Walking the talk on energy transition

September 2020
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01 Company overview
02 Sustainability as part of Repsol’s DNA
03 Repsol and the Low Carbon transition
04 Corporate Governance
05 Annexes
Company overview
Repsol: a unique, integrated global position

Upstream
- Production: ~709 kboe/d
- Proved reserves\(^1\): ~2.1 Bboe, 66% gas
- 4 Core areas: North America, Latin America, Europe, Africa, Asia, Russia, RoW\(^3\)

Industrial
- Refineries: 6
- Refining capacity: 1 Million bbl/d
- Top quartile position among European peers
- Largest coking capacity in Europe
- Total production capacity\(^2\): ~4.7 Millions tons
- Synthetic Rubber: One of the largest producers in the world

Commercial and Renewables
- Service stations: >4,900
- Installed generation capacity: ~3 GW
- Project pipeline: ~2 GW
- Clients: 10 Million
- Retail clients: > 1 Million

Yield & Focus
New business segments reflect Repsol’s multi-energy and ESG-ready approach

1. As of 31/12/2019. 2. Base Chemicals ~2.5 Millions tons/y and Derivative Chemicals ~2.2 Millions tons/y. 3 Rest of the World
01 Company overview

Repsol: worldwide presence

8.2% Sacyr
91.8% Free Float

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

Upstream

Downstream

Both
Increasing shareholder remuneration and full buyback of scrip

Dividend per share based on disbursement year

CAGR +8%

<table>
<thead>
<tr>
<th>Year</th>
<th>Historic cash dividend</th>
<th>Historic scrip dividend</th>
<th>Scrip dividend + buybacks</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>€0.80</td>
<td>€0.19</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>€0.90</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>€0.95</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>€1.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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.
Resilience Plan 2020 - delivering above original targets

Delivering above original targets

- **Opex savings**: €350 M → €450 M
- **Capex savings**: €1,000 M → €1,100 M
- **WC optimization**: €800 M → €800 M

New 2020 estimate:

- **Opex savings**: €450 M
- **Capex savings**: €1,100 M
- **WC optimization**: €800 M

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 €)

- Liquidity as of June 2020: 3.4
- Available Committed Credit Lines: 6.3
- 2020: 3.3
- 2021-2024: 2.8
- 2025 and beyond: 4.7

Rating:

- 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.
## Main goals 2020

<table>
<thead>
<tr>
<th>Category</th>
<th>Target</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend</td>
<td>1 €/share</td>
<td>100% buyback</td>
</tr>
<tr>
<td>Investments</td>
<td>€ 2.9 B</td>
<td></td>
</tr>
<tr>
<td>Net debt</td>
<td>≤ € 4.2 B</td>
<td>Flat in 2020</td>
</tr>
<tr>
<td>Emissions</td>
<td>2.1 MtCO(_2)</td>
<td>3% CII(^1) reduced 2014-2020 Compared to 2016</td>
</tr>
<tr>
<td>Renewables</td>
<td>3.7 GW</td>
<td>generation capacity</td>
</tr>
</tbody>
</table>

### Financial Overview

- **Dividend**: 1 €/share with 100% buyback
- **Investments**: € 2.9 B
- **Net debt**: ≤ € 4.2 B (Flat in 2020)
- **Emissions**: 2.1 MtCO\(_2\) reduced 2014-2020 (3\% CII\(^1\) Compared to 2016)
- **Renewables**: 3.7 GW generation capacity

### Key Features

- **Multi-energy** supplier
- **Client based**
- **Low emissions**
- **Solid** financial position and attractive shareholder remuneration

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1. CII: Carbon Intensity Index

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### 2020 is a year of financial challenges on the road to energy transition
Sustainability as part of Repsol’s DNA
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.

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

- **Sustainability Committee**
  - Established on May 27th, 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)
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

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 and TRIR) and PSIR.

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

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.

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.

A formal framework to monitor and control the risks of crimes being committed.

In 2017: a Crime Prevention Manual was designed and implemented.

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

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.

Anti-corruption policy

Ethics and Conduct Regulation

Ethics and Compliance Committee

Crime Prevention Model

Chief Compliance Office

Ethics and Compliance Channel

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

1. Eco-design
Development of products that are more sustainable in terms of production, use or end-of-life. Example: development and manufacturing of polypropylene filament for 3D printing.

2. Incorporation of alternative raw materials
Example: used cooking oil for the production of biofuels.

3. Process efficiency and innovation
Example: use of rainwater for the operation of our assets instead of fresh water.

4. Waste recovery for raw materials, products or energy
Example: recovery plastic waste to make new plastics.

5. Search for new business opportunities
Example: chemical recycling of landfill plastic pyrolysis products.

6. New products and services
Example: battery charging and supply (battery sharing) for electric motorcycles.

Areas of circularity

03. WATER

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**

- **200** projects
- **+230** researchers
- **6** patents registered in 2019
- **190** partnerships
- **80** M€ invested in 2019

**CORPORATE VENTURING: FUND 2016-2020**

- New Technologies E&P: 4%
- Circular Economy: 21%
- Reliability in operations: 7%
- New materials and products: 12%
- Energy diversification: 31%

**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.

1.3 Billion $ 2017-2026

- Energy efficiency
- Methane emissions
- CCUS
Repsol and the Low Carbon transition
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 CO₂ 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
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 CO₂ 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 m³/year (429k of BioETBE and 442k 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 CO₂ (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:

  - 2018: 25 USD/ton CO₂
  - 2025: 40 USD/ton CO₂
  - 2040: 70 USD/ton CO₂

Repsol will contribute with determination to achieve a more decarbonized economy and planet
Repül and the Low Carbon transition
Strategy towards being a net zero emissions company by 2050

Carbon Intensity Indicator:
\[ \text{g CO}_2/\text{MJ} \]

Supply Energy (MJ) with the lowest possible emissions (\text{CO}_2)

Net zero emissions in 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 2ºC

1st 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

1. Baseline 2016
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).

<table>
<thead>
<tr>
<th>Until 2018</th>
<th>Dec 2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>December 2017</strong></td>
<td>Net Carbon Footprint: reduce 50% by 2050 (products sells)</td>
<td>2 December</td>
</tr>
<tr>
<td><strong>May 2018</strong></td>
<td>Target to reduce the CII by 3% by 2020. Ambition to reach a 40% reduction by 2040 (O&amp;G production)</td>
<td></td>
</tr>
<tr>
<td><strong>September 2018</strong></td>
<td>Carbon Intensity Reduction 15% by 2030 (products sells)</td>
<td></td>
</tr>
</tbody>
</table>

**Net Zero Emissions by 2050**

- **interim targets**
  - Carbon intensity (O&G production) (S1+S2+S3)

- **Net Zero Emissions Commitment**
  - Net zero operations (absolute basis) by 2050 (S1+S2)
  - Net zero O&G production (abs. basis) by 2050 (S1+S2+S3)
  - 50% cut carbon intensity of products sells by 2050
  - Net carbon neutrality Eni group by 2040 (S1+S2)
  - Absolute emissions reduction of 80% by 2050 (S1+S2+S3)
  - Emission intensity reduction of 55% by 2050 (products sells)

- **Net zero ambition on emissions by 2050 (S1+S2)**
  - Net Carbon footprint 65% reduction by 2050 (products sells)

- **Net zero carbon own operations by 2050 (S1+S2)**
  - Net zero production & energy products in Europe by 2050 (S1+S2+S3)
  - Carbon intensity 60% reduction by 2050 (products sells)
**Strategy in action**

**Upstream:**
- sustained cash generation shorter cycle assets
- CO2/CH4 abatement

**Refining & Chemicals:**
- leverage current refiner top-tier position by economic margin to be top-tier in low carbon intensity
  - further CO2 abatement
  - low-carbon products (biofuels, waste-to-fuels, long-life chemicals)
  - integrate renewables (power, green hydrogen)

**Low-carbon business:**
- low-carbon power generation [3 GW today, target 7.5 GW 2025]
- retail of clean power & gas (>1 million customers today)

**Multi-energy & customer-centric supplier:**
- Mobility: advanced & low-carbon fuels, electric
- Residential gas & power

**Cross-cutting facilitators:**
- New energy technologies
- Data-driven digitalization
## Repsol and the Low Carbon transition

### Strategy

**Low emissions business: roadmap to 2025**

<table>
<thead>
<tr>
<th>Top capability</th>
<th>Wholesale gas</th>
<th>Retail G&amp;P</th>
<th>Low carbon generation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Roadmap</strong></td>
<td>Leverage our industrial self consumption as the <strong>largest gas consumer in Spain</strong></td>
<td><strong>Strong brand and ~10M clients</strong> base with direct contact</td>
<td><strong>Technical capabilities</strong> and experience in managing <strong>large scale projects</strong></td>
</tr>
<tr>
<td></td>
<td>• Create a successful <strong>wholesale gas business</strong>, ensuring a competitive gas supply</td>
<td>• To become a relevant Spanish <strong>low carbon multi-energy retailer</strong></td>
<td>• Develop a <strong>strong position in Spain</strong> achieving a low carbon integrated business</td>
</tr>
<tr>
<td></td>
<td>• Developing <strong>new business</strong> through gas flexibility</td>
<td>• Progressively sophisticate our offer including advanced <strong>energy services</strong> and solutions</td>
<td>• Technological vocation oriented to solar, wind, CCGT and other low carbon technologies</td>
</tr>
<tr>
<td></td>
<td>• Deliver a <strong>competitive gas</strong> offer for our future retail clients</td>
<td></td>
<td>• <strong>Diversify in emerging countries</strong> that yield higher returns</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Targets by 2025</th>
<th>Market share</th>
<th>Clients</th>
<th>Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2025</td>
<td>2025</td>
<td>2025</td>
</tr>
<tr>
<td></td>
<td>&gt;15%</td>
<td>2.5 M</td>
<td>~ 7.5 GW</td>
</tr>
<tr>
<td></td>
<td>2019</td>
<td>2019</td>
<td>2019</td>
</tr>
<tr>
<td></td>
<td>14%</td>
<td>&gt;1 M</td>
<td>~ 2.9 GW</td>
</tr>
</tbody>
</table>

### Investments in low carbon businesses with IRR above 10%

1. Spain market share including our refineries’ consumption; 2. Not adjusted for dual clients; 3. Assuming an average financial leverage of ~50%
R03 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)
Repsol and the Low Carbon transition

Entry in Chile's renewable market

Initiating international expansion in renewables

- Joint Venture with Iberélica (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)

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

Benefiting from Spain’s renewable resource to reduce the CO2 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 CO2 ambition
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^1^

  **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 CO₂/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

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^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 CO₂eq by 2025
Baseline: 2017

Methane reduction
-25% by 2025
Baseline: 2017

Flaring reduction
-50% of routine flaring by 2025
Baseline: 2018

- 2 Mt CO₂eq GHG emissions avoided between 2014 and 2019
- ~5.1 Mt GHG emissions avoided between 2006 and 2019

SHARING BEST PRACTICES AND TECHNOLOGY DEVELOPMENT

Methane Guidance Principles Roundtable

1. Minimize routine flaring in E&P operations by 2030
2. Ensure that new fields include, from design phase, solutions to avoid routine flaring and venting

Baseline: 2017

Baseline: 2018
04

Corporate Governance
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**

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

**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

**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

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.
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 Arantzazu 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.
**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
Corporate Governance

Board Committees: composition
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


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.
## Main Sustainability Indexes and Initiatives

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Transition Pathway Initiative</strong></td>
<td>Level 4 (max. score)</td>
<td>Level 4 (max. score)</td>
</tr>
<tr>
<td><strong>CDP</strong></td>
<td>A-</td>
<td>B (band Management) – new methodology</td>
</tr>
<tr>
<td><strong>Vigeo Eiris</strong></td>
<td>67/100 Advanced</td>
<td>58/100 Robust</td>
</tr>
<tr>
<td><strong>MSCI</strong></td>
<td>AA</td>
<td>AA (from CCC to AAA; only 1 peer in AAA)</td>
</tr>
<tr>
<td><strong>Sustainalytics</strong></td>
<td>21.1/100 (risk-based scoring)</td>
<td>84/100 (ESG performance-based scoring)</td>
</tr>
<tr>
<td><strong>ISS ESG</strong></td>
<td>B- (from D- to A+, no sector company above B)</td>
<td>C+ (from D- to A+, no sector company above B)</td>
</tr>
</tbody>
</table>

### 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

| Global Universe | 2,865 out of 12,420 |
| Oil & Gas Producers (Industry Group) | 4 out of 283 |
| Integrated Oil & Gas (Subindustry) | 1 out of 45 |

### Relative Performance

| Rank (1st = lowest risk) |

### Distribution of Rating

<table>
<thead>
<tr>
<th>148 companies in the industry</th>
</tr>
</thead>
</table>
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 CO₂ eq emissions reduction target by 2025
Repsol Investor Relations contact details:

Mr. Ramon Álvarez- Pedrosa, Director of Investor Relations
ralvarezp@repsol.com
+ 34 91 7536315

Ms. Leticia Padura, Investor Relations ESG Manager
lpadurafn@repsol.com
+34 91 7535988

Ms. Sara Elizalde, Investor Relations ESG Analyst
sara.elizalde@repsol.com
+34 91 7537468
Walking the talk on energy transition

September 2020