

# Walking the talk on energy transition

September 2020



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01

# Company Overview

# 01 Company overview

Repsol: a unique, integrated global position



## Upstream



**Production**  
~709 kboe/d

**Proved reserves<sup>1</sup>**  
~2.1 Bboe  
66% gas

**4 Core areas**  
North America  
Latin America  
Europe, Africa  
Asia, Russia, RoW<sup>3</sup>

**Yield & Focus**

## Industrial



**Refineries**  
6

**Refining capacity**  
1 Million bbl/d

**Top quartile position among European peers**

**Largest coking capacity in Europe**

**Yield & Tier1**



**Total production capacity<sup>2</sup>**  
~4.7 Millions tons

**Synthetic Rubber**  
One of the largest producers in the world

## Commercial and Renewables



**Service stations**  
>4,900

>1,000 (operated)

**Clients**  
10 Million



**Installed generation capacity**  
~3 GW

**Project pipeline**  
~2 GW

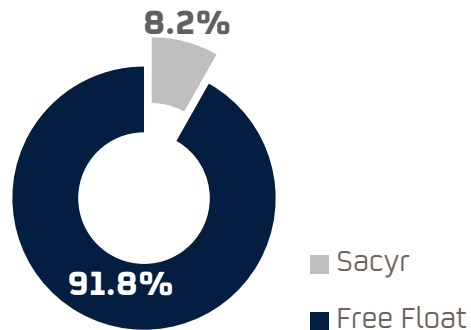
**Retail clients**  
> 1 Million

**Profitable growth**

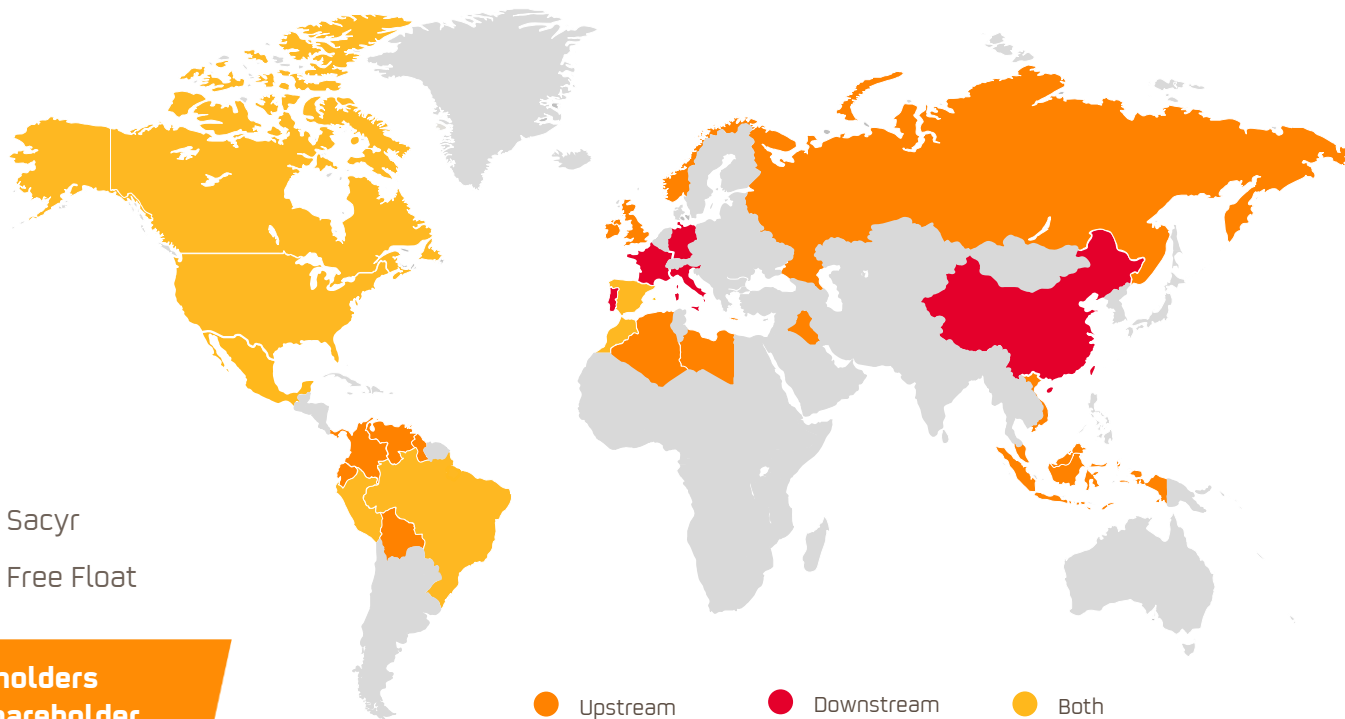
New business segments reflect Repsol's multi-energy and ESG-ready approach

# 01 Company overview

Repsol: worldwide presence

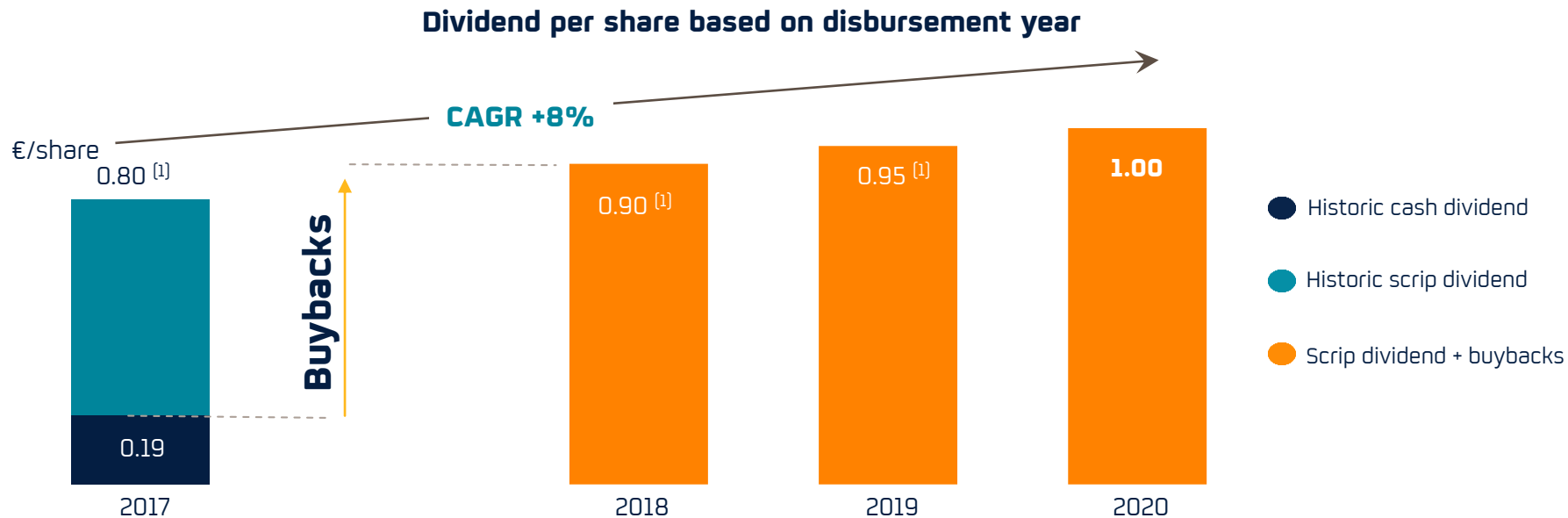


23% of retail shareholders  
32% of institutional shareholder  
base managed under ESG criteria



# 01 Company overview

Increasing shareholder remuneration and full buyback of scrip



## Buyback program in 2019:

71.4 M shares of capital reduction

Share capital of 1,527.4 M shares as of the end of 2019

[1] The fixed price guaranteed by Repsol for the bonus share rights awarded under the "Repsol Flexible Dividend" program was 0.761 €/s in 2017, 0.873 €/s in 2018 and 0.916 €/s in 2019

# 01 Company overview

## Resilience Plan 2020 - delivering above original targets



### Delivering above original targets

**Opex savings**  
**Capex savings**  
**WC optimization**

#### Original target

€350 M  
€1,000 M  
€800 M

#### 1H20 captured

> €250 M  
> €550 M  
> €300 M

#### New 2020 estimate

€450 M ↑  
€1,100 M ↑  
€800 M

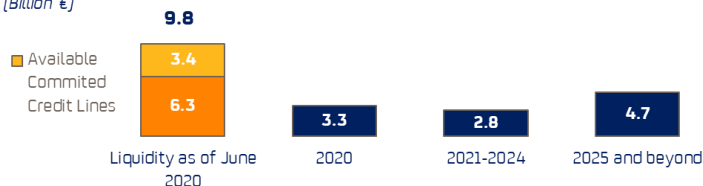
**Self-financed Resilience Plan 2020 expected to exceed the €2.2 Bn of initially targeted cash savings**

### Reinforced liquidity position and financial strength

- 2 senior bonds for €1.5 Bn issued in April
- 2 new perpetual subordinated bonds for €1.5 Bn issued in June
- Repurchase of €0.6 Bn of the €1 Bn perpetual subordinated bond NC 2021 issued in 2015
- ~€1.6 Bn increase in committed credit lines during 1H20

### Total liquidity covers 2.43x debt maturities until March 2030, without need of refinancing

As of Jun. 2020  
(Billion €)



#### Rating

Agency	Rating	Outlook
S&P	BBB	Stable outlook
Fitch	BBB	Stable outlook
Moody's	Baa2	Negative outlook

**With these measures, and in the current conditions, net debt by the end of 2020 will remain in line compared to Dec'2019**

# 01 Company overview

## Main goals 2020



**Dividend**

**1 €/share**

**100% buyback**



**Investments**

**€ 2.9 B**



**Net debt**

**≤ € 4.2 B**

**Flat in 2020**



**Emissions**

**2.1 MtCO<sub>2</sub>**  
reduced 2014-2020

**3% CII<sup>1</sup>**  
Compared to 2016



**Renewables**

**3.7 GW**  
generation capacity



**Multi- energy** supplier

Client based



**Low emissions**



**Solid** financial position and  
attractive shareholder  
**remuneration**

**2020 is a year of financial challenges on the road to energy transition**



02

Sustainability  
as part of  
**Repsol's DNA**

# 02 Sustainability as part of Repsol's DNA



## Sustainability Committee

Established on May 27<sup>th</sup>, 2015

## Policy on Sustainability

Approved by the Board of Directors on December 2015 and updated on 2017

## Sustainability model

Approved by the Corporate Executive Committee on October 2016

## Sustainability Global Plan

Approved on June 2017. It establishes specific goals from 2020 to 2025. Annually reviewed

## 22 Global and Local Sustainability plans

Aligned with the consecution of the Sustainable Development goals (SDG)

Repsol's commitment to Sustainability is integrated in the company's strategy, and supported by Senior Management



- **Implementation of Integrated reporting** including disclosure in-line with the **Task Force on Climate-related Financial Disclosures** (TCFD). Repsol joined TCFD recommendations in April 2018
- Participation of the **Senior Management** in setting strategic objectives for social, safety and environmental out to 2020
- Existence of an Executive Managing Direction on Technology Development, Resources, and Sustainability, reporting directly to the CEO
- Establishment of **objectives linked to social, safety and environmental targets**, for all employees with variable remuneration (weight between **10-20%**)
- Repsol supports the UN Agenda 2030 and its **Sustainable Development Goals** (SDG), taking them as a reference to define our sustainability priorities

# 02 Sustainability as part of Repsol's DNA

## Repsol's Global Sustainability Plan: main axes



### Climate Change

- Repsol will be a **net zero emissions company by 2050**
- Our goals: to fight against climate change and provide access to affordable energy to support economic growth and development
- Carbon strategy is based on five pillars: energy efficiency, low-emissions businesses, natural gas, internal carbon pricing and CCUS
- **50 M €** Social Investment fund specific for energy transition



### Innovation and Technology

- Promoting innovation and development.  
**80 M €** invested in 2019
- Investing in Start ups and new Technologies: **85 M €** committed for the period 2016-2020



### Safe operations

- Our ambition: **zero Accidents**
- Embedded safety culture
- Strict asset integrity procedures



Sustainability  
Main axes



### Environment

- Implementation of circular economy projects
- Excellence in spill prevention and response
- Optimized water & waste management



### Ethics and Transparency

- **33,33%** of women on the Board of Directors reaching our target of **30%** by 2020.
- Code of Ethics and Conduct updated following Talisman acquisition
- Anticorruption policy
- No presence in tax havens



### People

- Our ambition: to achieve and maintain solid relationships with communities
- Policy on respect for human rights based on the UN Guiding Principles on Business and Human Rights
- Objective: increase the proportion of women in leadership positions to over **31%** by 2020

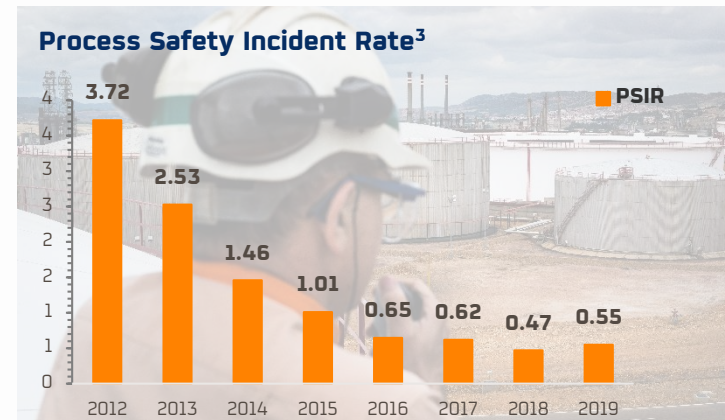
# 02 Sustainability as part of Repsol's DNA

## Safe operations



### Our ambition: **zero accidents**

— We have established targets to reduce occupational safety (LTIFR<sup>1</sup> and TRIR<sup>2</sup>) and PSIR<sup>3</sup>  
No fatalities among own personnel in 2019; however, a contractor employee suffered a fatal accident in transport activities



### Systemic Risk Management

- Risk assessment through the entire safety process lifecycle to prevent impacts on people, environment and assets
- Operations control through work permits and identification of critical elements of our facilities

### Focus on Process Safety to prevent major industrial accidents:

Working with 2015-2020 specific goals

[1] LTIF: [Lost time injury frequency rate] number of lost time injuries and fatalities, including company employees and contractor staff, accumulated within the period, per million hours worked.

[2] TRIR [Total Recordable Incident Rate]: Total number of injuries (fatalities, lost time injuries, medical treatment and restricted work), including company employees and contractor staff, accumulated within the period, per million hours worked.

[3] PSIR [Process safety incident rate]: Number of Tier 1 and Tier 2 process safety incidents which occurred within the period per million hours worked related to process.

# 02 Sustainability as part of Repsol's DNA

## Ethics and Transparency



Our ambition: No cases of corruption in the activities carried out by the Repsol Group

### Ethics and Conduct Regulation

- It applies to all Repsol directors, executive personnel, employees and contractors

### Anti-corruption policy

- It applies to employees, contractors and business partners
- Repsol rejects corruption in any form and will apply a **zero-tolerance** approach in respect to any breach of this policy

### Ethics and Compliance Committee

- Its duty is to manage the compliance of the Repsol Group's Ethics and Conduct Code
- It is also Repsol's Crime Prevention Body for the purposes of the Crime Prevention Model

### Crime Prevention Model

- A formal framework to monitor and control the risks of crimes being committed
- In 2017: a Crime Prevention Manual was designed and implemented.

### Ethics and Compliance Channel

- It is administered by an independent company (NAVEX Global) and it is available 24/7, by phone, online and in different languages
- **66** concerns received during 2019

### Chief Compliance Office

- Strengthening the role of compliance through the appointment of a Chief Compliance Officer in the CD legal affairs and CCO



# 02 Sustainability as part of Repsol's DNA

## People: Human Rights and community relations



### Policy & Framework

- Committed to **UN Guiding Principles** on Business and Human Rights "Protect, Respect and Remedy"
- Global Framework and management system, compliant with leading International Standards



### Risk management / Impact assessment / Social Opportunities assessment

- 100% of significant operations manage opportunities and risks by taking into account at least one of the following mechanisms: 1) development mechanisms, 2) impact assessments, 3) participation of stakeholders
- Human rights issues** included in all impact assessments taken and Joint Operations revisions performed in 2019.
- The Human rights performance of counterparties was assessed in all asset acquisition **due diligence** processes carried out in 2019



**In 2019 Repsol ranked world leaders in respect for human rights in Oil & Gas**

*(International Finance Corporation, International Labor Organization, UN Guiding Principles, Organization for Economic Co-operation and development guidelines)*

## GUIDING PRINCIPLES ON BUSINESS AND HUMAN RIGHTS



Implementing  
the United Nations  
"Protect, Respect and  
Remedy" Framework



# 02 Sustainability as part of Repsol's DNA

## People



Our ambition: to achieve and maintain **strong relationships with communities** based on trust, mutual respect and shared value through active dialogue with communities

- Repsol **recognizes and respects** the unique nature of indigenous, tribal and aboriginal peoples and their rights, in accordance with existing legislation, and the obligations established by **International Labour Organization (ILO) Convention 169**, whether incorporated into the national legislation of the countries in which we operate or not.
- Repsol establishes solid **relationships with indigenous communities** in the area of influence of our projects and assets, **based on principles of respect, cultural sensitivity, integrity, responsibility, transparency and good faith**.

- Repsol carries out **human rights impact assessments** as part of the due diligence process **and develops community grievance mechanisms** adapted to distinctive features of indigenous peoples.
- Presence of **Indigenous communities is identified before starting a project**, through social baseline studies.
- Repsol performs with special preventive measures, such as **anthropological contingency plans**, in operations close to areas inhabited by indigenous peoples living in voluntary isolation.

**First O&G company operating in Latin America** with an official policy explicitly **supporting indigenous rights** defined by ILO Covenant 169, including right to free, prior and informed consultation (FPIC)

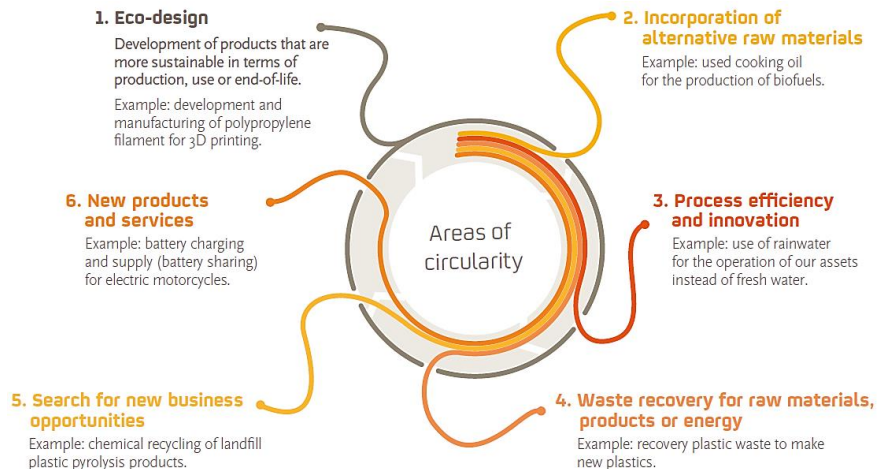
# 02 Sustainability as part of Repsol's DNA

## Environment



### 01. CIRCULAR ECONOMY

Repsol prioritizes efficient management of resources, promoting the Circular Economy



### 02. BIODIVERSITY AND ECOSYSTEM SERVICES

Prevention and minimization of any negative environmental impact in all our operations

### 03. WATER



**2019: 27%** reused water as against withdrawn water. **75%** of increase in water reuse vs 2015

Definition of 2025 strategic actions to achieve a sustainable management of water. Keep on working on water risk analysis through **Repsol Water Tool** (RWT)

### 04. WASTE

- Working to improve waste management through the lifecycle of our processes through strategic circular economy alternatives



**3%** of **hazardous waste** and **4%** **non-hazardous waste** are **reused**



**5%** of **hazardous waste** and **10%** **non-hazardous waste** are **recycled**

# 02 Sustainability as part of Repsol's DNA

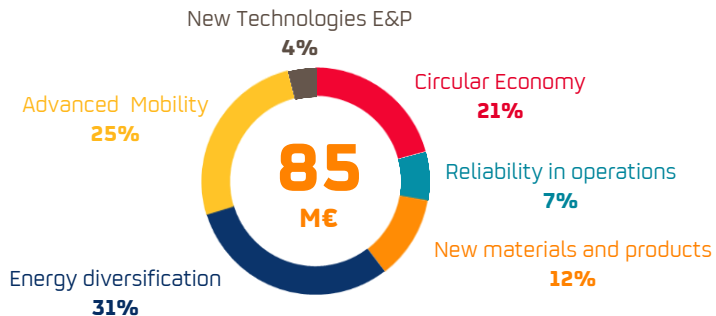
## Innovation and technology



### RESEARCH AND DEVELOPMENT



### CORPORATE VENTURING: FUND 2016-2020



### CAPTURE INNOVATION IN START-UPS

- Targeting to Invest in new innovative companies and key strategic business in order to speed up the development and implementation of new technologies and business models on behalf of Repsol.



03

# Repsol and the **Low Carbon** transition

# 03 Repsol and the Low Carbon transition

## Governance



### Sustainability Committee created in 2015



**The Board of Directors, at the proposal of the Sustainability Committee, approves the strategy for sustainability and, specifically, for climate change**



The **Sustainability Committee's** duties include analyzing the expectations of the Company's stakeholders and reporting them to the Board, and orienting and monitoring the Company's sustainability objectives, action plans and practices



Strategic decisions on climate change and lines of action are set at the highest executive level. The **Executive Committee** [EC] has direct responsibility in the management of matters related to climate change. The EC also approves the multiyear objectives and annual targets for reduction of greenhouse gases [GHG]



At least twice a year, or as often as necessary, the CEC and the **Sustainability Committee** review information on execution of the climate change and CO<sub>2</sub> emission strategy



GHG emissions reduction targets weight between **10%** and **20%** of the targets of the business of the Company, and have a direct impact on the variable remuneration of employees up to the Executive Directors

Refining business: GHG emissions reduction impact on variable remuneration of all employees including those participating in trade unions



In **2019**, the weighting of the Sustainability objectives was increased to **25%** both of the annual variable compensation and long-term incentives plans of the CEO and the General Counsel

In **2020**, Repsol will link **at least 40% of the long term variable pay** of its managers and leaders, including the CEO and senior executives to objectives that lead the



# 03 Repsol and the Low Carbon transition

## Strategy



### 1 Promote the role of Natural Gas

**64%** of our production & **71%** of our reserves are gas

Working with OGCI partners to reduce by **2025** the collective average methane intensity of its aggregated upstream gas and oil operations by one fifth to **below 0.25%**, with the ambition to achieve **0.20%**, corresponding to a reduction by one third

Endorsed the **United Nations Climate and Clean Air Coalition** O&G Methane Partnership initiative

### 2 Energy efficiency

Set up and deploy ambitious energy efficiency programs to reduce our energy consumption and GHG emissions

**Our objective:** to reduce **3** million tons of CO<sub>2</sub> eq for the **2018–2025** period ( a reduction of **~13%** on the 2017 baseline)

First Energy Company to issue a **Green Bond** to invest in Energy efficiency measures

### 3 Low Carbon Businesses

**A. Low carbon Generation** and commercialization of renewable energy. Target 2025: **7.5 GW** installed capacity.

**B. Sustainable Mobility:**  
- **IBIL** first recharging operator for EV. Based 100% on renewable energy. More than 1200 charging points installed.

**C. Biofuels:**  
Producing **871,000 m<sup>3</sup>/year** (429k of BioETBE and 442 k of HVO).  
Planning **to double production** of HVO to **600,000 tons in 2030**

### 4 Technological developments

Supporting new technological developments, led by the capture, use and storage of CO<sub>2</sub> **[CCUS]**

Working on Net zero emissions solutions (*e-fuels*, Green Hydrogen and Natural carbon sinks)

R+D in **Repsol Tech Lab**

Collaboration with our OGCI partners

### 5 Internal Carbon pricing

Repsol supports **worldwide carbon pricing** policies as a global policy framework

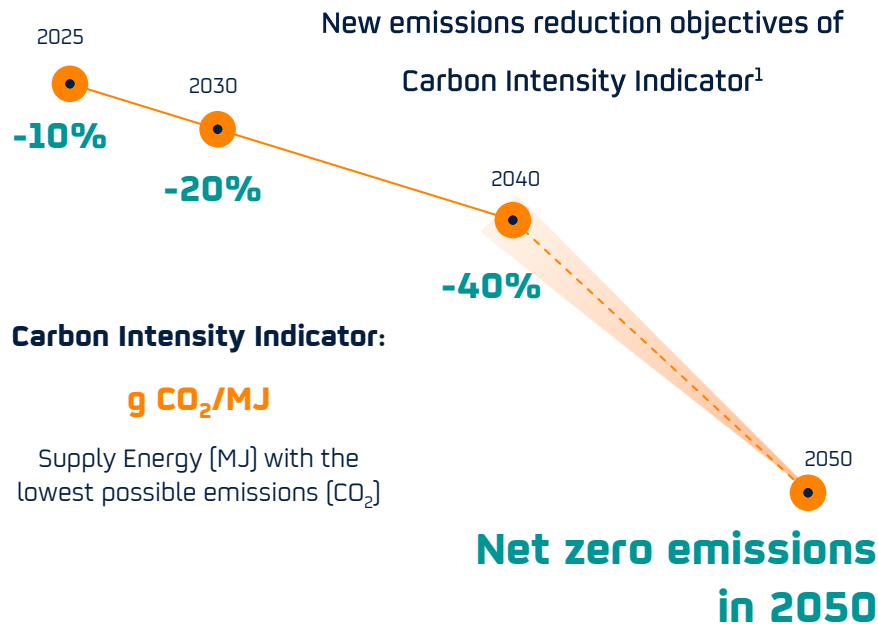
Repsol applies this to all new investments:

<b>2018</b>	<b>25</b>	USD/ ton CO <sub>2</sub>
<b>2025</b>	<b>40</b>	USD/ ton CO <sub>2</sub>
<b>2040</b>	<b>70</b>	USD/ ton CO <sub>2</sub>

**Repsol will contribute with determination to achieve a more decarbonized economy and planet**

# 03 Repsol and the Low Carbon transition

Strategy towards being a net zero emissions company by 2050



Our challenge:

**Lead the Energy transition** in line with the objective of the **Paris Agreement** to limit the increase in global temperature to below 2°C

## 1<sup>st</sup> oil & gas company:

- ✓ to support the **Kyoto Protocol**
- ✓ to align with the **Paris Agreement**
- ✓ to assume **net zero emissions ambition by 2050**

## Main levers to mitigate risks:

- Ratio Gas to Oil
- Energy Efficiency
- Methane emissions
- Flaring
- Chemicals
- Renewables
- e-fuels, e-H2
- Natural Sinks
- CCUS
- Biofuels
- Carbon Pricing

**Repsol will be a net zero emissions Company within 2050, a Pioneer in the sector in setting this goal**

# 03 Repsol and the Low Carbon transition

## Strategy towards being a net zero emissions company by 2050

### Climate targets revolution

Just a number of O&G companies have incorporated Scope 3 emissions to their CO2 reduction targets: BP, Eni, Equinor, Repsol, Shell and Total

Carbon Intensity Indicators (CII) : emerge to measure CO2 emissions (S1+S2+S3) generated per unit of energy (g CO2/MJ).



## Strategy in action

### Low-carbon business:

low-carbon power generation [3 GW today, target 7.5 GW 2025]

retail of clean power & gas [>1 million customers today]

### Upstream:

sustained cash generation shorter cycle assets CO<sub>2</sub>/CH<sub>4</sub> abatement

### Multi-energy & customer-centric supplier:

Mobility: advanced & low-carbon fuels, electric

Residential gas&power

### Refining & Chemicals:

leverage current refiner top-tier position by economic margin to be top-tier in low carbon intensity

- further CO<sub>2</sub> abatement
- low-carbon products [biofuels, waste-to-fuels, long-life chemicals]
- integrate renewables [power, green hydrogen]

### Cross-cutting facilitators:

New energy technologies





Data-driven digitalization

# 03 Repsol and the Low Carbon transition

## Strategy



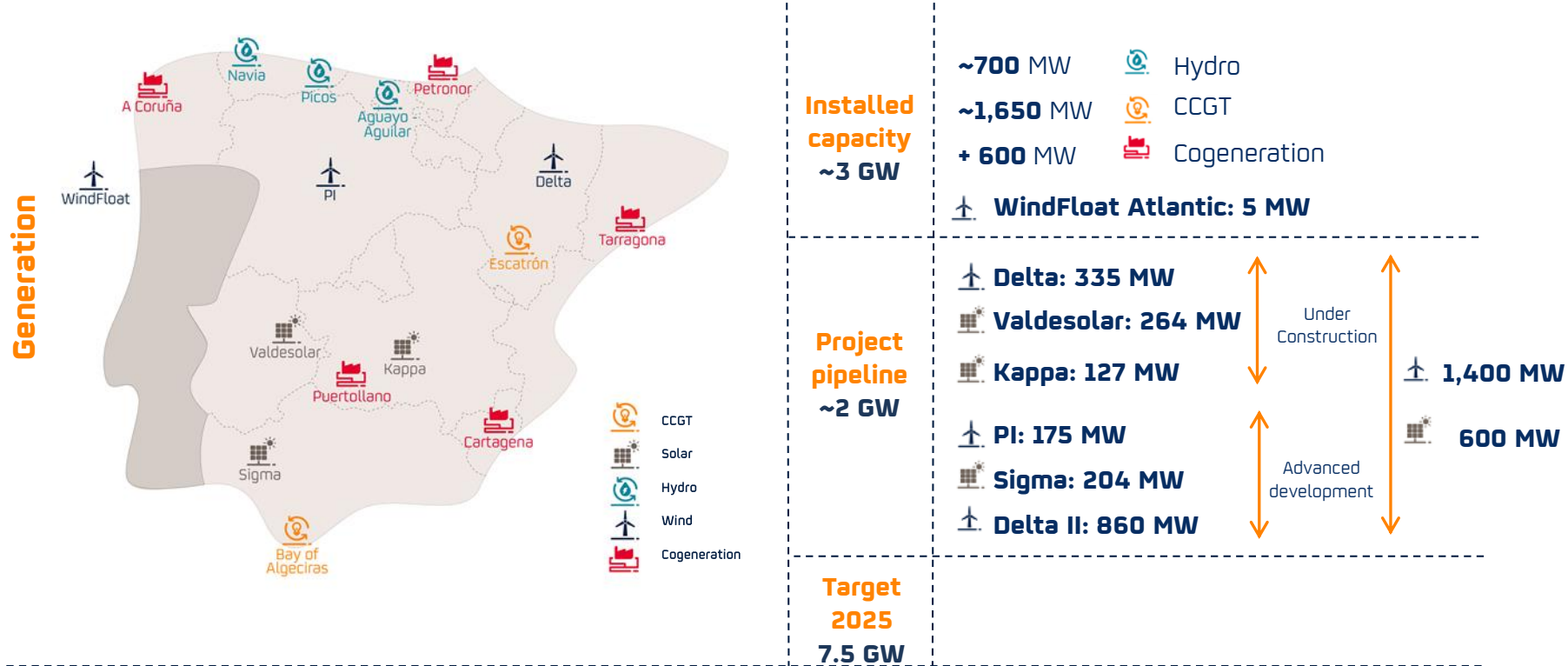
Low emissions business: roadmap to 2025

	Wholesale gas	Retail G&P	Low carbon generation
Top capability	Leverage our industrial self consumption as the <b>largest gas consumer in Spain</b>	<b>Strong brand and ~10M clients</b> base with direct contact	<b>Technical capabilities</b> and experience in managing <b>large scale projects</b>
Roadmap	<ul style="list-style-type: none"> <li>Create a successful <b>wholesale gas business</b>, ensuring a competitive gas supply</li> <li>Developing <b>new business</b> through gas flexibility</li> <li>Deliver a <b>competitive gas</b> offer for our future retail clients</li> </ul>	<ul style="list-style-type: none"> <li>To become a relevant Spanish <b>low carbon multi-energy retailer</b></li> <li>Progressively sophisticate our offer including advanced <b>energy services</b> and solutions</li> </ul>	<ul style="list-style-type: none"> <li>Develop a <b>strong position in Spain</b> achieving a low carbon integrated business</li> <li>Technological vocation oriented to solar, wind, CCGT and other low carbon technologies</li> <li><b>Diversify in emerging countries</b> that yield higher returns</li> </ul>
Targets by 2025	<b>Market share <sup>1</sup></b> 2025 >15% 2019 14%	<b>Clients<sup>2</sup></b> 2025  2.5 M 2019  >1 M	<b>Capacity</b> 2025  ~ 7.5 GW 2019  ~ 2.9 GW

Investments in low carbon businesses with IRR above 10%<sup>3</sup>

# 03 Repsol and the Low Carbon transition

Accelerated delivery of 2025 objectives in low carbon generation: 7.5GW by 2025



Repsol brand and channels have proven successful in enhancing the low carbon gas and power retail business:

- ✓ > 1 million clients [+33% increase in one year]

# 03 Repsol and the Low Carbon transition

## Entry in Chile's renewable market



### Initiating international expansion in renewables

- Joint Venture with Ibereólica [50%] - option to control the JV after 2025
- Cash out does not jeopardize the Resilience Plan 2020
- Projects by 2025 in Chile will add ~ 0.8 GW (net to Repsol)

### JV portfolio

Diversified portfolio (52% wind and 48% solar) of up to 2.6 GW

- 78 MW in operation
- 1.6 GW of projects under construction [110 MW] or in advanced development stage [1.5 GW] to be installed in the next five years:
  - 3 wind
  - 2 solar
- Additional 1 GW projects planned to 2030

**Making important progress towards our goal of operating 7.5 GW of low carbon generation by 2025**

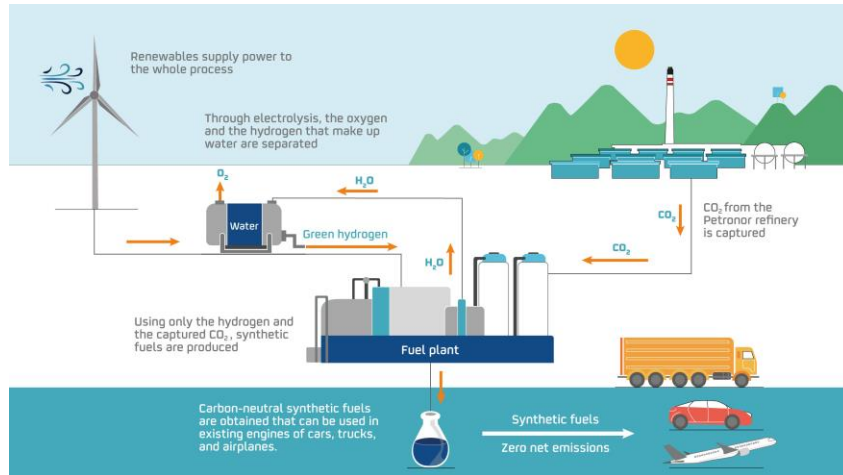
# 03 Repsol and the Low Carbon transition

## Two major pioneering decarbonization projects



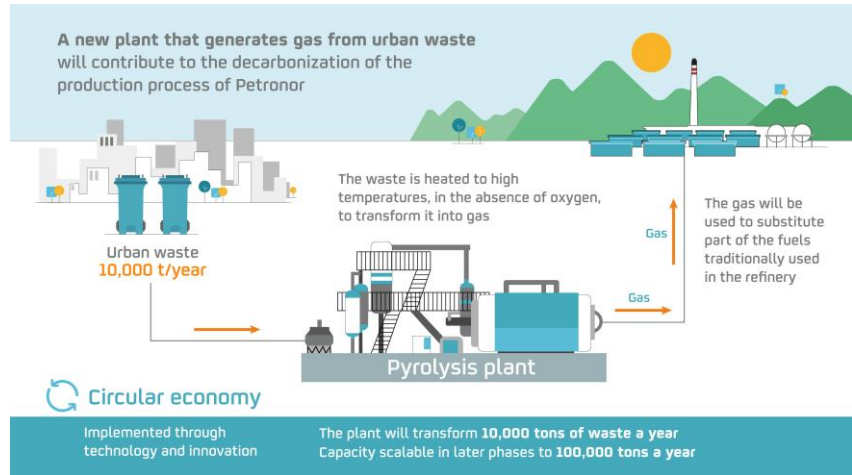
One of the world's largest plants to manufacture net zero emissions fuels

Benefiting from Spain's renewable resource to reduce the CO<sub>2</sub> emissions associated to the use of our products [Scope 3]



Plant for generation of gas from urban waste

- Replacing part of Petronor's production process traditional fuels, reducing emissions from our operations (Scope 1+2) and promoting circular economy



**Anticipating the refinery of the future and moving towards our net zero CO<sub>2</sub> ambition**

# 03 Repsol and the Low Carbon transition

## Risk Management



Repsol operates in areas with strict legislative requirements for energy and carbon. Pursuant to the Paris Agreement, countries' commitments will have a significant impact on climate policies

### Legislative risks

- In Europe, the **2020 Energy and Climate package**, including a number of key directives:

The Directive that regulates the Emissions Trading System (EU-ETS), affecting refineries and chemical facilities in Europe<sup>1</sup>

**Directive on Renewable Energies involving**, among other things, incorporation by the year 2020 of up to **8.5%** of biofuels in automotive fuels. This percentage will be increased by the additional incorporation of the Fuel Quality Directive

Legislation on the **promotion of clean and efficient road transport vehicles** sets a specific average emissions target for the fleet of vehicles marketed by automotive companies. In particular, light vehicles have to reduce their emissions to 95 gr of CO<sub>2</sub>/km by 2020

- Repsol has invested in its Refining business to adopt an advanced scheme in its complexity and flexibility to enable it to complete in future demand scenarios



### Emerging and Climate Change risks

- Repsol has an Integrated Risk Management System in place, enabling the Company to identify, manage and control risks arising from climate change



### Physical Risks

- Repsol is working to minimize physical risks and the magnitude of potential impacts of climate change in natural resources, facilities and in the climate phenomena to which the Company is exposed: drought, flooding, temperature change



### Reputational Risks

- Lastly, risks are analyzed in the category of reputation or market risks in order to establish how changes affect consumer behavior and other variables that may affect the company. The company's ability to keep the social license to operate

1.- European Commission has also introduced the 2030 Energy and Climate package with more demanding regulations on EU ETS

# 03 Repsol and the Low Carbon transition

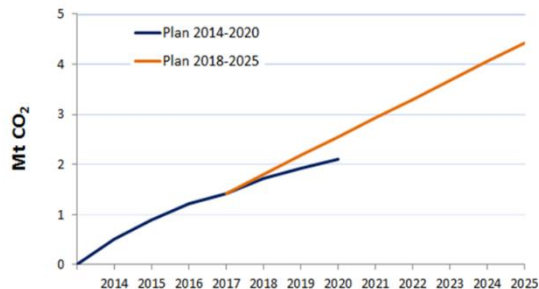
## Metrics and Targets



### Emissions reduction plan 2018-2025

**-3 Mt CO<sub>2</sub>eq by 2025**

Baseline: 2017



**2 Mt CO<sub>2</sub>q GHG**  
emissions **avoided**  
between 2014 and  
2019

**~5,1 Mt GHG**  
emissions avoided  
between 2006 and  
2019

### Methane reduction

**-25% by 2025**

Baseline: 2017

SHARING BEST PRACTICES AND  
TECHNOLOGY DEVELOPMENT



**Methane Guidance  
Principles Roundtable**

### Flaring reduction

**-50% of routine  
flaring by 2025**

Baseline: 2018

#### REPSOL ZERO ROUTINE FLARING ENDORSEMENT

1

Minimize routine  
flaring in E&P  
operations by 2030



WORLD BANK GROUP

2

Ensure that new  
fields include, from  
design phase,  
solutions to avoid  
routine flaring and  
venting



04

# Corporate Governance

# 04 Corporate Governance

## Board of Directors



The company's Board of Directors recognizes that a solid commitment to corporate governance is critical to establishing trust and credibility with investors

**Directors may not hold more than 4 mandates in other listed companies<sup>1</sup>**

### Presence of External Directors

Independents make up 53.3% of the Board. Non Executive Directors make up 93,3% of the Board

### Rotation of independent Directors

- None of the Independent Directors has been on the Company's board for more than 12 years
- Implementation of the international standard (12-years cap) in our internal Regulations of Board of the Directors<sup>1</sup>

### Reduction of Board members to 15

### Skills matrix of the Board

The Annual Corporate Governance Report 2018 includes the Board's skills matrix, to be updated annually

### Appointment of a Lead Independent Director

Appointment of Mariano Marzo as Lead Independent Director as of March 27, 2019

### % of Committee Independence

- Audit and Control Committee: Composed exclusively of independent directors
- Nomination Committee: Composed exclusively of independent directors
- Compensation Committee: Majority independent / Chairman is independent
- Sustainability Committee: Majority independent / Chairman is independent

- 8 Independent
- 3 Proprietary
- 1 Executive
- 3 External

1.- According to Repsol's internal regulations all mandates held in companies within the same group or held as proprietary director proposed by a company of the same group will be considered as one single mandate.

# 04 Corporate Governance

## Board of Directors

### ↔ CEO / Non Executive Chairman roles separated

The roles of the CEO and Chairman have been fully separated since 2014



### Diversity



- Repsol recognizes that having a **diverse Board** in terms of gender, nationality and skills can add value to the decision-taking process
- As to **gender diversity** and after the appointment of Aránzazu Estefanía and Teresa García-Milá as Independent Directors by the 2019 AGM, **female directors make up 33.33% of the Board**, beyond the Spanish Code of Good Governance's recommendation of having at least 30% female representation at the Board by 2020
- About **geographical diversity, non-Spanish directors** make up **26.6% of the Board**. In line with the multinational nature of Repsol, the Board members have different nationalities and solid international experience: Rene Dahan (Netherlands), Robinson West and Maite Ballester (United States) and Henri Philippe Reichstul (Brazil)
- Repsol's Board is also **diverse in terms of skills, capabilities and professional expertise**: its members have solid experience in different fields related to oil & gas and energy industry, accounting, finance, IT, strategic planning, corporate governance, academic and institutional, among others



# 04 Corporate Governance

## Board of Directors



### Transparency on remuneration

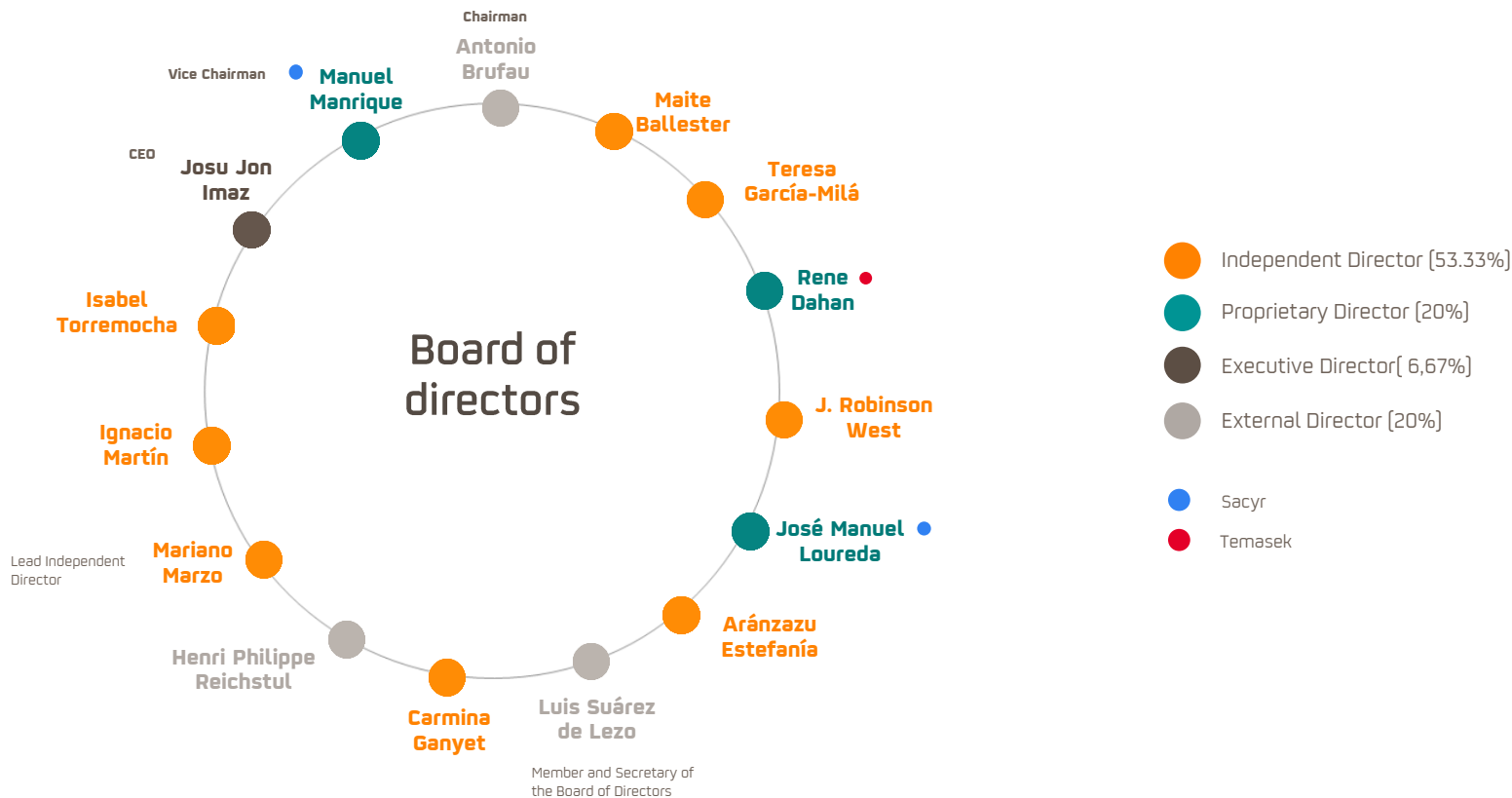
The Company continues improving the disclosure on the remuneration issues and the implementation of international best practices

- The Remuneration Report is submitted annually to the General Shareholders Meeting. On 2019 AGM the Report was approved by **95.6%** of the share capital attending the meeting
- The 2019 AGM also approved, with a majority of **95.4%**, the Directors' **Remuneration Policy for years 2019-2021**. The Remuneration Policy reflects best practices on good governance and remuneration, as well as Repsol's unflinching commitment to ensuring the utmost transparency
- The remuneration for Board members for their supervisory duties has remain unchanged since 2009
- The **fixed** remuneration of the **CEO** has remained unchanged since his appointment in 2014 and that of the General Counsel since 2011
- The Company applies the limit of **2 years severance payment** when appointing any new Executive Directors [as is in the case of the CEO]
- **Shareholding policy** for Executive Directors equivalent to 2 times salary
- **Partial payment** of the long-term variable remuneration **in shares** for Executive Directors
- Increase of **sustainability targets** on short and long-term variable remuneration



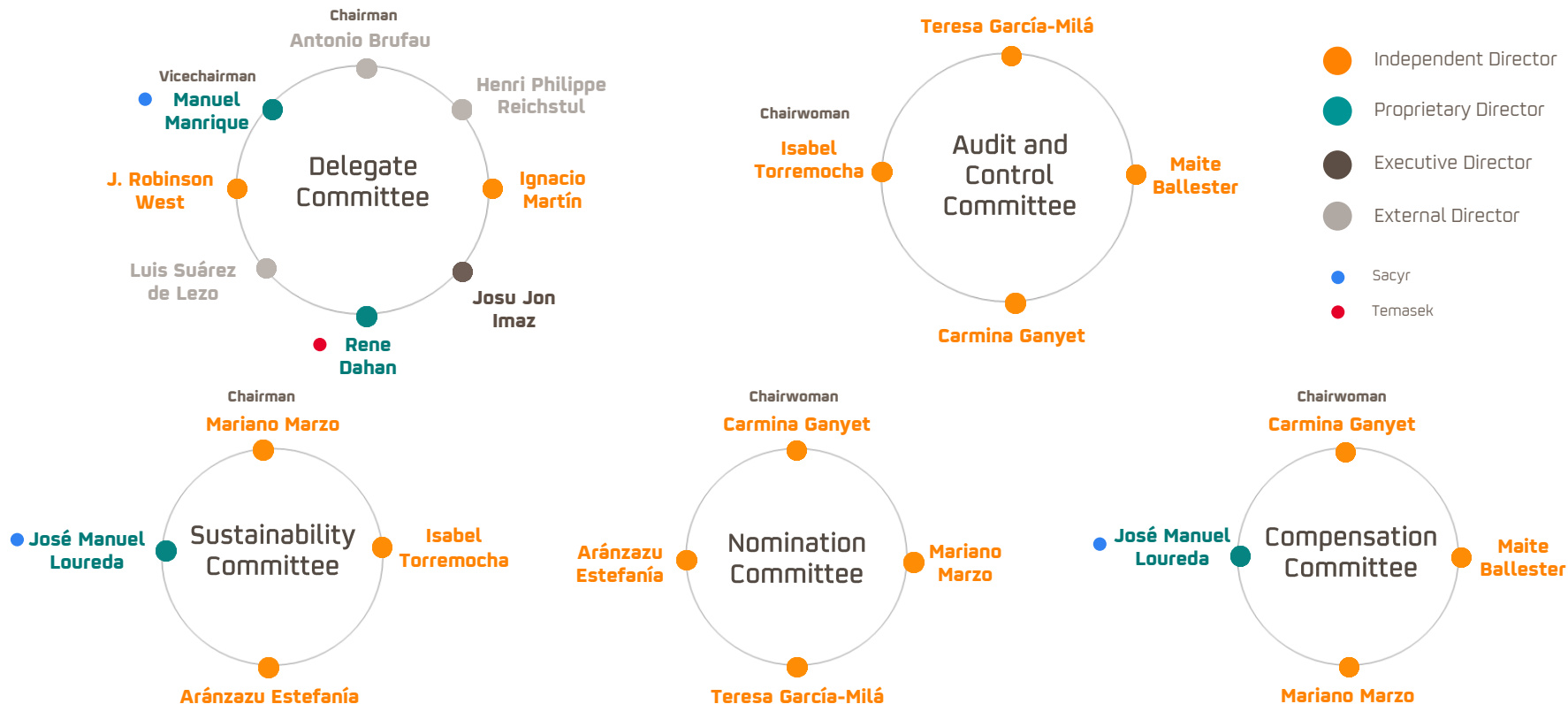
# 04 Corporate Governance

## Board of Directors: composition



# 04 Corporate Governance

## Board Committees: composition





05

Annexes

# 05 Annexes

## Climate reporting and partnership



Moving from stakeholder engagement to partnerships



**Public policy engagement on climate change:** Repsol announced its commitment to strengthen the alignment of its public position on climate with that of the industry associations in which Repsol is a member. **The company will support and lobby for effective measures across all areas of public policy that aim to mitigate climate change risks and share the ambition to limit temperature rise to well below 2 degrees Celsius**

### Assessing Repsol's participation in industry initiatives and associations

We have published the first report on alignment of associations and initiatives fulfilling the objectives derived from the Paris Agreement and our climate change strategy



A **\$15 trillion investor-backed Initiative** assessed the carbon performance of 50 energy companies and 59 electric utilities, founding that **Repsol is one of the two companies in oil and gas sector that comes into alignment with the Paris Agreement before 2050**

The TPI report also assessed carbon 'Management Quality' for 135 leading oil & gas, electric and coal mining firms. Repsol has been ranked as a leader, obtaining the maximum score [4/4]



### Climate Change Initiatives

Repsol joined the initiative in June 2015. We are working in 3 different focus areas: [1] Low Emissions Roadmap, [2] Managing Methane Emissions and [3] Carbon Capture, Utilization and Storage projects




The global oil and gas industry association for environmental and social issues. Repsol is actively involved in several work streams:

- Low Emissions Pathways.
- Methane emissions.
- Adaptation and resilience.
- Energy efficiency.
- Climate reporting.

# 05 Annexes

## Main Sustainability Indexes and Initiatives

	2019	2018
 Transition Pathway Initiative	<b>Level 4</b> [max. score]	<b>Level 4</b> [max. score]
 CDP	<b>A-</b>	<b>B</b> [band Management] – new methodology
 Vigeo Eiris	<b>67/100</b> Advanced	<b>58/100</b> Robust
 MSCI	<b>AA</b>	<b>AA</b> [from CCC to AAA; only 1 peer in AAA]
 SUSTAINALYTICS	<b>21.1/100</b> [risk-based scoring]	<b>84/100</b> [ESG performance-based scoring]
 ISS ESG ethix • climate • eekom	<b>B-</b> [from D- to A+, no sector company above B]	<b>C+</b> [from D- to A+, no sector company above B]

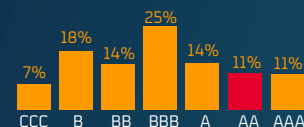


Carbon Performance: alignment with Paris Agreement benchmarks




*'Repsol is one of the 2 companies in Oil&Gas sector that comes into alignment with the Paris Agreement before 2050'*



### INDUSTRY RATING DISTRIBUTION

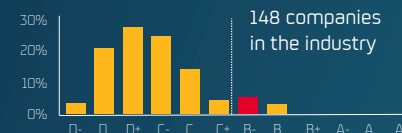


### RELATIVE PERFORMANCE

	Rank [1 <sup>st</sup> = lowest risk]
 Global Universe	<b>2,865 out of 12,420</b>
 Oil & Gas Producers (Industry Group)	<b>4 out of 283</b>
 Integrated Oil & Gas (Subindustry)	<b>1 out of 45</b>



### DISTRIBUTION OF RATING

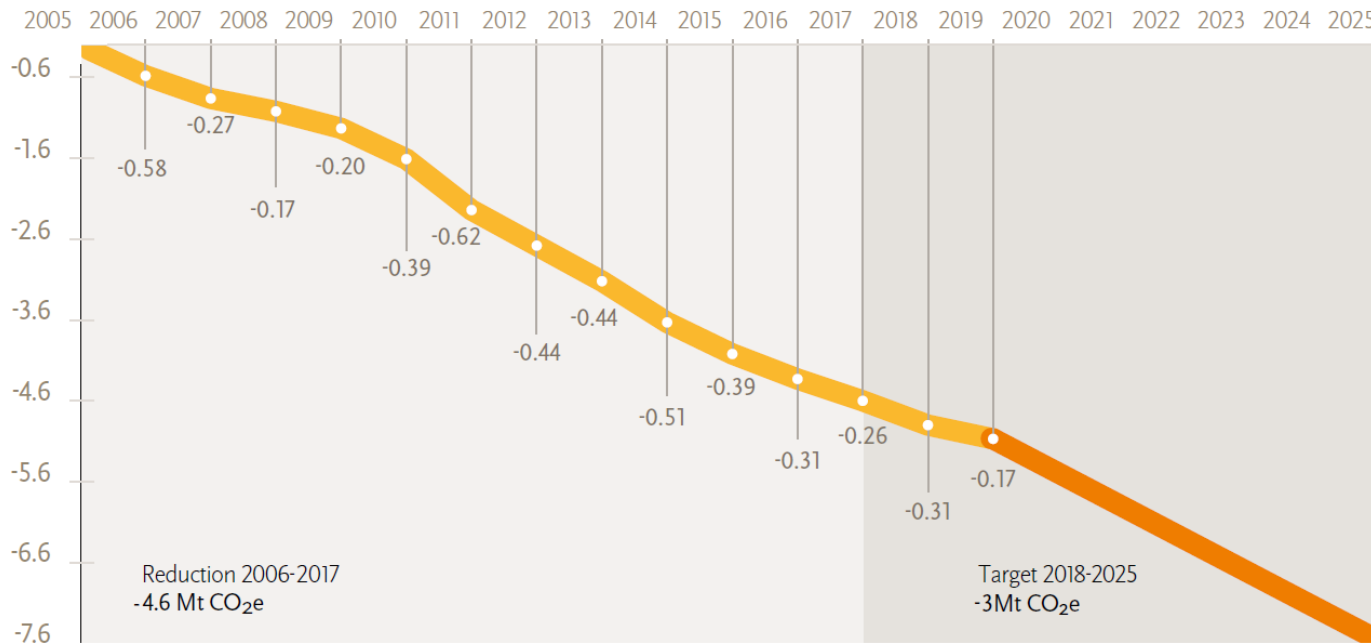


# 05 Annexes

## Repsol and the Low Carbon transition: metrics and objectives



GHG emissions reduction (Millions of Tons of CO<sub>2</sub>)



↓ 2.1 Mt

GHG avoided between  
2014 and 2019.  
Achieved **85%** of 2014-  
2020 objective

↓ 5.1 Mt

GHG avoided between  
2006 and 2019

3 Mt

CO<sub>2</sub> eq emissions  
reduction target by  
2025

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A photograph of a wooden boardwalk with railings leading through a dense forest. The boardwalk is made of wooden planks and has wooden railings on both sides. It is covered with fallen brown leaves. The forest is lush with green trees and foliage. The text "Walking the talk on energy transition" is overlaid in white, bold, sans-serif font in the center of the image.

# Walking the talk on energy transition

September 2020