



ESG DAY 2023

Governance in Action:
Leading the Way

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at Repsol's Board of Directors



The Repsol Commitment
Net Zero Emissions
by 2050



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In October 2015, the European Securities Markets Authority (ESMA) published its Guidelines on Alternative Performance Measures (APMs). The guidelines apply to regulated information published on or after July 3, 2016. With effect from January 1, 2023, Repsol has revised its financial information reporting model. More details about said change and all the information and breakdowns relative to the APMs used in this presentation are available on Repsol's website.

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01.

Corporate Governance



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01 ■ Corporate Governance

Introduction



Repsol has a **strong corporate governance system** that is **constantly reviewed and improved**, incorporating the main recommendations of international markets and the latest trends, as well as regulatory developments in this area.



Repsol's good governance practices aim to ensure that both the Company's management model and the decisions of the Board of Directors and its Committees are geared towards **preserving the long-term interests** of our stakeholders and **ensuring the sustainability of the Group**.



The Company maintains an **active dialog on ESG matters** with institutional investors, proxy advisors and other stakeholders in order to learn first-hand their opinion and positioning on these matters and to explain the Company's practices.



The ultimate objective behind corporate governance is to **lead the highest good governance standards** at the national and international level.

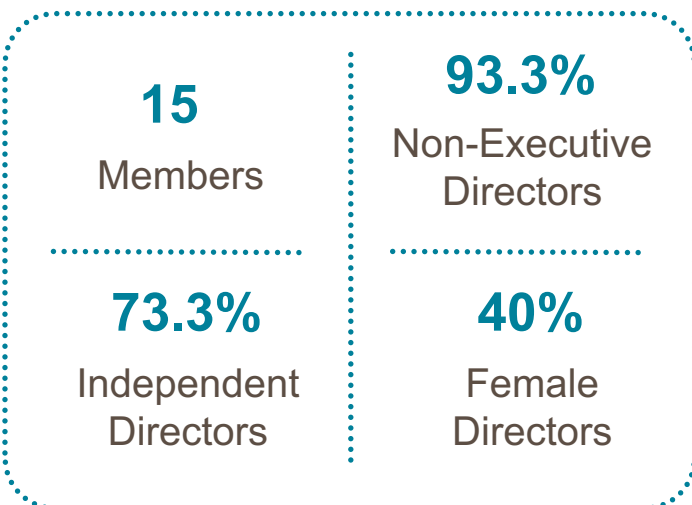
Highlights

Shareholding structure

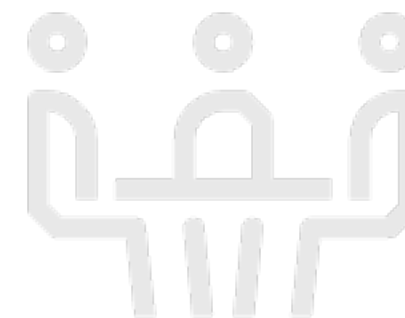


- No voting caps, no ownership caps nor antitakeover measures in the Bylaws.
- No minimum number of shares to attend or to vote at the AGM.
- No Loyalty shares.
- Possibility of attending and exercising shareholders' rights by **telematic means**.

Board of Directors structure



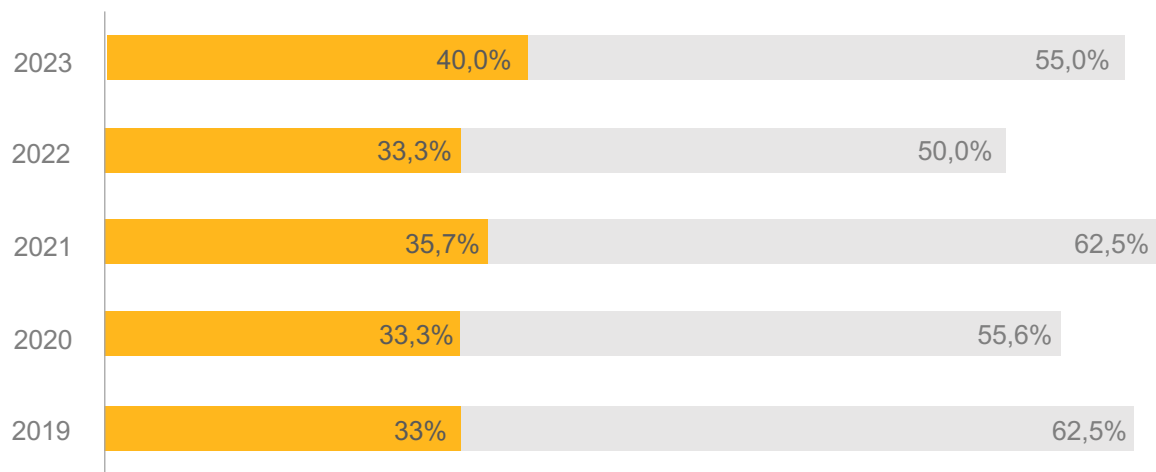
- Roles of the **Chairman** and the **CEO** separated since 2014.
- Separation of functions ensures a **balance of powers**, promoting the **independence** and **objectivity** of the **Board** in its supervisory task.
- **Lead Independent Director** since 2018.
- **Succession Plan** formally approved and coordinated by the Lead Independent Director.



01 Corporate Governance

Diversity

- Repsol has reached **40% representation of women at the Board**, in line with the local Good Governance Code.
- Female Directors chair the Audit and Control Committee, the Nomination Committee and the Compensation Committee.



■ % female directors out of the total number of members of the Board of Directors.

■ % of independent female directors out of the total number of independent directors on the Board of Directors.

Gender

Presence of Women of the Board of:



40%
6 women

Nationality

International representation in the Board of 13,3%:

Other Directors also have **extensive international experience** (93%).



Brazil



United States



Board Structure in detail

Board composition

Chairman: Non-Executive Director

- Independent Directors
- Other NEDs
- Executive Directors



Lead Independent Director

- Responsible for coordinating, gathering and echoing the opinions of the **Non-executive Directors**.
- **Heads the Board** in the absence of the Chairman and Vice-Chairman and may call a meeting of the Board.
- Responsible for **liaising with investors and shareholders** to ascertain their views, particularly in relation to the corporate governance of the Company.

Committee's composition (100% Non-Executive Directors)

Audit and Control Committee

Chairwoman: Independent Director



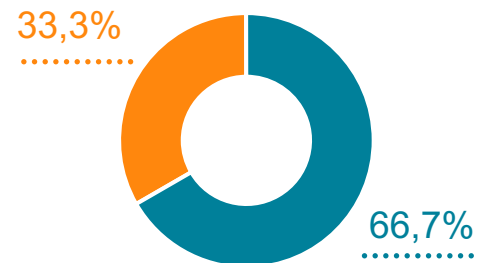
Nomination Committee

Chairwoman: Independent Director



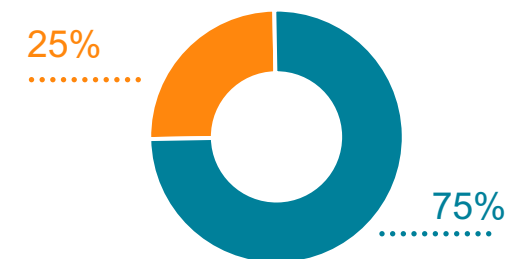
Compensation Committee

Chairwoman: Independent Director



Sustainability Committee

Chairman: Independent Director



Board practices

Overboarding

- Directors may not hold more than 4 mandates in other listed companies.
- Full time dedication of the CEO and Chairman to Repsol.

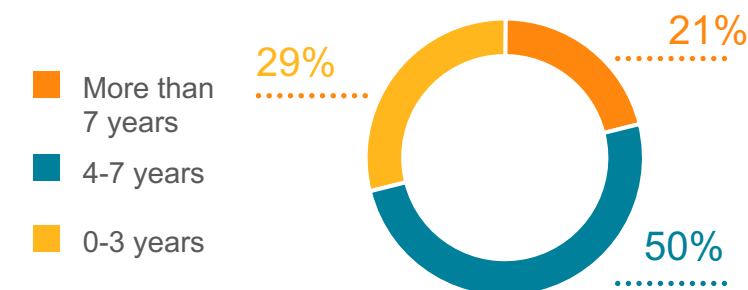
Meetings and attendance

	2022	2023
Board	14 meetings and 100% attendance.	7 meetings up to date and 98.1% attendance.
Committees:	39 meetings and 99.6% attendance.	21 meetings up to date and 99.6% attendance.

Board refreshment

- 6.3 years average term of office.
- Recruitment of new independent board members with the assistance of an independent executive search firm.

Years of service of Directors¹



¹ The seniority analysis includes only Non-executive Directors, including the Chairman (14 directors).

Annual Board assessment

- The Board evaluates annually the operation, quality and efficiency of its work and that of its Committees, as well as the performance of the Chairman, the CEO and the Secretary of the Board. On the basis of the conclusions reached, it draws up an Action Plan.
- At least once every three years, the Board of Directors is assisted in the evaluation by an external consultant. 2023's assessment is being assisted by Deloitte.

Other Corporate Governance practices to highlight



Internal Regulations

Constant review of internal regulations to **new legal requirements and international practices**.



Dialogue

Ongoing dialogue with shareholders, investors, proxy advisors and other stakeholders. **Specific engagement regarding ESG matters**.



Reports

Disclosure of **Annual ESG Engagement report** and other relevant reports for the investment community.



Attendance

Disclosure of individual attendance to Board and Committee meetings.



Transparency

Annual Directors Remuneration and Annual Corporate Governance Reports disclosed in **“free format”**, in order to enhance transparency and adapt to investors’ needs.



ESG indexes

Very **good assessment** from ESG indexes: MSCI, Sustainalytics, Vigeo-Eiris, Standard & Poors or CDP, among others.



02.

ESG at the Board of Directors



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ESG at the Board of Directors



Board of Directors

- The Company has an unambiguous commitment to sustainability and its leadership in the energy transition. The Board has also updated the objectives initially established in the 2021-2025 Strategic Plan to make them more ambitious and accelerate the Company's energy transition in order to achieve the objective of net zero emissions by 2050.
- ESG discussions are a key priority for the Board of Directors and are embedded in Repsol's culture.
- The whole organization is involved in achieving the goals of the Sustainability Strategy.
- Given the increasing importance of ESG matters, Board members are periodically trained on these subjects.

ESG at the Board of Directors



Board of Directors

- The Board of Directors approves the Company's **Sustainability Strategy**, as well as the **Decarbonisation Strategy**, both of them **integrated in the Company's Strategy**, and oversees their compliance by monitoring sustainability and energy transition targets and indicators.
- **Monthly** monitoring by the Board: Safety and environmental KPI's, as well as performance metrics.
- **Periodic** monitoring: Emission reduction and low-carbon energy generation targets, investment plans, and technological developments and applications related to energy transition. Follow-up of strategic commitments.
- In addition, the Board conducts specifically a **sustainability analysis of every investment proposal** submitted for approval, assessing its alignment with the objectives of the Paris Agreement.

ESG at the Board of Directors



Sustainability Committee



5 Meetings
in 2022



3 Meetings up to
date in 2023



100%
Attendance

- Responsible for guiding the **Group's policy, objectives and guidelines in the ESG areas**; reviewing and reporting to the Board about the expectations of the Company's stakeholders; proposing to the Board the approval of a Sustainability Policy; and reviewing and evaluating the non-financial risk management and control systems.
- The Committee reviews at every meeting **safety and environmental performance indicators**.

ESG at the Board of Directors



Sustainability Committee (cont.)

The Committee also monitors periodically, among other issues:

- ✓ The Sustainability Strategy and fulfillment of related actions and targets, together with the Local and Global Sustainability Annual Plans and their objectives and the Sustainability Risk Map.
- ✓ The decarbonisation roadmap and fulfillment of related actions and targets; Emerging risks relating to energy transition.
- ✓ Performance in Natural Capital and Biodiversity, as well as water management.
- ✓ Strategic Environmental and Safety projects.
- ✓ Specific performance of the Company in terms of Community Relations and Human Rights and its contribution to the Sustainable Development Goals (SDGs).
- ✓ Non-financial information and reporting frameworks.
- ✓ Performance of the Company in ESG ratings.



03.

Remuneration linked to ESG targets



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Remuneration linked to ESG targets

To ensure that the whole Company is properly aligned with the Sustainability Strategy, **sustainability and decarbonization goals** have a **direct impact on the variable remuneration** of Repsol employees:

Short-term variable remuneration is defined and reviewed on a yearly basis. Specifically, for the CEO a weight of up to **25%** is given to decarbonization and sustainability commitments, linked, in 2023:

15% to development of Low Carbon Platforms.

10% to safety indicators and rates.

Furthermore, Repsol has **long-term incentive programs** for all executives and members of senior management, including the CEO, as well as a high percentage of senior leaders, with **40%** weight linked to targets related to energy transition and, in particular, for the LTI 2023-2026 program:

20% to the achievement of the CII reduction path.

10% to renewable generation targets.

10% to renewable fuels production.



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