



## Statement of corporate governance arrangements

Repsol Resources UK Limited and its subsidiaries (the “Group”) has adopted the Wates Corporate Governance Principles for Large Private Companies (Wates principles) and a short supporting statement is set out below to explain how each principle has been applied in the context of the Group’s specific circumstances.

### 1. Purpose and Leadership

*An effective board develops and promotes the purpose of a company and ensures that its values, strategy and culture align with that purpose.*

#### Purpose

The Group’s culture framework is made up of different elements: mission, vision, values and behaviours.

The Group’s mission is to be an energy company committed to a sustainable world and its purpose is to produce sustainable oil and gas that provides energy security and creates value in a sustainable manner, through innovation, efficiency, and respect for the progress of society. The Board applies these values and principles to its decision making process and actively promotes them to the business, employees and other stakeholders.

#### Values and Culture

The Board establishes the vision, strategy and values of the Group. The Group’s core values of Value creation, Respect, Efficiency and Anticipation underpin its operations and business practices. The behaviours guide the actions taken and interactions the Group has with others. Employees are actively encouraged to apply the values in a meaningful way and also to express their views through regular engagement forums and surveys. An Employee Forum is held quarterly and enables two-way communication between management and employees. Management also hold regular discussion with the workforce to allow open dialogue.

#### Strategy

The strategy is set by the Board and implemented by the CEO and Executive Management Team (EMT). The Board and EMT includes senior personnel who are UK resident and domiciled. The Board strategically reviews long-term value generating opportunities through regular Board meetings and as part of the work plan and budget which is developed on an annual basis by management and discussed within the EMT, in conjunction with the Board/under the Board’s direction. Performance against the work plan and budget is reviewed on a regular basis by management within the EMT and, in performance meetings with the CEO and at quarterly Board meetings. In setting the strategy the Board consults with the EMT and aligns the strategy with the North Sea Transition Authority (“NSTA”) Strategy (the “Strategy”) and in particular the Central Obligation in the Strategy to: (i) secure that the maximum value of economically recoverable petroleum is recovered from the strata beneath relevant UK waters; and, (ii) assist the Secretary of State in meeting the net zero target. The Board also applies the NSTA Strategy specific governance principles.



The Group has a number of key governance, policy and compliance documents, such as the Code of Ethics and Business Conduct. There is a whistleblowing channel and iCare process for employees to report concerns in confidence and (if they wish) anonymously.

The Integrated Management System contains the Group's policies, standards, guidelines and procedures to ensure operations are carried out in a safe and reliable manner in accordance with regulatory requirements and good business practice.

Our workforce is critical to delivery of the Group's strategy and initiatives such as the Employee Value Proposition (EVP) have been developed as a key part of strategic plan delivery. Further details are included below in the Remuneration section.

## **2. Board Composition**

*Effective board composition requires an effective chair and a balance of skills, backgrounds, experience and knowledge, with individual directors having sufficient capacity to make a valuable contribution. The size of a board should be guided by the scale and complexity of the company.*

### Size and structure

The governance structure consists of three levels: Shareholder, Board and EMT. Each level has defined decision and execution rights up to certain levels of financial authority. There are no sub-committees of the Board. Decisions relating to specific matters such as remuneration and risk are undertaken at the appropriate level of the governance structure with the Board retaining ultimate responsibility – this is considered appropriate for the structure, size and complexity of the organisation.

The Board is comprised of three executive directors all of whom also hold senior management positions on the EMT as Chief Executive Officer, Chief Financial Officer and Chief Commercial and Stakeholder Relations Officer respectively.

In line with Repsol's governance arrangements for its wholly owned subsidiaries across the wider group there are no non-executive directors on the Board of the company.

### Chair

Mr F. Rigardo has been appointed Chair of the Board and there is a division of his roles and responsibilities as CEO and Chair respectively. The Chair is responsible for the effectiveness of the Board, ensuring constructive discussions take place and that Board members have necessary and timely information to facilitate meaningful discussions.

### Effectiveness

The Board delegates authority for day-to-day management of the Group to the EMT through the leadership and supervision of the Chief Executive Officer.



The directors have equal voting rights when making decisions. All Directors have access to the advice and services of the Company Secretary and may, if they wish, take professional advice at the company's expense.

New directors receive a tailored induction programme and regular training is provided to the Board on areas including directors' health and safety, legal duties and regulatory obligations.

The experience of the Board is diverse with a wide range of knowledge and extensive technical and management experience in the oil and gas industry. A biography for each Board director can be found on the Governance page on the external website. The size and composition of the Board is appropriate to the company's size, nature and complexity of the business and its operations. The Board has a balance of skills, backgrounds, experience, and knowledge and also an appropriate senior level knowledge and experience of offshore upstream operations and of the specific requirements of operating in the UK Continental Shelf. The individual Board members have experience in operations, finance and stakeholder management ensuring a high degree of collective effectiveness relevant to the company's business needs and stakeholder interests.

The Board receives regular and timely information on all key aspects of the business from the EMT including health & safety, risks and opportunities, financial performance and operational matters, all supported by specific Key Performance Indicators. The Board has made and will continue to make use of the diverse skills of the EMT in its consideration of detailed matters including operational matters, financial reporting, risk, succession, and remuneration.

#### Diversity and Succession

The Board recognises that diversity is a challenge in the energy sector and is committed to implementing initiatives to address diversity and inclusion at all levels of the organisation.

The Board approves the Gender Pay Gap report which includes actions to reduce the gender pay gap. Expatriates will be included in future gender pay gap analyses. This will include senior female leaders and the ongoing implementation of Repsol's Inclusion and Diversity (I&D) policies, which will contribute to the continued improvement and evolution of the pay gap report.

### **3. Director Responsibilities**

*The board and individual directors should have a clear understanding of their accountability and responsibilities. The board's policies and procedures should support effective decision-making and independent challenge.*

#### Accountability

Each director has a clear understanding of their accountability and responsibilities. The Board has a programme of at least four Board meetings every year. Whilst Board oversight is always maintained, the individuals and committees with the most appropriate knowledge and industry experience are consulted with respect to key decisions.



The Board has a collective responsibility for governance and the delivery of the long-term success of the company. The Board approves strategy and ensures the Group is provided with the appropriate direction and resources to meet strategic goals.

The Board is accountable for the delivery of the approved work plan and budget as proposed by the EMT. The Board meets on a quarterly basis to review HSE and business performance against key performance indicators and to set strategic goals.

At each Board meeting, all Directors are asked to declare any potential conflicts of interest. These declarations are collated by the Company Secretary and where there are potential conflicts, appropriate safeguards are implemented.

#### Committees

The Board has not formed any committees with delegated authority.

#### Integrity of Information

Information is provided to monitor performance and ensure sound decision making. Assurance of information provided to inform Board decisions is performed by the responsible teams and functions in the UK business unit and by the relevant teams in the Repsol E&P group in accordance with the Repsol Norms and relevant reporting lines.

### **4. Opportunity and Risk**

*A Board should promote the long-term sustainable success of the Company by identifying opportunities to create and preserve value and establishing oversight for the identification and mitigation of risks.*

#### Opportunity

The Board seeks out opportunity whilst mitigating risk. All material strategic decisions are made by the Board. Sustainability and long-term prospects are at the forefront of Board decision making and strategy. The Company has launched several projects and initiatives to improve efficiencies and reduce costs in the interests of long-term sustainability – the workforce is fully engaged in all such initiatives with regular opportunities to share ideas and provide feedback to management.

#### Risk

The Group maintains a risk register and at its quarterly meetings the Board reviews key operational and financial risks as well as key strategic decisions including new business opportunities and the risks therein.

#### Responsibilities

The internal controls environment is under the custody of appropriate function heads. This is subject to review by the internal audit function. The Internal Audit Office Manager UK also



undertakes audits involving teams of specialists to review compliance with business processes.

## **5. Remuneration**

*A Board should promote executive remuneration structures aligned to the long-term sustainable success of a company, taking into account pay and conditions elsewhere in the Company.*

### Setting remuneration

Two directors are expatriates, and one director is a local employee.

The Group's remuneration structure consists of rewards dependent on role, location of origin (for expatriates) and experience and provides incentive structures aligned with the Group's long-term strategy, culture and values. The Group has implemented a professional progression model which provides a consistent set of base data for market salary analysis and a transparent and consistent method for career progression.

### Policies

The Employee Value Proposition (EVP) is the balance of benefits and rewards, workplace environment and professional development received by employees in return for their performance, engagement and contribution to the organisation. The EVP helps to shape a better place to work and is a key lever in supporting the Group's strategic plan delivery.

## **6. Stakeholder Relationships and Engagement**

*Directors should foster effective stakeholder relationships aligned to the Company's purpose. The Board is responsible for overseeing meaningful engagement with stakeholders, including the workforce, and having regard to their views when taking decisions.*

### External impacts

The company recognises its social, economic and environmental impact in particular on local communities. As part of the Corporate Social Responsibility programme the company supports charitable organisations in the local area.

### Stakeholders

The Chief Commercial and Stakeholder Relations Officer UK is responsible for management of stakeholder relations and impacts. The Chief Commercial and Stakeholder Relations Officer has also been appointed to the Board to ensure oversight of stakeholder engagement at Board level.

Stakeholders are a key focus; regular engagement with all stakeholders to create and preserve value and manage risk is a key priority. The workforce, both onshore or offshore, are given direct access to leadership and management, through various media platforms and engagement processes.



The Board is focused on creating and maintaining strong relationships with all stakeholders. There is therefore active engagement with other major stakeholders, which include regulatory bodies, government authorities and environmental groups, financial institutions, vendors, joint venture partners and the workforce. Initiatives include engagement events and an ongoing compliance programme. These are designed to ensure that reporting and compliance obligations are met, and that stakeholders' views are well-known and can be considered in decision making.

### Workforce

Listening to, and empowering employees is critical to achieving the Group's vision and strategy.

All the Directors and EMT engage with the workforce through informal events which give employees a voice including regular 'Let's Talk', 'Breakfast Clubs' and 'Mini Townhalls' and gather feedback through employee engagement surveys.

The outputs from these engagement sessions and employee surveys inform the EMT and Board and are used to formulate action plans. In addition, regular employee 'Townhalls' are delivered and provide a briefing on the Group's performance and allow individuals to raise questions and provide feedback. Employees are also involved in generating ideas and implementing transformation initiatives including process improvements, business development and operating efficiencies recognising that the workforce is closest to the operations of the business and in the best position to identify efficiencies.

The HSE awards are an important way for the company to recognise specific actions and behaviours taken by individual members of the workforce to ensure the safety of people and safe operations.

Employees have access to a "My Wellbeing" mental health platform that includes e-learning courses, online resources, surveys and support for any mental health problems and a Wellbeing Week is held annually with engagement events designed to enhance mental and physical wellbeing.

Employees are encouraged to report any concerns they may have to the Repsol Ethics and Compliance Channel on a confidential basis.

As part of the employee benefits package employees and their immediate family have free access to a number of employee Support Services via WeCare. WeCare offers a 24/7 UK based online GP, mental health counselling, a get fit programme and legal and financial guidance.

The company maintains an open and constructive relationship with the independent Trustee of its defined benefit pension scheme.

A Modern Slavery Act statement is published annually and is available on the webpage.



The company also complies with mandatory reporting on its payment practices and participates on a voluntary basis in the EITI (Extractive Industries Transparency Initiative). Please also refer to the Section 172 statement.

27 March 2025