



**SUSTAINABILITY COMMITTEE
OF THE BOARD OF DIRECTORS OF REPSOL, S.A.**

2019 ACTIVITIES REPORT

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1. BACKGROUND

In its meeting of May 27, 2015, in the framework of the assessment of its organisation and functioning conducted with external advice, the Board of Directors resolved to create the Sustainability Committee of the Board of Directors of Repsol, S.A., replacing the former Strategy, Investments and Corporate Social Responsibility Committee.

The establishment of this type of specialist Committee within the Board of Directors is envisaged in Recommendation 52 of the Spanish National Securities Market Commission's Good Governance Code for Listed Companies and in article 37 of Repsol's Articles of Association.

In this regard, pursuant to article 32 of the Board Regulations, this body can create specialist committees within it, with oversight, reporting, advisory and proposal functions, as well as the others that the law, the Articles of Association or those Regulations attribute it in the scope of its competences to facilitate decision-making by means of prior studies and to strengthen the objectivity and reflection guarantees with which the Board must address certain issues.

The structure, functioning and scope of activity of the Sustainability Committee of Repsol, S.A. is established in article 37 of the Board Regulations.

The Committee's main functions are the knowledge, focus, analysis and reporting on the strategies, policies, objectives and guidelines of the Repsol Group in the environmental, safety and sustainability area — assessing their degree of fulfilment — as well as the expectations of and relations with the Company's different stakeholders, the review and assessment of the non-financial risk management systems and the reporting of non-financial and diversity information.

Between its creation and December 31, 2019, the Sustainability Committee met on seventeen occasions (the last —within that period — on December 18, 2019).

2. COMPOSITION

The Board Regulations establish that the Sustainability Committee will be composed of at least three members, the majority of whom must be External Directors, who will be appointed by the Board taking into account their knowledge, skills and experience in accordance with the tasks of the Committee.

The Committee will appoint its Chairman among its members, who must in any case hold the status of External Director, while the Secretary of the Committee will be the Secretary of the Board of Directors.

The members of the Sustainability Committee exercise the position for four years from their appointment and can be re-elected once that period has elapsed. Notwithstanding re-election on one or more occasions, the Committee members will step down upon expiry of the stated period, when they do so in their capacity as Directors, or when the Board so resolves after a report from the Nomination Committee.

During the 2019 fiscal year, the composition of the Sustainability Committee was as follows:

From 1 January to 31 May 2019:

POSITION	MEMBERS	TYPE	FIRST DATE OF APPOINTMENT AS DIRECTOR
Chair	Mr. Mariano Marzo Carpio ⁽¹⁾	Independent External	19/05/2017
Member	Mr. Luis Carlos Croissier Batista ⁽²⁾	Independent External	31/05/2019
Member	Mr. José Manuel Loureda Mantiñán	Proprietary Non-Executive	31/01/2007

(1) Mr. Mariano Marzo Carpio is also the Independent Coordinating Director.

(2) Mr. Luis Carlos Croissier Batista ended his term as Company Director on 31 May 2019.

From 31 May to 31 December 2019:

Position	Members	Nature	First date of appointment as Director
Chair	Mr. Mariano Marzo Carpio	Independent External	19/05/2017
Member	Ms. Arantza Estefanía Larrañaga ⁽¹⁾	Independent External	31/05/2019
Member	Mr. José Manuel Loureda Mantiñán	Proprietary Non-Executive	31/01/2007
Member	Ms. Isabel Torremocha Ferrezuelo ⁽²⁾	Independent External	19/05/2017

(1) Ms. Arantza Estefanía Larrañaga was appointed Member of the Sustainability Committee on 31 May 2019.

(2) Ms. Isabel Torremocha Ferrezuelo was appointed Member of the Sustainability Committee on 31 May 2019.

In 2019, all the members of the Sustainability Committee held the status of “Independent External Directors” with the exception of Mr. Loureda, —who is “Proprietary Non-Executive” in accordance with the requirements set out in the Board Regulations—. They were appointed in



view of their recognised personal and professional prestige and to their experience and expertise for the exercise of their duties.

The professional profiles of the current members of the Committee are as follows:

MARIANO MARZO CARPIO
Independent Outside Director

Mr. Marzo was appointed Director of Repsol by the General Shareholders' Meeting of 19 May 2017.

Education: Bachelor's degree in Geology from the Universidad de Barcelona. PhD in Geological Sciences.

Experience: Mr. Marzo has worked in Europe, the United States, South America, the Middle East and North Africa, and he is a member of the American Association of Petroleum Geologists and the European Association of Petroleum Geoscientists & Engineers. Furthermore, Mr. Marzo has also served on several energy advisory boards of the central and autonomous community administrations as well as other institutions, and he has an ongoing relationship with the oil and gas industry, through the research applied to the sector of exploration and the sedimentological characterisation of oil fields.

Mr. Marzo has also served on the editorial boards of journals of renowned international prestige such as *Basin Research*, *Geology* and *Sedimentology*, and he has published numerous articles while also being extremely active as a speaker. His dissemination activity was rewarded with the "Universidad de Barcelona's Distinction for the Best Scientific and Humanistic Dissemination Activities" in 2014.

Other relevant positions: Since 1989, Mr. Marzo has been a Professor of Stratigraphy and Lecturer of Energy Resources and Petroleum Geology in the Earth Sciences Faculty at the Universidad de Barcelona, where he has developed his teaching career as a researcher, an academic, a writer and a speaker. He is also a member of the Advisory Board of the non-profit Club Español de la Energía and he was Director of Section 4 (Earth Sciences) of the "Reial Acadèmia de Ciències i Arts de Barcelona".

Board Committees on which he serves: Chair of the Sustainability Committee, Member of the Nomination Committee and Member of the Remuneration Committee.



ARANTZA ESTEFANÍA LARRAÑAGA
Independent External Director

Ms. Estefanía was appointed Director of Repsol by the General Shareholders Meeting of 31 May 2019.

Education: She graduated in Law with First Class Honours at the Universidad de Deusto winning the Award for Excellence in Academic Career.

Experience: From its foundation in 2000 until January 2019, she was Managing Partner of Uría Menéndez Abogados, S.L.P. in Bilbao. During those years, she performed various roles at the firm, notably including that of Director of the Practical Area of Procedural, Public, Arbitration and Criminal Law. Furthermore, she has been a member of Uría Menéndez's Board of Directors, Professional Practice Management Committee and Criminal Risk Prevention Committee.

She has earned recognised standing in the area of Commercial Law. She has been Secretary of the Board of Directors of several trading companies and entities and she is currently Secretary of the Board of Bilbao Exhibition Centre, S.A. On several occasions, she has been appointed as an Arbitrator by the Court of Arbitration of the Bilbao Chamber of Commerce to resolve commercial conflicts. Over more than thirty years, she has gained vast experience in the area of compliance and criminal risk prevention, as well as environment and security. In recent years, Ms. Estefanía has given multiple lectures with respect to the criminal liability and compliance of legal persons and she has also authored several publications.

Ms. Estefanía has been constantly recognised on an annual basis by Best Lawyer in Spain as leading lawyer in the practices of arbitration and mediation and as lawyer of the year in the procedural area. She also has teaching experience as adjunct lecturer of the Civil law Department of the Universidad de Deusto.

Other relevant positions: Since May 2019, she has formed part of the group of experts of the Basque Country Economic and Social Council, the advisory body of the Basque Government and Parliament, chairing that body's Economic Commission from December 2019. She is also an Independent Director at CIE Automotive, S.A.

Board Committees on which she serves: Member of the Appointments Committee and member of the Sustainability Committee.



JOSÉ MANUEL LOUREDA MANTIÑÁN
Proprietary Non-Executive (proposed by Sacyr, S.A.)

Mr. Loureda was appointed Director of Repsol following Board resolution dated 31 January 2007 and subsequently ratified and appointed by the General Shareholders Meeting on 9 May 2007 and re-elected by the General Shareholders Meeting on 15 April 2011 and 30 April 2015 and 31 May 2019.

Education: Mr. Loureda has a bachelor's degree in Roads, Canals and Ports Engineering.

Experience: He commenced his professional career at Ferrovial in 1965, where he occupied several positions. He was a founder of Sacyr, where he was CEO until 2000 and Chairman until 2004. From 2003 to 2004, and after Sacyr's merger with Vallehermoso, he was Chairman of the Sacyr Vallehermoso Group.

Other relevant positions: He is currently a Director of Sacyr, S.A. (representing Prilou, S.L.), Chairman of Valoriza Gestión, S.A.U. and Director of Sacyr Construcciones, S.A.U.

Board Committees on which he serves: Member of the Compensation Committee and member of the Sustainability Committee.

ISABEL TORREMOCHA FERREZUELO
Independent Non-Executive Director

Ms. Torremocha was appointed Director of Repsol by the General Shareholders Meeting of 19 May 2017.

Education: Graduate of Chemical Sciences from the Universidad Autónoma de Madrid. Postgraduate Specialisation in Plastics and Rubber course with the Spanish National Research Council (CSIC), Leadership Programme at ISD Business School, Management Development Programme at IESE Business School and Corporate Finance at IE Business School.

Experience: Ms. Torremocha commenced her professional career at Philips Iberia, joining Andersen Consulting (currently Accenture) in 1991, where she has developed her career in the Telecommunications, Media and High Technology sector. She has been Chief Executive Officer at Accenture and a Board member of Accenture España.

During her latest period at Accenture, working as Transformation Opportunities Director, Ms. Torremocha has led the creation and development of opportunities related to strategic transformations in the areas of information technologies, outsourcing of business processes and digital transformation in Spain, Portugal and Africa.

She has previously performed international roles, the most significant being that of Europe,



Africa and Latin America Operations Director, with responsibility for the establishment of the business strategy in these geographic areas.

She has also been responsible for diversity and equality in the Telecommunications, Media and High Technology division of Europe, Africa and Latin America, defining the plans for acceleration of the number of professional women in management positions and in succession plans.

Other relevant positions: She currently occupies the position of Director of Indra Sistemas, S.A. and she is also Trustee and Chairman of the Appointments Committee at the Plan International foundation, a member of the Instituto de Consejeros y Administradores (ICA), member of the Asociación Española de Directivos (AED) and member of the Foro de Foros foundation.

Board committees to which she belongs: Chairwoman of the Audit and Control Committee and member of the Sustainability Committee.

3. REGULATION OF THE SUSTAINABILITY COMMITTEE

The internal regulation of the Sustainability Committee is set out in article 37 ("The Sustainability Committee") of the Board Regulations.

The Board Regulations are registered at the Commercial Registry of Madrid and are accessible to the public via the Company's website (www.repsol.com).

4. FUNCTIONING

In accordance with the Board Regulation, the Sustainability Committee meets as many times as necessary for the fulfilment of the functions entrusted to it and whenever its Chair calls it or two of its members so request. The call of the meetings is communicated, with at least 48 hours' notice, by letter, telex, telegram, registered fax or email, and includes its agenda. The minutes of the previous meeting, whether approved or not, are appended to it, as well as the available information considered necessary.

The meetings normally take place in the registered office but can also be held in any other location determined by the Chair and indicated in the call notice.

For the Committee to be validly constituted, over half of the members must be in attendance, present or represented, except if there was no call, in which case the attendance of all of them



is required. The Committee members not personally in attendance at the meeting can grant their representation to another Committee member.

The resolutions must be passed with the vote in favour of the majority of the members present or represented.

The Secretary of the Committee draws up minutes of the resolutions passed in each meeting, which are made available to all the Directors. These minutes are delivered to all the Board members on a quarterly basis.

The Chair of the Committee reports to the Board of Directors on the development of its actions on a regular basis.

The Committee draws up an annual schedule of meetings and an action plan for each year, as well as an Annual Report on its activity, on which it reports to the plenary session of the Board.

Furthermore, at least once a year, the Committee assesses its functioning and the quality and effectiveness of its work, reporting the outcome of this assessment to the plenary session of the Board.

5. COMMITTEE RESOURCES

For the optimal fulfilment of its functions, the Committee can obtain the advice from lawyers or other external professionals, in which case the Secretary of the Board, at the request of the Committee Chair, will make arrangements for their hiring, and their work will be directly reported to the Committee.

The Committee can also request the collaboration of any member of the management team or the other staff.

6. MAIN ACTIVITIES DEVELOPED DURING 2019

In 2019, the Sustainability Committee held a total of four meetings, with the following in-person attendance data:

Director	Meetings
Mr. Mariano Marzo Carpio	4/4
Mr. Luis Carlos Croissier Batista ⁽¹⁾	1/1
Mr. José Manuel Loureda Mantiñán ⁽²⁾	3/4
Ms. Arantza Estefanía Larrañaga ⁽³⁾	3/3
Ms. Isabel Torremocha Ferrezuelo ⁽⁴⁾	3/3

(1) Mr. Croissier's mandate as Director ended on 31 May 2019.

(2) Mr. Loureda could not attend the meeting of 25 September 2019 in person for health reasons and attended represented by Mr. Marzo. The meeting documentation was sent to him before the meeting and so Mr. Loureda communicated his observations on it and his voting instructions prior to the meeting.

(3) Ms. Arantza Estefanía Larrañaga was appointed Member of the Sustainability Committee on 31 May 2019.

(4) Ms. Isabel Torremocha Ferrezuelo was appointed Member of the Sustainability Committee on 31 May 2019.

A summary of the main activities carried out by the Committee in 2019 is included below, grouped in relation to its basic functions¹. Furthermore, a schedule of the meetings held by the Sustainability Committee during 2019 is appended, with a description of the main matters dealt with in them.

¹ As recorded in article 37 of the Board Regulations, the following functions correspond to the Sustainability Committee:

- a) Know and guide the policies, objectives and guidelines of the Repsol Group in environmental and safety matters. Regularly review the Company's performance in safety and environment matters to review the effectiveness of the stated policies, objectives and guidelines, and to confirm that the operations are being managed safely and responsibly from an environmental viewpoint.
- b) Know, analyse and inform the Board on the expectations of the Company's different stakeholders, such as shareholders and financial community, employees, customers, suppliers and society in general.
- c) Propose to the Board the approval of Sustainability Policy and strategy, review it regularly along with the Corporate Governance rules and propose its update to the Board, with the aim of promoting the company's interest and maximising the long-term value for the Company's stakeholders.
- d) Oversee the relationship processes with the different stakeholders, particularly the shareholders and investors relations and communication strategy, including small and medium shareholders.
- e) Know, stimulate, guide and oversee the Company's objectives, action plans and practices on Corporate Social Responsibility and sustainability, such as human rights, health, safety and occupational risk prevention, employment, diversity and integration, equal opportunities and work-life balance, ethics and conduct, environment, biodiversity, fight against climate change, emission reduction, community relations and efficient and responsible use of resources. It will also be responsible for assessing their degree of fulfilment.
- f) Review and assess the non-financial risk management and control systems, particularly those related to matters under its responsibility.
- g) Know and review the existing indices and gauges to assess the Company's positioning in sustainability matters.
- h) Review the non-financial information and diversity reporting process, in accordance with the applicable regulations and the reference international standards.
- i) Know the legal changes that may significantly influence the Company in corporate social responsibility matters, as well as the emerging trends in sustainability, such as circular economy or natural capital, with the aim of driving action plans, as applicable.
- j) Any others related to matters for which it is responsible and that it is asked to perform by the Board of Directors or its Chair.



Moreover, the Chair of the Sustainability Committee held several working meetings with the heads of the different areas of the Company, on which he reported back to the other Committee members. Its participation in the VI Edition of Repsol Sustainability Day, held in London on 4 November 2019, should also be highlighted.

6.1. Activities related to the environment and safety

During the period to which this Report refers, the Sustainability Committee reviewed the Company's performance in safety matters, analysing, among other matters, the indicators related to occupational safety in all the meetings held, the personal, industrial and environmental accident rate as well as the investigations and improvement actions, proactive safety and operational efficiency indicators. A historic analysis of the evolution of the Accident Rate in the Group since 2002 was also conducted, performing a comparison with other sector companies.

Likewise, the Committee was informed on the annual monitoring of the 2018-2025 Safety and Environment Strategy, which has several key lines of action and associated projects, indicating its status and degree of progress.

Moreover, the Committee was informed on the Leadership Programme on Safety Culture called Safety Leap, on the holding of the II Global Days on Safety and Environment and on the publication of the White Paper on Safety Culture, disseminated internally and externally.

Finally, the procedures established by the Company for crisis and emergencies management were presented to the Committee.

6.2. Activities related to sustainability

The Committee monitored the closing data of the Global Sustainability Plan and the Company's sustainability objectives set for 2018, as well as the status and degree of progress of the Plan and the objectives set for 2019.

The Committee has also reviewed the Company's performance in the area of Community Relations and Human Rights in 2019, including its main advances, the internal regulatory framework and the holding of the II Conference on Community Relations and Human Rights in Southeast Asia.

In addition, the Committee was informed on the Action Plan to progress in the implementation of the United Nations ' 2030 Agenda and to improve the knowledge of the Sustainable Development Objectives, as well as on the Company's new digital tool for sustainability management, and the Committee examined the progress made by the Company in terms of Circular Economy, including the projects, metrics and indicators being developed.



Finally, the Committee supervised the activities carried out during 2019 related to energy and climate change and, in particular, the holding of the VI Repsol Sustainability Day –with the participation of its Chairman–, the publication of the Repsol Climate Roadmap and the resolution passed by the Board on 2 December relating to the Company's alignment with the objectives of the Paris Agreement and its commitment to become a zero net emissions company by 2050, as well as the monitoring of emission-reduction objectives and commitments.

6.3. Activities related to the non-financial risk management and control

In fulfilment of the functions assigned to it, the Committee reviewed the Sustainability Risk Map as well as the Emerging Risk and Climate Change Risk Map, and the management system of those risks in the Company and the mitigation measures, which include different lines of action related to Sustainability Plans and Repsol's contribution to the Sustainable Development Objectives and the 2030 Agenda.

Likewise, the Committee was informed on the reference global scenarios in the energy transition and, in particular, on the International Energy Agency's Sustainable Development Scenario and on the scenarios proposed by the European Union in its 2050 Strategy.

6.4. Activities related to the expectations of the different stakeholders and the Company's positioning on sustainability

The Committee was informed on the development and results of the Materiality Analysis conducted in 2019 to identify the most relevant sustainability-related aspects for the Company and our stakeholders.

The Committee was also informed on the view of ESG (Environmental, Social and Governance) analysts and socially responsible investors on Repsol's performance in environmental, social and governance matters, highlighting the growing importance of this type of investor, whose presence in the shareholding of the Company has increased by 250% since 2010.

The Committee also reviewed the Company's positioning and rating in the main ESG indices and ratings, such as Vigeoiris, Sustainalytics, MSCI, ISS ESG, Transition Pathway Initiative, Carbon Disclosure Project, CHRB and Standard & Poor's ESG.

6.5. Activities related to the reporting of non-financial information

The Committee verified the information on sustainability contained in the Integrated Management Report for 2018, which, in accordance with the applicable regulations, records the legal financial and non-financial and diversity information, as well as additional information



on climate change in accordance with the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD) and the integration of the Sustainable Development Objectives.

Similarly, the progress made and work carried out by the Company in the reporting of the climate change management in accordance with the two existing frameworks in the area were presented to the Committee: Task Force on Climate-related Financial Disclosure (TCFD) and Carbon Disclosure Project (CDP), as well as the results obtained by Repsol in the CDP in 2018 and the actions envisaged in 2019 with respect to both initiatives.

6.6. Assessment of the functioning of the Sustainability Committee

Taking the most relevant requirements and functions of the Sustainability Committee envisaged in the Board Regulations as a reference, the Sustainability Committee conducted an assessment of its own functioning and effectiveness during 2019, in line with the recommendations of the Good Governance Code for Listed Companies.

According to the result of that assessment, the Sustainability Committee concluded, in its meeting of 18 December 2019, that the Committee is functioning satisfactorily and that both it and its Chair are performing the functions entrusted to them by the applicable positive, internal rules.

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ANNEX I
Schedule of meetings held in 2019

Meeting	Date	Agenda
No. 14	26 February 2019	<ul style="list-style-type: none"> – Approval of the previous meeting's Minutes. – Progress of the Emerging Risks and Climate Change Risk Map. – Accident rate dashboard. – Company's Sustainability Objectives: 2018 closure and setting of objectives of 2019. – Global Sustainability Plan: 2018 Plan closure and proposal of 2019 Plan. – Carbon Disclosure Project results and progress in recommendations of the Task Force on Climate-related Financial Disclosure (TCFD). – 2018 Sustainability information (Integrated Management Report). – Information on ESG analysts. – Self-assessment of the functioning of the Sustainability Committee 2018.
No. 15	26 June 2019	<ul style="list-style-type: none"> – Approval of the previous meeting's Minutes. – Sustainability Risk Map. – Energy Transmission reference global scenarios (International Energy Agency and European Union). – Accident rate dashboard. – II Global Safety and Environment Days. – White Paper on Safety Culture. – 2019 Materiality Analysis.



Meeting	Date	Agenda
No. 16	25 September 2019	<ul style="list-style-type: none">– Accident rate dashboard.– Progress in Community Relations and Human Rights.– Monitoring of 2019 Sustainability Objectives.– Annual monitoring of the Safety and Environment Strategy.– Historic accident rate analysis.– Progress in the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD) and in the Carbon Disclosure Project (CDP) reporting.

Meeting	Date	Agenda
No. 17	18 December 2019	<ul style="list-style-type: none">– Accident rate indicators dashboard.– Progress in Circular Economy.– Safety Leap Programme.– Crisis and emergencies management procedure.– Energy Transition and Climate Change: summary of the year's activities (Sustainability Day, OGCI, monitoring of objectives and commitments).– View of ESG analysts and investors on Repsol.– Sustainable Development Objectives stimulation plan.– 2019 Materiality Analysis.– Sustainability Net: new digital tools for Sustainability management.– Assessment of the functioning of the Sustainability Committee.– Sustainability Committee annual schedule 2020.

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