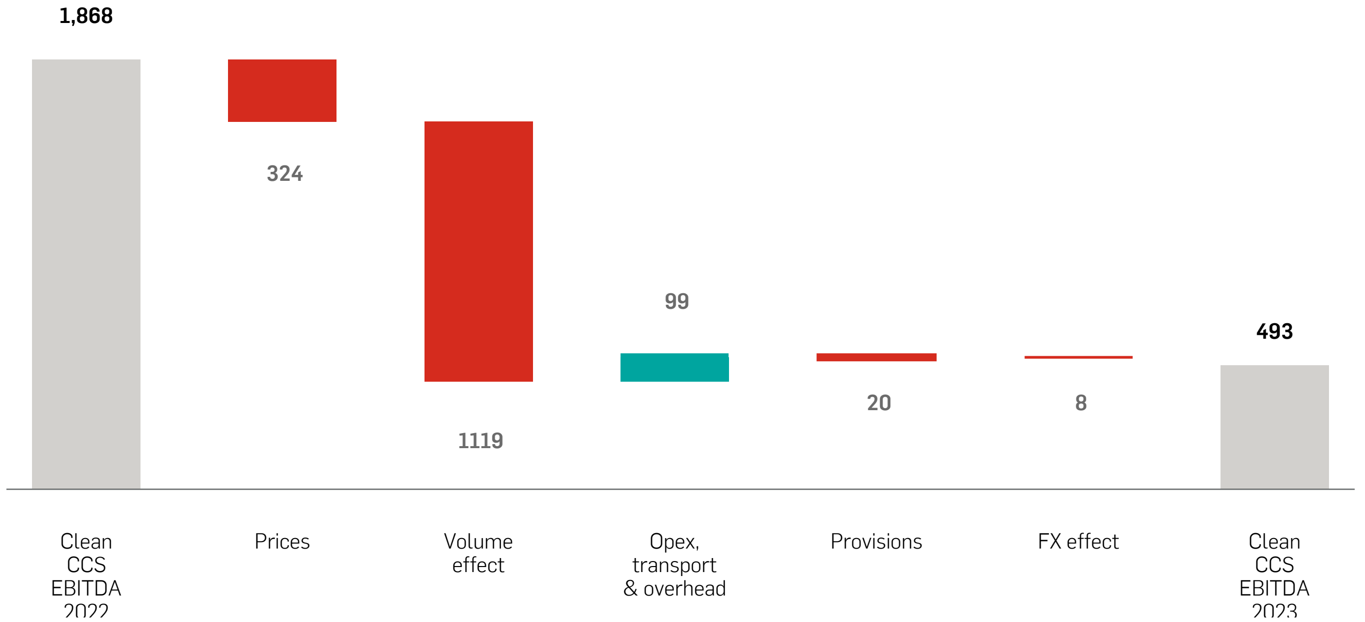
Operations

In 2023, crude oil prices continued to come down, dropping 18% from 2022, due to the economic slowdown in China, global economic and financial market uncertainty and the OPEC's unsuccessful attempts to push prices higher by cutting production.

Working interest crude production decreased to 42.1 thousand bbl/d, shaped by the disposal of assets, which logically affected Upstream production. The decrease was also shaped by programmed maintenance reviews in Algeria and the stoppage at the Los Ángeles field (Peru) until June 2023. The stoppages at the RKF and Los Ángeles fields also affected crude oil sales, which decreased by 63% from 2022.

Earnings

Trend in Clean CCS EBITDA evolution – Dec. 22 – Dec. 23 (€ million)



Clean CCS EBITDA in the Upstream business totalled €493 million, down from 2022, due to the cessation of production and EBITDA contributions from the Abu Dhabi assets from March 2023. In addition, the drop in crude oil prices, several programmed maintenance stoppages and certain closures affected earnings in the Upstream business. In the wake of the Abu Dhabi disposals, Cepsa's breakeven profitability threshold is very achievable, while the business' cash conversion dynamics have improved.

Capital expenditure amounted to €58 million, a decrease from 2022, due mainly to the exploration work in Suriname, lower costs at Timimmoun Development, the absence of workovers, fewer well abandonments in Colombia and lower maintenance work at RKF, partly due to the decrease in major inspections at Ourhoud.

Consolidated group ROACE

The Group's return on average capital employed is reflected in the following Adjusted ROACE:

				31 Dic. 2023			31 Dic. 2022		
Adjusted ROACE	=	Adjusted net operating profit	=	386	=	5.2 %	927	=	11.6 %
		Average adjusted capital employed		7,426			8,018		

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).

Treasury shares

At year-end 2023, the company held 137,361 own shares. Those shares represented 0.03% of share capital and were acquired at an average price of €11.21 per share. At year-end 2022, the company held 168,760 own shares.

The treasury shares correspond to new shares, from capital increases carried out during in 2021, adquired by the company in order to give greater flexibility to its shareholding structure.

Events after the reporting period

On 2 February an agreement was signed for the sale of certain assets in Latin America belonging to the Exploration & Production business. The transaction is expected to be completed in the coming months, subject to closing conditions.

The amount of the temporary energy tax, calculated on 2023 sales, is €243 million. A 50% advance payment was made in February.

On 22 February 2024, Cepsa closed the agreement signed in February 2023 with Bio-Oils Energy, the biofuels company of the Apical Group, to create a joint venture, in which Cepsa holds a 55% stake and Bio-Oils Energy the remaining 45%, with the aim of jointly generating more value in the production and manufacturing of second-generation biofuels (FAME, HVO and SAF).

4.4

Liquidity and capital resources

Cash flows

Cash flows (€ million)

	2023	2022
EBITDA - IFRS	**630**	**3,262**
Dividends received	14	23
Income tax payments/collections	(366)	(1,419)
Other operating activity receipts/(payments)	23	22
Net cash flows from operating activities before working capital movements	**301**	**1,887**
Net increase/(decrease) in working capital	825	(338)
Net cash flows from operating activities	**1,126**	**1,549**
Payments on investments	(699)	(653)
Proceeds from disposals	1,187	4
Net cash flows from/(used in) investing activities	**488**	**(648)**
Free cash flow before dividends and financing activities	**1,614**	**901**
Interest paid	(142)	(121)
IFRS 16 Debt payments	(177)	(159)
Dividends paid	(869)	(588)
Proceeds/(repayment) of borrowings	(243)	(225)
Net cash flows used in financing activities	**(1,431)**	**(1,092)**
Net increase/(decrease) in cash	**183**	**(192)**

Cash flow from operating activities before changes in working capital remained solid at €301 million, albeit affected by the extraordinary tax payment.

Cash used in investing activities was higher than in 2022 (€699 million in 2023 versus €653 million in 2022), boosted mainly by sustainability investments. This highlights Cepsa's commitment to pushing forward with its Positive Motion strategy.

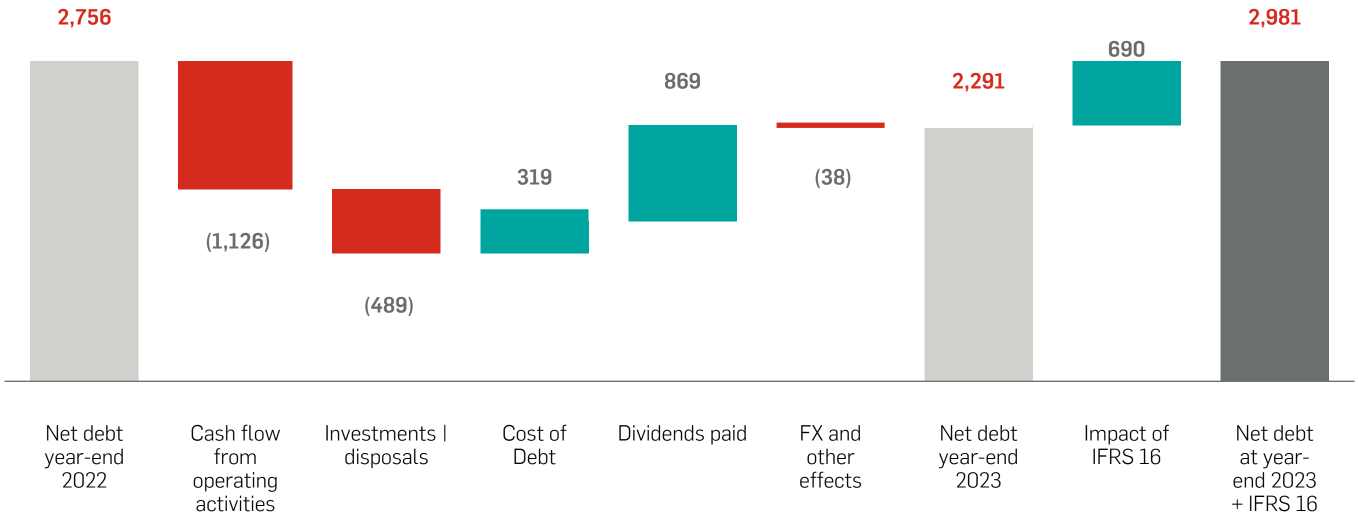
Free cash flow before dividends and financing activities amounted to €1,614 million, up sharply from 2022, due mainly to the proceeds from the sale of the assets in Abu Dhabi in early 2023.

Financial position

Net debt stood at €2,291 million at year-end 2023 (2022: €2,756 million). Net debt including the impact of IFRS 16 totalled €2,981 million (2022: €3,451 million).

The next chart depicts the trend in net debt by sources and uses of funds:

Trend in Net Debt, Dec. 22 – Dec. 23 (€ million)

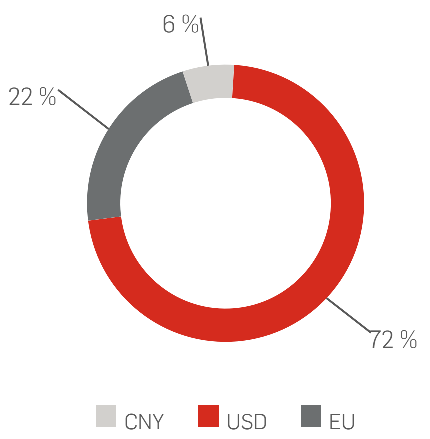


Debt structure and main financing transactions

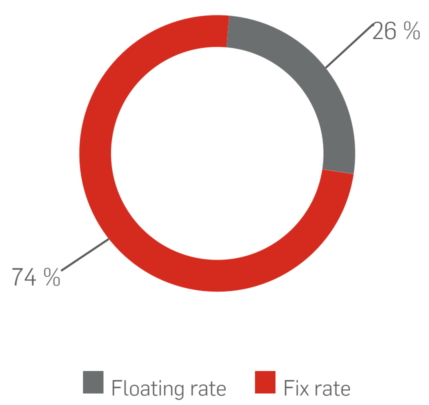
Debt structure and maturity profile

The breakdown of the group's net debt by currency and type of interest rate (including the impact of the corresponding derivatives) at 31 December 2023 is provided below:

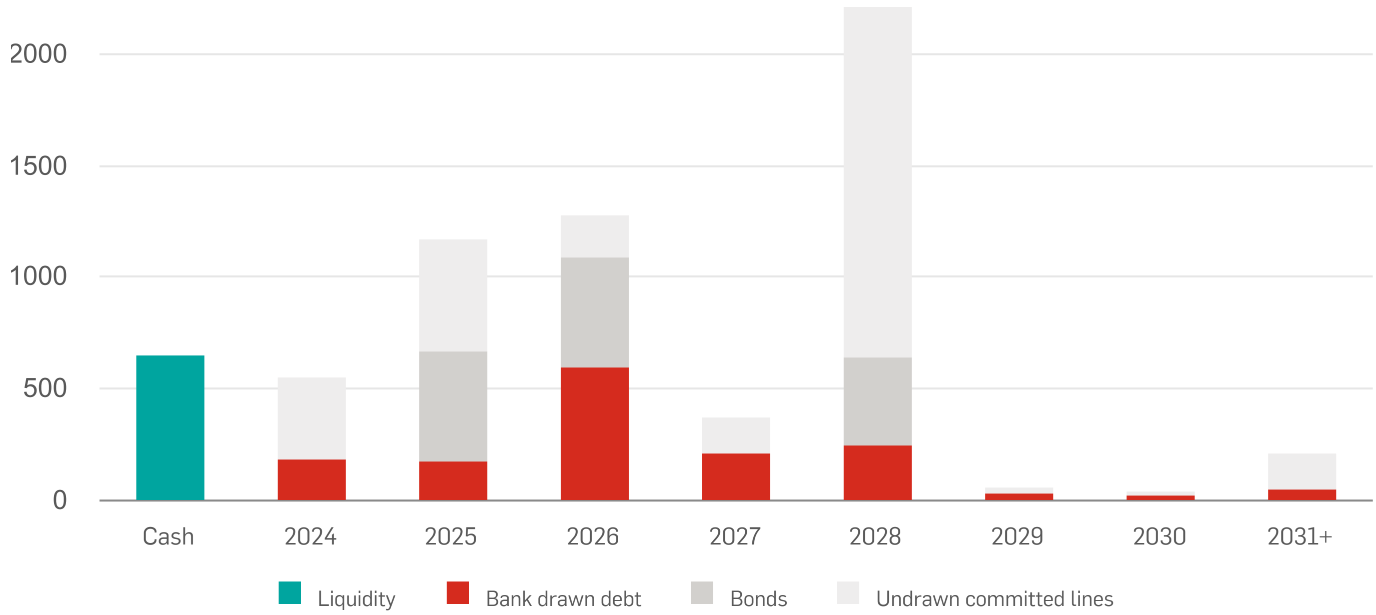
Net debt breakdown by currency



Net debt breakdown by interest rate



The maturity schedule for the group's gross borrowings (€ million):



Cepsa had sufficiently liquidity at year-end to cover its refinancing requirements to 2028. At 31 December 2023, the average maturity of the company's net debt stood at 3.1 years.

Main financing transactions

In 2023 Cepsa continued to actively manage its financing, renegotiating its existing bank loans and arranging new financing to lengthen its maturity profile and reduce refinancing risk. Likewise, in order to enhance its long-term liquidity, it also actively managed its liquidity facilities.

As it has been doing regularly since it first arranged this facility in 2014, Cepsa secured approval from all the banks in its revolving credit facility pool to extend its €2,000 million RCF by another year. Having obtained the unanimous consent of all 18 banks, this facility now matures in September 2028, significantly improving the quality of Cepsa's liquidity. At the time of writing, Cepsa had not drawn down any amounts under that facility.

Within its new financing arrangements, it is worth highlighting the two loans (for a combined €230 million) extended by the European Investment Bank (EIB) to finance projects under the umbrella of its Positive Motion strategy.

As for its capital markets activity, Cepsa's bonds are investment-grade-rated by the three main credit rating agencies: Moody's, S&P and Fitch. Cepsa's investment grade rating was reaffirmed in 2023 following reviews by Fitch, S&P and Moody's in March, April and August, respectively.

Financial autonomy ratio and leverage ratio

Gearing ratio (€ million)

	2023	2022
Non-current bank borrowings	3,263	3,210
Current bank borrowings	377	717
Cash and cash equivalents	(659)	(476)
Net debt	**2,981**	**3,451**
Equity	**3,587**	**4,832**
Capital Employed - IFRS	**6,568**	**8,283**
Net Debt/(net debt +equity)	**45.4 %**	**41.7 %**
Impact of IFRS 16 on net debt	**690**	**694**
Net debt[57]	**2,291**	**2,756**
Capital Employed IFRS [57]	**5,878**	**7,588**
Net Debt/(net debt +equity)[57]	**39.0 %**	**36.3 %**

The group's leverage ratio, including the impact of IFRS 16, expressed as net debt over capital employed (net debt plus equity), stood at 45.4 % at year-end 2023 versus 41.7 % at year-end 2022. The year-on-year increase is attributable to the decrease in earnings in 2023.

Leverage ratio (€ million)

	2023	2022
Net debt	2,981	3,451
Clean CCS EBITDA	1,402	2,939
Net debt/Clean CCS EBITDA	**2,1x**	**1,2x**
Net debt[57]	2,291	2,756
Clean CCS EBITDA[57]	1,225	2,780
Net debt/Clean CCS EBITDA[57]	**1,9x**	**1,0x**

Cepsa's leverage ratio, expressed as net debt/adjusted EBITDA, increased to 1,9x, due to the fact that following their disposal, the Abu Dhabi assets did not contribute to Cepsa's EBITDA for most of the year. Nevertheless, this ratio remains within management's target of 2.0x.

Capital employed

The group's capital employed stood at €6,568 million at 31 December 2023 (including the impact of IFRS 16), compared to €8,283 million at year-end 2022. The breakdown by business segment:

Capital Employed IFRS (€ million)

	Energy	Chemicals	Exploration & Production	Corporation	Total
Capital Employed at year-end 2023	4,413	1,279	898	(22)	6,568
Capital Employed at year-end 2022	4,659	1,478	2,293	(147)	8,283
Year-on-year change	(245)	(198)	(1,395)	125	(1,715)

The equity attributable to equity holders of the parent stood at €3,526 million at year-end 2023, representing 53% of the group's capital employed as of the reporting date.

[57] Excluding IFRS 16 impact.

05
Appendices

Appendix 1
About this report

GRI: 2-2, 2-4, 2-14

Criteria and standards used

With the 2023 Integrated Report, we are reaffirming our commitment to transparency and accountability in response to our stakeholders' needs, expectations and requests for qualitative and quantitative information.

The report is organised around the cornerstones of our strategy and sustainability plans. Considering the findings of our materiality assessment, which we update annually, we have included disclosures about our commitments, management and performance in the most relevant topics of corporate sustainability for both our organisation and our stakeholders, along with information about our strategy, business model, governance and financial and business performance.

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 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 management report.

This document includes non-financial information additional to that required under the above-mentioned law. It was drawn up in keeping with the requirements of the global standards issued by the Global Reporting Initiative (GRI) and includes the disclosures required in the Sector Standard for Oil and Gas (GRI 11). It also follows the principles for ensuring the quality outlined in the GRI Standards (accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness and verifiability).

We also voluntarily followed other widely regarded international reporting standards and frameworks: The International Integrated Reporting Framework (<IR>), United Nations Global Compact principles, Task Force on Climate-related Financial Disclosure (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 to delivering the Sustainable Development Goals (SDGs).

Though not required to do so, we also included the amounts and percentages of turnover, capital expenditure (CapEx) and operating expenditure (OpEx) of taxonomy-eligible and aligned economic activities as per the EU Taxonomy Regulation, specifically in accordance with Article 8 of Regulation (EU) 2020/852, of 18 June 2020, Annexes I and II of Delegated Regulation (EU) 2021/2178, of 6 July 2021, Delegated Regulation (EU) 2021/2139, of 4 June 2021, Delegated Regulation (EU) 2022/1214, of 9 March 2022 and Delegated Regulations (EU) 2023/2485 and 2023/2486, of 27 June 2023.

The information included in the 2023 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 or corporate sustainability 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.

The 2023 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. Likewise, any prior-year quantitative information that has been recalculated or restated is flagged in the corresponding chapter in order to enhance the comparability of information between reporting periods.

For further information, refer to Appendix 7. Sustainability index and contents

Appendix 2

Sustainability performance

2.1

Climate change

2.1.1

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 (million tCO_2eq)[1, 2,3,4]

				2023			2022
Business		**Scope 1**	**Scope 2 (location)**	**Scope 2 (market)**	**Scope 1**	**Scope 2 (location)**	**Scope 2 (market)**
Exploration & Production		0.1	0.04	0.1	0.1	0.05	0.1
Chemicals		0.6	0.2	0.1	0.7	0.3	0.2
Energy	Energy Parks	2.6	0.2	—	2.9	0.2	—
	Commercial & Clean Energies	1.4	0.001	—	1.6	0.002	—
Total (Scopes)		**4.7**	**0.5**	**0.2**	**5.3**	**0.5**	**0.2**
Total (Scope 1 + Scope 2 I market-based)				**4.9**			**5.6**

1. Because of the reporting date, the CO_2eq data may differ slightly from the audited data reported under the carbon schemes to which the company is subject or our voluntary reports under ISO 14064.
2. Gases included in the calculation: CO_2, CH_4 and N_2O.
3. Measurement methodology: calculated using regulatory methodologies and/or the voluntary ISO 14064 international standard. The Scope 2 figures have been updated with respect to prior reports as the reporting approach has been modified to layer in the distinction between market- and location-based measurements.
4. The emissions figures do not include the Mobility & New Commerce or Trading businesses on account of their scant materiality. Scope 1 emissions include fugitive emissions from natural gas transport for alignment with our scope in ISO 14064. The asphalt facilities have been included under the scope of ISO 14064 since 2021, so that they are included within the Commercial & Clean Energies business; although they do not generate material emissions or consume material amounts of energy, they are reported on for consistency with the ISO standard.

Methane emissions (thousand tonnes of CH4 and as a percentage of CO_2eq)[1]

	2023		2022
Direct CH_4 emissions	**CH_4 as a % of CO_2eq**	**Direct CH_4 emissions**	**CH_4 as a % of CO_2eq**
1.9	1 %	2.0	1 %

1. Reported CH4 includes venting emissions and emissions from flaring, combustion and natural gas transport (fugitive). Calculated using the audited methodology under ISO 14064.

[GRI 305-3] Other indirect (Scope 3) GHG emissions

Scope 3 GHG emissions by category (million tCO_2eq)[1,2,3]

Category	2023	2022
Purchased goods and services	4.4	9.8
Fuel- and energy-related activities	0.5	0.5
Upstream transportation and distribution	1.0	0.9
Downstream transportation and distribution	0.6	0.3
Use of sold products	51.6	50.7
Total	**58.0**	**62.2**

1. Because of the reporting date, the CO_2eq data may differ slightly from the figures reported voluntarily under ISO 14064.
2. The 2022 'Fuel- and energy-related activities' figure has been updated.
3. Gases included in the calculation: CO_2, CH_4 and N_2O.

[GRI 305-4] GHG emissions intensity

GHG emissions intensity (thousand tCO_2eq / thousand tonnes)[1,2]

Business	2023	2022
Exploration & Production	0.18	0.10
Chemicals	0.30	0.27
Energy Parks	0.17	0.16

1. Emissions intensity reporting is based on the same rationale as the energy intensity indicator (GRI 302-3). The primary energy consumption in the Commercial & Clean Energies business included in the energy consumption indicator (GRI 302-1) is not reported in this indicator since part of the final energy generated, and, therefore, the associated emissions, is consumed by Energy Parks and Chemicals and is, therefore, shown in these businesses' emissions intensity.
2.The denominator in the Exploration & Production business is expressed in thousands of tonnes of crude oil and gas. The denominators in Chemicals and Energy Parks are expressed in thousands of tonnes processed.

[SASB EM-EP-110a.2] Amount of gross global Scope 1 emissions from: flared hydrocarbons, other combustion, process emissions, other vented emissions, and fugitive emissions

Scope 1 GHG emissions in the Exploration & Production business by type (million tCO_2eq)

	2023	2022
Hydrocarbons flared	0.04	0.07
Other combustion	0.03	0.07
Process emissions	—	—
Other vented emissions	—	—
Fugitive emissions from operations	0.001	0.01

[SASB EM-EP-420a.2] Estimated carbon dioxide emissions embedded in proved hydrocarbon reserves

Estimated GHG emissions embedded in proved hydrocarbon reserves (million tCO_2)[1]

2023	2022
9.1	31.2

1. The decrease is due to the sale of the Abu Dhabi assets.

2.1.2

Energy consumption

[GRI 302-1] Energy consumption within the organization

Energy consumption within the organization by fuel type (TJ)[1,2]

Fuels	2023	2022
Renewable electricity	4,618	4,580
Renewable fuel	181	—
Non-renewable electricity	1,083	1,453
Gas oil/diesel	589	607
Fuel oil	1,130	2,923
Natural gas	41,081	41,623
Residual gas	1,703	2,328
Crude oil	24	46
Fuel gas	25,326	28,114
Steam	2,198	2,158
Total	**77,932**	**83,831**

1. The data reported correspond to directly incoming energy and fuel at the facilities both for own consumption and the production of energy for sale to third parties. As a result, the figures differ from those reported for the purpose of GRI 302-3, which only reflect the energy consumed.
2. The energy figures do not include the Mobility & New Commerce or Trading businesses on account of their scant materiality.

Energy sold by fuel type (TJ)[1]

	2023	2022
Electricity	7,825	9,754
Steam	965	1,060
Total	**8,790**	**10,814**

1. Reflects the electricity and steam sold to a third party.

[GRI 302-2] Energy consumption outside the organization

Energy consumption outside the organization by category (TJ)[1]

Categories (GHG protocol)	2023	2022
Purchased goods and services	846,677	916,549
Fuel- and energy-related activities	9,055	9,542
Upstream transportation and distribution	18,084	15,729
Downstream transportation and distribution	9,987	5,735
Use of sold products	726,196	711,009
Total	**1,609,999**	**1,658,564**

1. The 2022 'Fuel- and energy-related activities' figure has been updated.

[GRI 302-3] Energy intensity

Energy intensity by business (TJ/thousand tonnes of product)[1,2,3]

Business	2023	2022
Exploration & Production	1.26	1.14
Chemicals	5.21	4.83
Energy Parks	2.54	2.24

1. The primary energy consumption in the Commercial & Clean Energies business included in the energy consumption indicator (GRI 302-1) is not reported in this indicator since part of the final energy generated is consumed by Energy Parks and Chemicals and, therefore, shown in those businesses' energy intensity.
2. Types of energy included: fuel, electricity, heating, cooling and steam.
3. The denominator in the Exploration & Production business is expressed in thousands of tonnes of crude oil and gas. The denominators in Chemicals and Energy Parks are expressed in thousands of tonnes processed.

[SASB RT-CH-130a.1] Total energy consumed

Energy consumed in the Chemicals business (TJ)

Energy	2023	2022
Total energy consumed	15,161	17,519
Energy consumed supplied from grid electricity	1,538	1,743
Percentage grid electricity	10 %	10 %
Energy consumed that is renewable energy	1,248	1,318
Percentage renewable	8 %	8 %
Total amount of self-generated energy	76	81

2.1.3

Renewable energy

Renewable energy production in 2023[1]

Renewable energy source	Gross generation (GWh)	Installed capacity (MW)
Wind	51	29

1. Excludes the energy generated for self-consumption at our service stations.

Biofuels produced (thousands of litres)[1]

2023	2022
209,463	59,843

1. Biofuel produced in keeping with sustainability criteria.

[SASB EM-RM-410a.1] Renewable Volume Obligation (RVO) met through: production of renewable fuels and purchase of separated renewable identification numbers (RIN) (%)

	2023	2022
% met through production of renewable fuels [1]	40 %	16 %
% met through purchase of separated renewable identification numbers (RIN)	60 %	84 %

1. Includes biofuels, cellulosic biofuel, ethanol, advanced biofuels and other renewable fuels.

2.2

Environment

2.2.1

Water

[GRI 303-3] Water withdrawal

Total water withdrawn by area, source and type (thousand m^3)[1,2]

			2023		2022	
			All areas	**Areas with water stress**	**All areas**	**Areas with water stress**
Total water withdrawal		Freshwater	15,240	13,103	16,707	14,385
		Other water	16,154	1,552	16,436	1,800
		Total	**31,395**	**14,655**	**33,143**	**16,185**
Water withdrawal by source	Surface water	Freshwater	4	—	9	—
		Other water	197	197	207	207
		Total	**201**	**197**	**216**	**207**
	Groundwater	Freshwater	620	596	751	725
		Other water	1,226	1,226	1,514	1,514
		Total	**1,846**	**1,822**	**2,264**	**2,238**
	Produced water	Freshwater	—	—	—	—
		Other water	14,731	129	14,716	80
		Total	**14,731**	**129**	**14,716**	**80**
	Third-party water	Freshwater	14,616	12,507	15,947	13,660
		Other water	—	—	—	—
		Total	**14,616**	**12,507**	**15,947**	**13,660**

1. The water figures do not include the Mobility & New Commerce or Trading businesses on account of their scant materiality.
2. The company does not withdraw any seawater.

[GRI 303-4] Water discharge

Total water discharged by area and destination (thousand m^3)[1,2]

		2023		2022	
		All areas	**Areas with water stress**	**All areas**	**Areas with water stress**
Water discharge by type of destination	Surface water	28	—	23	—
	Groundwater	16,053	1,528	16,317	1,738
	Seawater	7,107	7,107	8,090	8,090
	Third-party water	724	21	715	39
	Total	**23,912**	**8,656**	**25,144**	**9,867**

1. The water figures do not include the Mobility & New Commerce or Trading businesses on account of their scant materiality.
2. The company does not withdraw any seawater.

[GRI 303-5] Water consumption

Total water consumption by area (thousand m^3)[1]

2023		2022	
All areas	**Areas with water stress**	**All areas**	**Areas with water stress**
7,482	5,999	7,999	6,318

1. The water figures do not include the Mobility & New Commerce or Trading businesses on account of their scant materiality.

[SASB EM-EP-140a.2] Volume of produced water and flowback generated; percentage discharged, injected and recycled and hydrocarbon content in discharged water

Volume of water managed in the Exploration & Production business (thousand m^3)[1,2]

	2023	2022
Produced water	14,731	14,716
% discharged	1 %	1 %
% injected	99 %	99 %
% recycled	— %	— %
Hydrocarbon content of discharged water [(2)]	0	4

1. The company does not use hydraulic fracturing and therefore does not generate flowback fluid.
2. The 2022 figure is attributable to a one-off incident at the BMS asset (Algeria) in Exploration & Production.

2.2.2

Biodiversity

[GRI 304-1] Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas

Areas adjacent (<1km) to areas of high biodiversity value according to IUCN, the Ramsar Convention, the Natura 2000 Network, IBA and national legislation:

Sites adjacent to protected areas or areas of high biodiversity value	Location	Type of operation	Position in relation to the area	Biodiversity value by attribute	Biodiversity value by listing of protected status
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)	Odiel dunes	SCI

Other sensitive areas around the production sites:

Sites adjacent to protected areas or areas of high biodiversity value	Location	Type of operation	Position in relation to the area	Biodiversity value by attribute	Biodiversity value by listing of protected status
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

Sites adjacent to protected areas or areas of high biodiversity value	Location	Type of operation	Position in relation to the area	Biodiversity value by attribute	Biodiversity value by listing of protected status
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
Alijar wind farm	Spain	Electricity generation	Near (5-20 km)	Doñana	RAMSAR, SCI, 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
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 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 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
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

Sites adjacent to protected areas or areas of high biodiversity value	Location	Type of operation	Position in relation to the area	Biodiversity value by attribute	Biodiversity value by listing of protected status
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 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
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
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)	Environmental protection area. North coast continental shelf.	IUCN V
Detén	Brazil	Production	Near (5-20 km)	Environmental protection area. Guarajuba lagoon.	IUCN V

Sites adjacent to protected areas or areas of high biodiversity value	Location	Type of operation	Position in relation to the area	Biodiversity value by attribute	Biodiversity value by listing of protected status
Detén	Brazil	Production	Near (5-20 km)	Environmental protection area. Bay of All Saints.	IUCN V
Detén	Brazil	Production	Near (5-20 km)	As Dunas private natural heritage reserve	IUCN IV
Bécancour	Canada	Production	Near (1-5 km)	Montesson Island seabird sanctuary.	IUCN VI
Bécancour	Canada	Production	Near (1-5 km)	Lamarier Bay seabird sanctuary.	IUCN VI
Bécancour	Canada	Production	Near (1-5 km)	Pointe aux Roches seabird sanctuary.	IUCN VI
Bécancour	Canada	Production	Near (1-5 km)	Battures de Gentilly seabird sanctuary.	IUCN VI
Bécancour	Canada	Production	Near (1-5 km)	Ponte-Paul-Riviere aux Originaux seabird sanctuary.	IUCN VI
Bécancour	Canada	Production	Near (5-20 km)	Muskrat habitat southwest of Port Laviolette	IUCN VI
Bécancour	Canada	Production	Near (5-20 km)	Port Saint-François-Pont Laviolette seabird sanctuary.	IUCN VI
Bécancour	Canada	Production	Near (5-20 km)	Batiscan-Sainte-Anne seabird sanctuary.	IUCN VI
Bécancour	Canada	Production	Near (5-20 km)	Champlain Batiscan seabird sanctuary.	IUCN VI
Bécancour	Canada	Production	Near (5-20 km)	Becquets Deschaillons seabird sanctuary.	IUCN VI
Bécancour	Canada	Production	Near (5-20 km)	Léon-Provancher ecological reserve.	IUCN I
Cepsa Chemical Shanghai	China	Production	Near (5-20 km)	Shanghai Jinshan three 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
Caracara	Colombia	Production	Near (5-20 km)	Campoflorido (Civil Society Nature Reserve)	VI managed resource protected area

Sites adjacent to protected areas or areas of high biodiversity value	Location	Type of operation	Position in relation to the area	Biodiversity value by attribute	Biodiversity value by listing of protected status
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
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
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

Biodiversity impact assessments in areas used for operating activities

	Number of sites	Area (hectares)
Operated assets	23	1,126
Operated assets with biodiversity impact assessments in the last five years	23	1,126
Operated assets near locations of high biodiversity value	3	317
Operated assets near locations of high biodiversity value with a biodiversity plan in place	3	317

[GRI 304-3] Habitats protected or restored

The habitats restored are the Madrevieja environmental station, Primera de Palos lagoon and Muelle de las Carabelas lagoons. These areas have been managed by independent third parties from the outset: TYPMA in the case of the Primera de Palos lagoon and Muelle de las Carabelas lagoons, and Ornitour S.L. in the case of the Madrevieja environmental station.

- Madrevieja environmental station, San Roque, Spain (200,000m^2): work began in 2009 through the Cepsa Foundation on fostering biodiversity in this area and maintaining it. The initial interventions focused on enhancing the area for wildlife, getting the wetlands to provide richer habitats for a variety of species of water animals and birds. Reforestation, meanwhile, translated into a significant increase in plant and animal biodiversity, creating stable ecological niches and favouring the presence of different species of flora and fauna. Two species recovery projects are currently underway. Firstly, the Barn Owl project, which dates to 2019, in which the hacking technique is being used to release birds. Secondly, the European Galapagos tortoise project, launched in 2022, for the creation of facilities designed for raising European Galapagos in semi-liberty. Lastly, the Cepsa Foundation engages with the various stakeholders to encourage this initiative: the environmental authorities of the regional government of Andalusia, GOES (the ornithology group of the Strait), naturalists and nature photographers, providing information about the species.

- Primera de Palos lagoon, Huelva, Spain (350,000m^2): the Cepsa Foundation and regional government of Andalusia have been working together for 20 years on restoring the Primera de Palos lagoon. The restoration measures undertaken include monitoring the birdlife by means of regular censuses, eliminating exotic plant species and regularly clearing the perimeter of the lagoon. These actions, coupled with creation of a sediment and nutrient trap, in partnership with the town council of Palos and the local farming community, have improved the lagoon's ecology. The monitoring work serves to track the progress made and design the opportune measures for preserving the lagoon's biodiversity.

- Muelle de las Carabelas lagoons, Huelva, Spain (20,900m^2): the biodiversity goals that gave rise to this project have been largely achieved barring completion of an open-air environmental education or 'classroom' area and some final signposting work.

For further information about biodiversity

[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[1]

	2023	2022
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.

[SASB EM-EP-160a.3] Percentage of proved and probable reserves in or near sites with protected conservation status or endangered species habitat

Proved and probable reserves in protected areas in the Exploration & Production business (%)[1]

	2023	2022
Percentage of net proved reserves	1.00 %	0.25 %
Percentage of net probable reserves	0.30 %	0.12 %

1. Within 5 km of the boundary of our facilities.

[GRI 306-3] Significant spills

Number and volume of recorded significant spills by material and surface (barrels)

		2023		2022	
		Number	Barrels	Number	Barrels
Oil	Soil	1	660	2	94
	Water surface	—	—	—	—
Other	Soil	1	31	1	75
	Water surface	1	6	—	—

There was an oil spill on soil in 2023 when drilling a pipe in the Exploration & Production business during external excavation work on one of the sites through which the Jaguar - Santiago (Colombia) pipeline runs, triggering a spill equivalent to 660 barrels of crude. In addition, at the La Tordera Norte service station, in the Mobility and New Commerce business, there was a spill equivalent to 31 barrels during a pressure test on a pipe that was not connected due to repair work. Lastly, there was a spill equivalent to 6 barrels of fuel-oil over the sea as a result of a breakage in one of the pipes in the Reina Sofía jetty in La Rábida (Huelva).

2.2.3

Waste and raw materials

[GRI 306-3] Waste generated

Waste generated and its management (tonnes)[1]

		2023	2022
Waste generated	Hazardous waste	34,737	34,168
	Non-hazardous waste	46,153	28,600
	Total	**80,889**	**62,768**
Waste diverted from disposal	Hazardous waste	25,730	21,029
	Non-hazardous waste	31,597	19,372
	Total	**57,327**	**40,401**
Waste directed to disposal	Hazardous waste	9,006	13,139
	Non-hazardous waste	14,556	9,228
	Total	**23,562**	**22,367**

1. The waste data do not include the Trading business on account of its scant materiality.

[GRI 306-4] Waste diverted from disposal

Hazardous and non-hazardous waste diverted from disposal by recovery operation (tonnes)[1,2]

		2023	2022
	Recovery operations	**Offsite**	**Offsite**
Hazardous waste	Preparation for reuse	—	—
	Recycling	4,132	862
	Other recovery operations	21,598	20,169
	Total	**25,730**	**21,031**
Non-hazardous waste	Preparation for reuse	—	—
	Recycling	19,442	8,061
	Other recovery operations	12,155	11,311
	Total	**31,597**	**19,372**

1. No recovery operations are undertaken at our facilities.
2. The waste data do not include the Trading business on account of its scant materiality.

[GRI 306-5] Waste directed to disposal

Hazardous and non-hazardous waste directed to disposal by disposal operation (tonnes)[1,2]

		2023	2022
	Disposal operations	**Offsite**	**Offsite**
Hazardous waste	Incineration (with energy recovery)	—	—
	Incineration (without energy recovery)	37	52
	Landfilling	8,969	13,087
	Other disposal operations	—	—
	Total	**9,006**	**13,139**
Non-hazardous waste	Incineration (with energy recovery)	—	—
	Incineration (without energy recovery)	156	86
	Landfilling	14,399	9,142
	Other disposal operations	—	—
	Total	**14,556**	**9,228**

1. No recovery disposal operation undertaken at our facilities.
2. The waste data do not include the Trading business on account of its scant materiality.

[SASB EM-RM-150a.1 / SASB RT-CH-150a.1] Amount of hazardous waste generated, percentage recycled[)]

Recycled hazardous waste (%)[1,2]

2023	2022
12 %	3 %

1. Rest of the indicator answered in GRI 306-3.
2. The waste data do not include the Trading business on account of its scant materiality.

[GRI 301-1] Materials used by weight or volume

Materials used (thousand tonnes)[1]

2023		2022	
Renewable	Non-renewable	Renewable	Non-renewable
223	21,194	391	23,739

1. Does not include products purchased from third parties that are not processed at our facilities. As a result, the data only include the Energy Parks, Commercial & Clean Energies and Chemicals businesses.

2.2.4

Non-GHG emissions

[GRI 305-7] Nitrogen oxides (NOx), sulfur oxides (SOx) other significant air emissions

Non-GHG emissions (tonnes)[1]

	2023	2022
NOx	3,372	8,830
SOx	3,482	5,508
VOC	751	1,133
Particles	281	537

1. The non-GHG figures do not include the Mobility & New Commerce or Trading businesses on account of their scant materiality.

2.2.5

Environmental management

Sites with a certified Environmental Management System (EMS) or EMAS (%)[1]

	2023	2022
Productive sites with an EMS verified under an international standard (ISO 14001) (%)	100 %	100 %
Productive sites with an EMS certified under ISO 14001 (%)	91 %	91 %

1. This scope of this KPI includes all Cepsa industrial sites that carry out production activities. The 2022 figure has been restated accordingly.

Resources for protecting the environment (€ thousand)

	2023	2022
Environmental expenditure	70,186	101,799
Environmental investments	141,873	100,952

Compliance with environmental laws and regulations

	2023	2022
Non-compliance with environmental laws and/or regulations[1]	4	3
Total monetary value of significant fines (€)	64,000	94,002
Amount paid during the year (€)	20,000	24,001

1. Significant fines are those of €10,000 or more.

2.3

Human resources

2.3.1
Workforce

Employees by gender, age, country and employee category

		2023	2022
	Number of employees	10,865	10,310
Employees by gender	Female	4,226	3,915
	Male	6,639	6,395
Employees by age	< 30	1,096	976
	30-50	6,415	6,324
	> 50	3,354	3,010
Employees by country	Algeria	98	94
	Belgium	9	8
	Brazil	181	185
	Canada	73	72
	China	137	133
	Colombia	121	124
	United Arab Emirates	2	34
	Spain	9,549	8,983
	Italy	5	7
	Malaysia	1	1
	Morocco	2	1
	Mexico	12	12
	Netherlands	5	5
	Peru	29	29
	Portugal	624	607
	United Kingdom	8	9
	Singapore	9	7
Employees by employee category	Executives	142	140
	Department heads	777	750
	Senior-level technical staff	2,250	2,141
	Mid-level technical staff	1,225	1,268
	Specialists	6,316	5,853
	Clerical staff	77	74
	Assistants	79	84

[GRI 405-1] Diversity of governance bodies and employees

Employees by gender, age and employee category (%)

		2023			2022		
Employee category	**Gender and age**	**< 30**	**30-50**	**> 50**	**< 30**	**30-50**	**> 50**
Executives	% Female	— %	33.3 %	25.3 %	— %	31.1 %	21.5 %
	% Male	— %	66.7 %	74.7 %	— %	68.9 %	78.5 %
	% Age group	— %	44.4 %	55.6 %	— %	43.6 %	56.4 %
Department heads	% Female	33.3 %	30.6 %	26.4 %	— %	28.8 %	24.1 %
	% Male	66.7 %	69.4 %	73.6 %	100 %	71.2 %	75.9 %
	% Age group	0.4 %	60.1 %	39.5 %	0.1 %	60.7 %	39.2 %
Senior-level technical staff	% Female	44.9 %	37.6 %	24.3 %	35.6 %	36.5 %	24.3 %
	% Male	55.1 %	62.4 %	75.7 %	64.4 %	63.5 %	75.7 %
	% Age group	7.8 %	63.8 %	28.4 %	6.8 %	66.7 %	26.5 %
Mid-level technical staff	% Female	53.6 %	29.3 %	24.8 %	57.0 %	28.3 %	23.5 %
	% Male	46.4 %	70.7 %	75.2 %	43.0 %	71.7 %	76.5 %
	% Age group	7.9 %	51.9 %	40.2 %	11.2 %	53.5 %	35.3 %
Specialists	% Female	45.3 %	45.7 %	37.8 %	46.5 %	45.0 %	37.3 %
	% Male	54.7 %	54.3 %	62.2 %	53.5 %	55.0 %	62.7 %
	% Age group	12.6 %	59.0 %	28.4 %	11.4 %	61.7 %	27.0 %
Clerical staff	% Female	80.0 %	65.3 %	36.8 %	76.9 %	60.0 %	33.3 %
	% Male	20.0 %	34.7 %	63.2 %	23.1 %	40.0 %	66.7 %
	% Age group	13.1 %	62.1 %	24.8 %	17.6 %	54.1 %	28.4 %
Assistants	% Female	58.8 %	38.5 %	69.6 %	11.1 %	23.5 %	58.3 %
	% Male	41.2 %	61.5 %	30.4 %	88.9 %	76.5 %	41.7 %
	% Edad	21.5 %	49.4 %	29.1 %	10.7 %	60.7 %	28.6 %

Members of governing bodies by gender and age (%)

		2023			2022		
	Gender and age	**< 30**	**30-50**	**> 50**	**< 30**	**30-50**	**> 50**
Board of Directors	% Female	— %	20.0 %	— %	— %	33.3 %	— %
	% Male	— %	80.0 %	100 %	— %	66.7 %	100 %
	% Age group	— %	45.5 %	54.5 %	— %	30.0 %	70.0 %
Management Committee	% Female	— %	50.0 %	14.3 %	— %	50.0 %	22.2 %
	% Male	— %	50.0 %	85.7 %	— %	50.0 %	77.8 %
	% Age group	— %	36.4 %	63.6 %	— %	18.2 %	81.8 %

[GRI 2-7] Employees

Employees by part-time/full-time, region and gender[1,2]

		2023			2022		
Region	**Employment type**	**Women**	**Men**	**Total**	**Women**	**Men**	**Total**
Spain	Permanent	3,421	5,520	8,941	3,173	5,341	8,514
	Temporary	312	296	608	258	211	469
	Full-time	3,487	5,667	9,153	3,223	5,419	8,642
	Part-time	247	150	396	208	133	341
Africa	Permanent	9	91	100	8	87	95
	Temporary	—	—	—	—	—	—
	Full-time	9	91	100	8	87	95
	Part-time	—	—	—	—	—	—
Americas	Permanent	102	308	410	97	315	412
	Temporary	1	5	6	1	9	10
	Full-time	103	313	416	98	324	422
	Part-time	—	—	—	—	—	—
Asia	Permanent	27	120	147	34	139	173
	Temporary	—	2	2	—	2	2
	Full-time	27	122	149	34	141	175
	Part-time	—	—	—	—	—	—
Europe	Permanent	337	280	617	323	270	593
	Temporary	17	17	34	21	21	42
	Full-time	348	289	637	338	285	623
	Part-time	6	8	14	6	6	12

1. Africa: Algeria and Morocco. Americas: Brazil, Canada, Colombia, Mexico and Peru. Asia: China, UAE, Malaysia and Singapore. Europe: Belgium, Italy, the Netherlands, Portugal and the United Kingdom.
2. The sum of permanent employees and temporary employees yields the total headcount figure. Likewise, the sum of full-time employees and part-time employees yields the total headcount figure.

Annual averages

Annual averages by employment type, employee category and gender

		2023				2022			
		Permanent	**Temporary**	**Full-time**	**Part-time**	**Permanent**	**Temporary**	**Full-time**	**Part-time**
Employee category	Executives	140	—	140	—	125	—	125	—
	Department heads	760	—	754	7	729	—	721	8
	Senior-level technical staff	2,203	5	2,177	31	2,045	19	2,024	39
	Mid-level technical staff	1,228	6	1,233	1	1,209	13	1,221	1
	Specialists	5,540	711	5,878	374	5,101	766	5,581	286
	Clerical staff	73	10	82	1	71	3	73	1
	Assistants	73	17	71	19	71	16	84	3
Age group	< 30	815	310	974	150	569	329	797	101
	30-50	6,071	369	6,241	199	5,923	431	6,176	178
	> 50	3,132	70	3,119	83	2,859	57	2,857	59
Gender	Female	3,787	369	3,900	256	3,386	446	3,630	203
	Male	6,231	379	6,434	176	5,965	370	6,200	134

2.3.2
Diversity and inclusion

We are committed to having women represent 30% of management positions by 2025.

Share of women by employee category (%)

	2023	2022
Share of female employees	38.9 %	38.0 %
Share of women in management positions	28.9 %	26.7 %
Women in junior management positions	29.0 %	26.9 %
Share of women in senior management positions	28.9 %	25.7 %
Share of women in management positions in key revenue-generating roles	20.8 %	18.2 %
Share of women in STEM-related positions	21.9 %	21.5 %

Employees by nationality (%)[1]

	Employees		Managers	
Nationality	**2023**	**2022**	**2023**	**2022**
Spanish	84.0 %	84.1 %	85.6 %	84.0 %
Brazilian	2.2 %	2.2 %	1.5 %	1.5 %
Chinese	1.3 %	1.3 %	1.1 %	0.6 %
Colombian	1.7 %	1.7 %	2.1 %	2.6 %
Portuguese	5.8 %	5.7 %	2.3 %	2.3 %
Other	5.0 %	5.0 %	7.4 %	9.2 %

1. The 2022 executive figures have been restated.

Employees with disabilities[1]

	2023	2022
Employees with disabilities (no.)	177	118
Employees with disabilities (%)	1.63 %	1.14 %

1. The reporting methodology has been modified to include the number of employees with a disability of a severity of over 33% instead of reporting all severities. The 2022 figure has been restated. The increase is attributable to new hires and the Aflora Plan.

[GRI 401-3] Parental leave

Parental leave

	2023			2022		
	Women	**Men**	**Total**	**Women**	**Men**	**Total**
Employees entitled to parental leave	59	107	166	95	132	227
Employees that took parental leave	99	187	286	133	225	358
Employees that returned to work after parental leave	90	187	277	94	206	300
Employees that returned to work after parental leave that were still employed 12 months after their return to work	81	187	268	80	183	263
Return to work rate	91 %	100 %	97 %	71 %	92 %	84 %
Retention rate	86 %	91 %	89 %	82 %	92 %	89 %

[GRI 202-2] Proportion of senior management hired from the local community

Senior managers from the local community (%)

2023	2022
85 %	85 %

2.3.3

Hiring and turnover

[GRI 401-1] New employee hires and employee turnover

New hires by age, gender and region[1,2,3]

		< 30				30-50				> 50				Total			
		Nº		%		Nº		%		Nº		%		Nº		%	
Region	**Gender**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Spain	Women	556	577	132 %	158 %	822	825	35 %	37 %	148	112	15 %	13 %	1,526	1,514	41 %	44 %
	Men	702	715	149 %	178 %	651	612	20 %	19 %	161	155	8 %	8 %	1,514	1,482	26 %	27 %
Africa	Women	—	—	— %	— %	—	—	— %	— %	—	—	— %	— %	—	—	— %	— %
	Men	—	—	— %	— %	—	—	— %	— %	—	—	— %	— %	—	—	— %	— %
Americas	Women	2	1	20 %	10 %	8	6	11 %	9 %	—	2	— %	11 %	10	9	10 %	9 %
	Men	2	10	12 %	43 %	11	20	5 %	10 %	2	2	2 %	2 %	15	32	5 %	10 %
Asia	Women	2	2	22 %	20 %	1	1	6 %	4 %	—	1	— %	— %	3	4	11 %	12 %
	Men	12	7	43 %	23 %	9	13	10 %	13 %	—	2	— %	22 %	21	22	17 %	16 %
Europe	Women	71	75	103 %	112 %	52	61	25 %	31 %	9	15	12 %	19 %	132	151	37 %	44 %
	Men	88	73	128 %	107 %	43	39	29 %	27 %	1	10	1 %	13 %	132	122	44 %	42 %
Total	**Women**	**631**	**655**	**124 %**	**145 %**	**883**	**893**	**33 %**	**35 %**	**157**	**130**	**15 %**	**14 %**	**1,671**	**1,678**	**40 %**	**43 %**
	Men	**804**	**805**	**137 %**	**154 %**	**714**	**684**	**19 %**	**18 %**	**164**	**169**	**7 %**	**8 %**	**1,682**	**1,658**	**25 %**	**26 %**
	Total	**1,435**	**1,460**	**131 %**	**150 %**	**1,597**	**1,577**	**25 %**	**25 %**	**321**	**299**	**10 %**	**10 %**	**3,353**	**3,336**	**31 %**	**32 %**

1 Africa: Algeria and Morocco. Americas: Brazil, Canada, Colombia, Mexico and Peru. Asia: China, UAE, Malaysia and Singapore. Europe: Belgium, Italy, the Netherlands, Portugal and the United Kingdom.
2. The percentage of vacancies filled by internal candidates in 2023 was 46 % (2022: 18 %). The increase was the result of a new internal mobility model. The average cost of hiring in 2023 was € 2,890 in 2023 (2022: €2,056). That cost was calculated as the average cost per process (considering all hiring costs, including the wages of the recruitment team, platforms, subcontracting, advertising and forums) divided by the number of new hires into permanent corporate positions. The incidence of temporary hiring at the service stations is not considered. The difference reflects the fact that in 2022 there was a higher number of external vacancies.
3. The percentages of over 100% reflect high volumes of hiring and departures at the service stations.

Voluntary departures by age, gender and region[1]

		< 30				30-50				> 50				Total			
		No.		%		No.		%		No.		%		No.		%	
Region	**Gender**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Spain	Women	108	72	26 %	20 %	114	101	5 %	5 %	12	11	1 %	1 %	234	184	6 %	5 %
	Men	119	77	25 %	19 %	7500 %	61	2 %	2 %	11	5	1 %	— %	205	143	4 %	3 %
Africa	Women	0	—	— %	— %	— %	1	— %	17 %	0	—	— %	— %	—	1	— %	13 %
	Men	0	—	— %	— %	— %	1	— %	2 %	0	—	— %	— %	—	1	— %	1 %
Americas	Women	0	—	— %	— %	200 %	5	3 %	7 %	1	—	5 %	— %	3	5	3 %	5 %
	Men	3	3	18 %	13 %	700 %	25	3 %	12 %	0	1	— %	1 %	10	29	3 %	9 %
Asia	Women	0	—	— %	— %	200 %	2	11 %	8 %	1	—	— %	— %	3	2	11 %	6 %
	Men	7	4	25 %	13 %	500 %	6	6 %	6 %	2	—	33 %	— %	14	10	11 %	7 %
Europe	Women	18	23	26 %	34 %	2100 %	37	10 %	19 %	2	7	3 %	9 %	41	67	12 %	19 %
	Men	33	27	48 %	40 %	2400 %	22	16 %	15 %	4	2	5 %	3 %	61	51	21 %	18 %
Total	**Women**	**126**	**95**	**25 %**	**21 %**	**139**	**146**	**5 %**	**6 %**	**16**	**18**	**1 %**	**2 %**	**281**	**259**	**7 %**	**7 %**
	Men	**162**	**111**	**28 %**	**21 %**	**111**	**115**	**3 %**	**3 %**	**17**	**8**	**1 %**	**— %**	**290**	**234**	**4 %**	**4 %**
	Total	**288**	**206**	**26 %**	**21 %**	**250**	**261**	**4 %**	**4 %**	**33**	**26**	**1 %**	**1 %**	**571**	**493**	**5 %**	**5 %**

1. Africa: Algeria and Morocco. Americas: Brazil, Canada, Colombia, Mexico and Peru. Asia: China, UAE, Malaysia and Singapore. Europe: Belgium, Italy, the Netherlands, Portugal and the United Kingdom.

Total departures by age, gender and region[1,2,3]

		< 30				30-50				> 50				Total[2]			
		Nº		%		Nº		%		Nº		%		Nº		%	
Region	**Gender**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Spain	Women	477	420	113 %	115 %	696	731	30 %	33 %	133	134	14 %	16 %	1,306	1,285	35 %	37 %
	Men	597	578	126 %	144 %	485	474	15 %	14 %	192	213	9 %	11 %	1,274	1,265	22 %	23 %
Africa	Women	—	—	— %	— %	—	1	— %	17 %	—	—	— %	— %	—	1	— %	13 %
	Men	—	—	— %	— %	—	2	— %	3 %	—	1	— %	5 %	—	3	— %	3 %
Americas	Women	—	—	— %	— %	2	5	3 %	7 %	2	3	11 %	17 %	4	8	4 %	8 %
	Men	3	4	18 %	17 %	9	30	4 %	15 %	12	11	13 %	12 %	24	45	8 %	14 %
Asia	Women	—	—	— %	— %	3	12	17 %	50 %	1	1	— %	— %	4	13	15 %	38 %
	Men	8	4	29 %	13 %	10	11	11 %	11 %	2	—	33 %	— %	20	15	16 %	11 %
Europe	Women	51	57	74 %	85 %	42	63	20 %	32 %	13	19	17 %	25 %	106	139	30 %	40 %
	Men	69	51	100 %	75 %	36	40	24 %	28 %	7	7	9 %	9 %	112	98	38 %	34 %
Total	**Women**	**528**	**477**	**104 %**	**105 %**	**743**	**812**	**28 %**	**32 %**	**149**	**157**	**14 %**	**17 %**	**1,420**	**1,446**	**34 %**	**37 %**
	Men	**677**	**637**	**115 %**	**122 %**	**540**	**557**	**14 %**	**15 %**	**213**	**232**	**9 %**	**11 %**	**1,430**	**1,426**	**22 %**	**22 %**
	Total	**1,205**	**1,114**	**110 %**	**114 %**	**1,283**	**1,369**	**20 %**	**22 %**	**362**	**389**	**11 %**	**13 %**	**2,850**	**2,872**	**26 %**	**28 %**

1. Africa: Algeria and Morocco. Americas: Brazil, Canada, Colombia,Mexico and Peru. Asia: China, UAE, Malaysia and Singapore. Europe: Belgium, Italy, the Netherlands, Portugal and the United Kingdom.
2. The total employee turnover rate excluding temporary employees was 7 % in 2023 (2022: 7 %).
3. The percentages of over 100% reflect high volumes of hiring and departures at the service stations.

Involuntary departures by age, gender and employee category

		< 30		30-50		> 50		Total	
Employee category	**Gender**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Executives	Women	—	—	—	—	—	—	—	—
	Men	—	—	—	—	6	4	6	4
Department heads	Women	—	—	1	1	4	6	5	7
	Men	—	—	6	2	8	10	14	12
Senior-level technical staff	Women	—	—	3	6	2	1	5	7
	Men	—	—	7	1	2	6	9	7
Mid-level technical staff	Women	—	—	2	7	—	3	2	10
	Men	—	—	2	1	5	5	7	6
Specialists	Women	7	2	12	17	4	3	23	22
	Men	7	6	18	14	3	13	28	33
Clerical staff	Women	1	—	1	2	2	1	4	3
	Men	—	—	—	1	1	—	1	1
Assistants	Women	—	—	1	—	1	—	2	—
	Men	—	—	—	—	—	—	—	—
Total	**Women**	**8**	**2**	**20**	**33**	**13**	**14**	**41**	**49**
	Men	**7**	**6**	**33**	**19**	**25**	**38**	**65**	**63**
	Total	**15**	**8**	**53**	**52**	**38**	**52**	**106**	**112**

Absenteeism

Hours of absenteeism[1]

2023	2022
894,219	1,090,451

1. Hours of absenteeism do not include hours for work-related injuries or occupational disease.

2.3.4
Training

[GRI 404-1] Hours of training per year and per employee

Total and average hours of training per employee by category and gender

		2023			2022		
		Female	**Male**	**Total**	**Female**	**Male**	**Total**
Executives	Hours	1,649	2,540	4,189	1,186	2,674	3,860
	Average	40	25	30	33	26	28
Department heads	Hours	10,555	18,570	29,124	10,311	25,181	35,492
	Average	47	34	37	51	46	47
Senior-level technical staff	Hours	31,443	72,942	104,385	33,701	77,185	110,886
	Average	41	49	46	47	54	52
Mid-level technical staff	Hours	11,016	43,619	54,635	13,678	43,249	56,927
	Average	31	50	45	36	49	45
Specialists	Hours	44,431	160,221	204,652	36,825	160,106	196,931
	Average	16	45	32	15	48	34
Clerical staff	Hours	676	148	824	951	567	1,518
	Average	15	5	11	23	17	21
Assistants	Hours	83	2,950	3,034	269	5,090	5,359
	Average	2	78	38	10	89	64
Total	**Hours**	**99,853**	**300,991**	**400,843**	**96,921**	**314,052**	**410,973**
	Average	**24**	**45**	**37**	**25**	**49**	**40**

Investment in training

Investment in training: total and per employee (€)

	2023	**2022**
Investment in training	7,606,831	4,909,357
Investment in training per employee	700	476

2.3.5
Remuneration

[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.

Remuneration of executive directors and senior managers comprises fixed remuneration, short- and long-term variable remuneration, and benefits (primarily pension plans, company car, petrol, parking and medical insurance, life and accident insurance).

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 selected an outside consultant (Korn-Ferry) to analyse its senior management remuneration policies with respect to both structure and competitiveness. In the wake of that analysis, the committee proposed an action plan for bringing senior management remuneration in line with the structure and levels desired. In 2018 and in 2022, the Nomination and Compensation Committee again asked Korn Ferry to review the remuneration structure and competitiveness. It concluded both times that the plan was satisfactory as is and should continue to apply.

[GRI 405-2] Ratio of basic salary and remuneration of women to men

Ratio of remuneration of women to men by employee category and significant location[1,2]

	Executives		Department heads		Senior-level technical staff		Mid-level technical staff		Specialists		Clerical staff		Assistants	
Region	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Spain	0.80	0.83	0.89	0.93	0.91	0.92	0.81	0.81	0.73	0.71	0.88	0.95	0.79	0.92
Africa	—	—	—	—	0.81	1.38	1.53	0.66	—	—	—	1.38	—	—
Americas	—	—	0.82	0.88	0.82	0.74	0.55	0.71	0.93	1.08	—	3.33	—	5.13
Asia	—	—	1.51	0.79	1.03	0.95	0.85	—	1.08	0.76	0.62	0.86	—	—
Europe	—	—	0.66	0.81	0.97	0.92	0.87	0.90	1.07	1.10	—	0.42	—	—
Total	**0.80**	**0.83**	**0.90**	**0.93**	**0.91**	**0.91**	**0.81**	**0.82**	**0.73**	**0.71**	**0.89**	**0.89**	**0.73**	**0.94**

1. Ratio of women to men: average remuneration of women/average remuneration of men.
2. Empty cells correspond to disclosures for which there are no employees of both genders.

To prevent biases, our remuneration policies set common criteria for determining salaries and seek maximum objectivity in their application. Each of our companies has a remuneration register in accordance with the law so that we can analyse the gender pay gap continually.

Considering all of our company's employees, the gross pay gap is 29.29%. This is very generic figure, since pay conditions are different in each of the countries in which we have operations. Therefore, we also conducted a more in-depth analysis for the countries with the largest headcounts, i.e. Spain and Portugal. The gross gender pay gap decreased in both Spain (to 29.18% from 30.05% in 2022) and Portugal (to 19.75%, from 21.96%). We also calculated the adjusted gender pay gap, comparing jobs of equal value held by people with similar characteristics. These readings also improved year-on-year, to 3.82% , from 4.33% in 2022, and to 1.12% in Portugal, from 2.85% in 2022, thanks to higher average growth in the fixed and total remuneration earned by women in 2023 as a result of our policies and efforts to reduce the gender pay gap.

Average remuneration

Average remuneration by employee category, age and gender (€)

		2023	2022
Employee category	Executives	374,785	386,803
	Department heads	113,430	110,906
	Senior-level technical staff	61,021	59,487
	Mid-level technical staff	43,626	41,699
	Specialists	25,807	25,319
	Clerical staff	29,392	27,887
	Assistants	20,644	18,776
Age group	< 30	22,977	22,616
	30-50	44,998	43,978
	> 50	55,096	56,089
Gender	Female	36,624	35,779
	Male	51,794	51,435

Average remuneration by employee category and gender (€)

	2023		2022	
Employee category	**Female**	**Male**	**Female**	**Male**
Executives	319,099	397,616	336,572	404,359
Department heads	104,890	116,911	105,121	113,043
Senior-level technical staff	57,225	63,008	55,678	61,383
Mid-level technical staff	37,490	46,180	36,102	44,077
Specialists	21,296	29,263	20,603	28,886
Clerical staff	28,034	31,473	26,478	29,637
Assistants	17,510	24,025	18,004	19,143

In 2023 the members of the Board of Directors (made up of 11 people in 2023 and 10 in 2022) earned the following amounts of remuneration: €5.0 million of fixed and variable remuneration (2022: €4.6 million), €2.7 million of meeting attendance fees (2022: €2.8 million) and €0.7 million of other items (2022: €1.2 million).

[GRI 2-21] Annual total compensation ratio

The ratio of the annual total compensation of the highest-paid individual to the median annual total compensation of all employee[1,2]

2023	2022	The change in the annual total compensation ratio
44.60	43.33	2.3

1. The compensation ratio, and also the ratio of the increase, are calculated considering the average total remuneration received by the Management Committee. In the total remuneration received by the members of the Management Committee, variable remuneration, which is calculated as a function of performance, commands a significant weight. As a result, it is not really a ratio of the percentage increase in wages but rather in the total amount of compensation received as a result of a healthy earnings performance in 2022.
2. The ratio considers the employees in 2023 that were employed by the company in 2022.

2.3.6

Labour relations

[GRI 2-30] Collective bargaining agreements

Employees covered by collective bargaining agreements by country (%)

Country	2023	2022
Algeria	— %	— %
Belgium	— %	— %
Brazil	91 %	92 %
Canada	— %	— %
China	— %	— %
Colombia	— %	— %
United Arab Emirates	— %	— %
Spain	91 %	90 %
Italy	80 %	86 %
Morocco	— %	— %
Malaysia	— %	— %
Mexico	75 %	92 %
Netherlands	— %	— %
Peru	— %	— %
Portugal	98 %	98 %
United Kingdom	— %	— %
Singapore	— %	— %
Total	**87 %**	**87 %**

2.4

Occupational health and safety

2.4.1

Work-related injuries

[GRI 403-9] Work-related injuries

The most common types of injuries sustained by employees and contractors are: getting trapped, slipping and tripping, explosions and burns, falling from a height, overexertion and pulled muscles.

The work-related hazards that pose a risk of high-consequence injuries are: falling from a height, being struck by falling objects, getting trapped, contacts with electricity and exposure to toxic and hazardous chemical products. In addition, process incidents could physically harm our employees.

Safety indicators for employees and contractors

		Employees		Contractors	
		2023	2022	2023	2022
Hours worked	Amount	16,851,973	16,393,493	11,389,349	10,239,959
Recordable work-related incidents	Amount	12	16	23	29
	TRIR[1]	0.71	0.98	2.02	2.83
Lost-time work-related incidents	Amount	10	9	10	18
	LWIF[2]	0.59	0.55	0.88	1.76
Days lost by lost workday incidents	Amount	685	1,030	534	662
	Rate[3]	41	63	47	65
High-consequence work-related injuries	Amount	—	—	1	1
	Rate[4]	—	—	0.09	0.10
Fatalities	Amount	—	—	—	—
	Rate[5]	—	—	—	—

1. TRIR: (Number of recordable incidents/total number of hours worked) x 1,000,000
2. LWIF: (Number of lost-time incidents/total number of hours worked) x 1,000,000
3. Injury severity rate: (Number of days lost/total number of hours worked) x 1,000,000
4. Rate: (Number of high-consequence incidents/total number of hours worked) x 1,000,000
5. Rate: (Number of fatalities/total number of hours worked) x 1,000,000

[SASB EM-EP-320a.1 / EM-RM-320a.1 / RT-CH-320a.1] Near-miss frequency rate

Near-miss frequency rate[1]

2023	2022
4.95	9.99

1. Rate: (Number of near misses/total number of hours worked) x 200,000

[RT-CH-320 a.2] Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks:

We have a series of initiatives for assessing, monitoring and reducing our employees' exposure to long-term health risks. Those efforts include: facility design so as to ensure safe working conditions; measurements and controls; maintenance; risk assessments; emergency plans; personal protection gear; medical check-ups and training programmes.

More specifically, at places of work with potential exposure to chemical or physical agents, carcinogens or mutagens, samples and measurements are taken regularly by external safety experts. We also measure and control lighting and other environmental conditions. At places of work potentially exposed to ionising radiation, we have radiation metres and dosimetry systems for areas and individuals and dosimetry records are kept on file.

2.4.2

Process incidents

Process safety incidents

2023			2022		
Tier 1	**Tier 2**	**Total**	**Tier 1**	**Tier 2**	**Total**
4	9	13	4	12	16

Of the 13 Tier 1 or 2 process incidents recorded in 2023, 10 took place at our industrial sites, two at our service stations and one on a product transportation line.

[SASB EM-EP-540a.1 / SASB EM-RM-540a.1 / SASB RT-CH-540a.1] Process safety event

Process safety event (PSE) rate[1]

2023			2022		
Tier 1	**Tier 2**	**Total**	**Tier 1**	**Tier 2**	**Total**
0.14	0.32	0.46	0.15	0.45	0.60

1. PSE rate: (Number of process incidents/total number of hours worked) x 1,000,000.

2.5

Suppliers

2.5.1

Supplier assessment

[GRI 414-1] New suppliers that were screened using social criteria

New suppliers that were screened using social criteria (%)[1]

	2023	2022
	58 %	62 %

1. Includes segment V which, given its low amount, is not covered by procurement procedures. Of the total 377 suppliers, 152 are covered by the procurement area. Those that are not are not required to undergo the complete process.

[GRI 414-2] Negative social impacts in the supply chain and actions taken

Detection of negative impacts in the supply chain and corrective measures taken[1]

	2023	2022
Suppliers that were screened using social criteria (no.)	1,482	1,211
Suppliers identified as having significant (actual and potential) negative social impacts (no.)	—	—
Suppliers identified as having significant (actual and potential) negative social impacts with which improvements were agreed upon as a result of assessment (%)	— %	— %
Suppliers identified as having significant (actual and potential) social impacts with which relationships were terminated as a result of assessment, and why (%)	— %	— %

1. The number provided is the number of active suppliers with ESG scores. The 2022 figure has been updated to align it with the established criterion. The percentage of active suppliers within the scope (>€25,000) with scores is 74%.

We consider the following to be significant negative social 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 breaches have been detected.
- Social: suppliers with a specific high risk (country, ESG or human rights), with an unfavourable performance assessment along 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 significant negative impact in 2023.

Screening and audits

Supply chain assessments and audits

	2023	2022
Assessments carried out (no.)	2,244	1,473
Suppliers assessed due to criticality (no.)	771	560
Critical suppliers that have been assessed (%)	99 %	99 %
Suppliers with risk cards (no.)	3,031	2,830
Suppliers that underwent additional compliance analysis (no.)	373	278
In situ audits (no.)	97	160
Active suppliers with current audit (no.)	216	215
Suppliers that have implemented a non-conformity plan (no.)	114	156

Critical suppliers

Total critical suppliers and assessment levels[1,2]

	2023	2022
Total Tier 1 suppliers	3,394	3,288
Significant Tier 1 suppliers	811	820
Spending on significant Tier 1 suppliers (%)	91 %	91 %
Significant non-Tier 1 suppliers	261	769
Significant suppliers assessed through written or on-site assessments (no.)	1,072	1,589
Significant suppliers assessed (%)	100 %	100 %

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 procurement spent.

2.5.2

Description of the supply chain

[GRI 2-6] Activities, value chain and other business relationships

Suppliers by segment (%)[1]

	2023	2022
Segment I	2.2 %	2.3 %
Segment II	5.5 %	4.3 %
Segment III	6.9 %	9.0 %
Segment IV	38.2 %	36.9 %
Segment V	47.3 %	47.4 %

1. Segment I: Cepsa's main suppliers considered very high impact (strategic), representing more than 50% of annual procurement spend. Segment II: Cepsa's main suppliers considered high impact, representing 20-25% of annual procurement spend. 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 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. Segment V: The so-called tail spend.

Suppliers by region (%)

	2023	2022
Spain	46.9 %	46.1 %
Africa[1]	0.1 %	— %
Americas[2]	34.3 %	34.6 %
Asia and Oceania[3]	8.3 %	8.3 %
Europe[4]	10.4 %	11.0 %

1. Africa: South Africa.
2. Americas: Brazil, Canada, Chile, Colombia, the United States, Mexico, Peru, Puerto Rico and Uruguay.
3. Asia and Oceania: China, India, Malaysia, New Zealand, Singapore and UAE.
4. Europe: EU countries and Turkey.

[GRI 204-1] Proportion of spending on local supplier

Spending on local suppliers (%)[1]

	2023	2022
Spain	39.8 %	37.9 %
Colombia	46.7 %	45.4 %
Brazil	59.4 %	67.6 %
Rest of Europe	— %	— %
China	47 %	56 %
Portugal	13.6 %	17.7 %
Peru	9 %	14.4 %
Canada	86 %	90.7 %
Other	— %	11 %
Total	36.2 %	34.7 %

1. Supplier based in the same geographic market as the facilities or plant of the contracting Cepsa company.

2.6

Ethics and human rights

2.6.1

Integrity Channel

[GRI 2-26] Mechanisms for seeking advice and raising concerns

Requests for advice and complaints received via the Integrity Channel by type[1]

	Number of requests for advice received		Total number of complaints received	
Types of requests for advice	**2023**	**2022**	**2023**	**2022**
Anti-bribery and anti-corruption	10	—	3	—
International trade	—	—	—	—
Fair trade and anti-trust	1	1	1	—
Inappropriate conduct, discrimination and other workplace conflicts	11	2	52	34
Conflicts of interest	14	3	1	1
General enquiries	—	—	—	—
Asset control and management	—	1	18	18
Control, governance and compliance in our operations	4	—	1	—
Personal data, confidentiality and privacy	5	5	3	1
Human rights	—	1	—	—
Inside information and market manipulation	2	—	—	—
Anti-money laundering and counter terrorist financing measures	—	—	—	—
Media and information transparency	1	1	—	—
Other concerns	14	2	1	—
Harassment prevention	2	—	19	8
Intellectual and industrial property	—	—	—	—
Environmental protection and energy transition	—	1	2	—
Relations with government, authorities and unions	10	—	1	—
Relations with partners, suppliers, customers and other stakeholders	190	160	21	11
Occupational health and safety	1	—	28	29
Use of new technologies	—	—	—	—
Total	**265**	**177**	**151**	**102**

1. We have modified the management system used to communicate ethics-related breaches and enquiries to align it with the contents of Law 2/2023 on whistleblower protection, updating the classification system.

In 2023 and 2022 we responded to 100% of requests for advice and complaints received.

Disciplinary and corrective actions taken as a result of breaches notified via the Integrity Channel

		2023	2022
Disciplinary measures	Dismissal	18	24
	Suspension of employment and pay	23	18
	Written warning	12	22
	Verbal warning	3	1
	Ruled out for promotion	1	1
	Discontinued	1	
Corrective measures	Communication action	13	5
	Training action	8	3
	Control measure	4	—
	Job transfer	1	1
	Other	16	8
Preventive measures		2	—
Unsubstantiated		36	19

2.6.2
Anti-corruption

[GRI 205-1] Operations assessed for risks related to corruption

	2023	2022
Internal audit projects with an anti-corruption/anti-fraud component (no.)	18	10
Crime prevention model (CPM) controls in place to mitigate corruption risk (no.)	298	226
Internal control over financial reporting system (ICFR) controls in place to mitigate fraud risk (no.)	535	556

[GRI 205-2] Communication and training about anti-corruption policies and procedures

Employees that anti-corruption policies and procedures were communicated to, broken down by employee category and region

		Spain		Africa[1]		Americas[2]		Asia[3]		Europe[4]		Total	
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Management Committee	No.	10	12	—	—	—	—	—	—	—	—	10	12
	%	91 %	100 %	— %	— %	— %	— %	— %	— %	— %	— %	91 %	100 %
Managers	No.	127	123	—	—	1	1	1	3	—	—	129	127
	%	98 %	99 %	— %	— %	100 %	100 %	100 %	100 %	— %	— %	98 %	99 %
Department heads	No.	660	625	38	25	41	40	14	30	18	18	771	738
	%	99 %	100 %	97 %	69 %	100 %	100 %	100 %	100 %	100 %	100 %	99 %	98 %
Senior-level technical staff	No.	1,950	1,869	38	20	131	126	31	41	68	60	2,218	2,116
	%	99 %	100 %	93 %	61 %	98 %	96 %	91 %	98 %	96 %	100 %	99 %	99 %
Mid-level technical staff	No.	1,048	1,084	11	16	48	54	19	20	69	79	1,195	1,253
	%	97 %	99 %	92 %	100 %	100 %	96 %	95 %	100 %	101 %	100 %	98 %	99 %
Specialists	No.	2,474	2,456	7	6	178	149	59	60	71	47	2,789	2,718
	%	44 %	48 %	100 %	100 %	98 %	90 %	98 %	100 %	15 %	10 %	44 %	46 %
Clerical staff	No.	38	33	1	3	9	10	19	19	1	4	68	69
	%	84 %	87 %	100 %	100 %	100 %	100 %	95 %	100 %	67 %	100 %	89 %	93 %
Assistants	No.	38	40	—	1	1	19	—	1	1	—	40	61
	%	57 %	82 %	— %	100 %	100 %	100 %	— %	100 %	9 %	— %	51 %	73 %
Total	**No.**	**6,345**	**6,242**	**95**	**71**	**409**	**399**	**143**	**174**	**228**	**208**	**7,220**	**7,094**
	%	**66 %**	**69 %**	**95 %**	**75 %**	**98 %**	**95 %**	**96 %**	**99 %**	**35 %**	**33 %**	**66 %**	**69 %**

1. Africa: Algeria and Morocco
2. Americas: Brazil, Canada, Colombia, the United States, Mexico and Peru.
3. Asia: China, UAE, Malaysia and Singapore.
4. Europe: Belgium, Italy, the Netherlands, Portugal and the United Kingdom.

Employees that received training on anti-corruption policies and procedures, broken down by employee category and region

		Spain		Africa[1]		Americas[2]		Asia[3]		Europe[4]		Total	
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Management Committee	No.	10	—	—	—	—	—	—	—	—	—	10	—
	%	91 %	— %	— %	— %	— %	— %	— %	— %	— %	— %	91 %	— %
Managers	No.	111	48	—	—	1	—	1	1	—	—	113	49
	%	86 %	39 %	— %	— %	100 %	— %	100 %	33 %	— %	— %	86 %	38 %
Department heads	No.	622	171	33	11	32	2	14	5	17	—	718	189
	%	94 %	27 %	85 %	31 %	78 %	5 %	100 %	17 %	94 %	— %	92 %	25 %
Senior-level technical staff	No.	1,803	264	27	7	106	16	26	1	53	2	2,015	290
	%	92 %	14 %	66 %	21 %	79 %	12 %	76 %	2 %	75 %	3 %	90 %	14 %
Mid-level technical staff	No.	855	196	7	5	43	2	4	—	48	5	957	208
	%	79 %	18 %	58 %	31 %	90 %	4 %	20 %	— %	70 %	6 %	78 %	16 %
Specialists	No.	1,870	1,109	3	2	142	2	30	2	53	2	2,098	1,117
	%	33 %	21 %	43 %	33 %	78 %	1 %	50 %	3 %	11 %	— %	33 %	19 %
Clerical staff	No.	30	3	—	1	4	1	19	—	2	1	55	6
	%	67 %	8 %	— %	33 %	44 %	10 %	95 %	— %	133 %	25 %	72 %	8 %
Assistants	No.	20	18	—	1	1	—	—	1	—	—	21	20
	%	30 %	37 %	— %	100 %	100 %	— %	— %	100 %	— %	— %	27 %	24 %
Total	**No.**	**5,321**	**1,809**	**70**	**27**	**329**	**23**	**94**	**10**	**173**	**10**	**5,987**	**1,879**
	%	**56 %**	**20 %**	**70 %**	**28 %**	**79 %**	**5 %**	**63 %**	**6 %**	**27 %**	**2 %**	**55 %**	**18 %**

1. Africa: Algeria and Morocco.
2. Americas: Brazil, Canada, Colombia, the United States, Mexico and Peru.
3. Asia: China, UAE, Malaysia and Singapore.
4. Europe: Belgium, Italy, the Netherlands, Portugal and the United Kingdom.

2.6.3

Human rights in security personnel

[GRI 410-1] Security personnel trained in human rights policies or procedures

Security personnel - employees and contractors - trained in human rights policies or procedures[1]

	2023	2022
Employees	27.3 %	42.9 %
Contractors	96.9 %	100 %
Total	91.5 %	95.5 %

1. Data reported relates to operated assets in countries where human rights protection is at risk: Brazil, Algeria, Peru, Colombia and Mexico. It also includes employees in Madrid (Spain).

2.7

Stakeholders

2.7.1

Local communities

[GRI 203-1] Infrastructure investments and services supported

Community work at the operational level by type, purpose and country (€)

		2023	2022
Total		**386,640**	**235,480**
Type of contribution	Financial aid	—	—
	Project execution and development expenditure	386,640	235,480
	Processing expenditure	—	—
Purpose	One-off contribution	—	—
	Community investment	386,640	235,480
	Initiative aligned with the business	—	—
Type of initiative	Social support	225,103	185,061
	Environmental	—	—
	Scientific-educational	161,537	50,419
	Processing expenditure	—	—
Country	Colombia	161,537	50,419
	Peru	225,103	185,061

Community work undertaken by Cepsa Foundation by type, purpose and country (€)

		2023	2022
Total		**4,275,106**	**4,225,607**
Type of contribution	Financial aid	2,707,773	2,851,738
	Project execution and development expenditure	1,042,705	982,366
	Processing expenditure	524,628	391,503
Purpose	One-off contribution	2,290,887	2,035,023
	Community investment	1,984,219	2,190,584
	Initiative aligned with the business	—	—
Type of initiative	Social support	1,968,961	1,808,750
	Environmental	885,220	1,182,178
	Scientific-educational	896,297	843,176
	Processing expenditure	524,628	391,503
Country	Spain	3,437,966	3,374,120
	Algeria	10,000	20,000
	Colombia	545,827	568,712
	Peru	203,536	176,559
	Portugal	77,777	86,216

[GRI 203-2] Significant indirect economic impacts

Community work initiatives at the operational level within 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. Social fabric reinforcement workshops and skill-building; celebration of Women's Day; and the Casanare Palpita project.
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 for local business owners to hone their skills in occupational health and safety, administrative and sales 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.
Support for communities and institutions as part of the Puntero project abandonment process.	Colombia	Ad-hoc contributions to six hamlets in the area of influence, lending support for local families' productive activities. Workshops on the recovery of sugar canes and reinforcement of educational institutions.
Support for communities and institutions as part of the Jilguero-Tiple-Garibay project abandonment process.	Colombia	Ad-hoc contributions to three hamlets in the area of influence (Vigía Trompillo, Carupana and Mata de Urama). Tourist route planning in the town of Tauramena. Skill-building for local officials.
Support for communities and institutions as part of the Merecure project abandonment process.	Colombia	Ad-hoc contributions to 25 hamlets forming part of the road corridor and direct area of influence of the Merecure block, specifically including assistance with families' living plans, breeding projects, technological equipment and tools for educational centres.
Health campaign	Peru	In conjunction with our health officers, we helped the towns within our area of influence by donating medicine, furniture, medical equipment, computers and office equipment.
School campaign	Peru	Donation of audiovisual equipment for primary and secondary school classrooms at the Jaime Tseng school in Macuya.
Macuya road upgrade - Summer Plan II	Peru	Upgrade of the local roads of Macuya as part of a multi-stakeholder partnership between Cepsa and the town of Puerto Inca.
Sustainability Plan	Peru	Technical consultancy to diagnose the state of the local roads in the town of Macuya with the aim of identifying those most relied on and apt for resurfacing using public sources of financing.
Productive projects	Peru	Reinforcement of productive capabilities in the cacao chain for grower families in the towns of Macuya, Los Ángeles and Primavera.
Tubular well drilling	Peru	Drilling of a tubular well for the supply of drinking water to the town of Macuya.

Noteworthy initiatives pursued by the Foundation in 2023:

Name of initiative	Scope	Country	Description of initiative and associated impact
SDGs in school	Social support - School-goers	Spain	Volunteering programme aimed at teaching primary school children about the Sustainable Development Goals and 2030 Agenda. We also developed an adapted version for students with intellectual disabilities.
Cepsa and employability	Social support – Job seekers	Spain	Volunteering programme aimed at helping job seekers join the labour market through by providing training to complement the employability programmes run by social entities such as the Santa María La Real Foundation.
Food distribution assistance	Social support – Vulnerable families	Algeria, Spain and Portugal	Support for food drives for vulnerable families, this being one of Cepsa's most established initiatives across a number of locations.
Emergency relief	Social and environmental support - Society in general	Morocco and Spain	Donation of €24,000 to Red Cross Spain to support its efforts to assist the victims of the earthquake in Morocco. With the town hall of Tenerife, we also donated €24,000 to help with the recovery of the area affected by the fire in the Teide National Park (Canaries).
Help with energy efficiency for vulnerable groups	Social and environmental support - Homeless people and vulnerable families	Spain	We worked with the town council of Algeciras to improve energy efficiency at a new night shelter for the homeless in the Pescadores neighbourhood. In addition, our volunteers, having first received training on energy savings from ECODES, participate in diagnosing the energy efficiency of vulnerable households, making recommendations about how to save.
Staff environmental awareness drives.	Positive environmental impact	Spain	In Santa Cruz de Tenerife we organised our second Biodiversity Seminar event where people come together to reflect on and share knowledge about nature recovery and conservation projects.
ComFuturo, programme with the CSIC Foundation	Science learning - Researchers	Spain	We participated in the third edition of the ComFuturo programme, a public-private partnership aimed at capturing young talent and fostering innovative research addressing issues such as climate change, energy harnessing, waste recovery and GHG emission abatement.
Micro research projects with the Cepsa Foundation's University Chairs	Science learning - University students	Spain	Through the Cepsa Foundation's Chairs at the universities of Cadiz, La Laguna, Huelva and Malaga and with Madrid's Polytechnic University's School of Mining and Energy, annually we fund embryonic-stage research related with energy storage, decarbonisation, the circular economy, waste and pollution recovery, biofuels, energy efficiency, green hydrogen, CO_2 capture and conversion, carbon footprinting, climate change and technological innovation.
Science fairs	Science learning – Teenagers and youths	Spain	Support for a number of scientific dissemination initiatives so as to share the work and outcomes of researchers with young people in an amenable and attractive manner. We collaborated with the International Science Days (Cadiz), La Orotava Science Fair (Canaries) and Macaronight and its Scientific Careers Fair.

Grievances from local communities

Grievances from local communities in Exploration & Production

	2023	2022
Grievances (no.)	17	24
Grievances addressed and resolved (no.)	12	23
Grievances addressed and resolved (%)	71 %	96 %
Grievances resolved through remediation (no.)	—	4
Grievances resolved through remediation (%)	— %	17 %

Grievances from local communities in industrial facilities in Spain

	2023	2022
Grievances (no.)	5	—
Grievances addressed and resolved (no.)	5	—
Grievances addressed and resolved (%)	100 %	— %
Grievances resolved through remediation (no.)	5	—
Grievances resolved through remediation (%)	100 %	— %

Active community engagement

Consultations with local communities around Exploration & Production assets

	2023	2022
Assets in local communities (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 (%)	100 %	100 %

2.7.2

Customers

Grievance management

Requests and grievances received and answered

		2023	2022
Requests received	Total number	581,751	581,016
	Number answered	573,750	576,201
Grievances unsubstantiated	Total number	266	221
	Number answered	266	221
Grievances substantiated	Total number	562	374
	Number answered	562	374
Grievances outstanding	Total number	8	1

2.7.3

Institutional relations

[GRI 2-28] Membership of associations

Contributions to initiatives and associations (€)[1]

	2023	2022
Contributions to industry advocacy organisations	881,022	868,334
Total	**2,936,742**	**2,894,448**

1. The expense reported reflects total spending on associations, including spending on associations that advocate for the company's industry. Under no circumstances can that expenditure be considered spending on lobbying or defence of self-interests; nor is it spending on local, regional or national political campaigns, political parties or candidates or spending related with policy or elections. The company bans political and electoral contributions and spending on lobbying under any circumstances.

Main contributions by industry (€)[1,2]

Industry	2023	2022
Energy industry	266,401	232,888
Chemical industry	176,589	111,461

1. Energy industry: percentage share in AOP, Fuels Europe, the Spanish Hydrogen Association, Hydrogen Europe, GASNAM and Eurogas of expenditure earmarked for industry advocacy activities. Cepsa joined Hydrogen Europe and GASNAM in 2023.
2. Percentage share in CEFIC and FEIQUE of expenditure earmarked for industry advocacy activities.

Main contributions by organisation (€)

Organisation	2023	2022
AOP	117,600	102,000
CEFIC	145,449	83,081
Fuels Europe	135,638	127,763

2.8
EU taxonomy

The EU Taxonomy Regulation does not directly apply to Cepsa. However, we report, voluntarily, the proportion of our economic activities that contribute to one or more of the EU's environmental objectives. We see the Taxonomy as a further measuring stick for assessing our strategic transformation into a key player in the energy transition, by diversifying our products and services and developing new and increasingly sustainable business lines. 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. In 2023 we moved along our roadmap for transforming our business model, reporting Taxonomy-aligned CapEx of 15.06% compared to 5.59% the year before.

2.8.1
Setting the scene

The 2015 Paris Agreement led the European Union (EU) to draw up the European Green Deal and the Sustainable Finance Action Plan. These efforts seek to channel investments towards a circular, competitive and climate-neutral economy. In line with this initiative, the EU developed the 'green' Taxonomy regulatory framework to identify sustainable activities and increase capital flows into these activities.

It started up this framework in June 2020, with Regulation (EU) 2020/852 (the "Taxonomy Regulation"), and continued in 2021 with Commission Delegated Regulation (EU) 2021/2139 (the "Climate Delegated Regulation") and Commission Delegated Regulation (EU) 2021/2178 (the "Disclosure Delegated Regulation"). In 2022, it added Commission Delegated Regulation (EU) 2022/1214 on the nuclear energy and gas sectors, establishing the technical screening criteria for other environmental objectives.

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.
- 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; and

  c. They comply with the minimum safeguards.

2.8.2

Cepsa's Taxonomy-eligible and aligned activities

We conduct our business with a view to increasing our Taxonomy-eligible and aligned expenditure and turnover. By promoting these strategic thrusts, we can cover more of the economic activities outlined in the Regulation that qualify as contributing substantially towards climate neutrality.

Therefore, considering developments in the Taxonomy Regulation, we conducted an assessment to identify the economic activities listed in the delegated acts that match the activities carried on by the company.

For the first time this year, we assessed which activities could be subject to the screening criteria for the four remaining environmental objectives following the publication of Commission Delegated Regulation (EU) 2023/2486. We studied the different annexes outlining the activities related to the objectives covering protection of water and marine resources, the transition to a circular economy, pollution prevention and control and the protection and restoration of biodiversity, determining that we do not have any eligible activities.

We assessed each of the three KPIs, identifying the Taxonomy-eligible activities shown below. For Cepsa, these relate to the objective of substantial contribution to climate change mitigation:

Activity	Taxonomy activity code	Description of the activity
3.1	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
4.1	Electricity generation using solar photovoltaic technology	Development of solar power plants (photovoltaic)
4.3	Electricity generation from wind power	Operation of wind farms
4.13	Manufacture of biogas and biofuels for use in transport and of bioliquids	Production of biofuels and co-processing activities at the Energy Parks
4.29	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	Innovation centre activities

2.8.3
Activity selection and compliance assessment process

To provide disclosures on our EU Taxonomy-eligible and aligned economic activities, we segmented each of our activities into the "most fine-grained units of analysis"; i.e. the lowest level to determine which are eligible and which comply with the alignment criteria laid down in the Taxonomy Regulation.

We analysed the eligible activities' substantial contribution to the climate change mitigation objective, determining their performance and assessing potential compliance with the substantial contribution limits and requirements stipulated in the regulation and determining those activities that are potentially aligned.

We also assessed the DNSH or 'Do not significant harm' criteria through an ad-hoc corporate-wide and facility-specific study to factor in the technical characteristics of each in the analysis..

Specifically, in relation to 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.

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, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. We reviewed documentation, such as the Code of Ethics and Conduct, corporate policies, operating procedures, the internal control system and employee training programmes.

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. In all instances, the process was sufficiently granular to ensure the absence of any double-counting.

2.8.4
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 total consolidated revenue (denominator) for 2023.

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 2023 Integrated Report.

The CapEx KPI is defined as Taxonomy-eligible and/or aligned CapEx (numerator) divided by total CapEx (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 (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.

2.8.5

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 2023

2023	Year			Substantial contribution criteria						DNSH criteria ("Do Not Significantly Harm")									
Economic activities (1)	**Code(s) (2)**	**Turnover (3)**	**Proportion of turnover, 2023**	**Climate change mitigation (5)**	**Climate change adaptation (6)**	**Water (7)**	**Pollution (8)**	**Circular Economy (9)**	**Biodiversity (10)**	**Climate change mitigation (11)**	**Climate change adaptation (12)**	**Water (13)**	**Pollution (14)**	**Circular economy (15)**	**Biodiversity (16))**	**Minimum safeguards (17)**	**Proportion of Taxonomy aligned (A.1) or eligible (A.2) turnover, 2022 (18)**	**Category enabling activity (19)**	**Category transitional activity (20)**
		€k	**%**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**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	CCM 3.10.	0	— %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	Y	Y	Y	— %		
Manufacture of organic basic chemicals	CCM 3.14.	8,030	0.03 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	Y	Y	Y	— %		T
Electricity generation using solar photovoltaic technology	CCM 4.1.	0	— %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	Y	Y	Y	— %		
Electricity generation from wind power	CCM 4.3.	3,714	0.01 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	Y	Y	Y	0.02 %		
Manufacture of biogas and biofuels for use in transport and of bioliquids	CCM 4.13.	0	— %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	Y	Y	Y	— %		
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15.	76	— %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	Y	Y	Y	— %	E	
Installation, maintenance and repair of renewable energy technologies	CCM 7.6.	0	— %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	Y	Y	Y	— %	E	
Close to market research, development and innovation	CCM 9.1.	0	— %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	Y	Y	Y	— %	E	
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**11,820**	**0.05 %**	**— %**	**— %**	**— %**	**— %**	**— %**	**— %**	**-**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0.02 %**	**—**	**—**
Of which: Enabling		76	— %	— %	— %	— %	— %	— %	— %	-	Y	Y	Y	Y	Y	Y	— %	E	—
Of which: Transitional		8,030	— %							-	Y	Y	Y	Y	Y	Y	— %		T

2023	Year			Substantial contribution criteria						DNSH criteria ("Do Not Significantly Harm")									
Economic activities (1)	Code(s) (2)	Turnover (3)	Proportion of turnover, 2023	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1) or eligible (A.2) turnover, 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
		€k	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**										
Manufacture of hydrogen	CCM 3.10.	0	— %	EL	N/EL	N/EL	N/EL	N/EL	N/EL	—	—	—	—	—	—	—	— %	—	—
Manufacture of organic basic chemicals	CCM 3.14.	2,382,950	9.47 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL	—	—	—	—	—	—	—	9.61 %	—	—
Manufacture of biogas and biofuels for use in transport and of bioliquids	CCM 4.13.	12,738	0.05 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL	—	—	—	—	—	—	—	0.03 %	—	—
Electricity generation from fossil gaseous fuels	CCM 4.29.	0	— %	EL	N/EL	N/EL	N/EL	N/EL	N/EL	—	—	—	—	—	—	—	— %	—	—
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	CCM 4.30.	212,624	0.85 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL	—	—	—	—	—	—	—	2.07 %	—	—
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		2,608,312	10.37 %	10.37 %	— %	— %	— %	— %	— %								11.73 %	—	—
Total (A.1+ A.2)		**2,620,131**	**10.41 %**	**10.41 %**	**— %**	**— %**	**— %**	**— %**	**— %**								**11.73 %**	**—**	**—**
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities (B)		22,538,690	89.59 %																
Total (A + B)		**25,158,821**	**100 %**																

	Proportion of turnover/Total turnover	
	Taxonomy-aligned per objective	**Taxonomy-eligible per objective**
CCM[58]	0.05 %	10.37 %
CCA[59]	— %	— %
WTR[60]	— %	— %
CE[61]	— %	— %
PPC[62]	— %	— %
BIO[63]	— %	— %

[58] Climate change mitigation: CCM
[59] Climate change adaptation: CCA
[60] Water and marine resources: WMR
[61] Circular economy: CE
[62] Pollution prevention and control: PPC
[63] Biodiversity and ecosystems: BIO

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering 2023

2023	Year			Substantial contribution criteria						DNSH criteria ("Do Not Significantly Harm")									
Economic activities (1)	Code(s) (2)	CapEx (3)	Proportion of CapEx, 2023 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1 or eligible (A.2) CapEx, 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
		€k	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	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	CCM 3.10.	10,591	1.49 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	Y	Y	Y	— %		
Manufacture of organic basic chemicals	CCM 3.14.	2,798	0.39 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	Y	Y	Y	— %		T
Electricity generation using solar photovoltaic technology	CCM 4.1.	49,153	6.92 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	Y	Y	Y	3.08 %		
Electricity generation from wind power	CCM 4.3.	2,129	0.30 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	Y	Y	Y	0.03 %		
Manufacture of biogas and biofuels for use in transport and of bioliquids	CCM 4.13.	12,689	1.79 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	Y	Y	Y	0.00 %		
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15.	22,799	3.21 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	Y	Y	Y	1.97 %	E	
Installation, maintenance and repair of renewable energy technologies	CCM 7.6.	4,128	0.58 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	Y	Y	Y	0.26 %	E	
Close to market research, development and innovation	CCM 9.1.	2,745	0.39 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	Y	Y	Y	0.25 %	E	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**107,031**	**15.06 %**	**15.06 %**	**— %**	**— %**	**— %**	**— %**	**— %**	-	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**5.59 %**		
Of which: Enabling		29,672	4.17 %	— %	— %	— %	— %	— %	— %	-	Y	Y	Y	Y	Y	Y	2.48 %	E	
Of which: Transitional		2,798	0.39 %	0.39 %						-	Y	Y	Y	Y	Y	Y	0.00 %		T

2023	Year			Substantial contribution criteria						DNSH criteria ("Do Not Significantly Harm")									
Economic activities (1)	Code(s) (2)	CapEx (3)	Proportion of CapEx, 2023 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1 or eligible (A.2) CapEx, 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
		€k	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of hydrogen	CCM 3.10.	1,364	0.19 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.31 %		
Manufacture of organic basic chemicals	CCM 3.14.	76,916	10.82 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								10.49 %		
Electricity generation using solar photovoltaic technology[64]	CCM 4.1.	-4,301	(0.61) %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.00 %		
Manufacture of biogas and biofuels for use in transport and of bioliquids	CCM 4.13.	5,221	0.73 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.95 %		
Electricity generation from fossil gaseous fuels	CCM 4.29.	7	— %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								— %		
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	CCM 4.30.	9,106	1.28 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								2.74 %		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		88,313	12.43 %	12.43 %	— %	— %	— %	— %	— %								15.49 %		
Total (A.1+ A.2)		**195,345**	**27.49 %**	**27.49 %**	**— %**	**— %**	**— %**	**— %**	**— %**								**21.08 %**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities (B)		515,376	72.51 %																
Total (A + B)		**710,721**	**100 %**																

[64] Gain/loss on the derecognition of impaired assets at Mitra Epsilon, S.L.U

	Proportion of CapEx/Total CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM[65]	15.06 %	12.43 %
CCA[66]	— %	— %
WTR[67]	— %	— %
CE[68]	— %	— %
PPC[69]	— %	— %
BIO[70]	— %	— %

[65] Climate change mitigation: CCM
[66] Climate change adaptation: CCA
[67] Water and marine resources: WMR
[68] Circular economy: CE
[69] Pollution prevention and control: PPC
[70] Biodiversity and ecosystems: BIO

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering 2023

2023	Year			Substantial contribution criteria						DNSH criteria ("Do Not Significantly Harm")									
Economic activities (1)	Code(s) (2)	OpEx (3)	Proportion of OpEx, 2023 (4	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1 or eligible (A.2) OpEx, 2022 (18))	Category enabling activity (19)	Category transitional activity (20)
		€k	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	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	CCM 3.10.	387	0.14 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	Y	Y	Y	— %		
Manufacture of organic basic chemicals	CCM 3.14.	2,408	0.84 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	Y	Y	Y	— %		T
Electricity generation using solar photovoltaic technology	CCM 4.1.	0	— %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	Y	Y	Y	— %		
Electricity generation from wind power	CCM 4.3.	586	0.21 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	Y	Y	Y	0.17 %		
Manufacture of biogas and biofuels for use in transport and of bioliquids	CCM 4.13.	733	0.26 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	Y	Y	Y	—		
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15.	1	0.00 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	Y	Y	Y	—	E	
Installation, maintenance and repair of renewable energy technologies	CCM 7.6.	66	0.02 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	Y	Y	Y	—	E	
Close to market research, development and innovation	CCM 9.1.	31	0.01 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	Y	Y	Y	—	E	
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**4,213**	**1.48 %**	**1 %**	**— %**	**— %**	**— %**	**— %**	**— %**	-	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0.17 %**		
Of which: Enabling		99	0.03 %	— %	— %	— %	— %	— %	— %	-	Y	Y	Y	Y	Y	Y	— %	E	
Of which: Transitional		2,408	0.84 %							-	Y	Y	Y	Y	Y	Y	— %		T

2023	Year			Substantial contribution criteria						DNSH criteria (“Do Not Significantly Harm”)									
Economic activities (1)	Code(s) (2)	OpEx (3)	Proportion of OpEx, 2023 (4	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14))	Circular economy (15)	Biodiversity (16))	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1 or eligible (A.2) OpEx, 2022 (18))	Category enabling activity (19))	Category transitional activity (20)
		€k	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of hydrogen	CCM 3.10.	20	0.01 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.24 %		
Manufacture of organic basic chemicals	CCM 3.14.	30,444	10.66 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								10.62 %		
Manufacture of biogas and biofuels for use in transport and of bioliquids	CCM 4.13.	1,880	0.66 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.58 %		
Electricity generation from fossil gaseous	CCM 4.29.	0	— %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								— %		
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	CCM 4.30.	8,181	2.87 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								2.64 %		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		40,524	14.19 %	14.19 %	— %	— %	— %	— %	— %								14.08 %		
Total (A.1+ A.2)		**44,737**	**15.67 %**	**15.67 %**	**— %**	**— %**	**— %**	**— %**	**— %**								**14.25 %**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities (B)		240,759	84.33 %																
Total (A + B)		**285,496**	**100 %**																

	Proportion of OpEx/Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM[71]	1.48 %	14.19 %
CCA[72]	— %	— %
WTR[73]	— %	— %
CE[74]	— %	— %
PPC[75]	— %	— %
BIO[76]	— %	— %

[71] Climate change mitigation: CCM
[72] Climate change adaptation: CCA
[73] Water and marine resources: WMR
[74] Circular economy: CE
[75] Pollution prevention and control: PPC
[76] Biodiversity and ecosystems: BIO

Appendix 3
Key risks

The spectrum of risks to which the company is exposed can be grouped into four major categories: strategic, financial, operational and compliance. The risks itemised below could, either on a standalone basis on in combination with other risks, have a material adverse impact on implementation of our strategy, on our business operations or on our earnings performance.

Risk category	Description and control measures
Strategic risks	
Regulatory developments, energy transition and sustainability	We have aligned our strategy and operations around regulatory requirements and stakeholder expectations regarding climate change and the energy transition. Geopolitical tensions, changes in the social, economic or business environment, unexpected market changes, tighter regulations or application thereof, technology challenges and how they unfold and changes in the pace of the energy transition could have adverse effects on one or more aspects of our strategy, so having an adverse impact on the company's businesses, earning performance and financial situation. 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 2023 we updated the financial impact calculations associated with our climate change risks in keeping with TCFD recommendations, aligning the climate scenarios and calculation criteria to get more granular results. We also fine-tuned the risk map associated with our Decarbonisation Plan to reflect the progress made on our sustainability projects.
Market demand and competition risk	We operate in highly competitive markets where product differentiation poses a considerable challenge. Changes in market conditions and newcomers to the market could affect our margins and market shares. The need to speed up the energy transition process means we are facing an increasingly diverse and rapidly evolving field of competitors who are entering the 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, one of our core values.
Financial risks	
Commodity price risk	We operate all along the energy value chain. As such, we are exposed to fluctuations in commodity prices: oil, gas, CO2, electricity and by-products. Fluctuations in the commodities markets (as a result of exogenous factors) or potential supply interventions or restrictions could cause unexpected deviations in the assumptions used for planning purposes, with scope for upside as well as downside for the company. Price fluctuations, volatilities and liquidity in these markets are tracked constantly and managed using hedging strategies. Strategies are likewise devised to streamline production processes and boost efficiency, thereby reducing energy dependence and maximising margins.

Risk category	Description and control measures
Liquidity risk	Issues associated with the ability to meet all our payment obligations, whether operational (recurring) or projected (related with projects or investments), and payments arising from debt maturities, including the risk of episodes of financial market stress implying higher borrowing costs for the company. We pursue a conservative financing policy to mitigate liquidity risk, holding considerable amounts of unrestricted cash and cash equivalents and undrawn credit facilities to meet future payment obligations. 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.
Tax strategy and management	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. We are exposed to changes in the tax regulations applicable in the countries where we have operations and different interpretations of existing regulations by the taxation authorities. The main goal of our tax strategy is to ensure Group-wide compliance with applicable tax legislation in the various different jurisdictions
Operational risks	
Process, employee and environmental safety	Industrial assets and other facilities intrinsic to Cepsa's business expose it to incidents/accidents that could cause temporary business interruptions or, in the worst case scenario, damage to third parties or the environment. The safety management systems in place at all levels of the organisation are based on international standards. We run our facilities in such a way as to ensure the integrity of our operations and the existence of controls to minimise the consequences of potential accidents, as set down in our HSEQ Policy. In addition, we have formulated a new safety vision and culture - Safety in Motion - which features a safety culture action plan and company-wide awareness initiatives.
Data security	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. Our cybersecurity management is articulated around international standards, a governance model underpinned by specific policies and procedures, as well as regular reporting to the Management Committee. We use secure architectures in the IT and OT environments and have drawn up disaster recovery and incident response plans. We also provide specific training on cybersecurity and work to foster a culture of cybersecurity throughout the organisation.
Project execution risk	Implementation of our Positive Motion strategy involves the execution of numerous and ambitious projects. A shortage of the goods and services needed to execute these projects, exacerbated by geopolitical tensions that are affecting global supply chains, coupled with growing demand for parts associated with low-emissions generation technology 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, by extension, our financial performance and delivery of our strategy. Note that the prevailing macroeconomic environment, marked by globally escalating prices for equipment and raw materials, could lead to investment budget deviations. We manage this risk through in-depth planning and ongoing control of all project costs and deadlines.
Talent and culture management risk	The challenges thrown up by the energy transition and digital transformation thrusts require a new business culture shaped by more participative processes and new forms of leadership. As a company in the midst of executing an energy sector transition strategy, we are exposed to the risk of not being able to attract and retain the right talent or not being able to align our organisational models and corporate culture with these new challenges. So that our corporate culture and strategic transformation can evolve in tandem, we are rolling out a programme based on effective communication and active and inclusive leadership.

Risk category	Description and control measures
Compliance risks	
Regulatory compliance and ethical conduct	Ethical misconduct or the breach of rules and regulations expose us to criminal or administrative proceedings that could have an adverse effect on our reputation, operations, financial performance or stakeholder value. Our Code of Ethics and Conduct is designed to minimise our exposure to these risks and is underpinned by a criminal and anti-bribery compliance system certified in accordance with international standards.
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 in 2023 due to geopolitical tensions, could have severe financial impacts for the company, specifically including 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 our Control Policy on Sanctions and Embargoes in Trade Relations, Exports and Dual-Use Goods. 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 being analysed.
Litigation and arbitration	We are party to a series of administrative, judicial and arbitration proceedings in relation with claims arising in the ordinary course of business. Irrespective of the amounts being sought in each instance, it is not possible to predict the scope and final outcome of these proceedings reliably. Based on current information, management considers that these risks are reasonably covered by the amount of provisions recognised.

The main emerging risks identified include:

Emerging risks	Description and control measures
Third-party viability risks	Movements in supply chains to new locations, pressure on margins as a result of the prevailing inflation and difficulties in attracting and retaining skilled labour are affecting the viability of numerous companies. In order to be able to execute our strategic plan, we are adopting business models that will require the creation of numerous alliances at different links in the value chain. The risk that key third parties could declare bankruptcy, violate regulations of any kind or fail to live up to the standards set by the company could impact ongoing projects or even lead to episodes of business discontinuity. We have identified and assessed what impacts such a scenario could have in terms of costs, project returns and execution timeframes. To mitigate this risk we carry out exhaustive due diligence on third parties and monitor their financial and reputational performances.
Technological uncertainty associated with the energy transition	To implement the energy transition intrinsic to our strategic plan, we are executing projects based on technologies under development. The boom in research and rapid advances in new technologies could lead to the emergence of alternative technologies that could prove more efficient than those adopted by us. Such a scenario could have a significant adverse impact on the company as a result of asset obsolescence, the loss of markets or customers or the need for more capital to switch to such new and more efficient technologies. To mitigate this risk, we have set up a ‘technology radar’, so as to track trends in the main technologies associated with our business activities. We also hold annual meetings with our main technology partners and participate regularly in the leading technology seminars.
Mass availability of artificial intelligence (AI), particularly generative AI	Rapid growth in AI usage and capabilities, marked by models that are increasingly easy to deploy even by less digitally-savvy teams, the lack of technology standardisation and visibility around AI solutions within the enterprise and a regulatory environment that is still developing, is increasing exposure in areas such as privacy, cybersecurity, compliance, third-party relations, legal obligations and intellectual property. To tackle this challenge and ensure that AI is used safely and ethically, we are identifying and quantifying the possible impacts, as well as working on the development of data policies that increase awareness and tighten up compliance and setting up teams dedicated to data governance. Lastly, we have set up a multi-disciplinary team tasked with defining our AI governance framework.

Appendix 4
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 (UNE 19601) and the international standard on anti-bribery management systems (ISO 37001).

The control models audited and certified by the Assurance 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 2023, we continued to adapt our internal control system to align it with all the changes made within the organisation. In parallel, further improvements were made to the system, broadening its scope in the Exploration & Production, Commercial & Clean Energies and Mobility & New Commerce businesses. As regards the EU Taxonomy, work was done to ensure the quality of the disclosures provided.

SUPERVISION OF THE INTERNAL CONTROL SYSTEM AND THREE LINES OF DEFENCE MODEL

Internal control supervision

Board of Directors
Approves the risk control and management policy and supervises the internal reporting and control systems. Guarantees an internal control system that is conducive to generating reliable, complete and timely financial and non-financial information, laying the foundations for any other compliance programme needed.

Audit, Compliance, Ethics and Risk (CACER) Committee
Tasked with overseeing 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.

Three lines of defence model

GOVERNANCE BODIES
Accountability before stakeholders for the organisation's supervision.
Governing body's roles: honesty, leadership and transparency.

Management
Setting the tone from the top, Code of Ethics and Conduct and control policies and elements to create a conducive framework for the control system.

Internal audit
Independent assurance.

First line of defence roles: directly responsible for managing the organisation's risks and controls and for implementing and maintaining a consistently effective internal control system.

Second line of defence roles: supervising the risks, controls and compliance matters stipulated by the Board of Directors, suggesting guidelines and improvements and controlling execution by the first line.

Key units: Risk, Compliance and Internal Control, Cybersecurity and HSEQ.

Third line of defence roles: proactively ensuring that the internal control system is working properly, carrying out its duties in line with the International Standards for the Professional Practice of Internal Auditing and Quality Assessment (QA), providing independent and objective assurance on any matter related with the delivery of targets.

EXTERNAL ASSURANCE PROVIDERS

Key ↑ Accountability, reports ↓ Delegation, management resources and supervision ↔ Alignment, communication, coordination and collaboration

Internal assurance providers

External auditors and regulators independently verify that we are compliant with our requirements and performing the controls put in place to ensure the correct functioning of the corporate governance and risk management and control systems before certification.

ISAE 3000 (International Standard on Assurance Engagements)
UNE 19601 (crime prevention model certification)
ISO 37001 (international standard on anti-bribery management systems

Internal control system

Control objectives
ICFR: Provide reasonable assurance about the reliability of the financial information disclosed to the markets.
ICNFR: Provide reasonable assurance about the integrity and accuracy of the non-financial information published in the Integrated Report.

Mechanisms
Internal control manual for identifying and assessing risks, control objectives, control structures (general, process, reporting systems) and the segregation of duties.

Crime prevention model (CPM))

Control objectives
Prevent the commission of crimes within the organisation.

Mechanisms
Crime prevention policy, crime prevention manual, body of rules and procedures for identifying criminal risks and their management through internal controls.

Anti-bribery and anti-corruption model

Control objectives
Prevention of bribery and corruption related risks.

Mechanisms
Policies for preventing bribery and corruption in the public and private spheres, Crime Prevention Model, general (segregation of duties) and specific process controls.

Supervisory model

1. Review of compliance and internal control designs
2. External audit of the system's correct design and effectiveness
3. Certification of the control model by L3, L2, L1, the CEO and the control owners
4. Supervision by the CACER and regular reporting to the business L1

Appendix 5
Additional financial information

5.1

Profits

Country-by-country profits (€ thousand)

Country	2023	2022
Spain	(810,157)	266,540
Algeria	115,539	235,091
Belgium	1,471	1,589
Brazil	44,204	62,338
Canada	3,441	27,396
China	(9,555)	(721)
Colombia	29,324	90,556
United Arab Emirates	259,483	282,786
United States	(46)	(43)
Indonesia	1,197	53,471
Italy	2,350	9,249
Mexico	(4,689)	(3,642)
Morocco	3,555	1,949
Nigeria	2,687	18,025
Netherlands	83,385	2,859
Peru	8,296	13,560
Portugal	19,700	19,729
United Kingdom	7,022	13,925
Singapore	26,810	19,370
Suriname	(3,866)	(25,927)
Thailand	42	6,822
Luxembourg	(13,032)	4,739
Total	**(232,839)**	**1,099,661**

5.2

Value generated and distributed

[GRI 201-1] Direct economic value generated and distributed

Direct economic value generated (€ million)

Direct economic value generated	2023	2022
Revenue (including excise duty)	25,159	33,877
Other operating income	95	91
Finance income	377	407
Share of profit of associates	14	103
Proceeds from disposals of assets	30	22
Total	**25,675**	**34,500**

Direct economic value distributed (€ million)

Direct economic value distributed	2023	2022
Economic relationships with suppliers (including purchases of crude oil, raw materials and energy products)	20,928	28,221
Payments to capital providers	1,022	727
Shareholders	821	578
Financiers	201	149
Total taxes paid by Cepsa[1]	3,077	3,634
Total employee salaries and compensation	833	836
Investment in social programmes and initiatives	5	4
Total	**25,865**	**33,422**

1. Includes excise duty, income tax and other taxes.

Direct economic value retained (€ million)

	2023	2022
Direct economic value retained	-190	1,078

5.3

Additional Exploration & Production indicators

Net production volume and projected production volume (mmboe)[1, 2, 3]

	Production volume		Projections
	2023	2022	2027
Fossil	10.6	24.6	7.7
Natural gas	0.8	0.8	0.3
Total	**11.4**	**25.4**	**8.0**

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 = 6000 scf; 1 boe = 1 bbl LPG.
3. The figure reported includes production in Abu Dabi until 15 March 2023.

Net estimated hydrocarbon reserves (mmboe)[1, 2]

	2023		2022	
	Proved reserves (1P)	Proved + probable reserves (2P)	Proved reserves (1P)	Proved + probable reserves (2P)
Fossil	72.6	90.0	252.7	360.5
Natural gas	2.0	2.5	2.5	3.2
Total	**74.6**	**92.5**	**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 = 6000 scf; 1 boe = 1 bbl LPG.

Production costs ($/ BOE)[1,2]

	Weighted average for the last three years
Production costs	8.89

1. The figure reported includes production in Abu Dhabi until 15 March 2023.
2. The figures does not include the cost of workovers or of assets without production.

Appendix 6

Country-by-country reporting of taxes

[GRI 207-4] Country-by-country reporting

Country-by-country reporting 2022

Company	Tax jurisdiction	Revenues from third-party sales (€)	Revenues from intra-group transactions (€)	Total revenues (€)	Profit/(loss) before tax (€)	Income tax paid (on a cash basis) (€)	Income tax accrued. Current year (€)	Stated capital (€)	Accumulated 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 2021 (€)

Company	Tax jurisdiction	Revenues from third-party sales	Revenues from intra-group transactions	Total revenues	Profit/(loss) before tax	Income tax paid (on a cash basis)	Income tax accrued. Current year	Stated capital	Accumulated earnings	Tangible assets other than cash and cash equivalents
Spain	Spain	27,482,738,021	23,783,473,118	51,266,211,139	523,869,946	(144,282,255)	(46,571,244)	2,118,454,479	4,416,509,740	4,019,610,490
Algeria	Algeria	180,727,607	426,587,690	607,315,297	404,809,522	(244,184,800)	(167,985,643)	—	—	345,059,718
Belgium	Belgium	11,215	3,774,334	3,785,549	2,126,621	(363,798)	(537,370)	65,000	2,126,620	4,403
Brazil	Brazil	451,771,652	26,047,677	477,819,329	153,158,308	(8,605,508)	(50,815,226)	111,530,241	246,325,802	60,876,702
Canada	Canada	229,958,525	63,995,759	293,954,284	37,358,301	(15,826,044)	(9,962,696)	1,151,998	37,358,301	45,342,989
China	China	551,098,058	318,903,672	870,001,730	(9,094,121)	—	1,475,519	267,813,580	(9,094,121)	371,419,318
Colombia	Colombia	177,735,513	5,816,015	183,551,528	112,548,484	(24,488,910)	(22,338,700)	—	—	77,137,833
Italy	Italy	96,511,474	2,440,787	98,952,261	11,840,842	(1,616,042)	(2,865,875)	6,000,000	12,430,362	1,841,173
Luxembourg	Luxembourg	4,352,996	—	4,352,996	(12,307,630)	(331,422)	(7,816)	2,725,000	3,771,148	—
Malaysia	Malaysia	—	—	—	—	(26,866)	—	—	—	—
Mexico	Mexico	158,591,411	—	158,591,411	(3,356,992)	(259,615)	—	18,404,402	(3,241,046)	2,547,152
Morocco	Morocco	4,509,594	—	4,509,594	4,421,625	—	—	41,618,216	4,425,101	—
Netherlands	Netherlands	14,757,807	5,514,381	20,272,188	17,494,870	(1,129,555)	(919,986)	184,460,311	198,736,685	4,106
Peru	Peru	43,973,086	1,650,215	45,623,301	25,331,851	(13,096,557)	(12,696,455)	95,168,877	42,203,353	16,733,712
Portugal	Portugal	1,310,178,354	340,117,490	1,650,295,844	26,103,410	(14,876,289)	(6,997,272)	53,547,051	50,730,274	106,413,107
Singapore	Singapore	3,792,362,271	184,168,363	3,976,530,634	26,397,628	(1,234,331)	(2,522,876)	461,467	26,391,556	335,170
Suriname	Suriname	291,807	3,890,451	4,182,258	(28,060,221)	—	2,133,522	—	—	—
Thailand	Thailand	1,715,889	—	1,715,889	2,003,381	197,898	(1,813)	3,878,374	2,003,381	—
United Arab Emirates	United Arab Emirates	9,011,795	1,442,645,540	1,451,657,335	1,169,358,022	(939,243,479)	(906,931,820)	405,806	(82,601)	1,584,654,381
UK	UK	129,140,336	1,390,852	130,531,188	15,492,883	(4,198,133)	(2,930,555)	3,337,490	15,492,883	232,451
USA	USA	—	—	—	(43,007)	—	—	8,477	—	—

List of companies and core business

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 (RHOURDE 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

COMPANY	TAX JURISDICTION	Business
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
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
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	Other
FUNDACIÓN CEPSA	Spain	Non-profit organisations; Intragroup financing
CEPSA FINANCE, S.A.U.	Spain	Intragroup financing
CEPSA TREASURY, S.A.U.	Spain	Sales, marketing and distribution
CEPSA GAS COMERCIALIZADORA, S.A.	Spain	Sales, marketing and distribution
MITRA MEDULAS SLU	Spain	Sales, marketing and distribution
MITRA ALFA SLU	Spain	Sales, marketing and distribution
MITRA BETA SLU	Spain	Sales, marketing and distribution
MITRA GAMMA SLU	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
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
GASIB SOCIEDAD IBERICA DE GAS LICUADO, 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
MITRA TAU, S.L.U.	Spain	Sales, marketing and distribution
MITRA RO, S.L.U.	Spain	Sales, marketing and distribution
MITRA OMEGA, S.L.U.	Spain	Sales, marketing and distribution

COMPANY	TAX JURISDICTION	Business
CEPSA EXPLORACION Y PRODUCION, S.L.U.	Spain	Administration, management and support services
CEPSA (RHOURDE EL ROUNI) LTD., Establecimiento Permanente	Algeria	Manufacturing and production
CEPSA ALGERIE S.L., Establecimiento Permanenete	Algeria	Manufacturing and production
CEPSA QUIMICA BELGIUM, N.V.	Belgium	Sales, marketing and distribution
DETEN QUIMICA, S.A.	Brazil	Manufacturing and production
PETRESA PARTICIPAÇOES, 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
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
NEXT CHEMICALS MEXICO, SRLCV	Mexico	Idle
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. - SUCURSAL EN PORTUGAL	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 EP ABU DHABI, S.L.U (Abu Dhabi Branch)	United Arab Emirates	Manufacturing and production
CEPSA UK, LTD.	UK	Sales, marketing and distribution
CEPSA TRADING AMERICAS, INC	USA	Sales, marketing and distribution

Appendix 7

Sustainability standard index

7.1

Non-financial statement

Contents required under Spanish Law 11/2018	GRI standards	Reference in the Integrated Report
GENERAL INFORMATION		
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	1.4 Our businesses
Operating markets	GRI 2-1 Organizational details GRI 2-6 Activities, value chain and other business relationships	1.3 Global footprint
The undertaking's objectives and strategy	GRI 2-22 Statement on sustainable development strategy GRI 3-3 Management of material topics	1.4 Our businesses 2.3 Sustainability management | 2.3.1 We integrate sustainability into our business
Main trends and factors that could affect future development	GRI 2-22 Statement on sustainable development strategy GRI 201-2 Financial implications and other risks and opportunities due to climate change	1.4 Our businesses 4.1 Business environment
Reporting framework used	Reports prepared using the GRI Standards as their guide	Appendix 1. About this report
Materiality principle	GRI 3-1 Process to determine material topics GRI 3-2 List of material topics	2.3 Sustainability management | 2.3.2 Stakeholders and materiality
Description of policies	GRI 2-23 Policy commitments GRI 3-3 Management of material topics GRI 2-12 Role of the highest governance body in overseeing the management of impacts	2.3 Sustainability management | 2.3.1 We integrate sustainability into our business
Outcomes of policies	GRI 3-3 Management of material topics	1.5 Customer-centric strategy 1.6 Transformational innovation, digitalisation and cybersecurity 2.3 Sustainability management 3.1 Advancing towards a net zero world 3.2 Managing the environment responsibly 3.3 Ready for workplace change 3.4 Safety in Motion: striving for excellence 3.5 Sustainable supply chain 3.6 Ethical and respectful conduct 3.7 Fiscal transparency and responsibility 3.8 Giving back to local communities
Principal short-, medium- and long-term risks	GRI 201-2 Financial implications and other risks and opportunities due to climate change GRI 403-2 Hazard identification, risk assessment, and incident investigation GRI 205-1 Operations assessed for risks related to corruption	2.2 Risk management 3.1 Advancing towards a net zero world | 3.1.3 Climate change: risk and opportunity management 3.4 Safety in Motion: striving for excellence | 3.4.4 Excellence in safety 3.6 Ethical and respectful conduct | 3.6.1. Ethics in our day-to-day operations Appendix 3. Key risks
Key performance indicators	-	The key performance indicators pertaining to the non-financial information are distributed throughout the report. Refer to the cross-reference table for further details.

Contents required under Spanish Law 11/2018	GRI standards	Reference in the Integrated Report
	ENVIRONMENTAL MATTERS	
DETAILED GENERAL INFORMATION		
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 Managing the environment responsibly | 3.2.1 Managerial excellence 3.4 Safety in Motion: striving for excellence | 3.4.4 Excellence in safety
Environmental assessment and certification processes	GRI 2-23 Policy commitments	3.2 Managing the environment responsibly | 3.2.1 Managerial excellence
Resources dedicated to preventing environmental risks	GRI 3-3 Management of material topics	3.2 Managing the environment responsibly
How the precautionary principle is addressed	GRI 3-3 Management of material topics	3.2 Managing the environment responsibly | 3.2.1 Managerial excellence
Amount of provisions recorded or guarantees extended for environmental claims	GRI 3-3 Management of material topics	3.2 Managing the environment responsibly | 3.2.1 Managerial excellence For further information about provisions, refer to Note 21. *Provisions and other obligatio*ns of the company's annual financial statements
POLLUTION		
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 (NOx), sulfur oxides (SOx) other significant air emissions	3.1 Advancing towards a net zero world | 3.1.4 Key climate change metrics 3.2 Managing the environment responsibly | 3.2.5 Continuous control of our air emissions Appendix 2. Sustainability performance | 2.1 Climate change Appendix 2. Sustainability performance | 2.2 Environment
CIRCULAR ECONOMY, PREVENTION AND WASTE MANAGEMENT		
Measures for the prevention, recycling, reuse and other forms of recovering and eliminating waste. Initiatives undertaken to eliminate food waste	GRI 3-3 Management of material topics GRI 306-1 Waste generation and significant waste-related impacts GRI 306-2 Management of 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 Managing the environment responsibly | 3.2.4 Making our operations more sustainable
SUSTAINABLE USE OF RESOURCES		
Water consumption and supply, in keeping with local limitations	GRI 3-3 Management of material topics GRI 303-3 Water withdrawal GRI 303-5 Water consumption	3.2 Managing the environment responsibly | 3.2.2 Responsible water consumption Appendix 2. Sustainability performance | 2.2 Environment
Use and protection of raw materials	GRI 301-1 Materials used by weight or volume GRI 301-2 Recycled input materials used	Appendix 2. Sustainability performance | 2.2 Environment
Direct and indirect energy consumption. Measures taken to improve energy efficiency. Use of renewable sources of energy	GRI 3-3 Management of material topics GRI 302-1 Energy consumption within the organization GRI 302-2 Energy consumption outside the organization GRI 302-3 Energy intensity	3.1 Advancing towards a net zero world | 3.1.4 Key climate change metrics Appendix 2. Sustainability performance | 2.1 Climate change
CLIMATE CHANGE		
Greenhouse gas emissions generated as a result of the undertaking's activity, including through use of the goods and services it produces	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 305-4 GHG emissions intensity	3.1 Advancing towards a net zero world | 3.1.4 Key climate change metrics Appendix 2. Sustainability performance | 2.1 Climate change

Contents required under Spanish Law 11/2018	GRI standards	Reference in the Integrated Report
Measures taken to adapt for the consequences of climate change	GRI 3-3 Management of material topics GRI 201-2 Financial implications and other risks and opportunities due to climate change GRI 305-5 Reduction of GHG emissions	3.1 Advancing towards a net zero world
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 GRI 305-5 Reduction of GHG emissions	2.3 Sustainability management | 2.3.1 We integrate sustainability into our business 3.1 Advancing towards a net zero world | 3.1.2 Climate strategy
BIODIVERSITY PROTECTION		
Measures taken to preserve or restore biodiversity	GRI 3-3 Management of material topics GRI 304-3 Habitats protected or restored	3.2 Managing the environment responsibly | 3.2.3 Fostering biodiversity Appendix 2. Sustainability performance | 2.2 Environment
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 GRI 304-2 Significant impacts of activities, products, and services on biodiversity	3.2 Managing the environment responsibly | 3.2.3 Fostering biodiversity Appendix 2. Sustainability performance | 2.2 Environment
SOCIAL AND EMPLOYEE MATTERS		
EMPLOYMENT		
Total number and breakdown of employees by country, gender, age and employee category	GRI 2-7 Employees GRI 3-3 Management of material topics GRI 405-1 Diversity of governance bodies and employees	3.3 Ready for workplace change Appendix 2. Sustainability performance | 2.3 Human resources
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	Appendix 2. Sustainability performance | 2.3 Human resources
Number of dismissals by gender, age and employee category	GRI 401-1 New employees hires and employee turnover	Appendix 2. Sustainability performance | 2.3 Human resources
Average pay and trend broken down by gender, age, employee category or equivalent metric	GRI 2-21 Annual total compensation ratio GRI 405-2 Ratio of basic salary and remuneration of women to men	Appendix 2. Sustainability performance | 2.3 Human resources
Wage gap, remuneration per equivalent job or company average	GRI 405-2 Ratio of basic salary and remuneration of women to men	Appendix 2. Sustainability performance | 2.3 Human resources
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 GRI 2-20 Process to determine remuneration	Appendix 2. Sustainability performance | 2.3 Human resources
Implementation of right-to-disconnect policies	GRI 3-3 Management of material topics	3.3 Ready for workplace change | 3.3.1 Talent with purpose
Number of employees with a disability	GRI 405-1 Diversity of governance bodies and employees	Appendix 2. Sustainability performance | 2.3 Human resources
ORGANISATION OF WORK		
Organisation of working time	GRI 2-7 Employees	3.3 Ready for workplace change | 3.3.1 Talent with purpose Appendix 2. Sustainability performance | 2.3 Human resources
Absenteeism in hours	GRI 3-3 Management of material topics	Appendix 2. Sustainability performance - 2.3 Human resources
Measures designed to facilitate work-life balance and sharing of caring responsibilities	GRI 3-3 Management of material topics GRI 401-3 Parental leave	3.3 Ready for workplace change | 3.3.1 Talent with purpose 3.3 Ready for workplace change | 3.3.2 A diverse and inclusive workplace

Contents required under Spanish Law 11/2018	GRI standards	Reference in the Integrated Report
HEALTH AND SAFETY		
Health and safety conditions in the workplace	GRI 3-3 Management of material topics GRI 403-1 Workers covered by an occupational health and safety management system GRI 403-2 Hazard identification, risk assessment, and incident investigation GRI 403-3 Occupational health services GRI 403-4 Worker participation, consultation, and communication on occupational health and safety GRI 403-5 Worker training on occupational health and safety GRI 403-6 Promotion of worker health GRI 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships GRI 403-8 Workers covered by an occupational health and safety management system	3.4 Safety in Motion: striving for excellence Appendix 2. Sustainability performance | 2.4 Occupational health and safety
Workplace accidents, specifying frequency and severity and work-related illnesses, broken down by gender	GRI 403-2 Hazard identification, risk assessment, and incident investigation GRI 403-9 Work-related injuries GRI 403-10 Work-related ill health	Appendix 2. Sustainability performance | 2.4 Occupational health and safety
MANAGEMENT-EMPLOYEE RELATIONS		
How management-employee dialogue is organised, including procedures for informing and consulting employees and negotiating with them	GRI 3-3 Management of material topics GRI 2-29 Approach to stakeholder engagement GRI 2-30 Collective bargaining agreements GRI 402-1 Minimum notice periods regarding operational changes GRI 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	3.3 Ready for workplace change | 3.3.5 Social dialogue and labour relations
Percentage of employees covered by collective bargaining agreements by country	GRI 2-30 Collective bargaining agreements	3.3 Ready for workplace change | 3.3.5 Social dialogue and labour relations Appendix 2. Sustainability performance | 2.3 Human resources
List of collective bargaining agreements, particularly with respect to workplace health and safety	GRI 403-4 Worker participation, consultation, and communication on occupational health and safety	3.3 Ready for workplace change | 3.3.5 Social dialogue and labour relations
TRAINING		
Policies implemented in the area of training	GRI 404-2 Programs for upgrading employee skills and transition assistance programs GRI 403-5 Worker training on occupational health and safety	3.3 Ready for workplace change | 3.3.3 Learning culture
Total training hours by employee category	GRI 404-1 Average hours of training per year and per employee	Appendix 2. Sustainability performance | 2.3 Human resources
UNIVERSAL ACCESSIBILITY		
Accessibility for persons with disabilities	GRI 3-3 Management of material topics	3.3 Ready for workplace change | 3.3.2 A diverse and inclusive workplace
EQUALITY		
Measures taken to foster equal treatment of and opportunities for men and women	GRI 3-3 Management of material topics GRI 401-3 Parental leave	3.3 Ready for workplace change | 3.3.2 A diverse and inclusive workplace Appendix 2. Sustainability performance | 2.3 Human resources
Equality plans, measures taken to foster employment, anti-sexual/gender harassment protocols	GRI 3-3 Management of material topics	3.3 Ready for workplace change | 3.3.2 A diverse and inclusive workplace Appendix 2. Sustainability performance | 2.3 Human resources

Contents required under Spanish Law 11/2018	GRI standards	Reference in the Integrated Report
Anti-discrimination and diversity management policies	GRI 3-3 Management of material topics GRI 405-1 Diversity of governance bodies and employees GRI 405-2 Ratio of basic salary and remuneration of women to men	3.3 Ready for workplace change | 3.3.2 A diverse and inclusive workplace Appendix 2. Sustainability performance | 2.3 Human resources
	HUMAN RIGHTS	
DUE DILIGENCE PROCEDURES		
Human rights due diligence procedures	GRI 3-3 Management of material topics GRI 2-23 Policy commitments GRI 2-26 Mechanisms for seeking advice and raising concerns GRI 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk GRI 408-1 Operations and suppliers at significant risk for incidents of child labor 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 GRI 414-2 Negative social impacts in the supply chain and actions taken	3.6 Ethical and respectful conduct | 3.6.2 Human rights 3.8 Giving back to local communities | 3.8.1 Local community relations Appendix 2. Sustainability performance | 2.6 Ethics and human rights
Processes and arrangements for preventing human rights abuses and any measures taken to mitigate, manage and repair possible abuses that have materialised	GRI 3-3 Management of material topics GRI 2-26 Mechanisms for seeking advice and raising concerns GRI 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk GRI 408-1 Operations and suppliers at significant risk for incidents of child labor 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 GRI 414-2 Negative social impacts in the supply chain and actions taken	3.6 Ethical and respectful conduct | 3.6.2 Human rights Appendix 2. Sustainability performance | 2.6 Ethics and human rights
Claims of humans rights abuses	GRI 3-3 Management of material topics GRI 2-26 Mechanisms for seeking advice and raising concerns GRI 406-1 Incidents of discrimination and corrective actions taken GRI 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk GRI 408-1 Operations and suppliers at significant risk for incidents of child labor 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 GRI 414-2 Negative social impacts in the supply chain and actions taken	3.6 Ethical and respectful conduct | 3.6.2 Human rights Appendix 2. Sustainability performance | 2.6 Ethics and human rights

Contents required under Spanish Law 11/2018	GRI standards	Reference in the Integrated Report
Measures introduced to promote and comply with the provisions contained in the ILO's fundamental conventions covering the freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced or compulsory labour; the effective abolition of child labour; and the elimination of discrimination in respect of employment and occupation	GRI 3-3 Management of material topics GRI 2-23 Policy commitments	3.6 Ethical and respectful conduct | 3.6.2 Human rights
	CORRUPTION AND BRIBERY	
Measures taken to prevent corruption and bribery	GRI 3-3 Management of material topics GRI 2-23 Policy commitments GRI 2-26 Mechanisms for seeking advice and raising concerns GRI 205-1 Operations assessed for risks related to corruption GRI 205-2 Communication and training about anti-corruption policies and procedures GRI 205-3 Confirmed incidents of corruption and actions taken	3.6 Ethical and respectful conduct | 3.6.1. Ethics in our day-to-day operations Appendix 2. Sustainability performance | 2.6 Ethics and human rights
Measures to combat money laundering	GRI 3-3 Management of material topics GRI 2-23 Policy commitments GRI 2-26 Mechanisms for seeking advice and raising concerns GRI 205-1 Operations assessed for risks related to corruption GRI 205-2 Communication and training about anti-corruption policies and procedures GRI 205-3 Confirmed incidents of corruption and actions taken	3.6 Ethical and respectful conduct | 3.6.1. Ethics in our day-to-day operations
Contributions to non-profit entities	GRI 2-28 Membership of associations GRI 201-1 Direct economic value generated and distributed	2.3 Sustainability management | 2.3.2 Stakeholders and materiality Appendix 2. Sustainability performance | 2.7 Stakeholders Appendix 5. Additional financial information | 5.2 Value generated and distributed
	SOCIETY	
COMMITMENT TO SUSTAINABLE DEVELOPMENT		
Impact of the undertaking's activities on society in terms of local employment, development, communities and territories	GRI 3-3 Management of material topics GRI 2-25 Processes to remediate negative impacts GRI 201-1 Direct economic value generated and distributed GRI 202-2 Proportion of senior management hired from the local community GRI 203-1 Infrastructure investments and services supported GRI 203-2 Significant indirect economic impacts GRI 204-1 Proportion of spending on local suppliers 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	3.8 Giving back to local communities
Engagement with local community representatives; communication channels in place	GRI 2-29 Approach to stakeholder engagement 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	3.8 Giving back to local communities

Contents required under Spanish Law 11/2018	GRI standards	Reference in the Integrated Report
Membership of associations and sponsorships	GRI 2-28 Membership of associations GRI 201-1 Direct economic value generated and distributed	2.3 Sustainability management | 2.3.2 Stakeholders and materiality 3.8 Giving back to local communities Appendix 2. Sustainability performance | 2.7 Stakeholders
OUTSOURCING AND SUPPLIERS		
Inclusion in the purchasing policy of social, gender equality and environmental matters	GRI 3-3 Management of material topics GRI 204-1 Proportion of spending on local suppliers GRI 414-1 New suppliers that were screened using social criteria GRI 414-2 Negative social impacts in the supply chain and actions taken	3.5 Sustainable supply chain | 3.5.1 Procurement approach and positive supplier relations
Contemplation of social and environmental performance in supplier and subcontractor engagement	GRI 3-3 Management of material topics GRI 2-6 Activities, value chain and other business relationships GRI 414-1 New suppliers that were screened using social criteria GRI 414-2 Negative social impacts in the supply chain and actions taken	3.5 Sustainable supply chain | 3.5.1 Procurement approach and positive supplier relations Appendix 2. Sustainability performance | 2.5 Suppliers
Supervision and audit systems and their outcomes	GRI 2-6 Activities, value chain and other business relationships	3.5 Sustainable supply chain | 3.5.1 Procurement approach and positive supplier relations Appendix 2. Sustainability performance | 2.5 Suppliers
CONSUMERS		
Consumer health and safety measures	GRI 3-3 Management of material topics GRI 416-1 Assessment of the health and safety impacts of product and service categories	3.4 Safety in Motion: striving for excellence | 3.4.3 Product safety
Consumer claims, complaints and grievance systems	GRI 3-3 Management of material topics GRI 2-29 Approach to stakeholder engagement	1.5 Customer-centric strategy
TAX INFORMATION		
Country-by-country profits	GRI 3-3 Management of material topics GRI 201-1 Direct economic value generated and distributed GRI 207-4 Country-by-country reporting	Appendix 5. Additional financial information
Income tax paid	GRI 3-3 Management of material topics GRI 201-1 Direct economic value generated and distributed GRI 207-1 Approach to tax GRI 207-2 Tax governance, control, and risk management GRI 207-3 Stakeholder engagement and management of concerns related to tax GRI 207-4 Country-by-country reporting	3.7 Fiscal transparency and responsibility
Government grants received	GRI 201-4 Financial assistance received from government	
	OTHER RELEVANT INFORMATION	
Sustainable finance taxonomy	-	2.8 EU taxonomy

7.2

GRI contents

GRI standard	Description	Reference in the Integrated Report	GRI 11 Sector standard code	Explanatory notes
GRI 2: General disclosures				
2-1	Organizational details	1.3 Global footprint	—	Española de Petróleos, S.A. Public limited company (*sociedad anónima*). Registered office: Paseo de la Castellana, 259 A, 28046 Madrid (Spain).
2-2	Entities included in the organization's sustainability reporting	Appendix 1. About this report	—	
2-3	Reporting period, frequency and contact point	—	—	Report for financial year 2023 Annual. Contact points: comunicacion@cepsa.com sostenibilidad@cepsa.com
2-4	Restatements of information	—	—	Clarifications regarding data that may have been restated with respect to the last report are made in footnotes throughout this report.
2-5	External assurance	—	—	See the independent assurance report at the end of this document.
2-6	Activities, value chain and other business relationships	1.2 Value chain 1.4 Our businesses 3.5 Sustainable supply chain | 3.5.2 Our supply chain	—	—
2-7	Employees	Appendix 2. Sustainability performance | 2.3 Human resources	—	—
2-8	Workers who are not employees	—	—	The number of workers who are not employees was 5,674 in 2023 (2022: 5,039).
2-9	Governance structure and composition	2.1 Corporate governance | 2.1.1 Governing bodies and director selection	—	—
2-10	Nomination and selection of the highest governance body	2.1 Corporate governance | 2.1.1 Governing bodies and director selection	—	—
2-11	Chair of the highest governance body	2.1 Corporate governance | 2.1.1 Governing bodies and director selection	—	—
2-12	Role of the highest governance body in overseeing the management of impacts	2.1 Corporate governance | 2.1.1 Governing bodies and director selection	—	—
2-13	Delegation of responsibility for managing impacts	2.1 Corporate governance | 2.1.1 Governing bodies and director selection 2.3 Sustainability management | 2.3.1 We integrate sustainability into our business	—	—
2-14	Role of the highest governance body in sustainability reporting	2.3 Sustainability management | 2.3.1 We integrate sustainability into our business Appendix 1. About this report	—	—
2-15	Conflicts of interest	2.1 Corporate governance | 2.1.2 Conflicts of interest	—	—
2-16	Communication of critical concerns	2.1 Corporate governance | 2.1.1 Governing bodies and director selection 2.3 Sustainability management | 2.3.1 We integrate sustainability into our business	—	—
2-17	Collective knowledge of the highest governance body	2.1 Corporate governance | 2.1.1 Governing bodies and director selection	—	—

GRI standard	Description	Reference in the Integrated Report	GRI 11 Sector standard code	Explanatory notes
2-18	Evaluation of the performance of the highest governance body	2.1 Corporate governance | 2.1.1 Governing bodies and director selection	—	—
2-19	Remuneration policies	2.1 Corporate governance | 2.1.1 Governing bodies and director selection Appendix 2. Sustainability performance | 2.3 Human resources	—	—
2-20	Process to determine remuneration	2.1 Corporate governance | 2.1.1 Governing bodies and director selection Appendix 2. Sustainability performance | 2.3 Human resources	—	—
2-21	Annual total compensation ratio	Appendix 2. Sustainability performance | 2.3 Human resources	—	—
2-22	Statement on sustainable development strategy	Letter from the Chairman Letter from the CEO	—	—
2-23	Policy commitments	2.3 Sustainability management | 2.3.1 We integrate sustainability into our business	—	—
2-24	Embedding policy commitments	—	—	Responded throughout this Integrated Report.
2-25	Processes to remediate negative impacts	—	—	Responded throughout this Integrated Report.
2-26	Mechanisms for seeking advice and raising concerns	3.6 Ethical and respectful conduct | 3.6.1. Ethics in our day-to-day operations Appendix 2. Sustainability performance | 2.6 Ethics and human rights	—	—
2-27	Compliance with laws and regulations	—	—	There were no breaches according to the Company's reporting criteria. Note 26.4 Uncertainty related to treatment of corporate income tax and other taxes, of Cepsa's annual financial statements includes information on tax-related penalties in Colombia. Based on the opinion of its external advisors, the company considers that it is highly probable that the outcome of the legal proceedings will be favourable.
2-28	Membership of associations	2.3 Sustainability management | 2.3.2 Stakeholders and materiality Appendix 2. Sustainability performance | 2.7 Stakeholders	—	—
2-29	Approach to stakeholder engagement	2.3 Sustainability management | 2.3.2 Stakeholders and materiality 1.5 Customer-centric strategy 3.8 Giving back to local communities	—	—
2-30	Collective bargaining agreements	3.3 Ready for workplace change | 3.3.5 Social dialogue and labour relations Appendix 2. Sustainability performance | 2.3 Human resources	—	—

GRI standard	Description	Reference in the Integrated Report	GRI 11 Sector standard code	Explanatory notes
GRI 3: Material topics				
3-1	Process to determine material topics	2.3 Sustainability management | 2.3.2 Stakeholders and materiality	—	—
3-2	List of material topics	2.3 Sustainability management | 2.3.2 Stakeholders and materiality	—	—
Climate strategy and energy transition				
3-3	Management of material topics - Climate change and energy transition	3.1 Advancing towards a net zero world	11.1.1	—
201-2	Financial implications and other risks and opportunities due to climate change	3.1 Advancing towards a net zero world | 3.1.3 Climate change: risk and opportunity management	11.2.2	—
302-1	Energy consumption within the organization	3.1 Advancing towards a net zero world | 3.1.4 Key climate change metrics Appendix 2. Sustainability performance | 2.1 Climate change	11.1.2	—
302-2	Energy consumption outside the organization	Appendix 2. Sustainability performance | 2.1 Climate change	11.1.3	—
302-3	Energy intensity	Appendix 2. Sustainability performance | 2.1 Climate change	11.1.4	—
305-1	Direct (Scope 1) GHG emissions	3.1 Advancing towards a net zero world | 3.1.4 Key climate change metrics Appendix 2. Sustainability performance | 2.1 Climate change	11.1.5	—
305-2	Indirect (Scope 2) GHG emissions	3.1 Advancing towards a net zero world | 3.1.4 Key climate change metrics Appendix 2. Sustainability performance | 2.1 Climate change	11.1.6	—
305-3	Other indirect (Scope 3) GHG emissions	3.1 Advancing towards a net zero world | 3.1.4 Key climate change metrics Appendix 2. Sustainability performance | 2.1 Climate change	11.1.7	—
305-4	GHG emissions intensity	Appendix 2. Sustainability performance | 2.1 Climate change	11.1.8	—
305-5	Reduction of GHG emissions	3.1 Advancing towards a net zero world | 3.1.4 Key climate change metrics Appendix 2. Sustainability performance | 2.1 Climate change	11.2.3	—
Health and safety				
3-3	Management of material topics - Safety	3.4 Safety in Motion: striving for excellence	11.9.1	—
403-1	Occupational health and safety management system	3.4 Safety in Motion: striving for excellence | 3.4.4 Excellence in safety	11.9.2	—
403-2	Hazard identification, risk assessment, and incident investigation	3.4 Safety in Motion: striving for excellence | 3.4.4 Excellence in safety	11.9.3	—
403-3	Occupational health services	3.4 Safety in Motion: striving for excellence | 3.4.2 Workplace health	11.9.4	—

GRI standard	Description	Reference in the Integrated Report	GRI 11 Sector standard code	Explanatory notes
403-4	Worker participation, consultation, and communication on occupational health and safety	—	11.9.5	Workplace health and safety is what drives the establishment of labour conditions in the various collective bargaining agreements. The health and safety committees, as contemplated in applicable legislation and the collective bargaining agreements negotiated, are the bodies for consultation about the company's actions in this area. They are the forum for worker participation, consultation, and communication on occupational health and safety.
403-5	Worker training on occupational health and safety	3.3 Ready for workplace change | 3.3.3 Learning culture	11.9.6	—
403-6	Promotion of worker health	3.4 Safety in Motion: striving for excellence | 3.4.2 Workplace health	11.9.7	—
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	3.4 Safety in Motion: striving for excellence | 3.4.4 Excellence in safety	11.9.8	—
403-8	Workers covered by an occupational health and safety management system	—	11.9.9	99.9 % of employees and 100 % of workers who are not employees are covered by an occupational health and safety system subject to internal audit. Moreover, 98.8 % of employees and 92.4 % of workers who are not employees are covered by an occupational health and safety system that is audited or certified by a third party.
403-9	Work-related injuries (no. of hours worked)	3.4 Safety in Motion: striving for excellence Appendix 2. Sustainability performance | 2.4 Occupational health and safety	11.9.10	—
403-10	Work-related ill health	—	11.9.11	There were no cases of work-related ill health among employees or workers who are not employees in either 2023 or 2022. There were therefore no fatalities either. The main hazards with the potential to cause work-related ill health at the company are: exposure to noise, exposure to chemical products, overexertion and manual handling of loads.
416-1	Assessment of the health and safety impacts of product and service categories	—	11.3.3	We assess the health and safety impacts of all of our significant product and service categories.
Management of water resources				
3-3	Management of material topics - Management of water resources	3.2 Managing the environment responsibly | 3.2.2 Responsible water consumption	11.6.1	—
303-1	Interactions with water as a shared resource	3.2 Managing the environment responsibly | 3.2.2 Responsible water consumption	11.6.2	—
303-2	Management of water discharge-related impacts	3.2 Managing the environment responsibly | 3.2.2 Responsible water consumption	11.6.3	—

GRI standard	Description	Reference in the Integrated Report	GRI 11 Sector standard code	Explanatory notes
303-3	Water withdrawal	3.2 Managing the environment responsibly | 3.2.2 Responsible water consumption Appendix 2. Sustainability performance | 2.2 Environment	11.6.4	—
303-4	Water discharge	3.2 Managing the environment responsibly | 3.2.2 Responsible water consumption Appendix 2. Sustainability	11.6.5	—
303-5	Water consumption	Appendix 2. Sustainability performance | 2.2 Environment	11.6.6	—
Resilience vis-a-vis the business environment and regulations				
3-3	Management of material topics - Long-term business sustainability	1.1 Positive Motion 1.4 Our businesses 2.3 Sustainability management | 2.3.1 We integrate sustainability into our business 3.1 Advancing towards a net zero world	—	—
201-1	Direct economic value generated and distributed	Appendix 5. Additional financial information | 5.2 Value generated and distributed	11.14.2	—
Diversity and inclusion				
3-3	Management of material topics - Diversity and equal opportunities	3.3 Ready for workplace change | 3.3.2 A diverse and inclusive workplace	11.11.1	—
401-3	Parental leave	Appendix 2. Sustainability performance | 2.3 Human resources	11.10.4	—
405-1	Diversity of governance bodies and employees	Appendix 2. Sustainability performance | 2.3 Human resources	11.11.5	—
405-2	Ratio of basic salary and remuneration of women to men	Appendix 2. Sustainability performance | 2.3 Human resources	11.11.6	—
406-1	Incidents of discrimination and corrective actions taken	—	11.11.7	There were no incidents of discrimination in 2023 or 2022. Therefore, no corrective actions needed to be taken.
Circular economy				
3-3	Management of material topics - Circular economy	3.2 Managing the environment responsibly | 3.2.4 Making our operations more sustainable	11.5.1	—
301-1	Materials used by weight or volume	Appendix 2. Sustainability performance | 2.2 Environment	—	—
301-2	Recycled input materials used	Appendix 2. Sustainability performance | 2.2 Environment	—	The percentage of recycled input materials used in 2023 was 0.04 % (2022: 0.009 %). The data only include the Energy Parks, Commercial & Clean Energies and Chemicals businesses.
306-1	Waste generation and significant waste related impacts	3.2 Managing the environment responsibly | 3.2.4 Making our operations more sustainable	11.5.2	—
306-2	Management of significant waste-related impacts	3.2 Managing the environment responsibly | 3.2.4 Making our operations more sustainable	11.5.3	—
306-3	Waste generated	3.2 Managing the environment responsibly | 3.2.4 Making our operations more sustainable Appendix 2. Sustainability performance | 2.2 Environment	11.5.4	—
306-3 (2016)	Significant spills	Appendix 2. Sustainability performance | 2.2 Environment	11.8.2	—
306-4	Waste diverted from disposal	Appendix 2. Sustainability performance | 2.2 Environment	11.5.5	—

GRI standard	Description	Reference in the Integrated Report	GRI 11 Sector standard code	Explanatory notes
306-5	Waste directed to disposal	Appendix 2. Sustainability performance | 2.2 Environment	11.5.6	—
Customer centricity				
3-3	Management of material topics - Customer centricity	1.5 Customer-centric strategy	—	—
416-1	Assessment of the health and safety impacts of product and service categories	—	11.3.3	We assess the health and safety impacts of all of our significant product and service categories.
Employee wellbeing				
3-3	Management of material topics - Employee wellbeing	3.3 Ready for workplace change	—	75% employee engagement in 2023, according to the Qualtrics EX25 model, which includes the recommendation, motivation and personal realisation index.
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	—	11.10.3	Our collective bargaining agreements stipulate universal provision of benefits. There are no differences in the benefits provided to temporary or part-time employees relative to those provided to permanent or full-time employees.
Biodiversity				
3-3	Management of material topics - Biodiversity	3.2 Managing the environment responsibly | 3.2.3 Fostering biodiversity	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 2. Sustainability performance | 2.2 Environment	11.4.2	—
304-2	Significant impacts of activities, products, and services on biodiversity	3.2 Managing the environment responsibly | 3.2.3 Fostering biodiversity Appendix 2. Sustainability performance | 2.2 Environment	11.4.3	—
304-3	Habitats protected or restored	Appendix 2. Sustainability performance | 2.2 Environment	11.4.4	—
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Appendix 2. Sustainability performance | 2.2 Environment	11.4.5	—
Good governance				
3-3	Management of material topics - Good governance	2.1 Corporate governance | 2.1.1 Governing bodies and director selection 2.3 Sustainability management | 2.3.1 We integrate sustainability into our business	—	—
207-2	Tax governance, control, and risk management	3.7 Fiscal transparency and responsibility	11.21.5	—
405-1	Diversity of governance bodies and employees	Appendix 2. Sustainability performance | 2.3 Human resources	11.11.5	—
Sustainable supply chain				
3-3	Management of material topics - Sustainable supply chain	3.5 Sustainable supply chain	—	—

GRI standard	Description	Reference in the Integrated Report	GRI 11 Sector standard code	Explanatory notes
204-1	Proportion of spending on local suppliers	3.5 Sustainable supply chain | 3.5.2 Our supply chain Appendix 2. Sustainability performance | 2.5 Suppliers	11.14.6	—
308-1	New suppliers that were screened using environmental criteria	Appendix 2. Sustainability performance | 2.5 Suppliers	—	—
414-1	New suppliers that were screened using social criteria	Appendix 2. Sustainability performance | 2.5 Suppliers	11.10.8	—
414-2	Negative social impacts in the supply chain and actions taken	Appendix 2. Sustainability performance | 2.5 Suppliers	11.10.9	—
Cybersecurity				
3-3	Management of material topics - Cybersecurity	1.6 Transformational innovation, digitalisation and cybersecurity | 1.6.2 Information and operational cybersecurity	—	—
Social commitment				
3-3	Management of material topics - Social commitment	3.8 Giving back to local communities	11.14.1 11.15.1 11.17.1	—
202-2	Proportion of senior management hired from the local community	Appendix 2. Sustainability performance | 2.3 Human resources	11.11.2	—
203-1	Infrastructure investments and services supported	Appendix 2. Sustainability performance | 2.7 Stakeholders	11.14.4	—
203-2	Significant indirect economic impacts	3.8 Giving back to local communities Appendix 2. Sustainability performance | 2.7 Stakeholders	11.14.5	—
413-1	Operations with local community engagement, impact assessments, and development programs	3.8 Giving back to local communities	11.15.2	—
413-2	Operations with significant actual and potential negative impacts on local communities	3.8 Giving back to local communities	11.15.3	—
Human and labour rights				
3-3	Management of material topics - Human rights	3.6 Ethical and respectful conduct | 3.6.2 Human rights	11.13.1 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	—	—	None reported.
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	—	11.12.2	None reported.
410-1	Security personnel trained in human rights policies or procedures	Appendix 2. Sustainability performance | 2.6 Ethics and human rights	11.18.2	—
411-1	Incidents of violations involving rights of indigenous peoples	3.8 Giving back to local communities | 3.8.1 Local community relations	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.

GRI standard	Description	Reference in the Integrated Report	GRI 11 Sector standard code	Explanatory notes
Stakeholder engagement				
3-3	Management of material topics - Stakeholder engagement	2.3 Sustainability management | 2.3.2 Stakeholders and materiality	11.22.1	—
413-1	Operations with local community engagement, impact assessments, and development programs	3.8 Giving back to local communities	11.15.2	—
Ethics and compliance				
3-3	Management of material topics - Ethics and compliance	3.6 Ethical and respectful conduct | 3.6.1. Ethics in our day-to-day operations	11.20.1	—
205-1	Operations assessed for risks related to corruption	Appendix 2. Sustainability performance | 2.6 Ethics and human rights	11.20.2	—
205-2	Communication and training about anti-corruption policies and procedures	Appendix 2. Sustainability performance | 2.6 Ethics and human rights	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	A fine was confirmed in 2022 for breaching a CNMC Resolution in 2009. In 2023 the CNMC ruled that the amount of the fine was unchanged by virtue of the prohibition of *reformatio in peius.*
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.
Environmental impact management				
305-7	Nitrogen oxides (NO_X), sulfur oxides (SO_X), and other significant air emissions	3.2 Managing the environment responsibly | 3.2.5 Continuous control of our air emissions	11.3.2	—
Talent management				
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 2. Sustainability performance | 2.3 Human resources	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	We comply with the minimum notice periods regarding operational changes stipulated under collective bargaining agreements or, in the absence thereof, in the legislation applicable in each country.
404-1	Average hours of training per year per employee	Appendix 2. Sustainability performance | 2.3 Human resources	11.10.6	—
404-2	Programs for employee upskilling and transition assistance programs	3.3 Ready for workplace change | 3.3.3 Learning culture	11.10.7	—

GRI standard	Description	Reference in the Integrated Report	GRI 11 Sector standard code	Explanatory notes
Innovation, technology and digitalisation				
3-3	Management of material topics - Innovation, technology and digitalisation	1.6 Transformational innovation, digitalisation and cybersecurity | 1.6.1 Transformational innovation and digitalisation	—	—
Transparency				
3-3	Management of material topics - Tax transparency	3.7 Fiscal transparency and responsibility	11.21.1	—
201-4	Financial assistance received from government	—	11.21.3	Financial assistance received from government in 2023 and 2022 amounted to €32.1 million and €11.3 million, respectively.
207-1	Approach to tax	3.7 Fiscal transparency and responsibility	11.21.4	—
207-3	Stakeholder engagement and management of concerns related to tax	3.7 Fiscal transparency and responsibility	11.21.6	—
207-4	Country-by-country reporting	Appendix 6. Country-by-country reporting of taxes	11.21.7	—

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SASB contents

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 2. Sustainability performance | 2.1 Climate change	The percentage of Scope 1 emissions covered under emissions-limiting regulations was 95 % in 2023 and 2022.
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 2. Sustainability performance | 2.1 Climate change	—
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	3.1 Advancing towards a net zero world | 3.1.2 Climate strategy	—
RT-CH-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable, (4) total self-generated	302-1 (partial)	Appendix 2. Sustainability performance | 2.1 Climate change	—
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)	—	Appendix 2. Sustainability performance | 2.1 Climate change	—
EM-EP-420a.2	Estimated carbon dioxide emissions embedded in proved hydrocarbon reserves	305-1 305-2	Appendix 2. Sustainability performance | 2.1 Climate change	—
EM-EP-120a.1 EM-RM-120a.1 RT-CH-120a.1	Air emissions of the following pollutants: (1) NO_X (excluding N2O), (2) SO_X, (3) volatile organic compounds (VOCs), and (4) hazardous air pollutants (HAPs)	305-7	Appendix 2. Sustainability performance | 2.1 Climate change	—
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.
EM-EP-140a.1 RT-CH-140a.1	1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	303-3 303-5	Appendix 2. Sustainability performance | 2.2 Environment	—
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 2. Sustainability performance | 2.2 Environment	In 2023 the percentage of water recycled and reused at the Energy Parks was 29 % (2022: 24 %).
EM-EP-140a.2	Volume of produced water and flowback generated; percentage (1) discharged, (2) injected, (3) recycled; hydrocarbon content in discharged water	303-3 303-5 11.6.5 (partial)	Appendix 2. Sustainability performance | 2.2 Environment	—

Indicator	Description	Associated GRI indicator	Section	Explanatory notes
EM-RM-140a.2 RT-CH-140a.2	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	—	—	Zero incidents in 2023 and 2022.
RT-CH-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	303-1 (parcial)	3.2 Managing the environment responsibly | 3.2.2 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.
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 2. Sustainability performance | 2.2 Environment	—
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 Managing the environment responsibly | 3.2.1 Managerial excellence	—
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 in the Arctic or shorelines in 2023 or 2022.
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 2. Sustainability performance | 2.2 Environment	—
EM-EP-210a.1	Percentage of (1) proved and (2) probable reserves in or near areas of conflict	—	—	In 2023 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	—	—	In 2023, 0.6 % of proved reserves and 0.4 % of probable reserves were in or near areas of indigenous land. In 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	3.8 Giving back to local communities	—
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	3.8 Giving back to local communities	—
EM-EP-210b.2	Number and duration of non-technical delays	—	—	There were no non-technical delays in 2023 or 2022.

Indicator	Description	Associated GRI indicator	Section	Explanatory notes
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		Additional: Average employee safety training in the Exploration & Production business was 6.7 hours per employee in 2023 and 7.6 hours per employee in 2022.
EM-RM-320a.2	Discussion of management systems used to integrate a culture of safety	403-1	3.4 Safety in Motion: striving for excellence | 3.4.4 Excellence in safety	—
RT-CH-410a.1	Revenue from products designed for use-phase resource efficiency	—	—	€2,607,202 in 2023 and € 3,615,571 in 2022. The amount initially published for 2022 has been modified following a change of criterion.
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 2023 and 2022 contained health and environmental hazardous substances. All of these products underwent a risk assessment.
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.2]	Estimated carbon dioxide emissions embedded in proved hydrocarbon reserves		Appendix 2. Sustainability performance | 2.1 Climate change	—
EM-EP-420a.3	Amount invested in renewable energy, revenue generated by renewable energy sales	11.2.2 (partial)	—	In 2023 Cepsa invested €123.8 million in renewable energy (2022: €39.5 million).
EM-EP-510a.1	Percentage of (1) proved and (2) probable reserves in the countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	3-3 (partial)	—	No proved or probable reserves were located in these countries in 2022 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)	3.6 Ethical and respectful conduct | 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 2023 or 2022.
EM-EP-530a.1 EM-RM-530a.1 RT-CH-530a.1	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	—	2.3 Sustainability management | 2.3.2 Stakeholders and materiality	—

Indicator	Description	Associated GRI indicator	Section	Explanatory notes
EM-EP-540a.1 EM-RM-540a.1	Process Safety Event (PSE) rates for Loss of Primary Containment (LOPC) of greater consequence (Tier 1)	—	Appendix 2. Sustainability performance | 2.4 Occupational health and safety	—
RT-CH-540a.1	Process Safety Incidents Count (PSIC), Process Safety Total Incident Rate (PSTIR), and Process Safety Incident Severity Rate (PSISR)	—	Appendix 2. Sustainability performance | 2.4 Occupational health and safety	—
RT-CH.540a.2	Operational safety, emergency preparedness and response	—	—	In 2023 there were six transportation accidents (2022: 0) in the Chemicals business.
EM-EP-540a.2	Description of management systems used to identify and mitigate catastrophic and tail-end risks	403-2	3.4 Safety in Motion: striving for excellence | 3.4.2 Workplace health	—
EM-RM-540a.3	Discussion of measurement of Operating Discipline and Management System Performance through Tier 4 Indicators	—	3.4 Safety in Motion: striving for excellence | 3.4.4 Excellence in safety	—
EM-RM.000.A	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	—	4 Financial and business performance | 4.2. Key financial and business indicators	—
EM-RM.000B	Production by reportable segment	—	—	491 kbbl/d
EM-EP-000B	Refining operating capacity	—		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 offshore 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.

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Compañía Española de Petróleos, S.A. and Subsidiaries (Cepsa Group)

Consolidated Financial Statements and Integrated Management Report – 2023 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 2023 and drafted and approved by the Board of Directors of Compañía Española de Petróleos, S.A. at its meeting held on 7 March 2024, 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, 7 March 2024

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, 2023

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, 2023, 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 7, 2024 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.

March 7, 2024

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

CEPSA

alyazia

Ms. Alyazia Ali Saleh Ahmed Alkuwaiti
Director

Marwan Nijm

Mr. Marwan Naim Nijmeh
Director

Mr. James Robert Maguire
Director

Mr. Jacob Schram
Director

Mr. Abdulla Mohamed Ismail Ibrahim Shadid
Director

Mr. Jörg Christian Häring
Corporate Secretary (Non-Director)

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 2023

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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 2023

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 ("CNFIS") for the year ended 31 December 2023 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 "Appendix 7.1 Non-Financial Statement" table included in the accompanying Consolidated Directors' Report.

Responsibilities of the Directors

The preparation and content of the CNFIS included in the Group's Directors' Report are the responsibility of the Directors of Compañía Española de Petróleos, S.A. The CNFIS 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 "Appendix 7.1 Non-Financial Statement" table of the aforementioned Consolidated Directors' Report.

These responsibilities also include the design, implementation and maintenance of such internal control as is determined to be necessary to enable the CNFIS 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 CNFIS is obtained.

Deloitte, S.L. Inscrita en el Registro Mercantil de Madrid, tomo 13.650, sección 8ª, folio 188, hoja M-54414, inscripción 96ª. C.I.F.: B-79104469. Domicilio social: Plaza Pablo Ruiz Picasso, 1, Torre Picasso, 28020, Madrid.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), which is based on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management (ISQM) 1, which requires the firm to design, implement and operate a system of quality management including policies or 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.

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 the Group that participated in the preparation of the CNFIS, reviewing the processes used to compile and validate the information presented in the CNFIS, 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 2023 CNFIS based on the materiality analysis performed by the Group and described in section "2.3.2. Stakeholders and Materiality", 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 2023 CNFIS.
- Review of the information relating to risks and the policies and management approaches applied in relation to the material matters presented in the 2023 CNFIS.
- Verification, by means of sample-based review tests, of the information relating to the contents included in the 2023 CNFIS, and the appropriate compilation thereof based on the data furnished by information sources.
- Obtainment of a representation letter from the Directors and management.

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 CNFIS for the year ended 31 December 2023 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 "Appendix 7.1 Non-Financial Statement" table of the Consolidated Directors' Report.

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, based on the Delegated Acts adopted in accordance with the provisions of that Regulation, establishes the obligation to disclose information on how and to what extent an undertaking's activities are associated with eligible economic activities in relation to the environmental objectives of the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control and the protection and restoration of biodiversity and ecosystems (the other environmental objectives), and in respect of certain new activities included in the climate change mitigation and climate change adaptation objectives, for the first time for 2023, mainly in public interest entities, in addition to the information referring to eligible and aligned activities required in 2022 in relation to the climate change mitigation and climate change adaptation objectives. Although, as established in "Appendix 1. About this Report" and in "Appendix 2.8. 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 and has continued presenting it for 2023. Therefore, the accompanying CNFIS does not include comparative information on eligibility in relation to the other environmental objectives indicated above or to the new activities included in the 15-climate change mitigation and climate change adaptation objectives. Also, since the information relating to 2022 was not required with the same level of detail as in 2023, the information disclosed in the accompanying CNFIS is not strictly comparable either.

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 2.8. EU Taxonomy" in the accompanying CNFIS. Our conclusion is not modified in respect of this matter.

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

7 March 2024