



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

2020 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.

Between its creation and December 31, 2020, the Sustainability Committee met on seventeen occasions (the last —within that period — on December 16, 2020).

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 2020 fiscal year, the composition of the Sustainability Committee was as follows:

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

In 2020, 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, as well as 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 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: Since 1989, Mr. Marzo has been a Professor of Stratigraphy and Lecturer of Energy Resources and Fossil Fuel Geology 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 Chair 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 committees to which he belongs: Chairman of the Sustainability Committee, member of the Nomination Committee and member of the Compensation 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 Sacyr Servicios, 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, 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 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 2020

In 2020, the Sustainability Committee held a total of four meetings, all of which were attended by all the members of the Committee, physically at the February meeting and by telematic means at the other meetings, due to the restrictions imposed by Covid-19.

A summary of the main activities carried out by the Committee in 2020 is included below, grouped in relation to its basic functions¹. Furthermore, a schedule of the meetings held by the

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.



Sustainability Committee during 2020 is appended, with a description of the main matters dealt with in them.

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.

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.

The Committee was also informed about the progress made in the climate change strategy and the Oil and Gas Climate Initiative (OGCI) objectives to reduce the average carbon intensity in the operated Upstream by 2025.

Moreover, the Committee was informed about the advances in Safety Culture and the assessments that have been carried out over the last few years in the different business units and industrial facilities, as well as about the Safety Culture Leadership Program (Safety Leap) and about the accident happened on January 14, 2020 at the facilities of IQOXE (Industrias Químicas de Óxido de Etileno) in Tarragona.

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 2019, as well as the status and degree of progress of the Plan and the objectives set for 2020.

The Committee has also reviewed the Company's performance in the area of Community Relations and Human Rights in 2020 and the results of the CHRB (Corporate Human Rights Benchmark) study, which is the most important global comparative analysis of Human Rights performance and Covid's prevention measures adopted in sensitive areas such as Block 16 in Ecuador.

In addition, the Committee was informed on the Action Plan performance to progress in the implementation of the United Nations ' 2030 Agenda and to improve the knowledge of the Sustainable Development Objectives. The Committee also reviewed the progress made by the Company in terms of Circular Economy, including the projects, metrics and indicators being developed in terms of Natural Capital and Biodiversity, as well as the monitoring of emission reduction targets and commitments.

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

In fulfilment of the functions assigned to it, the Committee has reviewed the climate change exposure in the corporate risk management processes, as well as the Company's system for managing these risks and the respective mitigation measures, which include various lines of action related to the Sustainability Plans and Repsol's contribution to the Sustainable Development Targets and the 2030 Agenda.

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 the results of the Materiality Analysis conducted in 2020 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, as well as the Company's positioning and rating in the main ESG index and ratings, such as Transition Pathway Initiative, Carbon Disclosure Project (CDP), MSCI, Sustainalytics, Ecovadis, Vigeo Eiris, CHRB, S&P *Global*, ISS ESG y FTSE Russell.

The Committee has also been informed about the Repsol's alignment evaluation and the associations of which it is a member, in relation to its position on climate policies and in particular regarding the Paris Agreement objectives.

Finally, the Committee was also informed about the Sustainability Roundtable constitution with Repsol's trade union representatives and attended by the Sustainability Management, Labor Relations and trade union representatives.

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 2019, which, in accordance with the applicable regulations, records 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 external auditor PwC, who this year has focused on the integration of Repsol Electricidad y Gas, 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 2019 and the actions envisaged in 2020 with respect to both initiatives.

6.6. External assessment of the functioning of the Sustainability Committee

Based on the Bylaws and its own Regulations, the Board of Directors must evaluate its performance and that of its Committees at least once every three years, with the assistance of an external consultant. In this regard, in the fiscal year 2020 the assessment process has been carried out with the advice of an external firm.

The assessment methodology used consisted of personal interviews with each of the Board Members, in order to ascertain their opinion on various issues related to the functioning of the Board and its Committees, as well as the performance of the Chairman of the Board of Directors, the Chief Executive Officer and the Secretary of the Board of Directors. Each of the Board Members were requested to fill out an individual questionnaire, in which they reported their assessment on the above issues and, in particular, the composition, the information provided and the work methodology were highlighted as positive aspects.

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ANNEX I
Schedule of meetings held in 2020

Meeting	Date	Agenda
No. 18	19 February 2020	<ul style="list-style-type: none">– Accident rate dashboard.– Company’s Sustainability Objectives: 2019 closure and setting of objectives of 2020.– Global Sustainability Plan: 2019 Plan closure and proposal of 2020 Plan.– 2019 Sustainability information (Integrated Management Report).– 2019 Carbon Disclosure Project results report. Sustainability Roundtable with trade union representatives

Meeting	Date	Agenda
No. 19	4 May 2020	<ul style="list-style-type: none">– Repsol's alignment with the associations of which it is a member according to its position on climate policies.– Accident rate dashboard.– Progress on projects and activities in Community Relations and Human Rights– Performance on Safety Culture.– 2020 Sustainability Committee Activities Report.



Meeting	Date	Agenda
No. 20	22 July 2020	<ul style="list-style-type: none">– Progress in the Climate Change strategy– Accident rate dashboard.– Update on IQOXE incident information– Monitoring of 2020 Sustainability Objectives. Progress on Strategic Safety and Environmental Projects

Meeting	Date	Agenda
No. 21	16 December 2020	<ul style="list-style-type: none">– Accident rate dashboard.– 2020 Materiality Analysis– Progress in the Sustainable Development Goals Action Plan– Report on the Company's performance with respect to the main analysts, ratings and ESG indexes.– Accident rate comparative analysis– Progress in Circular Economy.– Natural Capital and Biodiversity Progress– 2020 Materiality Analysis.– Sustainability Committee annual schedule 2021.– Report on the partial revision of the Good Governance Code of Listed Companies.

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