



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

### **2022 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 diversity information.

From its creation to December 31, 2022, the Sustainability Committee has met 30 times (most recently, in the reporting period, on December 21, 2022), reporting the same number of times to the Board on the activities carried out by the Committee.

## 2. COMPOSITION

The Board Regulations establish that the Sustainability Committee shall be composed exclusively of Non-Executive Directors, the majority of whom shall be Independent, with a minimum of three, appointed by the Board of Directors, taking into account their knowledge, skills and experience and the duties of the Committee.

The Committee shall appoint its Chairman from among its members and the Secretary of the Board of Directors will act as its Secretary.

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.

In 2022, the **composition of the Sustainability Committee** was as follows:

Position	Members	Classification	Date first appointed to the Board
Chairman	Mariano Marzo Carpio	Independent External	5/19/2017
Member	Arantza Estefanía Larrañaga	Independent External	5/31/2019
Member	Emiliano López Achurra	Other External	11/24/2021
Member	Isabel Torremocha Ferrezuelo	Independent External	5/19/2017

All the members of the Sustainability Committee were Independent External Directors in 2022, with the exception of Mr López Achurra, who is an External Director. In addition, all the members were appointed based on their recognized personal and professional prestige, and their experience and expertise in discharging their duties.



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



**MARIANO MARZO CARPIO**

*Independent External Director*

*Coordinating Independent Director*

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Mr. Marzo was appointed to Repsol's Board by the General Shareholders' Meeting on May 19, 2017 and re-elected by the General Shareholders' Meeting on March 26, 2021.

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

**Experience:** Mr. Marzo has worked in Europe, the United States, South America, the Middle East and North Africa and is a member of the American Association of Petroleum Geologists and the European Association of Petroleum Geoscientists & Engineers.

Furthermore, Mr. Marzo has participated in several advisory boards on energy matters of the central and autonomous community administrations, as well as other institutions, and

he has maintained a continuous connection with the oil and gas industry, through the research applied to the exploration sector and the sedimentological characterization of fields.

Mr. Marzo has also formed part of the editorial boards of journals of great international prestige in the field of geology, such as Basin Research, Geology and Sedimentology, and he has published numerous works and worked vastly as a lecturer. His educational activity was rewarded with the "Distinction of the Universidad de Barcelona for the Best Scientific and Humanist Education Activities" in 2014.

**Other relevant positions:** Mr. Marzo is Professor in the Faculty of Earth Sciences of the Universidad de Barcelona (Department of Earth and Ocean Dynamics), where he has developed his teaching career as a researcher, academic, columnist and lecturer. Since 2019, he is Director of the Chairman in "Energy Transition University of Barcelona-Repsol Foundation". Likewise, he is a member of the Advisory Board of Club Español de la Energía and was Director of Section 4 (Earth Sciences) of the "Reial Acadèmia de Ciències i Arts de Barcelona" where he is currently a numerary member.

**Board committee memberships:** Chairman of the Sustainability Committee and Member of the Audit and Control Committee.



### **ARANTZA ESTEFANÍA LARRAÑAGA**

*Independent External Director*

Ms. Larrañaga was appointed to Repsol's Board by the General Meeting on May 31, 2019.

**Background:** 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 in Bilbao. 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 companies and entities and is currently the Secretary of the Board of Directors of Bilbao Exhibition Centre S.A. (International Trade Fair of Bilbao). She has been appointed on several occasions as Arbitrator by the Court of Arbitration of the Bilbao Chamber of Commerce to resolve commercial disputes.

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 recognized on several occasions since 2013, by Best Lawyer in Spain as a leading lawyer in arbitration and mediation practices 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:** As of 27 July 2021, she became Director and Secretary of the Board of Directors of Repsol Industrial Transformation, S.L. (Single-member Company) and on 28 July 2021 she was appointed Director and Secretary of the Board of Repsol Customer Centric, S.L.

She was appointed independent director of Cie Automotiva, S.A. on 29 April 2020 and member of its Audit Committee. Since 15 December 2021, she is also Chairman of the Nomination and Remuneration Committee, member of the Sustainability Committee and Lead Independent Director.

On 8 May 2020, she was appointed independent director of Global Dominion Access, S.A., being Chairman of its Audit Committee until 12 May 2021. Since that date, she is member of the Audit Committee and of the Sustainability Committee.

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, Chairmanship that body's Economic Commission from December 2019.

**Board committee memberships:** Member of the Compensation Committee and member of the Sustainability Committee.



**EMILIANO LÓPEZ ACHURRA**

*Other External Director*

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Mr. López Achurra was appointed Director of Repsol by cooptation by resolution of the Board of Directors on November 24, 2021 and ratified and appointed by the General Shareholders' Meeting on May 6, 2022.

**Background:** Mr. López Achurra holds an LLB from the Autonomous University of Barcelona and a Master's Degree in International Studies from the Paris Institute of Political Studies.

**Experience:** In 2003, he was appointed director of Gas Natural Fenosa, and in 2011, became Chairman of IBIL, a company backed by the Basque government and Repsol to provide charging stations for electric vehicles in Spain. He was previously director of Caja de Ahorros Provincial de Gipuzkoa —Kutxa—, BBK Bank/Caja Sur, and Sareb. He was also a founding partner of the law firm IBK & LBR, specializing in Community law, infrastructure, energy, and the environment, as well as the consultancy firms CFI (Consultores de Financiación Internacional), DPA (Desarrollo y Protección Ambiental) and EF International

Strategy. He also held the position of Chairman of the Tecnalia Corporation from 2016 until 2020.

Mr. López Achurra is Non-Executive Chairman of Petronor, a company of which he was Executive Chairman between May 2016 and April 2019, and in which he has promoted numerous projects related to energy transition and renewable hydrogen production.

**Other relevant positions:** Mr. López Achurra is Chairman of the Board of Directors of IBIL Gestor de Carga de Vehículo Eléctrico, S.A. and Alba Emission Free Energy, S.A. He is also a member of the Board of Directors of the Basque Institute of Competitiveness, where he has Chairmanned the Energy Chairman and has been closely involved in the development of the Iberian Gas Hub.

In his academic capacity as professor, he has given numerous conferences and seminars at the Universities of the Basque Country, Deusto, Vigo, and Santiago de Compostela, the Autonomous University of Barcelona, IESE, the Universities of Bordeaux and Pau, and the Autonomous Technological Institute of Mexico (ITAM), as well as the Basque Institute of Public Administration.

He is currently member of the Advisory Board for Science, Technology and Innovation in Spain, the Group of Experts defining the RIS3 Galicia strategy, and the Executive Committee of the Basque Innovation Agency. Mr. López Achurra is also a Trustee of the Real Instituto Elcano and the Novia Salcedo Foundation.

**Board committee memberships:** Member of the Nomination Committee, Member of the Compensation Committee and Member of the Sustainability Committee.



**ISABEL TORREMOCHA FERREZUELO**

*Independent External Director*

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Ms. Torremocha was appointed Director of Repsol by the General Shareholders Meeting of 19 May 2017 and re-elected by the General Shareholders Meeting on 26 March 2021.

**Background:** 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 sectors.

She has been Managing Director at Accenture and a Board member of Accenture España. During her last stage at Accenture, as Director of Transformation Opportunities, Ms. Torremocha

has led the creation and development of opportunities related to strategic transformations in the areas of information technology, business process outsourcing and digital transformation in Spain, Portugal and Africa. Previously, she has also held international positions, the most relevant being that of Chief Operating Officer and member of the Executive Committee for Europe, Africa and Latin America, with responsibility for the implementation of the business strategy in these geographic areas. She was also responsible for diversity and equality in the Telecommunications, Media and High Tech division in Europe, Africa and Latin America, defining plans to accelerate the number of female professionals in management positions and in succession plans.

In addition, during the years 2018 and 2019 she was a collaborator and mentor in the Start-Ups accelerator "Atelier by ISEM" of the University of Navarra.

Between 2019 and 2022 she was also an independent director and a member of the Nomination and Compensation and Audit and Control Committees at Indra Sistemas, S.A.

**Other relevant positions:** She currently holds the positions of Director of Santander Spain, trustee and Chairmanwoman of the Nomination Committee of the "Plan Internacional" Foundation, member of the Strategic Board of the CEIT Technology Center, member of the Institute of Directors and Administrators (ICA) and member of the Spanish Association of Directors (AED).

**Board committee memberships:** Member 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](http://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 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, as well as by telematic means, such as phone connection or videoconference.

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 drafts minutes of the resolutions adopted at each meeting, which will be available to all the Board Members. These minutes are delivered, on a quarterly basis, to all the members of the Board, to which the Chairman of the Committee reports periodically on the development of its actions.

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 of Directors.

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 of Directors.

### **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. To this end, throughout the year 2022, when the Commission has considered it appropriate, the senior management team members responsible for certain areas related to the Commission's competencies have attended the meetings to provide the appropriate explanations.

## **6. MAIN ACTIVITIES DEVELOPED DURING 2022**

In 2022, the Sustainability Committee held a total of five meetings, all of which were attended by all the members of the Committee.

A summary of the main activities carried out by the Committee in 2022 is included below, grouped in relation to its basic functions<sup>1</sup>.

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.

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<sup>1</sup> 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, on matters within its competence.
- 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, and the information provided to them on matters within their competence.
- e) Know, stimulate, guide and oversee the Company's objectives, action plans and practices on Social and sustainability matters, 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) Know and review the existing indices and gauges to assess the Company's positioning in sustainability matters.
- g) Know the legal changes that may significantly influence the Company in social 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.
- h) 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.



### ***6.1. Activities related to the energy transition, environment and safety***

During the period covered by this Report, the Sustainability Committee reviewed the Company's safety performance at all its meetings, analyzing, among others, indicators related to occupational safety, personal, process and environmental accidents, and investigations and improvement actions. An historical analysis of the evolution of the accident rate in the Group since 2002 was also carried out, drawing a comparison with other companies in the sector.

The Committee was also informed about the 2021 Greenhouse Gas Emissions Map and about the closure of the Energy Transition objectives for 2021, and about the progress made on Strategic Safety and Environmental Projects.

The Committee was also informed about the investment proposals analyzed in 2021 in accordance with the investment qualification methodology for their alignment with the Energy Transition within the framework of the objectives set in the Paris Agreement and the decarbonization of the Company.

In 2022, the Committee was also informed of the main results of the Company's 2030-50 scenario analysis, which has allowed the Company to verify the resilience of its strategy against scenarios of evolution of the global energy mix compatible with the macro scenarios of Sustainable Development (SDS) and zero Net Emissions (NZE) of the International Energy Agency, against the evolution of transport in the European Union and also against different hypotheses of evolution of decarbonization technologies.

### ***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 2021, and the proposal and degree of progress of the Plan and the objectives set for 2022.

The Committee also reviewed the Company's performance in terms of Community Relations and Human Rights in 2022 and, specifically, the social management of the spill that occurred in La Pampilla, Peru, at the beginning of the year. Likewise, it has been informed about the progress in Human Rights in the Low Carbon Generation business.

Similarly, the Committee has been informed about the 2021 Annual Report on the Sustainable Development Goals (SDGs), aimed at highlighting Repsol's contribution to the United Nations 2030 Agenda, so that it is recognized as a leader in its performance, making transparent different indicators, objectives and projects, being one of the few energy companies that makes an exclusive publication of the contribution to the 17 Sustainable Development Goals that make up the Report.

The Committee was also informed about the Local Sustainability Plans, for which Repsol has been a pioneer in publishing reports on its contribution to sustainable development at the local level. It was also informed about the progress made in water management at Repsol and examined the progress made in the area of Natural Capital and Biodiversity, including the projects, metrics and indicators that are being developed in this regard.

### ***6.3. Activities related to updating various corporate policies and managing and controlling non-financial risks***

The Committee reviewed the proposed update of the Corporate Sustainability Policy, which incorporates the commitments to zero net emissions by 2050 and the reduction of greenhouse gas emissions through the use of all available technologies, with the aim of promoting sustainability within the value chain and integrating sustainability into all levels of the company and businesses. The Committee also reviewed the Health and Safety Policy and the Environmental Policy, the latter of which includes a commitment to the protection of natural capital and the sustainable use of resources.

The Committee also reviewed the Group's Sustainability Risk Map.

### ***6.4. Activities related to the expectations of the different stakeholders and the Company's positioning in sustainability matters***

The Committee was also informed of the development and results of the Materiality Analysis carried out in 2022 to identify the most relevant aspects related to sustainability for the Company and for stakeholders. For the first time, this year the methodology was revised and the concept of dual materiality was further developed.

The Committee was also informed about the vision that ESG (Environmental, Social and Governance) analysts, rating agencies and socially responsible investors have of Repsol's performance in environmental, social and governance matters, and on the Company's positioning and valuation in the main ESG indexes and ratings, such as MSCI, *Sustainalytics*, ISS ESG, S&P Global, Vigeo Eiris, FTSE Russell, Ecovadis, *Carbon Disclosure Project (CDP)*, *Transition Pathway Initiative*, *Climate Action 100+*, *World Benchmarking Alliance* and CHRB.

The main conclusions and agreements of COP27 and their implications for the Company's decarbonization strategy and new commitments for the energy transition were also presented to the Committee.

Lastly, the update of the Report on Repsol's Participation in Industry Initiatives and Partnerships in 2022 was reported to the Committee, and the CO<sub>2</sub> Emission Allowances were also reported, detailing in particular the existing carbon pricing mechanisms.

### ***6.5. Activities related to reporting of non-financial information***

At its meeting of February 16, 2022, the Committee verified the sustainability information in the 2021 Integrated Directors' Report that, in accordance with applicable regulations, includes financial, non-financial and diversity information, and other additional information on climate change. All this is in accordance with Law 11/2018 and the then existing regulatory frameworks of reference: GRI (Global Reporting Initiative), the requirements of the Task Force on Climate-related Financial Disclosure (TCFD), the SASB (Sustainability Accounting Standards Board) reporting framework, the metrics of the Stakeholder Capitals Metrics (World Economic Forum - International Business Council), the concept of "Just Transition" based on the methodology developed by the WBA (World Benchmarking Alliance), the definition of international and industry-specific standards on human rights and responsible business conduct of the Corporate Human Rights Benchmark, and the sustainability indicators relevant to the sector collected by IPIECA, all together with the recommendations of the Spanish Securities and Exchange Commission (CNMV) and Integrated Reporting (IR), which provides for the Conceptual Framework for propering Integrated Reports, in addition to the European Commission's Guidelines 2017/C2015/01 on non-financial reporting.

The Committee was also informed, at the meeting held on 26 October, of the strategy for non-financial information reporting frameworks at 2024.

### ***6.6. Self- assessment of the functioning of the Sustainability Committee***

Based on the Bylaws and its own Regulations, at least once a year the Board of Directors must evaluate its functioning and the quality and efficiency of its work, as well as that of its Committees.

In this respect, taking as a reference the most relevant requirements and functions of the Sustainability Committee contemplated in the Regulations of the Board, the Board of Directors has carried out an evaluation of its own functioning and efficiency during 2022, in line with the recommendations of the Good Governance Code of Listed Companies and concluded, at its meeting of 21 December, that the functioning of the Committee is satisfactory and that both the Committee and its Chairman correctly perform the functions entrusted to them by the applicable positive and internal rules. This same conclusion was subsequently endorsed by the plenary meeting of the Board of Directors on January 25.

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