REPSOL Group

2019
Integrated Management Report

Translation of a report originally issued in Spanish.
In the event of a discrepancy, the Spanish language version prevails

REPSOL

The Management Report

Repsol[1], in its commitment to transparency, has prepared a **Management Report** that integrates financial with non-financial information and aims to become the cornerstone of the Group's annual public reporting.

The report not only complies with applicable legal requirements[2] but is aligned with best practice and, in particular, with the recommendations of the "*International Integrated Reporting Framework*" of the *International Integrated Reporting Council (IIRC)* and the "*Guía para la Elaboración del Informe de Gestión de las Entidades Cotizadas*" of the CNMV, Spain's securities market regulator.

This **Management Report** faithfully presents Repsol Group's business, results and financial situation, together with a description of the main risks and uncertainties it faces. It also provides information on Sustainability (environment, climate change, social issues, etc), Security and Governance.

Preparation of information

The **financial information** included in this document, unless expressly indicated otherwise, was prepared in accordance with the Group's reporting model, which is described in Note 5 "*Segment reporting*" to the 2019 consolidated Financial Statements. Some of the financial indicators and ratios are classified as Alternative Performance Measures (APMs) in accordance with the *European Securities Markets Authority (ESMA) Guidelines*[3].

The report should be read together with the 2019 Consolidated Financial Statements, which have been filed along with this Report with the CNMV (www.cnmv.es) and are also available at www.repsol.com.

The **information** relating to **Sustainability indicators** is presented in accordance with the Global Reporting Initiative (GRI), "Standard" version, using the "comprehensive" option. Appendix IV "GRI Index" contains a list of the Sustainability indicators, with references to the indicators that are included throughout the report, in other public reports or reported in Appendix III "Sustainability Indicators." Together with the additional information required by Law 11/2018, these indicators make up the Statement of Non-Financial Information, the content of which is identified in Appendix V "Statement of Non-Financial Information". Sustainability figures and indicators have been calculated according to corporate rules that specify the criteria and common methodology to be applied to labor, environment, human rights and social issues that is described in detail in each of its sections. This information has been completed following the basic principles governing the standard AA1000 2008 APS: inclusiveness, materiality and responsiveness, and is verified under the ISAE 3000 and AA1000 2008 AS standard (verification letter available at www.repsol.com). In addition, for the preparation of this information, account has been taken of the Ten Principles of the United Nations Global Compact.

The **forward-looking information** contained in this document reflects the plans, forecasts or estimates of the Group's managers at the date of preparation. Such forward-looking information is based on assumptions that are considered reasonable, and cannot be considered as a guarantee of the entity's future performance, in the sense that such plans, forecasts or estimates are subject to risks and uncertainties, meaning that the future performance of the Group will not necessarily coincide with what was initially planned.

Mission, vision and principles of action:

Repsol's **mission** (its reason for being) is to supply energy to society efficiently and sustainably.

Our **vision** (where Repsol is going) is to be a global energy company that uses innovation, efficiency and respect to create sustainable value in the service of societal progress.

Repsol has set down **guiding principles** –"*Value Creation, Respect, Efficiency and Foresight*"– and **Company behaviors** –"*Results orientation, Accountability, Collaboration, Intrapreneurship and Inspiring leadership*"–to make our mission a reality and our vision an attainable challenge.

Further information available at www.repsol.com

1. Henceforth, the names "Repsol," "Repsol Group" or "the Company" are used interchangeably to refer to the company group consisting of Repsol, S.A. and its subsidiaries, associates and joint arrangements.

2. Among others, the Spanish Commercial Code, the Consolidated Text of the Spanish Companies Act *(Ley de Sociedades de Capital)* and Law 11/2018 of 28 December, which amends the Commercial Code, the Consolidated Text of the Companies Act and the Auditing Act as regards non-financial information and diversity, and transposes into Spanish law Directive 2014/95/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups.

3. Appendix I, "*Alternative Performance Measures*", sets out the reconciliation of the adjusted figures to those corresponding to IFRS-EU financial reporting.

Message from the CEO

We became the first company in the oil and gas industry to set a target of net zero emissions by 2050.

Dear Shareholder:

I would like to take the opportunity offered by this report to review the main achievements of 2019, a key year for Repsol. We have made progress in diversifying our activities and advancing the energy transition. Above all, we became the first company in the oil and gas industry to set a target of net zero emissions by 2050.

To achieve this, we are orienting the company's strategy towards reaching this target, aligning our business plans with the goals of the energy transition and strengthening our profile as a customer-focused multi-energy supplier. We have specific plans in place to gradually lower our carbon intensity over the coming decades: 10% by 2025, 20% by 2030 and 40% by 2040.

With the technological advances of today, we envisage that we can achieve, at least, a 70% net emissions reduction by 2050, and we are committed to applying the best technologies to raise this figure, including Carbon capture, utilization, and storage. If this should prove not to be enough, we shall offset emissions through reforestation and other natural climate solutions to achieve net zero emissions by 2050.

These emission reduction goals are the bedrock of the Strategic Plan 2021-2025, which will set our targets and guide our actions until the middle of this decade.

In line with this new strategic approach, in a context defined by new oil and gas market dynamics and public policies aimed at decarbonizing the economy, we have assumed a new hydrocarbon price scenario consistent with the climate objectives of the Paris Agreement. As a result, in the financial statements for 2019 we have adjusted the book value of some assets by 4,849 million euros. This has reduced the specific results for the year. Cash generation, however, is unaffected and rose by 8% in relation to 2018. Nor will the write-down affect the announced proposal to increase shareholder return to one euro per share, one of the most attractive dividends on the Spanish stock exchange and in our industry worldwide.

In the coming years, one of our priorities will continue to be the development of renewable energy. So, in 2019 we raised our target for low-emission electricity generation capacity for 2025 by 3,000 MW; the new target is 7,500 MW. At this moment, we have 2,952 MW capacity in operation and 1,185 MW under development.

In the coming years, one of our priorities will continue to be the development of renewable energy.

We have approved investments to take on further renewable projects with a total capacity of 1,474 MW. In 2019, we acquired four projects with a combined capacity of 921 MW. We also passed the one million electricity and gas customer mark, a 31% increase since the start of the business.

In 2019, we demonstrated our commitment to technology and new businesses that enables us to move forward in the energy transition, through projects such as the purchase of Ibil's electric vehicle charging network that allows us to have one of the biggest public charging networks in Spain. We also launched Solify, our new end-to-end photovoltaic solar self-consumption solution for individual clients and companies, offering 100% renewable energy. And we opened the first two ultra-fast charging points on the Iberian Peninsula, thus continuing to set the pace in energy for mobility.

In Upstream and Downstream, our priority has been profitable growth. In the Upstream segment, the highlight was the discovery in the Sakakemang block in Indonesia, one of the largest onshore discoveries in the world in 2019, with a volume of gas equivalent to Spain's entire consumption for two years. In Downstream, Lubricants continued its international expansion with the purchase of 40% of United Oil Company, which will produce and distribute Repsol products in Singapore, Indonesia, Malaysia, and Vietnam, thereby strengthening our presence in Southeast Asia, one of the world's largest markets.

Our strategy is already earning recognition from investors worldwide.

For our plans to succeed, all our businesses must meet decarbonization targets. In Upstream, we will prioritize value creation over output growth, focusing on asset portfolio enhancement, with shorter-cycle projects and faster monetization in regions with clear competitive advantages. We shall maintain a sensible balance between gas and oil in our reserves, two energy sources that, according to the International Energy Agency (IEA), will continue to be vital to society in the coming decades.

In our industrial businesses, the decarbonization strategy will help us maintain our refining and chemical assets among the most efficient and competitive in Europe. To continue optimizing our asset performance, we will carry on adopting new technological solutions that will enable us to achieve a 25% reduction in emissions from the Refining business by 2025, in addition to the 23% cut already obtained from 2010 to 2017.

The circular economy is at the heart of our strategy for both businesses. Our Refining area will double production of high-quality biofuels from vegetable oils (HVO), while our Chemicals business aims to achieve 20% recycled content in its polyolefins by 2030. At the same time, Refining will integrate renewable energies into its operations, producing green hydrogen and using electricity from renewable sources.

Naturally, Repsol will continue to be a leading player in sustainable mobility, providing a multi-energy offer that includes increasingly efficient gasoline and diesel and alternative fuels such as AutoGas, compressed natural gas and liquefied natural gas. We shall, of course, continue to deploy new electric charging points at our service stations: this is a business we intend to lead in all markets where we are present.

Our strategy is already earning recognition from investors worldwide. I would like to highlight the Transition Pathway Initiative (TPI), an association that brings together 60 of the largest international investors, and which has recognized us as the first of only two companies in the industry with a strategy consistent with the Paris Agreement.

It is also worth mentioning that the Climate Action 100+ initiative, a group of over 450 international investors managing more than 39 billion, late last year recognized the company's efforts in this area. And Standard & Poor's named Repsol among the companies in its industry with the most advanced sustainability strategy, with high praise for the diversification of our businesses and for our firm commitment to the Paris Agreement.

As you can see, the market is confident that we can achieve our goals. We are convinced that the time was right for setting ourselves more ambitious targets in the fight against climate change, and only by addressing the great challenges before us with strategic clarity can we turn them into opportunities. We are sure that this will strengthen our common project, making it more attractive, sustainable, and profitable.

Thank you for your trust.

Contents

1. Highlights of 2019

New strategic approach

- Target: decarbonization and creation of value
- Upstream: prioritize profitability and cash generation over volume
- Downstream: multi-energy portfolio, new low-carbon businesses

Growing shareholder returns

- Increase of 5% year-on-year
- Flexible dividend and share buy-back programs
- High acceptance of the flexible dividend, Dec-19 (83.5%)

2050 target:
net zero emissions by 2050

7,500MW
low carbon generation capacity by 2025

New strategic approach: climate change and energy transition

2019 marked the beginning of a new phase for Repsol after having been a pioneer in the sector, committing to **the fight against climate change** and the **energy transition** in line with the objectives of the Paris Summit and the United Nations' Sustainable Development Goals.

Repsol aims to be a zero emissions company in 2050 and, until then, progressively reduce its carbon intensity indicator (taking 2016 as the base year, 10% in 2025, 20% in 2030 and 40% in 2040).

Repsol will orient its strategy, investments and business plans towards achieving these objectives, ensuring the sustainability and value creation of its businesses, both in the long and short term, as part of the energy transition.

In Upstream, to preserve and optimize asset value, priority will be accorded to creating value over production growth, maintaining flexibility as a strategic vector, and focusing on the rotation and improvement of the asset portfolio and on cash generation.

In Downstream, projects associated with low-carbon electricity generation will be promoted, increasing their capacity target to 7,500 MW by 2025. In Refining, an additional 25% reduction in direct emissions will be undertaken by 2025 and biofuel production will double to 600,000 tons per year by 2030. In Chemicals, the Company is committed to efficiency in the industrial process and moving toward the circular economy, with the ambition of achieving 20% recycled content in all of its polyolefins by 2030. In Mobility, we shall further develop our strategy as a customer-centered multi-energy supplier, and progress will be made in the deployment of electric, autogas, compressed natural gas and liquefied natural gas (LNG) recharge points at service stations.

The new Strategic Plan 2021-2025 will be published in the first half of 2020.

For more information, see Section 6.1. Climate Change and 2.4. Strategy.

Results

In a **context** of a slower economy and rising geopolitical uncertainty, the financial performance of our businesses reflects volatile and declining hydrocarbon prices and weaker industrial indicators.

Results

(Millions of euros)	2019	2018	Δ
Upstream	1,050	1,325	(21%)
Downstream	1,456	1,583	(8%)
Corporate and other	(464)	(556)	17%
Adjusted net income	**2,042**	**2,352**	**(13%)**
Inventory effect	(35)	(68)	49%
Specific results	(5,823)	57	-
Net result	**(3,816)**	**2,341**	**-**

Upstream results (1,050 million euros, 21% down on 2018) were hard hit by lower prices for crude oil and, especially, gas, only partly offset by lower costs.

Downstream results (1,456 million euros, 8% down on 2018) remain strong, albeit losing some ground year-on-year due to weaker Refining and Chemicals performance in Spain (owing to maintenance shutdowns and thinner margins) and Gas Wholesaling and Trading (gas prices in North America and Europe). These declines were partly offset by better results in other businesses, especially Trading, Mobility (service stations) and Electricity.

Results improved in the **Corporate** division due to lower corporate structure and borrowing costs.

Financial strength

- Businesses facing a tough market context
- Increased operating cash flow
- Healthy debt levels

Business growth

- Big discoveries in Indonesia and Alaska
- Improved Refining products (advanced biofuels, low-sulfur fuel)
- 1 million Electricity and Gas subscribers and over 1.4 million Waylet platform users

Hence **adjusted net income**, a measure designed to reflect ordinary business profit, came to 2,042 million euros, 13% down on 2018.

The **inventory effect,** which updates the value of inventories with changes over the period in crude oil and petroleum product prices, came to -35 million euros.

Specific results (-5,823 million euros) it's worth mentioning the extraordinary write-downs of Upstream assets, mainly in North America, as a result of the adoption of assumptions of lower that crude oil and gas prices, consistent with recent dynamics in the oil and gas markets and the new scenarios of energy transitions and public policies aimed at the decarbonization of the economy, as well as the provisions to cover litigious risks.

The Group's **net result** for 2019 was thus negative (-3,816 million euros), owing to write-downs not involving immediate cash outflows. This will not impact shareholder remuneration, rising 5% vs. last year.

Cash flows from operations (5,837 million euros) was up 8% year-on-year, enabling us to cover investment, debt service, shareholder returns and our share buy-back program. **Free cash flow** was 2,060 million euros, versus 5,056 million euros in 2018 (which included the proceeds of the sale of Naturgy, 3,816 million euros).

Net debt including leases came to (8,083) million euros, making for leverage of 24.3%. Net debt ex leases was 4,220 million euros, versus 3,439 million euros at year-end 2018, for a leverage ratio of 13.9%. **Available liquidity** at year-end stood at 7,667 million euros. We held 80.8 million **treasury shares**.

For further information, see section 4. Financial performance.

Shareholder return

The returns offered to shareholders in 2019, in the form of a scrip dividend ("*Repsol flexible dividend*") came to **€0.916 per share, 5% up on the previous year**.

To improve returns to shareholders, in 2019, bought-back shares were redeemed in a **capital reduction** to offset the dilutive effect of the bonus share issue formalized in 2019 under the "*Repsol Flexible Dividend*" program.

In addition, the Board of Directors has decided to submit for approval at the next Annual General Meeting a proposal for capital reduction equal to 5% of share capital at December 31, 2018.

At the end of 2019, the **share** price was similar to the price at the end of December 2018 (-1%), despite the drop in hydrocarbon prices.

For more information, see Appendix 4.4. Shareholder return.

€0.916 per share
shareholder return in 2019

Business activities

In **Upstream**, against a backdrop of low crude oil and, in particular, gas prices, the businesses have prioritized the generation of value against the production volume, using cost reduction plans and the redefinition of asset operation plans that seek to reduce the break even. In addition, profitable growth has been pursued, to this end, special mention should be made of the discovery in Indonesia (*Sakakemang*), and in the United States (Alaska and the Gulf of Mexico), Malaysia and Norway**, the start of production** at *Buckskin* (Gulf of Mexico, USA) and Angelin (Trinidad and Tobago), the **acquisition** of productive assets (63% of Eagle Ford in the USA and 7.65% of Mikkel (Norway), the extension of the production contract in *Corridor* (Indonesia) new **acreage** in Indonesia, Norway, Brazil (subject to ratification), the United States, Russia and Greece, and the agreement reached with Shell and Gazprom

↑8%
cash flow from operations

Corporate governance

- Re-election of the Chairman and of the Chief Executive Officer
- Gradual replacement of Board members
- 33% of Board members are women

Sustainability and digitalization

- New Global Sustainability Plan
- Cut CO_2 emissions by 171 kt CO_2
- Over €150 mn invested in digitalization
- Enhanced process safety

Sakakemang
largest onshore discovery in the world in 2019

Neft for joint exploration in Siberia (Russia). For more information, see section 5.1. Upstream.

In **Downstream**, in the **Refining** business, a comprehensive maintenance and technological innovation program has been undertaken at the industrial facilities in Spain that will improve energy efficiency, the environmental impact and the feasibility of its operations, making it possible to harness the opportunities provided by the new fuel specifications (IMO). As a result of this, the production of advanced biofuels and fuels with a low sulfur content has been stepped up. In **Chemicals** shutdowns at plants have also been contemplated to make it possible to adapt their production to the product differentiation strategy, the reduction of CO_2 intensity and to focus on the circular economy.

In the **commercial businesses**, progress has been made with the definition of a multi-energy offer (growth in the marketing of electricity, more than one million clients, the development of an electrical mobility network, more than 230 public charging stations, including the first ultra-fast recharging stations in Spain and autogas stations), focusing on the client (improving the customer experience at service stations through new facility designs and the supply of premium, non-oil products, multi-product commercial plans, etc.) leveraged on digitalization (the Waylet payment platform now has more than 1.4 million clients) and that is committed to decarbonization (new renewable electricity generation projects with a capacity of 921 MW) and international expansion (Mobility in Mexico, LPG in France, Lubricants in Southeast Asia). For more information, see section 5.2. Downstream.

The **Digitalization** program has invested more than €150 million per year, with more than 190 digital cases in the portfolio, of which over 60 had a direct impact on sustainable development goals. For more information, see section 6.5. Technology development for decarbonization.

GSP

Global Sustainability Plan

Throughout the document the Ambitions [**a**] and Objectives [**2020** y **2025**] of the Global Sustainability Plan [see Section 6] are identified with boxes like this one.

Governance and sustainability

In 2019, Antonio Brufau Niubó (Chairman) and Josu Jon Imaz San Miguel (Chief Executive Officer) were re-elected for the four-year term provided in the bylaws. The percentage of women on the Board reaches 33%, thus fulfilling the objective set in the Global Sustainability Plan.

A new **Global Sustainability Plan** was approved, defining ambitions and medium-term objectives (2025).

Improvement actions have been implemented at facilities, **preventing** CO_2e emissions of 171,000 tons.

The value proposal made to our **employees** in 2019 continues with the commitment to training (583 euros invested per employee) and promoting the equal representation (41.2%) of women in leadership positions.

With regard to **personnel accident rates**, the Total recordable injury rate (TRIR) dropped by 22% compared to the annual data for 2018. There were no fatalities among own personnel; however, a contractor employee based in Marcellus, USA, suffered a fatal accident. For more information, see section 6.3. Safe operation.

Repsol's **tax contribution** to the countries where it operates amounted to 13,052 million euros.

For more information, see section 2.5. Corporate governance and section 6. Sustainability.

Key figures and indicators

Financial indicators[(1)(2)]	2019	2018
Income		
EBITDA	7,161	7,513
Results from operations	3,661	4,396
Adjusted net income	2,042	2,352
Net income	(3,816)	2,341
Earnings-per-share (€/share)	(2.48)	1.38
ROACE (%)	(11.0)	6.7
ROACE with leases (%)	(9.7)	-
Investments	3,861	3,874
Cash		
Cash flow from operations	5,837	5,428
Free cash flow	2,060	5,056
Cash flow generated	(687)	2,706
Debt and available capital		
Net Debt (ND)	4,220	3,439
Net Debt (ND) (with leases)	8,083	-
ND/Capital employed (%)	14.3	10.0
ND/Capital employed (with leases) (%)	24.3	-
Debt interest/EBITDA (%)	3.1	3.8
Capital employed	29,556	34,353
Capital employed (with leases)	33,292	-
Shareholder return		
Shareholder return (€/share)	0.916	0.873

Sustainability indicators[(3)]	2019	2018
People		
Number of employees	25,228	25,288
New employees	3,800	3,810
Total turnover rate (%)	21%	23%
Investment in training (€ million)	14.3	14.5
Safety		
Process safety indicator (PSIR)	0.55	0.47
Total recordable injury rate (TRIR)	1.24	1.59
Environment		
Direct CO_2e emissions (Mt)	24.7	22.0
Annual CO_2e emissions reduction (Mt)	0.171	0.310
No. of hydrocarbons spills > 1 bbl reaching the environment (t)	25	25
Taxes paid (€ million)	13,052	13,600
Social		
Voluntary social investment (€ million)	20.49	21.26

Performance of our businesses[(1)]	2019	2018
Upstream		
Net proven reserves[(4)] (Mboe)	2,139	2,340
Proven reserve replacement ratio (%)	23	94
Net daily liquids production (kbbl/d)	254	261
Net daily gas production (kboe/d)	455	454
Net daily hydrocarbon production (kboe/d)	709	715
Average crude oil price ($/bbl)	57.3	63.9
Average gas price ($/kscf)	2.9	3.4
EBITDA	4,255	4,801
Adjusted net income	1,050	1,325
Cash flows from operations	3,140	3,341
Investments	2,429	1,973
Downstream		
Refining capacity (kbbl/d)	1,013	1,013
Conversion rate in Spain (%)	63	63
Conversion utilization Spanish refining (%)	103	107
Distillation utilization Spanish refining (%)	88	93
Refining margin indicator in Spain ($/bbl)	5.0	6.7
Service stations (number)[(5)]	4,944	4,849
Sales of oil products (kt)	49,932	51,766
Sales of petrochemical products (kt)	2,787	2,610
LPG sales (kt)	1,253	1,330
Installed capacity - low emissions (MW)	2,952	2,952
Electricity production (GWh)	6,308	-
EBITDA	3,057	2,859
Adjusted net income	1,456	1,583
Cash flow from operations	2,777	1,854
Investments	1,376	1,831

Macroeconomic context	2019	2018
Brent ($/bbl) average	64.2	71.3
WTI ($/bbl) average	57.0	64.9
Henry Hub ($/MBtu) average	2.6	3.1
Electricity Pool - OMIE[(6)] (€/MWh)	47.7	57.3
Exchange rate ($/€) average	1.12	1.18
CO_2 (€/Tn)	24.9	15.9

Stock market indicators	2019	2018
Share price at year-end (€/share)	13.93	14.08
Average share price (€/share)	14.43	15.78
Market capitalization at year-end (€ million)	21,277	21,506

(1) In millions of euros, where applicable.
(2) Further information in Section 4 and Appendix I, "Alternative Performance Measures".
(3) Figures and indicators calculated in accordance with the Group's management policies and guidelines, Further information in section 6.
(4) To estimate proved and unproved reserves and oil and gas resources, Repsol uses the criteria established by the "*SPE/WPC/AAPG/SPEE/SEG/SPWLA/EAGE Petroleum Resources Management System*", commonly referred to by its acronym SPE-PRMS (SPE standing for Society of Petroleum Engineers).
(5) The number of service stations includes those controlled and licensed.
(6) Iberian Energy Market Operator.

2. Our company

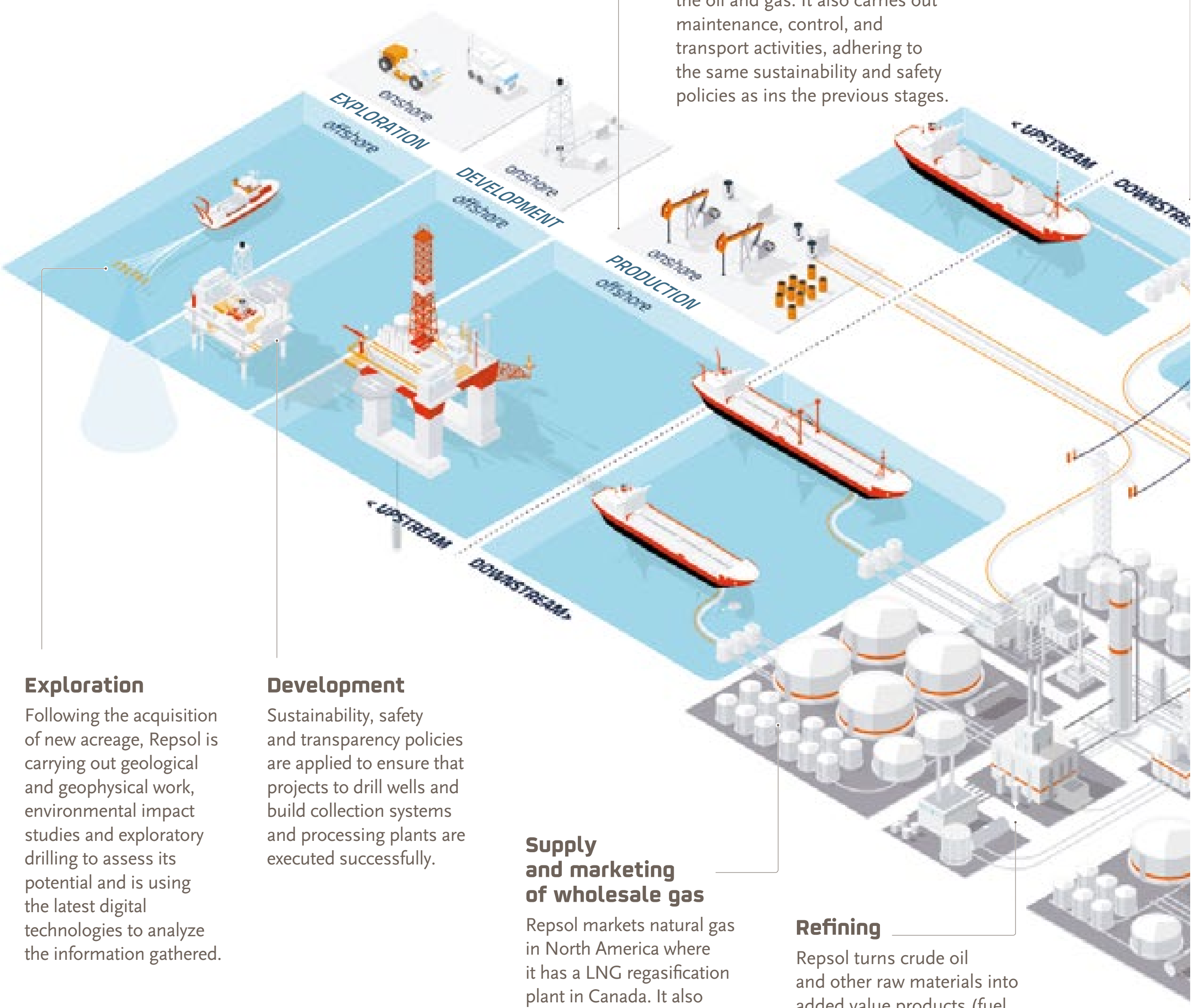
2.1. Value chain and business segments

Repsol is a global multi-energy supplier that strives to evolve toward a low-emissions energy model. We produce more than 700,000 barrels of oil a day, operate one of Europe's most efficient systems of refining and chemicals and have a widespread network of close to 5,000 service stations in five countries. We are a major player in the Spanish electricity and gas market, with more than a million subscribers, and operate low-emission power generation assets. Repsol is also a leading operator in sustainable mobility, providing more efficient fuels and new solutions, such as electric charging and AutoGas.

Repsol's activities are structured into two business segments: Upstream (exploration, development and production of crude oil and gas reserves) and Downstream (refining and petrochemicals, crude oil and petroleum product trading and transport, marketing of petroleum, chemical and LPG products, marketing, transport and regasification of natural gas and liquefied natural gas (LNG), electricity generation and marketing of electricity and gas).

Production

Repsol extracts hydrocarbons from the oil field and then markets the oil and gas. It also carries out maintenance, control, and transport activities, adhering to the same sustainability and safety policies as ins the previous stages.



Exploration

Following the acquisition of new acreage, Repsol is carrying out geological and geophysical work, environmental impact studies and exploratory drilling to assess its potential and is using the latest digital technologies to analyze the information gathered.

Development

Sustainability, safety and transparency policies are applied to ensure that projects to drill wells and build collection systems and processing plants are executed successfully.

Supply and marketing of wholesale gas

Repsol markets natural gas in North America where it has a LNG regasification plant in Canada. It also markets LNG and natural gas to wholesale customers in Spain.

Refining

Repsol turns crude oil and other raw materials into added value products (fuel, combustible material, and other oil derivatives) for their subsequent marketing.

Upstream

Operating figures:

2,139 Mbep [71% natural gas]
Net proven reserves

23%
23% Reserve replacement ratio

709 kbep/d [64% of gas]
Net hydrocarbon production

179,516 km²
Net undeveloped acreage

6,695 km²
Net developed acreage

Sustainability indicators*:

3,544 [29% women]
Number of employees

11.05 Mt [*Scope 1 + Scope 2*]
CO_2e emissions

1,915 kt
Water withdrawn

1.50
TRIR

0.77
PSIR

Downstream

Operating figures:

1,013 kbbl/d
Refining capacity

39,620 kt
Processed crude oil

3,354
service stations in Spain

1,590
service stations in the rest of the world

2,603 kt
Basic

2,235 kt
Derived

Chemical capacity

2,952 MW
Installed electricity generation capacity

Sustainability indicators*:

19,258 [36.9% women]
Number of employees

14.23 Mt [*Scope 1 + Scope 2*]
ECO_2e emissions

55,636 kt
Water withdrawn

1.19
TRIR

0.42
PSIR

230
Electric charging points

745
Autogas points

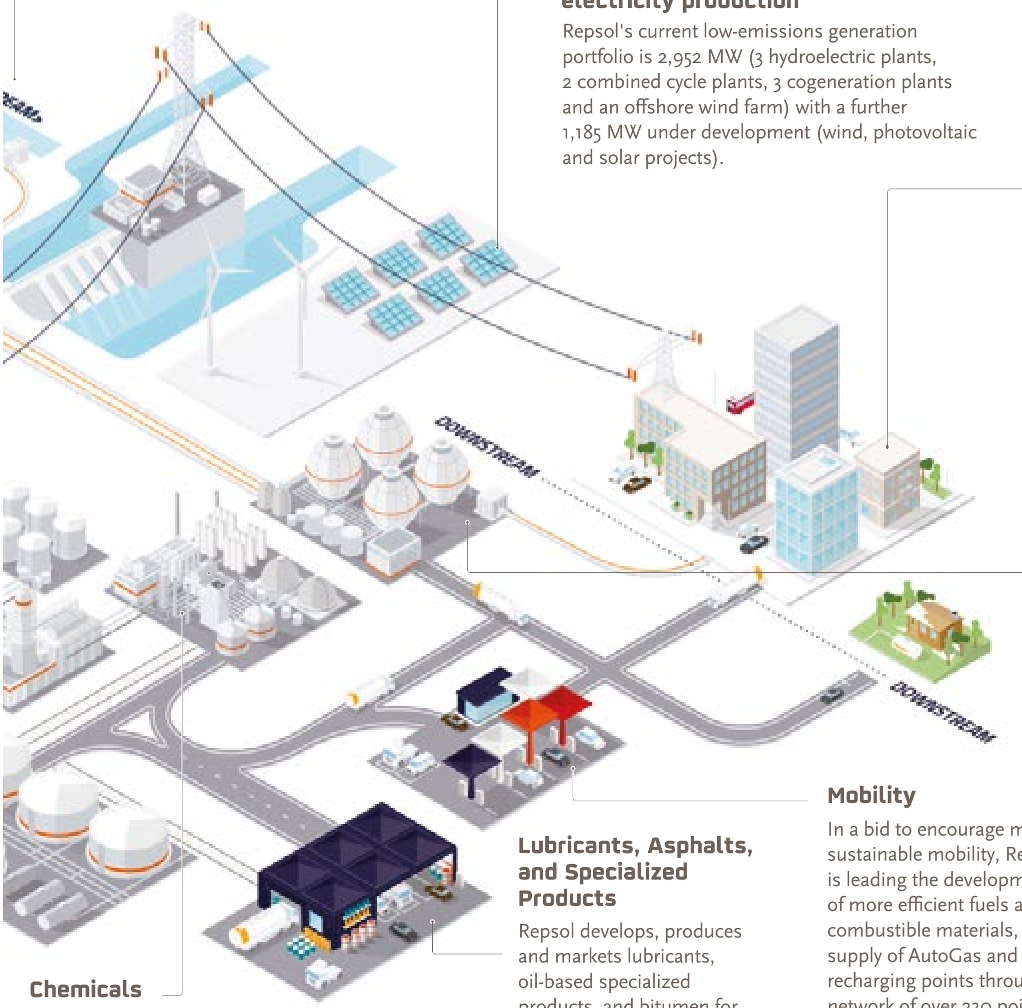
Trading

We transport hydrocarbons to supply raw materials to Repsol refineries. Hydrocarbons can also be stored or sold on international markets.

For further information on business segments, see section 5. Our businesses in 2019.

Low-emissions electricity production

Repsol's current low-emissions generation portfolio is 2,952 MW (3 hydroelectric plants, 2 combined cycle plants, 3 cogeneration plants and an offshore wind farm) with a further 1,185 MW under development (wind, photovoltaic and solar projects).



Electricity and gas supply

Repsol supplied low-emissions gas and electricity to over one million customers in Spain, offering them cutting-edge digital solutions so they can optimize their household energy consumption.

LPG

Repsol processes and distributes liquefied petroleum gas (LPG) in Spain, Portugal and France in various formats: bottled, bulk, and AutoGas.

Mobility

In a bid to encourage more sustainable mobility, Repsol is leading the development of more efficient fuels and combustible materials, the supply of AutoGas and electric recharging points through its network of over 230 points.

Lubricants, Asphalts, and Specialized Products

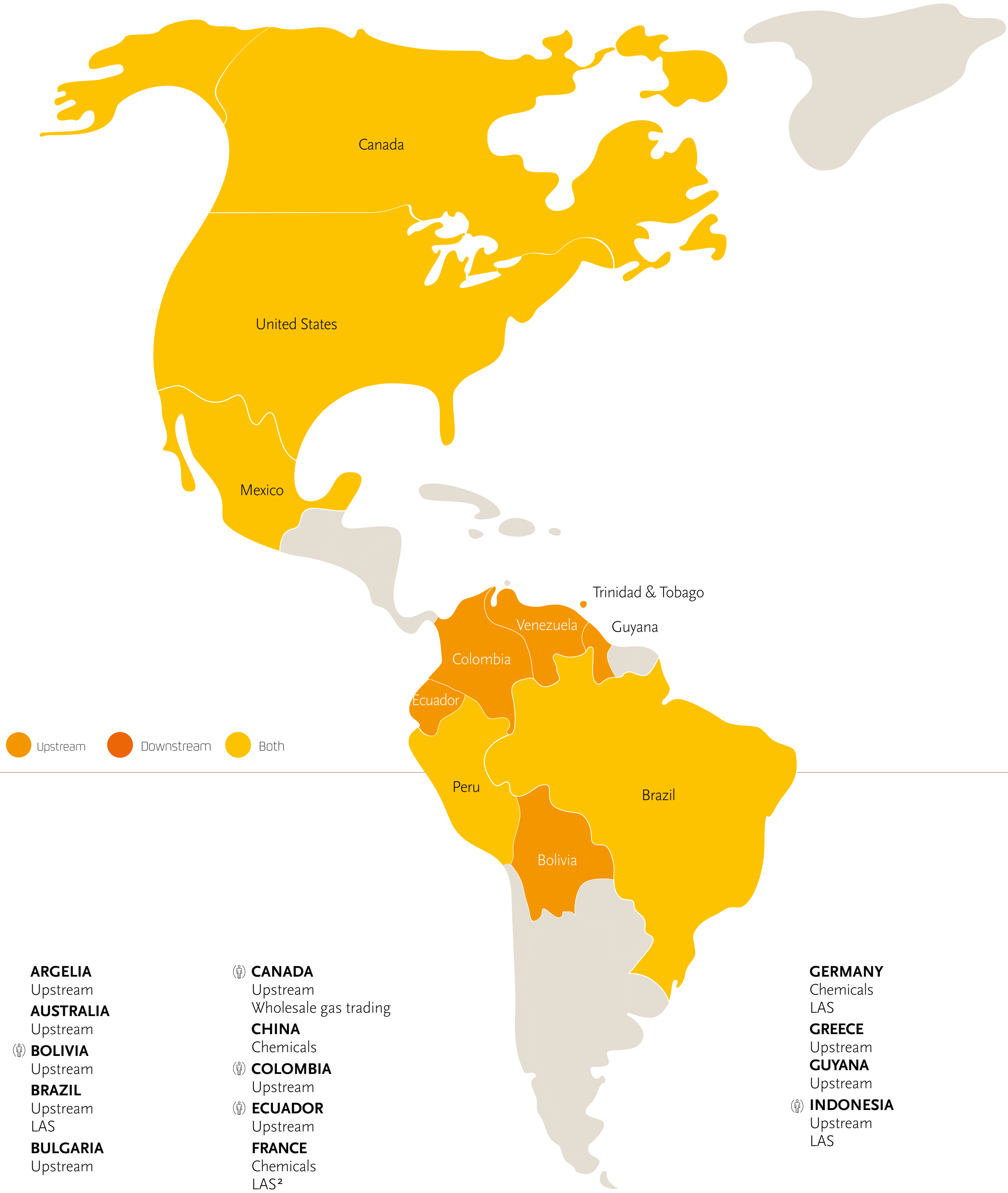
Repsol develops, produces and markets lubricants, oil-based specialized products, and bitumen for asphalts and operates in over 90 countries.

Chemicals

Repsol produces and markets a broad range of petrochemical products that are used to manufacture everyday items which improve people's lives.

(*) Sustainability indicators are defined in section 6 of this document..

2.2. Repsol around the world[1]

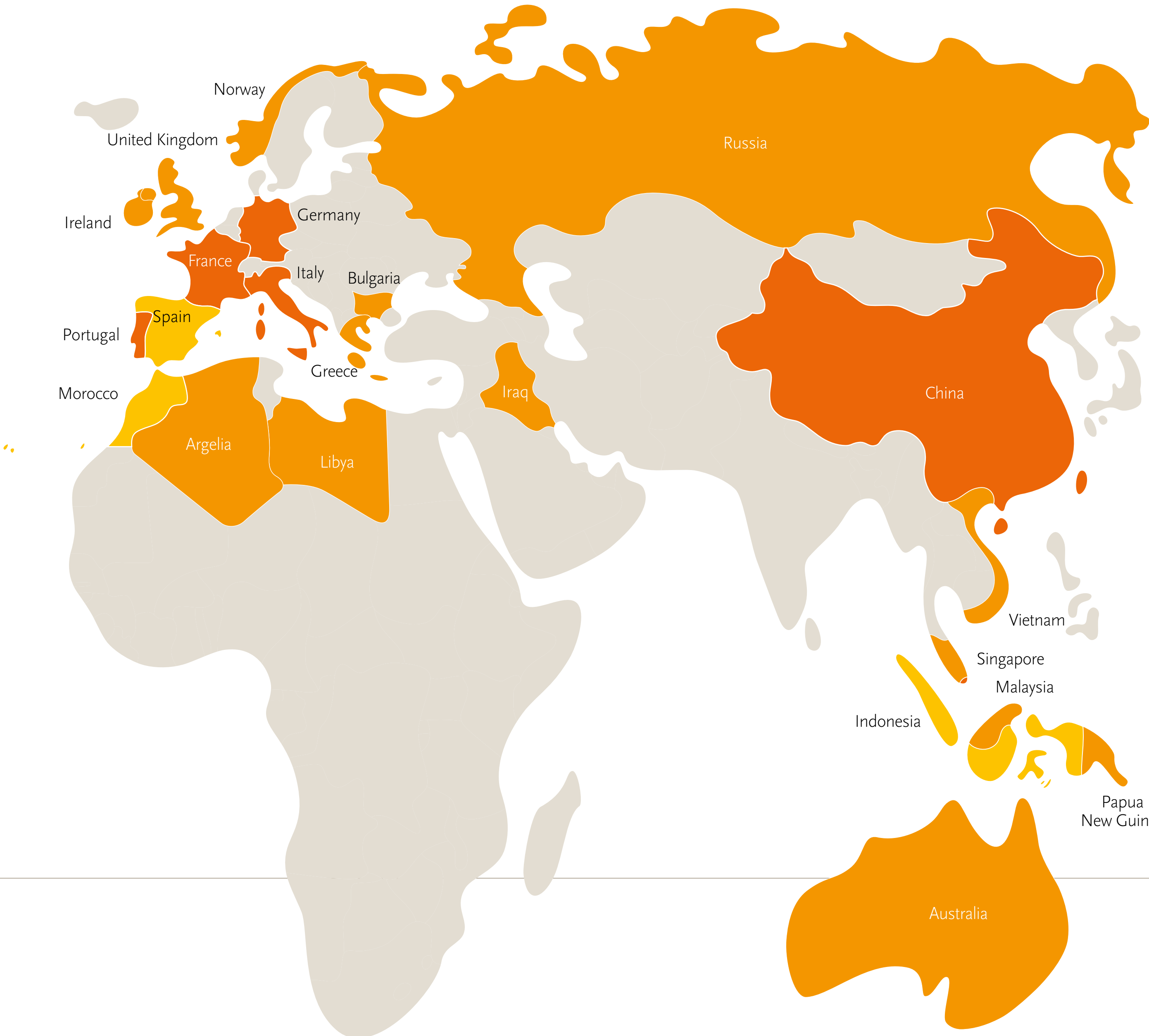


ARGELIA
Upstream
AUSTRALIA
Upstream
BOLIVIA
Upstream
BRAZIL
Upstream
LAS
BULGARIA
Upstream

CANADA
Upstream
Wholesale gas trading
CHINA
Chemicals
COLOMBIA
Upstream
ECUADOR
Upstream
FRANCE
Chemicals
LAS[2]
LPG

GERMANY
Chemicals
LAS
GREECE
Upstream
GUYANA
Upstream
INDONESIA
Upstream
LAS

1. The data in this map reflect Repsol's worldwide presence at December 31, 2019, at activity level.
2. LAS: Lubricants, asphalt and specialty products
Operations where indigenous peoples are present or affected by activities



IRAQ
Upstream
IRELAND
Upstream
ITALY
Chemicals
LAS
Mobility
LIBYA
Upstream
MALAYSIA
Upstream

MORROCO
Upstream
LAS
MEXICO
Upstream
Chemicals
LAS
Mobility
NORWAY
Upstream
PAPUA NEW GUINEA
Upstream

PERU
Upstream
LAS
Refining
Trading
Mobility
PORTUGAL
Chemicals
Electricity and gas
LAS
Mobility
LPG
RUSSIA
Upstream

SINGAPORE
LAS
Trading
SPAIN
Upstream
Chemicals
LAS
Refining
Trading
Wholesale gas trading
Electricity and gas
Mobility
LPG

TRINIDAD & TOBAGO
Upstream
UNITED KINGDOM
Upstream
UNITED STATES
Upstream
Chemicals
Trading
Wholesale gas trading
VENEZUELA
Upstream
VIETNAM
Upstream

Risk management

More information can be found in Annex II *"Risks"*.

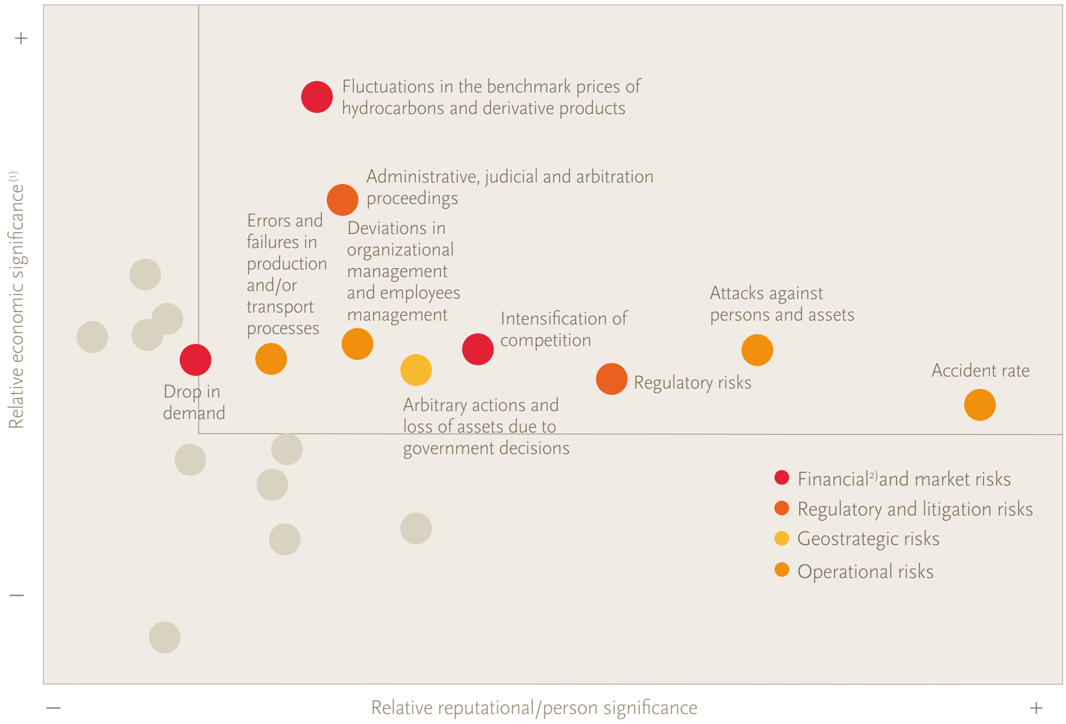
2.3. Risk

As a global integrated energy company, Repsol is exposed to risks that can affect its future performance. Such risks must be managed effectively in accordance with the established Risk Management Policy.

The Company has an organization, procedures and systems that allow it to reasonably manage the risks to which the group is exposed, such that risk management is an integral part of decision-making processes in both corporate governance bodies and business management. The Integrated Risk Management System provides a comprehensive and reliable view of all risks that might affect the Company, which allows their joint management.

The Group's[1] main risks are identified below based on their importance in terms of finances, reputation and people taking into account a 5 year time horizon:

Main Risks



Note: The risks identified in the diagram are described in Appendix II "Risks".
(1) Relative economic weight is measured in terms of loss at the 95th percentile (potential loss in scenario) according to distribution of probability of losses for each risk.
(2) See Note 11 of the 2019 Consolidated Financial Statements.

Some of these risks are sensitive to the phenomenon of climate change and to the scenarios of transition to a low carbon economy, particularly those associated with regulation, future trends in demand, fluctuations in hydrocarbon and other commodity prices and the potential upswing in competition. Given the emerging nature of the **climate change risks** in the current energy context, and consistently with the commitments made, the Group is extending the scope of the analysis of these risks according to a long-term time horizon. This risk map is regularly updated and the Sustainability Committee and the Audit and Control Committee are informed of the methodology used and the risk profile. For further information on emerging risks and climate change, see section 6.1 Climate change.

1. The Group has a methodology that, by applying common metrics, allows it to obtain an overview of the key risks, classify them according to their materiality, characterize them in an understandable and robust manner, quantify the potential economic, reputational and human impact that each business unit or corporate area may sustain, including Repsol as a whole, should it materialize, and identify, where appropriate, effective mitigation measures.

2.4. Strategy

Strategy:
Additional information is available at www.repsol.com

Following the early achievement of the targets set out in the Strategic Plan 2016-2020, in June 2018 an update for the 2018-2020 horizon was published ("the Plan"). The Plan is geared towards growth and value creation in any scenario[1], and is based on **three pillars**:

1 Improvement to shareholder returns

- Growth in the **dividend per share of 8%**(1) **per year** with full buy-back of shares.
- **Payment of dividend covered** in full to $50/barrel.
- Improved dividend coverage by cash flows from operations.
- **Long-term sustainable** remuneration.

2 Profitable growth of our portfolio

- **Improvement** of all metrics for the creation of value, in **all price scenarios.**
- Downstream, catalyst of growth **without the need for large-scale investments in assets.**
- **Performance** of Upstream and its asset portfolio improves.
- Strong portfolio of **growth** projects in both businesses.

3 Making progress in the energy transition

- **Development of new long-term opportunities.**
- Driven by our **competitive advantages**.
- Reduction of the carbon footprint.
- Construction of new capacities.

Financial flexibility

(1) Annualized compound growth rate

In 2019, the dividend was 5% higher than in 2018 and the capital reduction through the redemption of treasury shares was completed, aimed at offsetting the dilutive effect of the bonus share issues under the Repsol Flexible Dividend Program for 2019, in addition to proposed additional issues to be approved by stockholders at the Annual General Meeting (see section 4.4).

In November, coinciding with the Climate Summit held in Madrid, the Board of Directors reviewed the company's role in the fight against climate change and made progress in its commitment to lead the energy transition in the industry, in line with the objectives of the Paris Summit and the United Nations' Sustainable Development Goals of reducing the increase in the planet's temperature to less than two degrees Celsius with respect to pre-industrial levels.

Repsol will therefore focus its strategy on achieving its goal of being a company with net zero emissions by 2050, thus becoming the first in its industry to pursue this ambitious goal.

At the same time, it lays down a decarbonisation path by taking on a reduction in its carbon intensity indicator on the basis of the year 2016: of 10% in 2025, 20% in 2030 and 40% in 2040, to move towards net zero CO_2 emissions by 2050.

These targets (for further information, see section 6.1 Climate Change) will serve as a basis for the new Strategic Plan 2020-2025 to be presented in the first half of 2020, and will involve directing strategy, activity and investment towards new and more demanding business plans:

Upstream

To achieve these targets, Repsol will focus its asset portfolio on compliance with the Paris Agreement, which implies prioritising value creation over production growth, maintaining flexibility as the strategic vector of the business, while focusing on the rotation and improvement of the asset portfolio and on cash generation.

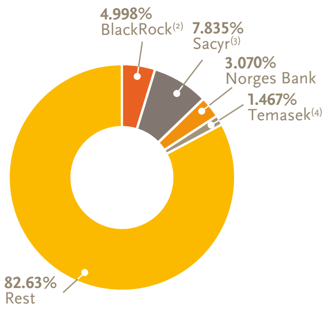
This approach translates into a strategy of balancing oil and gas reserves, with a vision of gas as the energy for the energy transition, also taking into account the active role that oil must play in a more decarbonized world. For the evaluation of exploration and production decisions, the company assumes an oil and gas price curve compatible with the Paris Agreement and the scenario of a two degree reduction from pre-industrial levels (see Notes 3 and 21 to the 2019 consolidated financial statements).

Downstream

The determination to move towards decarbonization is reflected in the momentum of **projects associated with the energy transition**. The Company increased by 3,000 MW its low carbon electricity generation capacity target, to 7,500 MW by 2025, and began its expansion into other markets to become a major international player in renewable energies.

1. A price of USD 50 per barrel of Brent crude is taken as a reference for the whole period.

Shareholder composition
% voting rights[1]



1. % as of the date of authorization for issue, with the information provided by Iberclear, as well as that sent by shareholders to the Company and the CNMV.
2. BlackRock Inc. holds its stake through several entities under its control. The information about BlackRock Inc. is sourced from its own disclosure of December 10, 2019 to the CNMV, Spain's securities market regulator, on a share capital figure of 1,527,396,053 shares.
3. Sacyr, S.A. holds its stake through Sacyr Investments II, S.A., Sacyr Investments, S.A. and Sacyr Securities, S.A.
4. Temasek holds its stake through its subsidiary Chembra. Investment PTE, Ltd.

On December 31, 2019, Repsol had 2,952 MW in operation and 1,185 MW under development, and the Board of Directors approved in December new investments to incorporate and build two photovoltaic projects and one wind project for a total of an additional 1,600 MW. With these projects, the low carbon generation portfolio exceeds 5,700 MW.

In the industrial businesses, it is raising its decarbonization target, with a special focus on **Refining**, with an additional 25% reduction in direct emissions by 2025. This reduction is in addition to the 23% cut in CO2 emissions between 2010 and 2017.

Repsol will focus on the circular economy as a tool for the efficient use of resources, and will double the production of high quality biofuels from hydrogenated vegetable oils (HVO) to 600,000 tons per year by 2030, half of which will be produced by 2025 using waste.

Moreover, Repsol will integrate renewable energies into the Refining division's operations by producing green hydrogen and using electricity from renewable sources for its own industrial processes.

The Company's **Chemicals** business will also contribute decisively to a more decarbonized economy. Repsol is committed to efficient chemistry in its industrial process, guided by the circular economy, with the ambition of achieving 20% recycled content in all of its polyolefins by 2030.

Petrochemicals, present in most of our daily lives, will play a leading role in a less carbon-intensive scenario. Their benefits and uses include reducing the weight of materials and their contribution to lower energy consumption in mobility, insulation of homes and buildings, which contributes to greater energy efficiency, improving food preservation conditions and offering more advanced products for healthcare and hospital uses. As a result, growing global demand for petrochemicals is expected to increase by 30% by 2030 and 40% by 2050.

In **Mobility**, we shall further develop our strategy as a multi-energy supplier focused on the customer, with an integrated value proposition, differentiated service and a commitment to digitalization to facilitate day-to-day management.

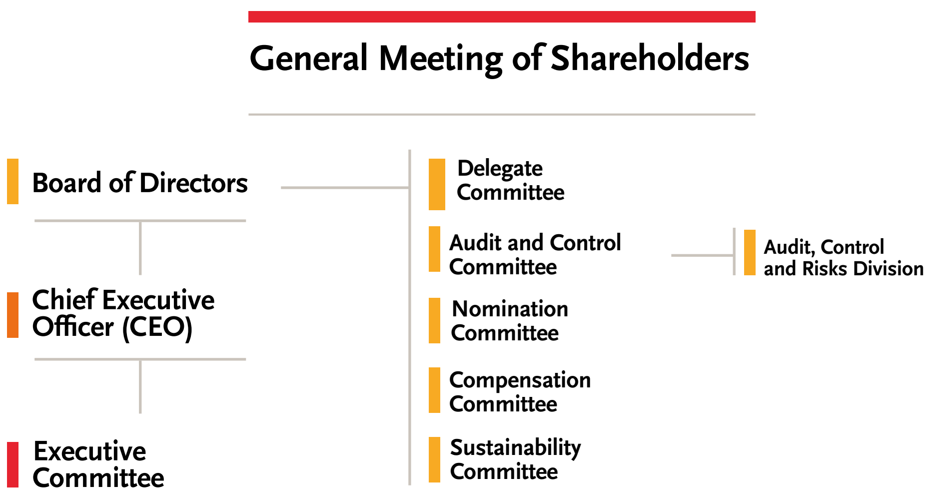
Progress will be made in the deployment of electric charging points, autogas, compressed natural gas and liquefied natural gas at service stations and we shall continue to supplement electric supply with high-value services aligned with decarbonization, such as renewable self-generation.

2.5. Corporate governance

Repsol's system of corporate governance, which was established in accordance with best national and international practice and standards, guides the structure, organization, and operation of corporate bodies in the interests of the Company and of its shareholders, and is based on the principles of transparency, independence and responsibility.

The **governance structure** adequately differentiates governance and management functions from oversight, control, and strategic definition functions.

Additional information on the General Meeting of Shareholders and the composition, powers and functioning of the Board and its Committees, see sections B.2 and B.3 of the Annual Corporate Governance Report, respectively.



Composition of the Board of Directors and its committees

Board of Directors[1]

P
Josu Jon Imaz San Miguel
Chief Executive Officer – Executive

P
Antonio Brufau Niubó
Chairman– Other Non-Executive

José Manuel Loureda Mantiñán
Director – Propietary Non-Executive (Sacyr S.A.)

Manuel Manrique Cecilia
Deputy Chairman – Propietary Non-Executive (Sacyr S.A.)

Ignacio Martín San Vicente
Director – Independent Non-Executive

Maite Ballester Fornés
Director – Independent Non-Executive

Henri Philippe Reichstul
Director – Other Non-Executive

Arantza Estefanía Larrañaga
Director – Independent Non-Executive

P
Mariano Marzo Carpio
Director – Independent Non-Executive

Rene Dahan
Director – Propietary Non-Executive (Temasek)

J. Robinson West
Director – Independent Non-Executive

P P
Carmina Ganyet i Cirera
Director – Independent Non-Executive

P
Isabel Torremocha Ferrezuelo
Director – Independent Non-Executive

Teresa García-Milá Lloveras
Director – Independent Non-Executive

Luis Suárez De Lezo Mantilla
Director Secretary – Other Non-Executive

Independent Non-Executive **53,33%**

Propietary Non-Executive **20%**

Executive **6,67%**

Other Non-Executive **20%**

Delegate Committee
Audit and Control Committee
Appointments Committee
Remuneration Committee
Sustainability Committee
P Chairman of the Committee

1. Composition as of the date of authorization for issue of this document. For further information, see Section A.3 of the Annual Corporate Governance Report.

33% of Board members are women

Changes to the Board in 2019

- On May 31, 2019, at the Annual General Meeting, the shareholders resolved to re-elect as Directors Antonio Brufau Niubó, Josu Jon Imaz San Miguel, José Manuel Loureda Mantiñán and John Robinson West, to ratify the appointment by co-option and re-election as Director of Henri Philippe Reichstul, and to appoint as Non-Executive Independent Directors Arantza Estefanía Larrañaga and María Teresa García-Milà Lloveras, for the four-year term stipulated in the bylaws, while reducing the number of Board members to fifteen.
- The Board of Directors also resolved to appoint Mariano Marzo Carpio as Lead Independent Director. In addition, effective December 31, 2019, when Luis Suárez de Lezo Mantilla concluded his functions as General Counsel, he was classified as a "Non-Executive Director", remaining as a member of the Board and its Delegate Committee, and as its Secretary.

27% Board members are nationals of countries other than Spain

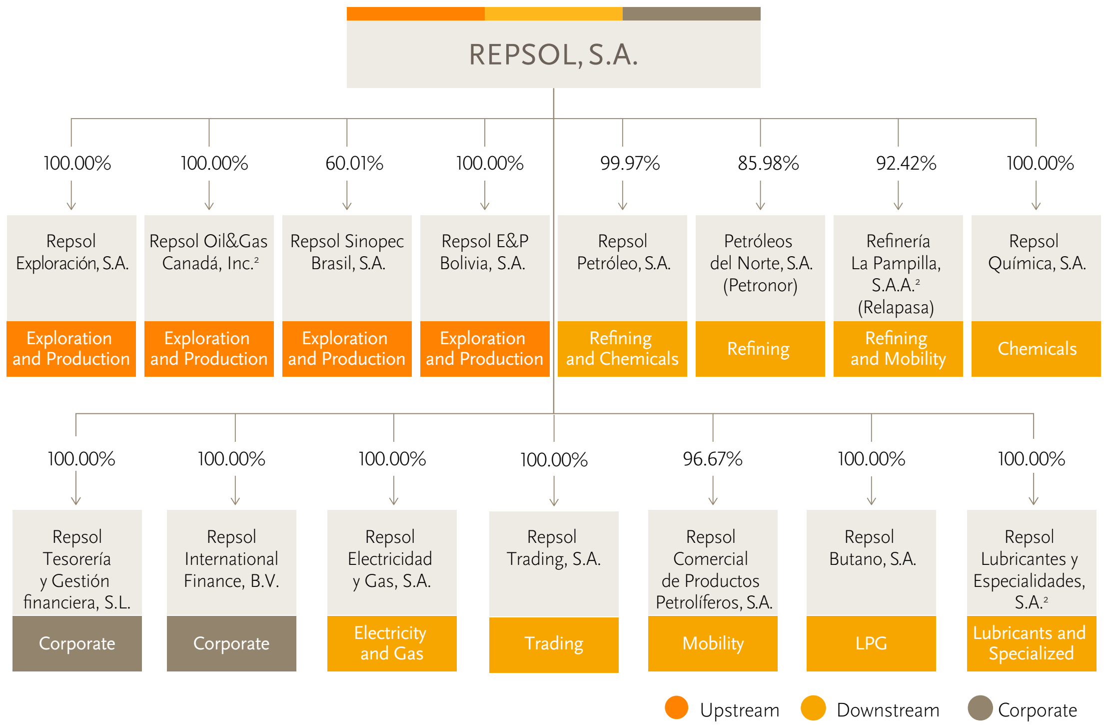
Board Remuneration

Directors receive fixed remuneration for fulfilling their supervisory and decision-making duties. The calculation of this remuneration, except for that relating to the Chairman of the Board, is carried out by assigning points for membership of the Board or its Committees, and each point has a remuneration equivalence. This means that there is no gender difference. Detailed information regarding the application of the Remuneration Policy for Directors is set out in Repsol's Annual Report on Directors' Remuneration available at **www.repsol.com**.

For further information on the remuneration of the Board and Senior Management, see Note 30 to the 2019 Consolidated Financial Statements.

2.6. Corporate structure

The Repsol Group, whose parent company is Repsol, S.A., is made up of more than 300 companies incorporated in more than 40 countries[1]. The **corporate structure** of the Repsol Group is shown below, in the form of the main companies making up the Group:



1. See Appendix I Section 6.7. of the consolidated Financial Statements.
2. Inderect participations.

3. Context

3.1. Macroeconomic context

Recent economic trends

The **world economy** has experienced a marked slowdown during 2018 and 2019. Although in 2018 as a whole global expansion was 3.6%, the year began at 4% and fell to 3.2% in the second half.

During 2019, activity has continued to weaken, with growth standing at around 2.9%, the slowest pace since the international financial crisis.

The economic slowdown is due to the confluence of several factors that have fed back into each other: a) the escalation of trade tensions between the United States and China, which put pressure on their bilateral trade, hurt confidence and raised uncertainty at the global level, slowing down investment decisions and, with it, international trade; b) a sharp slowdown in automobile production and sales (a sector that accounts for 5.7% of world output), in a context of regulatory uncertainty; c) a slackening of investment and imports from China beyond trade tensions, associated with regulatory changes to curb non-bank credit growth.

As a result, growth in the **advanced economies** slowed from 2.2% in 2018 to around 1.7% in 2019. The pace of expansion in the United States remains relatively strong, but has slowed in recent quarters (by around 2% on an annualised basis) as the momentum generated by the 2018 tax cut fades.

Meanwhile, growth in the **Euro Zone** remains weak, hampered by lower exports and the adjustment of the automotive sector, although activity seems to be stabilizing at quarter-on-quarter rates. For 2019 as a whole, growth is expected to be 1.2%, significantly lower than the 1.9% rate for 2018.

In **Spain**, economic growth has also slowed more than expected during 2019, especially in private-sector consumption and investment in construction. It is estimated that there will be growth of approximately 2% in 2019, versus 2.4% in 2018.

Growth in the **emerging economies** is estimated to have slowed from 4.5% in 2018 to 3.7% in 2019, affected by the fall in trade and the stability of commodity prices.

Evolution of the exchange rate

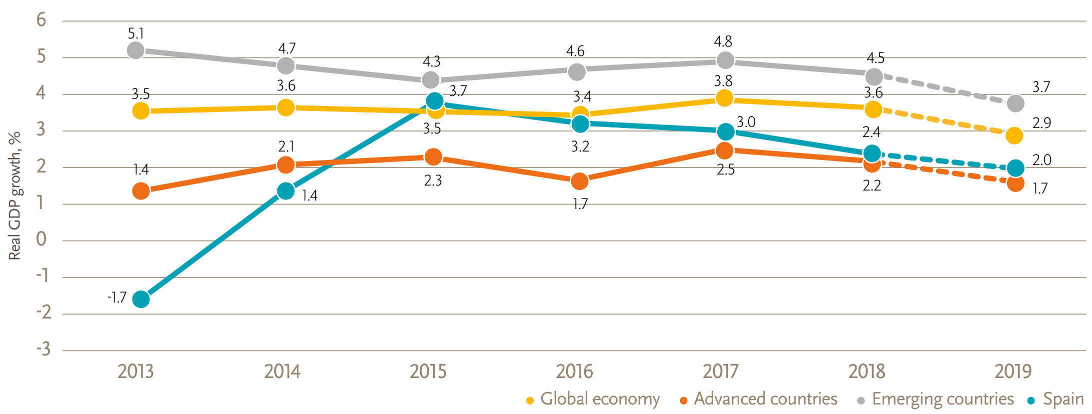
In the first months of 2019, the US dollar continued to trend upward. This trend, which began in April 2018, is explained by the fact that, as growth in the Eurozone began to disappoint and that of the United States remained high, the interest rate differential came to the fore. This dynamic was aggravated by the increase in political risk in Europe due to the Brexit negotiations and the fiscal dispute in Italy. The euro/dollar rate reached a level of 1.09 at the end of September 2019.

However, the trend seems to have changed since then, with EURUSD stabilizing at around 1.11 in recent months. The reasons for this change are: i) a recent worsening of macro and confidence data in the United States; ii) a slight reduction in global risks (partial rapprochement between China and the United States on trade, less likelihood of a hard Brexit), but a greater focus on political uncertainty in the United States in the face of the impeachment trial against President Trump.

Outlook

See section 7.1. of this document.

GDP over time



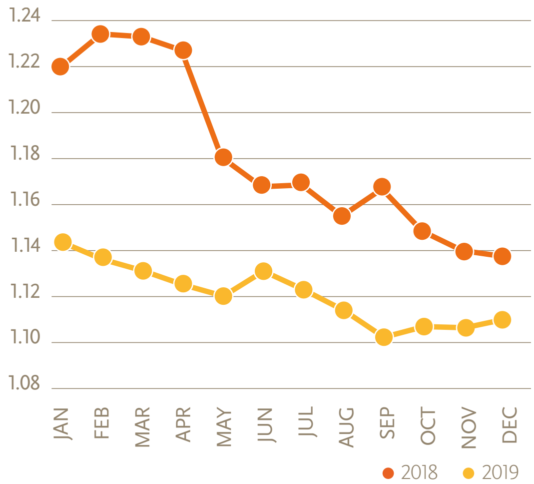
Source: *International Monetary Fund (IMF, WEO update January 2019) and Repsol 's Division of Studies*

1.12 $/€
average exchange rate 2019

64.2 $/bbl

average Brent price in 2019

Changes in the EURUSD exchange rate (monthly averages)



Source: *Bloomberg and Repsol's Division of Studies*

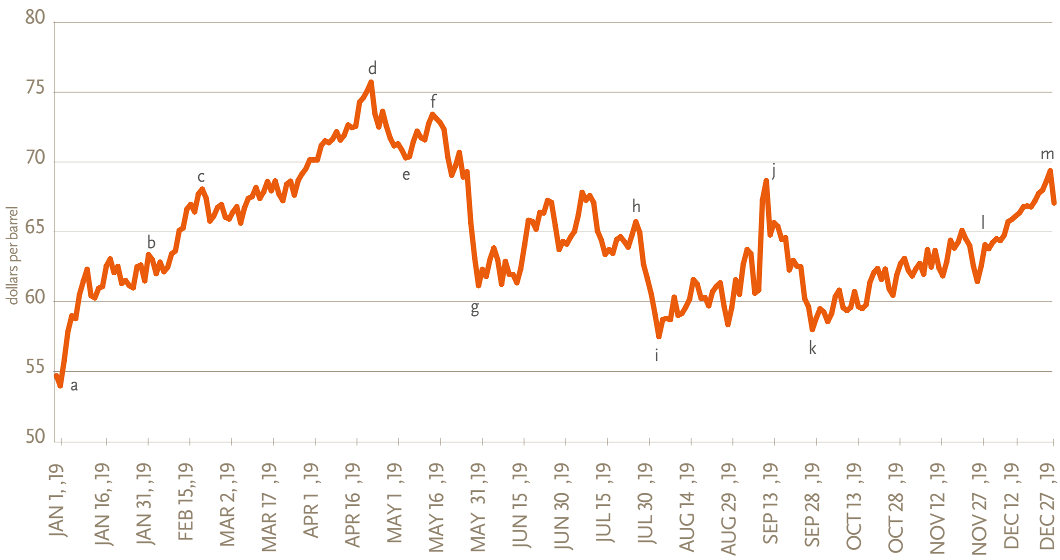
3.2. Energy landscape

Crude oil - Brent

In 2019, oil prices were highly volatile. Brent started the year at around USD 55/bbl and has now risen to over USD 75/bbl. In 2019, the average price of Brent crude was USD 64.2/bbl, representing a 10% decline from on the 2018 average, while the West Texas Intermediate (WTI) crude price averaged USD 57.0/bbl, with the Brent-WTI differential standing at USD 7.2/bbl.

On the supply side, the upward trend in the price early in the year was triggered by the decision by OPEC and a group of non-OPEC exporting countries to cut production by 1.2 million barrels per day (-0.8 OPEC and -0.4 non-OPEC), effective from January 1, 2019. The commitment to production cuts was significant, driven by the de facto leaders: Saudi Arabia on the OPEC side and Russia on the non-OPEC side. During the meeting of OPEC+ (the name by which this group of countries is known) on 1 and 2 July, it was decided to extend the production cut agreement until March 2020. At the December

Main milestones marking the price of Brent crude oil



Source: *Bloomberg and Repsol's Division of Studies*

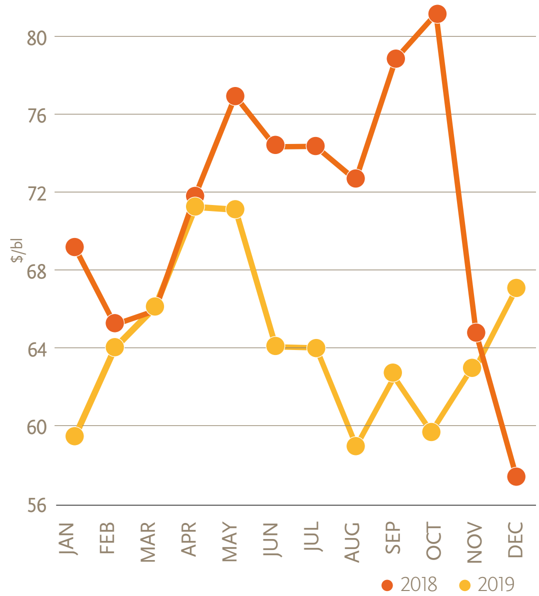
a) Implementation of the agreement to scale back production amongst OPEC+ (-0.8 mb/d OPEC; -0.4 mb/d non-OPEC).
b); c) Reduction in tensions in trade war between USA and China.
d) (1) End of waivers on importing Iranian crude oil.
(2) Alleged call from D. Trump to OPEC demanding increase in crude oil production.
e) USA increases tariffs on Chinese products from 10% to 25% worth US$200 billion
f) Attack on four US oil tankers off the coast of the United Arab Emirates. No deaths.
g) (1) Heightening of tensions in trade war between USA and China.
(2) USA threatens an increase in tariffs on all goods from Mexico.
h) The Federal Reserve reduces the interest rate to 2%-2.25%.
i) USA announces a tariff of 10% on all Chinese assets worth US$ 300 billion.
j) Attack in Abqaiq and Khurais (Saudi Arabia).
k) (1) Restoration of oil production lost in Saudi Arabia after the attacks.
(2) ISM's production index drops to lowest level since June 2009.
l) OPEC+ meeting, December 5-6: the OPEC+ group committed to scaling back 500 kb/d (370 kb/d OPEC; 130 kb/d non-OPEC), in addition to the 1.2 mb/d already implemented. Saudi Arabia also committed to cutting back 167 kb/d under the new agreement and 322 kb/d under the old agreement, an extra 400 kb/d.
m) US attacks General Qasem Soleimani.

↓10%

Brent crude in 2019

5-6 meeting, there was speculation that they will extend the agreement beyond March 2020 and/or implement deeper production cuts than the 1.2Mbbl/d currently committed to reducing global oil inventories and thus sustaining prices.

Brent crude price history



Source: *Bloomberg and Repsol's Division of Studies*

Another relevant factor in world oil supply is the progress of non-conventional crude oil production in the USA. According to the latest available data published by the International Energy Agency (IEA), production of crude oil and natural gas liquids would increase by 1.6Mbbl/d in 2019 versus the previous year.

However, it is on the demand side that the greatest uncertainties lie. So far this year, most analysts, and especially the major official energy agencies, have revised downward their outlook for global demand growth in 2019. This review comes in response to the worsening economic outlook, particularly the decline in manufacturing confidence indices in the context of the US-China trade war. According to the latest IEA estimates, global oil demand will increase by 980 Kbbl/d by 2019. This contrasts with annual growth estimates published in June for the 2019 average of 1.2 Mbbl/d.

Natural Gas - Henry Hub

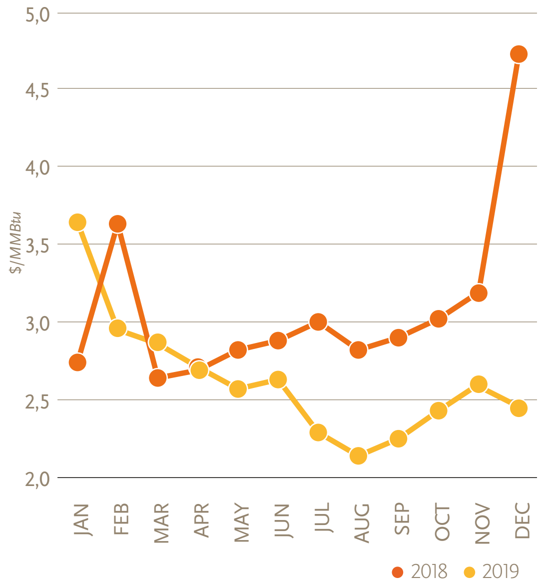
As to US natural gas, the average Henry Hub price was USD 2.6/MBtu, 16% lower than in 2018.

On the supply side, there was a significant increase in gas production associated with crude oil. The increase in oil output in the Permian Basin (Texas and New Mexico) has gas as a byproduct, which is saturating the US system and has placed inventories at peak levels for much of the year. Given this additional volume of associated gas, Permian gas is being sold even at a loss because of the need to evacuate it from the system, putting downward pressure on Henry Hub prices. This oversupply explains why the indicator has been trading all year long at levels well below 2018.

On the demand side, the slowdown in growth in China and (to a lesser extent) India directly impacted LNG trade by affecting imports from the United States. In the case of China, the slowdown in economic growth, combined with an unfavorable climate in the North for gas consumption and the halt in the switch from coal to gas for heating and power generation, hurt import demand and put downward pressure on prices.

As a result of the factors outlined above, the high level of inventories also exerted downward pressure on prices, which at the end of the year stood 16% below the level reached in 2018.

Henry Hub price history



Source: *Bloomberg and Repsol's Division of Studies*

2.6 $/MBtu
Henry Hub in 2019

↓16%
Henry Hub in 2019

4. Financial performance and shareholder returns

€2,042M

adjusted net income

4.0. Summary

Our performance in 2019 was hurt by a tough, volatile **context** shaped by a slower economy and rising geopolitical uncertainty, lower crude oil prices (Brent 64.2 vs. 71.3 in 2018) and lower gas prices (HH 2.6 vs. 3.1 in 2018, and sharp falls in other benchmark indices such as JKM and NBP), weaker industrial margins (the Refining margin indicator in Spain dropped from $6.7/bbl in 2018 to $5.0/bbl in 2019), while the international petrochemical margin index declined from €411/Tn to €376/Tn). On the other hand, the Company's metrics were boosted by a slight appreciation of the dollar against the euro (€/$ 1.12 vs. 1.18 in 2018).

Net adjusted income came to 2,042 million euros, 13% less than in 2018, chiefly due to worse performance in the Upstream segment (lower crude oil and gas prices), in Refining and Chemicals (maintenance shutdowns and thinner margins) and gas Marketing and Trading (prices). However, Trading, Mobility and Electricity showed stronger financial performance, while corporate expenses and borrowing costs also improved.

The **net result** of -3,816 million euros reflects the major write-downs in the closing quarter (-4,849 million euros) mainly of Upstream assets, as well as the impact of provisions to cover litigious risks.

Cash flow from operations (5,837 million euros) exceeded the 2018 figure by (+8%), and allows for covering net investment (3,777 million euros), payment of interest and dividends and share buy-backs. The year ended with **net debt** including leases of 8,083 million euros (4,220 million euros ex leases), making for a leverage ratio of 23.7% (13.9% ex leases).

€5,837M

cash flows from operations

4.1. Results

Millions of euros	2019	2018	Δ
Upstream	1,050	1,325	(21%)
Downstream	1,456	1,583	(8%)
Corporate and other	(464)	(556)	17%
Adjusted net income	**2,042**	**2,352**	**(13%)**
Inventory effect	(35)	(68)	49%
Specific results	(5,823)	57	-
Net income	**(3,816)**	**2,341**	**-**

EBITDA came to 7,161 million euros, less than (-5%) the figure for the same period of 2018.

EBITDA *(Millions of euros)*	2019	2018	Δ
Upstream	4,255	4,801	(11%)
Downstream	3,057	2,859	7%
Corporate and other	(151)	(147)	(3%)
TOTAL	**7,161**	**7,513**	**(5%)**

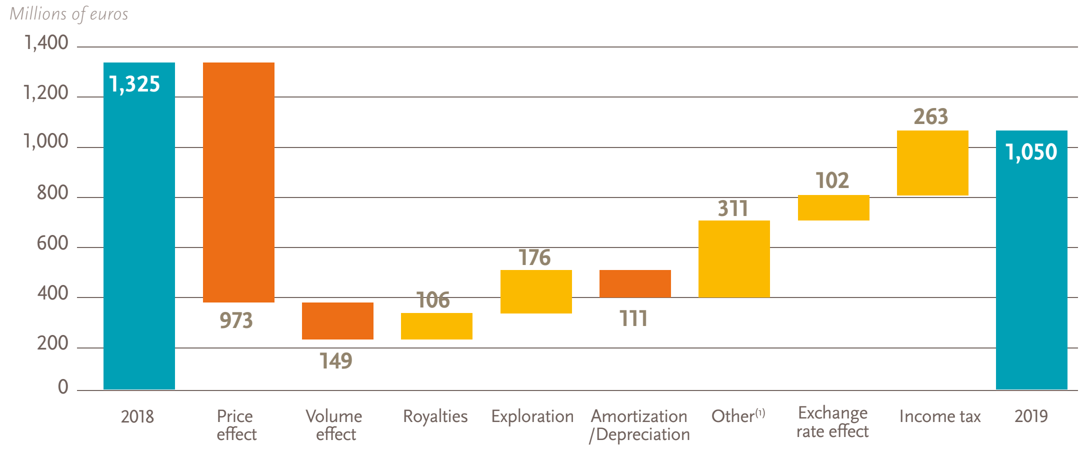
Upstream

Average production (709 kbep/day, 1% in line with previous year), **exploration** activity (16 exploration wells and 8 delineation/appraisal wells, 9 showing positive results) and **production** activity (new wells conection in Marcellus, Duvernay and Akacias, start-up of Buckskin in the Gulf of Mexico; acquisition of Eagle Ford and Mikkel, inter alia) are discussed in section 5.1. Upstream.

Adjusted net income in the Upstream segment was 1,050 million euros, less than in 2018 (1,325 million euros), as explained in the following figure, due to:

- lower realization prices for crude oil (-11%) and, especially, gas (-15%), dragging down results in the United States, Peru, Norway, Brazil and Trinidad and Tobago;
- lower sales volume, chiefly due to lesser production as a result of safety shutdowns in Libya, maintenance in Brazil, Malaysia and Trinidad and Tobago, and weaker demand in Venezuela;

Change in Upstream adjusted net income



(1) Includes, but is not limited to, costs associated with production and income from investees and non-controlling interests.

23%
Upstream investments

- lower taxes on production and hydrocarbon royalties in line with declining prices and volumes;
- lower exploration costs, mainly for dry wells in Bolivia, Norway, Guyana, Indonesia and Bulgaria, due to a more successful exploration campaign;
- higher amortization/depreciation costs as a result of the new accounting standard on leases (IFRS 16), which are now shown as license amortization charges rather than lease operating costs;
- lower "other" costs due to the impact of IFRS 16 on leases and reduced employee costs;
- lower income tax as a result of lower operating earnings (effective rate 48%, as in 2018); and
- positive effect of exchange rates, with the dollar strengthening against the euro

Upstream **EBITDA** was 4,255 million euros, 11% down year-on-year, hurt by **worse operating performance**, and partly offset by the effect of IFRS 16 Leases.

Investment in 2019 (2,429 million euros) rose 23% year-on-year, with a focus on production facilities and/or assets under development, mainly in the United States (including acquisition of 63% of Eagle Ford), Norway, Trinidad and Tobago and the United Kingdom.

Downstream

Adjusted net income in 2019 was 1,456 million euros, compared to 1,583 million euros for the same period of 2018.

As shown in the figure on the next page, the change was chiefly due to:

- Worse performance at **Refining Spain** due to smaller sales (maintenance shutdowns), thinner margins (worse differential between crude and light products) and higher overheads (amortization/depreciation of new investments, CO_2). **Refining Peru**, however, improved its performance owing to stronger margins in the local market on low-sulfur fuels production;
- **Trading** saw improved margins on crude, LPG, and biodiesel transactions and on fleet management;
- In **Chemicals**, the retreat in margins in the closing quarter was partly offset by bigger sales and fewer operational incidents;
- The **Commercial Businesses** performed similarly to last year. Improved results in Mobility (service stations in Spain, Portugal and Mexico) and Electricity and Lubricant (asphalts) were dragged down by underperformance in Gas Wholesaling and Trading (gas prices) and LPG (milder winter).

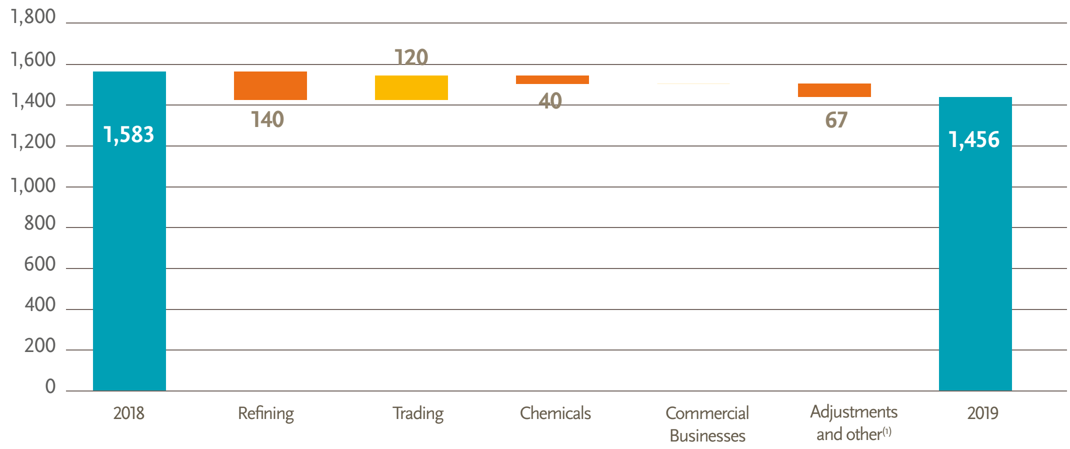
Downstream **EBITDA** came to 3,057 million euros (vs. 2,859 million euros in the same period of 2018).

7%
EBITDA Downstream

↑ €120M
Trading profit

Change in Downstream adjusted net income

Millions of euros



(1) Mainly the effect of negative consolidation adjustments to eliminate intra-Group transactions between different Downstream business units.

Investment was 1,376 million euros (vs. 1,831 million euros in 2018, which included 733 million euros for the acquisition of Viesgo), and allocated to energy efficiency, safety and environmental improvements. Additionally, investments by the international expansion in Mexico (Service Stations) and Southeast Asian (Lubricants) and renewable projects of the Electricity and Gas business.

Corporate division and other

Cumulative results for 2019 came to -464 million euros (-556 million euros in 2018). The Corporate division continues to lower corporate and structure costs, except as regards digitalization and technology initiatives. The financial result was better owing to lowered borrowing costs and more favorable foreign exchange positions, despite the uptick in financial expenses due to application of IFRS 16.

Net income and profitability

Adjusted net income, which was 2,042 million euros (vs. 2,352 million euros in 2018), must have the following effects added to it:

- **Inventory effect**: (-35 million euros) reflects changes in the price of crude and petroleum products in the period.
- **Specific results**: (-5,823 million euros) mainly reflects extraordinary write-downs (see following sub-section) and provisions, to cover litigious risks regarding ongoing Addax arbitration (-837 million euros) (see Note 15 of consolidated Financial Statements).

(Millions of euros)

Specific results	2019	2018 [1]
Specific results	49	83
Personnel restructuring	(64)	(55)
Impairment losses[1]	(4,867)	(684)
Provisions and other [2]	(941)	301
Discontinued operations [3]	-	412
TOTAL	**(5,823)**	**57**

(1) In 2019, includes the impairments recorded by the assumption of new price hypothesis and energy transition (see next section) and other impairments of little relevance.
(2) Includes provisions for credit risk, legal and tax litigation and extraordinary results due to exchange differences over financial and tax positions.
(3) In 2018, mainly included the gain on sale and share in profit of Naturgy Energy Group.

The Group's **net income** in 2019 was -3.816 million euros (2,341 million euros in 2018). The loss was due mainly to the large write-downs in the period.

Profitability indicators	2019	2018
Return on average capital employed (ROACE) (%)	(11.0)	6.7
Earnings/(loss) per share (€/share)	(2.48)	1.38

(1) Including impact of Leaseas regarding NIIF 16; -9,7%

Future return on capital employed will be driven up after the write-downs posted in the period.

↑ 16%
better financial result

Asset write-downs and impairments

Throughout the year 2019 it has been consolidating a new vision of the future dynamics of Oil&Gas markets, which can be summarized at weaker prices, marked by a demand without enough push to compensate for abundant supply, especially of gas; of the same In this way, the expectations of a progressive decarbonization of the economy, driven by a growing social concern for the consequences of climate change and, about all, for the public policies announced for promote an energy transition that fosters renewable sources and low emissions of gases from greenhouse effect.

In this context, for the realization of the annual test of impairment of assets, Repsol has revised downwards expectations of future prices of oil and gas, the expected cost of emissions has increased of CO2 and has reduced future estimates of consumption of hydrocarbon products, such as consequence of::

- New dynamics of oil markets and gas that have meant a downward pressure about crude oil prices and especially gas: global demand slowdown; structural increase in the production of gas in the US, especially for use of gas associated with shale oil, and new gas discoveries in other places of the world; global supply increase of LNG and less intense demand, especially in China.
- New public policies aimed at decarbonization of the economy and therefore to the fossil fuel use restriction and to the development of new alternative technologies, that drive the energy transition and suppose a decrease in expectations of medium and long hydrocarbon consumption term..

By assuming these new scenarios so realistic and responsible, Repsol may anticipate the consequences and seize the opportunities of the energy transition, guaranteeing sustainability and optimizing the value of their business and investments. This new orientation in business management will be done accordingly with the objective of zero net emissions in the year 2050 and the new strategic orientation (see section 2.4) aligned with the climate objectives of the Agreement of Paris and United Nations that pretend limit global warming below of the two degrees Celsius relative to levels preindustrial.

Without prejudice to the adaptation of the strategy from the Company to this new scenario guarantee creating business value, adoption for its annual deterioration test of the new hypothesis, especially of lower future prices of gas, has implied the registration of sanitation extraordinary of the book value of some assets, whose detail by business segment is as follows:

(Millions of euros)	**2019**
Upstream	**(6,164)**
Production assets	(4,115)
Goodwill	(793)
Assets undergoing exploration or development (1)	(786)
Tax creditss	(470)
Downstream	**69**
Gas & Trading North America	229
Tax credits	(104)
Other Downstream assets	(56)
TOTAL before tax	**(6,095)**
TOTAL after tax	**(4,849)**

(1) Excludes negative exploration results already amortized or covered by provisions in the ordinary course of business and recognized as exploration costs within adjusted net income for the Upstream segment.

The main impairments (before tax) in the Upstream segment were:

- Production assets (-4,115 million euros)

Impairments before tax	*(Millions of euros)*
North America	(3,572)
Southeast Asia	80
Latin America	(414)
Europe and North Africa	(209)
TOTAL	**(4,115)**

Impairments mostly concentrate in onshore assets in North America, which were hurt by the special conditions of the gas market in the United States and Canada.

- Exploration and development assets (-786 million euros) in Vietnam, Brazil, Papua New Guinea, Algeria, Russia and Indonesia.
- Goodwill (-793 million euros) arising from the Repsol Oil&Gas Canada Inc. business combination.
- Tax credits (-470 million euros) as a result of new price scenarios, mainly in North America, that make recovery less likely.

In the Downstream segment, 229 million euros of a pre-tax impairment was reversed (net of the onerous contracts provision) in the North America Gas & Trading business (mainly the Canaport regasification plant and the pipelines for gas transport in North America) in light of the forecast performance of gas volumes, prices and margins.

The absence of material impairments in the Downstream segment proves the quality of our

↑ 8 %
cash flow from operations

assets and our business models' ability to adapt to stringent new sustainable development scenarios.

For further information on impairments and write-downs in the period, see Note 21 of the 2019 consolidated Financial Statements.

4.2. Cash flows

Cash flows *(Millions of euros)*	**2019**	**2018**
EBITDA	7,161	7,513
Changes in working capital	(67)	(806)
Dividends received	66	20
Income tax refunded/(paid)	(1,047)	(845)
Other receipts/(payments)	(276)	(454)
I. Cash flow from operationss	**5,837**	**5,428**
Payments for investments	(3,953)	(3,866)
Receipts from investments	176	3,494
II. Cash flow from investing activities	**(3,777)**	**(372)**
Free cash flow (I + II)	**2,060**	**5,056**
Dividends and other equity instruments	(396)	(297)
Net interest and leases	(508)	(458)
Treasury shares[1]	(1,843)	(1,595)
Cash generated	**(687)**	**2,706**

(1) Includes 820 million euros of buy-backs in addition to the 2019 buy-back round.

In 2019, **cash flow from operations** (5,837 million euros) was (+8%) on 2018. Lower EBITDA figures at business units were positively impacted by a lesser change in working capital, mainly in the Downstream segment (improved inventory working capital at the industrial businesses and Trading). Cash flow from operations was sufficient to cover investment, interest and dividend payments, and share buy-backs for the year.

Cash flow from investing activities (-3,777 million euros) reflects our investment in the new businesses operated by Repsol Electricidad y Gas, early investment in the Refining system to ensure maximum capacity is available in 2020 with the addition of IMO and international expansion in the Downstream segment (Mobility Mexico and Lubricants), and expenditure on production assets in the Upstream segment, mainly in North America (including acquisition of 63% of Eagle Ford), Norway and Trinidad and Tobago.

Therefore, after paying borrowing costs (-508 million euros), shareholder return (-396 million euros) and share buy-backs (-1,843 million euros, including 820 million euros additional to 2019 treasury share redemptions), **cash generated** came to -687 million euros.

Free cash flow in 2019 came to 2,060 million euros versus 5,056 million euros in 2018 (which included 3,816 million euros of proceeds of sale of our interest in Naturgy).

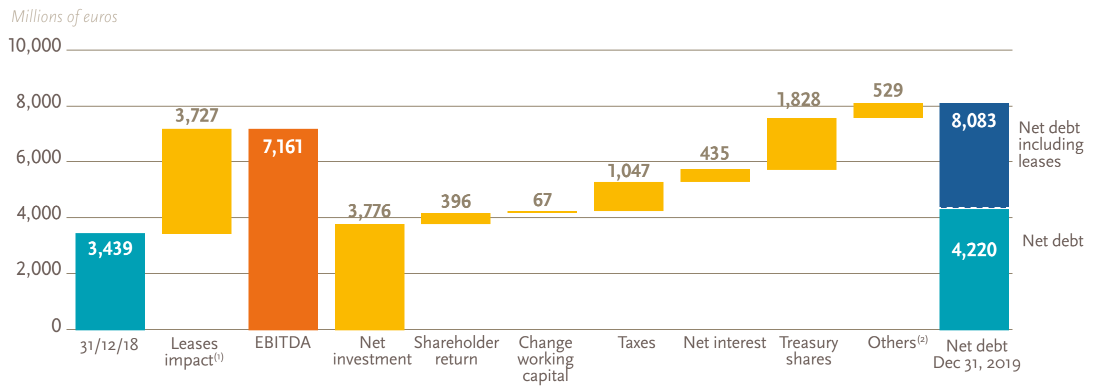
4.3. Financial position

In 2019, measures allowing for solid debt and leverage levels continued.

In line with its policy of financial prudence and its commitment to maintaining a high degree of liquidity, the funds held in cash by the Group at the end of the year and available credit lines amply exceed the maturity dates of its short-term debt.

The year saw the first application of IFRS 16, which led to changes in how the Group measures debt (for more information, see Note 3 to the 2019 consolidated Financial Statements and Appendix II to this Report).

Change in net debt



(1) Includes finance leases recognized under the previous standard (1,624 million euros) and leases recognized after application of IFRS 16 (2,103 million euros).
(2) Includes new leases signed in the period, other receipts/(payments) from operations and translation differences.

€2,060M
free cash flow

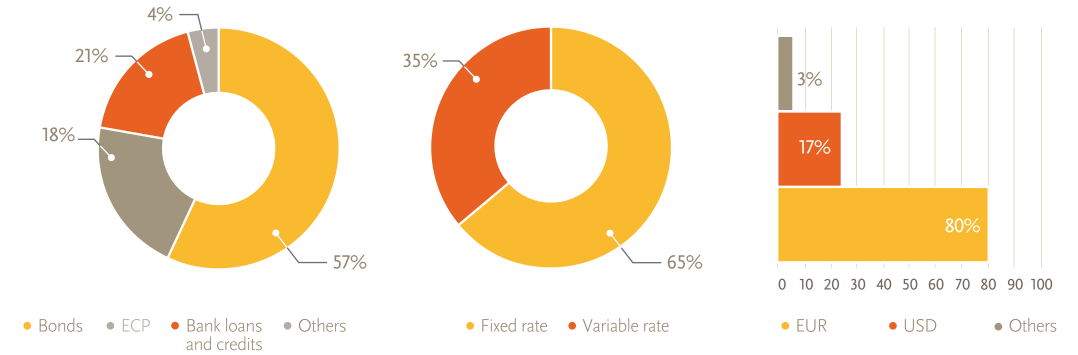
Indebtedness

Net debt at December 31, 2019 (4,220 million euros) and with leases (8,083 million euros) increased by 781 million and 917 million euros, respectively, with respect to 2018.

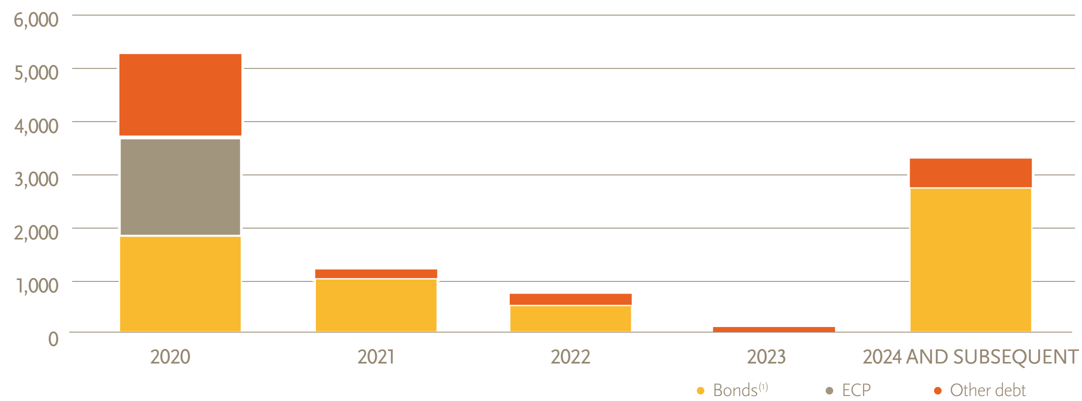
The **composition** and **maturity** of gross non-lease debt (EUR 10,459 million) at December 31, 2019 was as follows:

€4,220M
Net debt

Gross debt



The **maturity** dates for **gross debt** are as follows:



(1) Issues guaranteed by Repsol, S.A. and carried out within the EMTN and Universal Shelf Prospectus programs.

Main funding operations

The main transactions in 2019 were:

- In February, we redeemed at maturity a bond issued by Repsol International Finance, B.V. (RIF) in January 2012 under the European Medium Term Notes (EMTN) Issuance Program for a nominal amount of €1,000 million and a fixed annual coupon of 4.875%.
- In July, a bond issued by RIF in July 2016 for a nominal amount of €100 million, with a fixed annual coupon of 0.125%, was redeemed at maturity as part of the EMTN Program.
- In August, RIF issued bonds guaranteed by Repsol, S.A., as part of the EMTN Program, for an amount of €750 million, with a fixed annual coupon of 0.25% and maturing in August 2027.

Liquidity

Group liquidity, including committed and undrawn credit facilities, stood at €7,667 million at December 31, 2019, which is enough to cover its short-term gross debt maturities by a factor of 1.5. Repsol had undrawn credit lines amounting to €1,818 and €2,265 million at December 31, 2019 and 2018, respectively.

€7,667M
liquidity

€0.916 per share in shareholder returns

Credit rating

At present, the credit ratings assigned to Repsol, S.A. by the ratings agencies are as follows:

Term	Standard & Poor's	Moody's	Fitch
Long-term	BBB	Baa1	BBB
Short-term	A-2	P-2	F-2
Outlook	positive	stable	positive
Date of latest modification	12/12/2018	10/12/2018	31/07/2019

Treasury shares and own equity investments

In 2019, a highlight was the acquisition under the Repsol share buy-back program of approximately 4.56% of Repsol's share capital at December 31. Those shares were redeemed in order to offset the dilutive effect of the bonus share issue launched during the year under the "Repsol Flexible Dividend" program (see section 4.4).

In addition, as part of the discretionary treasury shares operation, shares representing approximately 3.6% of share capital were acquired for use as required for any capital reductions that may occur in 2020.

At year-end 2019 the Group held treasury shares (80.8 million shares) representing 5.16% of share capital. For further information, see Note 7.2 *"Treasury shares and own equity investments" of the consolidated Financial Statements.*

Average payment period to suppliers

The average payment period to suppliers for the Group's Spanish companies was 24 days in 2019, which is the maximum 60-day limit stipulated by Law 15/2010, of July 5 (amended by final provision two of Law 31/2014), which establishes measures to combat late payment in commercial transactions. For further information, see Note 19 *"Trade and other payables"* of the consolidated Financial Statements.

4.4. Returns to shareholders

Repsol does not have a formal policy on dividends, and the Company's decisions on remuneration of shareholders depend on various factors, including the performance of its businesses and its operating results.

The remuneration received by shareholders in 2019 and 2018 under the *"Repsol Flexible Dividend"* program[1] is as follows:

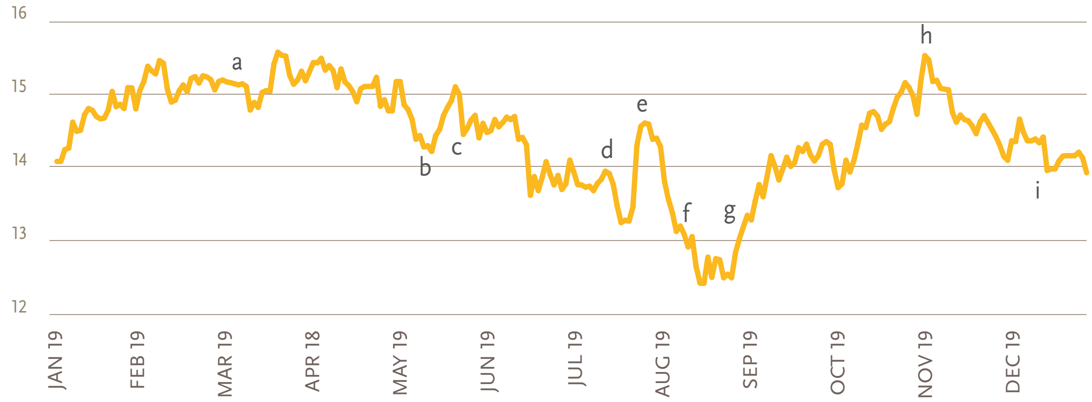
- Return of € 0.916 per share[2] in 2019. Repsol paid a total gross amount of 398 million euros to shareholders and delivered 71,394,987 new shares, for an equivalent amount of 1,017 million euros, to those who opted to receive new shares in the company.
- Return of € 0.873 per share[3] in 2018. Repsol paid a total gross amount of 253 million euros to shareholders and delivered 68,777,683 new shares, for an equivalent amount of 1,095 million euros, to those who opted to receive new shares in the company.

In November 2019, a capital reduction was carried out through the redemption of treasury shares, approved by shareholders at the Annual General Meeting in 2019, to offset the dilutive effect of the bonus share issue formalised in 2019 under the *"Repsol Flexible Dividend"* programme.

On July 23, 2019, the Board of Directors decided to lay before stockholders, for their approval at the next Annual General Meeting, a proposal to reduce share capital by an amount equivalent to 5% of capital as of December 31, 2018, through the redemption of treasury shares. This proposed capital reduction is independent from that which may be submitted at the next Annual General Meeting within the context of stockholder remuneration under the "*Repsol Flexible Dividend*" program.

1. For additional information on the total returns received by shareholders and the capital increases issued under the "Repsol Flexible Dividend" program, see section "Share capital" of Note 7 "Equity" of the 2019 consolidated Financial Statements.
2. This includes the amount of the irrevocable commitment to purchase free-of-charge allocation rights assumed by Repsol in the two capital increases concluded in January and July 2019 (€0.411 and €0.505 gross per right, respectively).
3. This includes the amount of the irrevocable commitment to purchase free-of-charge allocation rights assumed by Repsol in the two capital increases concluded in January and July 2018 (€0.388 and €0.485 gross per right, respectively).

Share price evolution



a) €15.1; March 5, production resumes in Libya.
b) €14.27 €; May 8 and 9, Downstream Day at the Cartagena refinery.
c) €14.435; May 23, 6% drop in Brent price.
d) €14.29; July 24, presentation of results for first quarter and announcement of additional 5% buyback.
e) €14.385; July 31, Fitch Ratings raises Repsol's short term credit rating from F3 to F2.
f) €12.7; August 14, 4% fall in Brent price (general drop in crude and gas in first fortnight of August).
g) €13.065; August 29, announcement of the start of the share repurchase program associated with the flexible dividend.
h) €15.415; November 5, end of the share repurchase program.
i) €14.145; December 2, announcement of the target of zero net emissions by 2050.

5%
stockholder returns

In addition, in January 2020, under that program, replacing what would have been the interim dividend from 2019 profits, Repsol paid out 107 million euros in cash (€0.424 gross per right) to those stockholders opting to sell their bonus share rights back to the Company, and delivered 38,647,825 shares, worth 541 million euros, to those opting to take their dividend in the form of new shares.

At the date of the authorization for issue of the Management Report, the Board of Directors is expected to submit a proposal to stockholders at the next Annual General Meeting to continue the "*Repsol Flexible Dividend*" program, through the implementation of a bonus share issue on the same dates as those on which the company has traditionally paid the final dividend and the relevant share capital reduction through the redemption of treasury shares to offset the dilutive effect of those share capital increases.

Our share price

In 2019, Repsol's shares were weighed down by a highly volatile environment, macroeconomic uncertainties and underperformance of the Ibex, Spain's stock exchange index, as against the leading European indices.

The first ten months of the year saw positive share performance, with a 10% rise, reflecting the strength of the Company's integrated model in a highly volatile environment and the market's welcome to improved stockholder remuneration through share buybacks.

However, in the last two months of the year, a worsening of geopolitical tensions and a drastic drop in the international price of gas penalized share performance, with a 1% decline with respect to year-end 2018.

The Group's main stock market indicators in 2019 and 2018 were:

Key stock market indicators	2019	2018
Stockholder return(1) (€ per share)	0.92	0.87
Share price at period-end (2) (€)	13.93	14.08
Period average share price (euros)	14.43	15.78
Maximum price during the period (euros)	15.52	17.29
Minimum price during the period (euros)	12.48	13.74
Number of shares outstanding at end of the year (million)	1,527	1,527
Market capitalization at year-end (million euros) (3)	21,277	21,506
P/E ratio(4)	10.90	9.7
Dividend yield (%) (5)	6.6	6.2
Book value per share (euros) (6)	16.1	19.2

(1) For each period, stockholder returns include dividends paid and the fixed price guaranteed by Repsol for the bonus share rights awarded under the "*Repsol Flexible Dividend*" program.
(2) Share price at year-end in the continuous market of the Spanish stock exchanges.
(3) Year-end closing market price per share, times the number of outstanding shares.
(4) Year-end closing market price per share / Earnings per share attributable to the parent company.
(5) Earnings per share for each year / Share price at end of previous year.
(6) Equity attributed to the parent/Number of shares outstanding at year-end.

€13.93
per share
share price at year-end 2019

5. Our business in 2019

5.1.Upstream[1]

709
kboe/d
net output

Our activities

- **New areas:** identification and entry into new projects (organic or inorganic growth).
- **Exploration:** geology, geophysics and exploratory drilling activities in the search for hydrocarbon resources.
- **Evaluation:** drilling of evaluation probes, definition of discovered resources and determination of their commerciality.
- **Development:** drilling of production wells and building of facilities for the production of reserves.
- **Production:** Commercial operation of hydrocarbons.
- **Dismantling:** abandonment and refurbishment of all facilities to leave the area in the same environmental condition as prior to the commencement of E&P operations.

Main operating figures	**2019**	**2018**
Net undeveloped acreage (km^2)	179,516	232,331
Net developed acreage (km^2)	6,695	5,494
Reserves of crude oil, condensate and LPG (Mbbl)	620	638
Natural gas reserves (Mboe)	1,519	1,702
Proven reserve replacement ratio (%) (1)	23	94
Net production of liquids (kbbl/d)	254	261
Net production of gas (kboe/d)	455	454
Net hydrocarbon production (Kboe/d)	709	715
Average crude oil price ($/bbl)	57.3	63.9
Average gas price ($/kscf)	2.9	3.4
Bonds, dry boreholes, general and administrative expenses (2) (millions of euros)	297	457

(1) Reserve replacement ratio: (quotient between the total additions of proven reserves in the period and the production of the period)
(2) Only costs directly assigned to exploration projects.

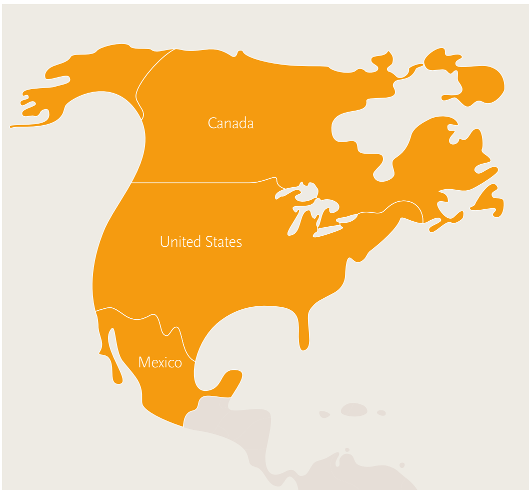
1. For more information, see "*Information on oil and gas exploration and production" at* www.repsol.com.

Our performance in 2019

Millions of euros	**2019**	**2018**	**Δ**
Results from operations	1,969	2,514	(545)
Income tax	(948)	(1,211)	263
Investees and non controlling interests	29	22	7
Adjusted net income (1)	**1,050**	**1,325**	**(275)**
Special items	(5,645)	(326)	(4,482)
Net income	**(4,595)**	**999**	**(4,777)**
Effective tax rate (%)	(48)	(48)	-
EBITDA	**4,255**	**4,801**	**(546)**
Investments	**2,429**	**1,973**	**456**

(1)Adjusted Net Income by geographical area

Geographical area	**2019**	**2018**	**Δ**
Europe, Africa and Brazil	653	768	(115)
Latin America - Caribbean	387	501	(114)
North America	76	212	(136)
Asia and Russia	182	264	(82)
Exploration and other	(248)	(420)	(172)
Adjusted net income	**1,050**	**1,325**	**279**

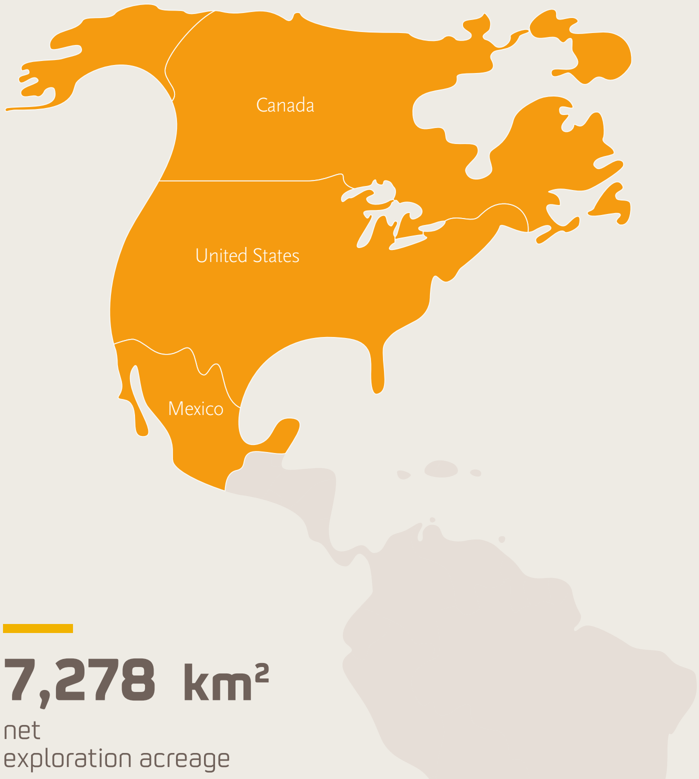


Period highlights

2019 was a year marked by low crude oil prices and, in particular, gas. Repsol has prioritized the generation of value over production, focusing its efforts on improving efficiency, lowering the cash breakeven and optimizing the portfolio.

- Average production reached 709 Kboe/d in 2019, in line with the previous year (-6.6 Kboe/d; -7 Kbbl/d in liquids and +0.4 Kboe/d in gas). This decrease was mainly attributable to Trinidad and Tobago, Venezuela, Libya, Shenzi (USA) and divestments in the USA (Midcontinent), and was partly offset by production from new wells in Marcellus (US), Duvernay (Canada) and Akacias (Colombia), acquisitions in Norway (Mikkele) and the United States (Eagle Ford), and the start-up of production at Buckskin (US).
- Exploration campaign: in 2019, 16 exploratory and 8 delineation/appraisal drillings have been completed, 9 with positive results (5 exploratory in the United States, Indonesia, 2 in Malaysia and Norway and 4 of appraisal in the USA), 10 with negative results (8 exploratory in Bulgaria, 3 in Colombia and 2 in Norway , Guyana and Indonesia and 2 of appraisal in Algeria) and 5 with results under evaluation.
- Acreage: acquisition of 2 blocks in Indonesia (exploratory, operated), 1 block in Greece (exploratory, operated), 6 blocks in Norway: 3 new blocks and an extension in the APA Round (concessions in predefined areas) 2018 and two acquired (Mikkel Field), 24 blocks in USA (7 in the Gulf of Mexico and 17 in Alaska). In addition, 4 blocks were obtained in Brazil pending official ratification at December 31.
- The **net addition of proven reserves** in 2019 was 58 Mboe, mainly from extensions and discoveries, and acquisitions in North America and the **total reserve replacement ratio** was 23% in 2019.

North America



7,278 km²
net exploration acreage

66 Mboe
net output

619 Mboe
net proven reserves

Performance of operations	2019	2018
Net developed acreage (Km²)	2,505	2,134
Net undeveloped acreage (Km²)	9,837	12,562
Net development acreage (Km²)	5,064	4,698
Net exploration acreage (Km²)	7,278	9,998
Net proven reserves (Mbep)	619	535
Finished and ongoing exploratory wells [1]:		
Positive	1	-
Negative	-	2
Under evaluation	-	-
Ongoing	2	-
Finished development wells		
Positive	103	136
Negative	1	-
Under evaluation	-	-
Net production of liquids (MMb)	18	17
Net production of natural gas (bcf)	274	261
Total net output (Mbep)	66	64
Oil production wells	1,434	1,439
Gas production wells	2,918	2,795
Average crude oil realization price ($/bbl)	55.0	58.5
Average gas realization price ($/boe)	12.5	14.0

(1) Does not include appraisal wells: 5 in 2019, 4 positive and 1 in development, and 1 ongoing in 2018.

Sustainability performance	2019	2018
No. employees	790	923
% women	32	32
% of women in leadership positions	25	23
Hydrocarbon spills reaching the environment (t) [1]	5.52	12.72
CO_2e emissions (Mt) (Scope 1 + 2)	1.55	1.5
TRIR	3.40	4.26
PSIR	2.89	2.82
Voluntary social investment (€ thousand)	688	981

(1) Oil spills exceeding one barrel and reaching the environment.

Period highlights

- **United States: positive exploratory campaign in Alaska and the Gulf of Mexico, start of production in *Buckskin* and purchase of Equinor's stake in Eagle Ford**

The presence of hydrocarbons has been confirmed in the southern part of the Pikka unit in Alaska, where the first delineation well known as Pikka-B was completed in January and the Pikka-C appraisal drilling was completed in April, both with positive results.

In late April, an important discovery was announced at the Blacktip exploration well, located in deep waters of the Gulf of Mexico (USA) 400 km south of Houston, with a net crude area more than 122 meters thick. Repsol has an 8.5% stake in this hydrocarbon discovery in the Alaminos Canyon basin, alongside Shell (operator), Chevron and Equinor. The project is in the phase of appraisal and delineation of reserves. The Blacktip-1 ST1 appraisal drilling was also positive in June.

In June, hydrocarbon production began in the Buckskin deepwater project (in which Repsol holds a 22.5% stake, LLOG being the operator) in the Keathley Canyon area in the U.S. Gulf of Mexico.

In November, Repsol reached an agreement with Equinor to acquire its 63% stake in Eagle Ford, a production asset located in Texas, United States, for USD 352 million. In this way, Repsol will control 100% of the assets and will be its operator. This additional stake in the asset will allow for improvements in operational efficiencies and synergies. This transaction adds approximately 280 net square kilometers and 34 kbep/d, bringing total production after the deal to around 54 kbep/d. This acquisition is in line with the 2018-2020 Strategic Plan, which identifies North America as a key area due to its advanced infrastructure and stable regulatory framework. For further information, see Note 5 of the consolidated Financial Statements.

- **Mexico: approval of investment plans 2019-2022**

In June, the Mexican National Hydrocarbons Commission (CNH) approved the 2019-2022 investment plans submitted by Repsol (as operator) for Areas 10 ,14 and 29, with Repsol holding 40%, 50% and 30% respectively, located in the deep waters of the Gulf of Mexico, awarded in January 2018. These plans include the drilling of four exploration wells in the period 2020-2021, as well as geological studies.

- **Canada: drop in average gas production**

The average daily production for the year was 57,768 Boe/d, compared to 61,483 Boe/d in 2018.

Countries	Main assets (1)	% Repsol	P/D/E (2)	L/G (2)	Description
United States	Shenzi	28.00%	P	L-G	Deep waters of the Gulf of Mexico sout east of Louisiana
United States	Eagle Ford	100%	P	L-G	Non-conventional onshore gas with associated liquids to the south of Texas
United States	Marcellus	89.22%	P	G	Non-conventional shale gas in the states of Pennsylvania, New York and West Virginia, mainly
United States	Buckskin	22.50%	P	L-G	Deep waters of the Gulf of Mexico to the southwest of the state of Louisiana
United States	North Slope - Pikka	49%	E	L-G	Area with discoveries in the delineation phase
United States	North Slope -Horseshoe	49%	E	L-G	Exploratory area comprising the Horseshoe discovery in northern Alaska
United States	North Slope (rest)	Average 43.60%	E	-	Extensive exploratory area, mainly onshore, in northern Alaska
United States	Leon	50.00%	E	L-G	Deep-sea exploratory asset in the Gulf of Mexico southwest of Louisiana
United States	Moccasin	30%	E	L-G	Deep-sea exploratory asset in the Gulf of Mexico southwest of Louisiana State
Canada	Edson & Wild River	Average 65.66%	P	L-G	Production area in the heart of the state of Alberta. Non-conventional
Canada	Chauvin	Average 67.04%	P	L-G	Heavy crude oil located in Alberta/Saskatchewan. Non-conventional
Canada	South Duvernay	100%	P	L-G	Area in the development phase, with oil and gas production, in central Alberta. Non-conventional

(1) Further information in Appendix Ic of the consolidated Financial Statements
(2) P: Production / D: Development / E: Exploration / L: Liquids / G: Gas

Latin America-Caribbean

121Mboe
net output

1,196Mboe
net proven reserves

44,602 km^2
net exploration acreage

Performance of operations	2019	2018
Net developed acreage (Km^2)	761	682
Net undeveloped acreage (Km^2)	48,663	95,104
Net development acreage (Km^2)	4,822	4,827
Net exploration acreage (Km^2)	44,602	90,959
Net proven reserves (Mbep)	1,196	1,419
Finished and ongoing exploratory wells [1]:		
Positive	-	4
Negative	4	6
Under evaluation	3	-
Ongoing	2	1
Finished development wells		
Positive	30	28
Negative	-	1
Under evaluation	2	3
Net production of liquids (MMb)	35	36
Net production of natural gas (bcf)	483	504
Total net output (Mbep)	121	125
Oil production wells	792	771
Gas production wells	241	227
Average crude oil realization price ($/bbl)	52.4	59.6
Average gas realization price ($/boe)	12.9	15.9

(1) Does not include appraisal wells: 1 in evaluation in 2019 and no activity in 2018.

Sustainability performance	2019	2018
No. employees	1,123	1,218
% women	24	24
% women in leadership positions	20	20
Hydrocarbon spills reaching the environment (t) [1]	5.95	0.32
O_2e emissions (Mt) (Scope 1 + 2)	0.83	0.84
TRIR	0.71	1.41
PSIR	0.52	0.19
Voluntary social investment (€ thousand)	6,095	4,156

(1)Oil spills exceeding one barrel and reaching the environment.

Period highlights

- **Trinidad and Tobago: start of gas production at Angelin**

In February, the BPTT consortium (30% Repsol) announced the start of gas production from its Angelin platform (West Block), which is remotely operated and is located 60 km off the south-eastern coast of the island of Trinidad, on a 65-meter sheet of water.

- **Colombia: record production in Akacias and signing of two new contracts in two marine blocks**

In March, the Akacias project, in which Repsol has a 45% stake, achieved a record total output of 20 kbbl/d as a result of the drilling work included in Phase I of the Development Plan approved in 2018. The final objective is to reach a total output of 50 kbbl/d in the medium term.

In April Repsol signed two contracts with Colombia's National Hydrocarbons Agency (ANH) for the exploration and production of the marine blocks GUA OFF-1 and COL-4, located off the Colombian coast in the Caribbean Sea. Repsol is the operating company for block GUA-OFF-1 with a 50% stake (Ecopetrol owns the remaining 50%) and in block COL-4, also with a 50% stake (ExxonMobil owns the remaining 50%).

- **Brazil: 4 new marine exploration blocks in the Brazilian pre-salt layer**

In October, the Brazilian authorities awarded four new exploration concessions in the Brazilian pre-salt area during the 16th concession round pending official ratification at December 31, 2019. Of the four marine blocks in deep water, three are located in the Campos basin and another in the Santos basin. With a 100% stake, Repsol will explore the C-M-795 block located in the Campos basin in the state of Rio de Janeiro. Also in this basin, but with a 60% stake, Repsol will operate the C-M-825 block, in a consortium with Chevron. The third field acquired in Campos is C-M-845, in which Repsol has 40%, along with Chevron (40%) and Wintershall Dea (20%). The block acquired in the Santos Basin is the S-M-766, in which Repsol has a 40% stake, together with Chevron (40%) and Wintershall Dea (20%).

- **Venezuela**

In 2019, Repsol's average output in Venezuela reached 55 kboe/d (62 kboe/d in 2018). Political instability, economic recession and inflation continued throughout the period. For further information, see Note 21.3 of the 2019 consolidated Financial Statements.

Countries	Main assets [1]	% Repsol	P/D/E [2]	L/G [2]	Description
Trinidad and Tobago	BP TT	30.00%	P	L-G	Columbus offshore basin
Brazil	BM-S-9 (*Sapinhoá*)	15.00%	P	L-G	Ultra-deep waters in pre-salt area of Santos Basin
Brazil	BM-S-9A (*Lapa*)	15.00%	P / D	L	Ultra-deep waters in pre-salt area of Santos Basin
Brazil	BM-S-50 (*Sagitario*)	12.00%	E	L-G	Ultra-deep waters in pre-salt area of Santos Basin
Brazil	BM-C-33 (C-M-539)	21.00%	D	L-G	Ultra-deep waters in pre-salt area of Campos Basin
Brazil	Albacora Leste	6.00%	P	L-G	Deep waters in Campos Basin
Bolivia	Margarita - Huacaya (*Caipipendi*)	37.50%	P	L-G	Sub-Andean Sur basin in the south of the country
Bolivia	Sábalo	24.17%	P	L-G	Sub-Andean Sur basin in the south of the country
Bolivia	San Alberto	24. 17%	P	L-G	Sub-Andean Sur basin in the south of the country
Colombia	Equion	Average 29.07%	P / E	L-G	Llanos Basin in the center of the country
Colombia	CPO-9 Akacias	45.00%	P / D	L	Llanos basin in the center of the country
Colombia	Cravo Norte	5.63%	P	L	Llanos Basin next to the border with Venezuela
Peru	Camisea (Blocks 56 and 88)	10.00%	P	L-G	Ucayali basin, in the Andean region
Peru	Block 57 (*Kinteroni & Sagari*)	53.84%	P / D	L-G	Madre de Dios basin (Andean region)
Venezuela	Cardón IV (Perla)	50.00%	P / D	L-G	Shallow waters of the Gulf of Venezuela basin
Venezuela	Quiriquire (EM)	40.00%	P	L-G	Maturin onshore basin
Venezuela	Quiriquire Gas	60.00%	P	G	Gas in the Maturin onshore basin
Venezuela	Barua Motatan	40.00%	P	L	Maracaibo onshore basin
Venezuela	Mene Grande	40.00%	P	L	Maracaibo onshore basin
Venezuela	Carabobo	11.00%	P / D	L	Heavy crudes of Orinoco Petroleum Belt in the southeast of country

(1) Further information in Appendix Ic of the consolidated Financial Statements
(2) P: Production / D: Development / E: Exploration / L: Liquids / G: Gas

Asia and Oceania

94,032 km²
net exploration acreage

27 Mboe
net output

109 Mboe
net proven reserves

Performance of operations	2019	2018
Net developed acreage (Km²)	1,738	1,051
Net undeveloped acreage (Km²)	94,749	100,052
Net development acreage (Km²)	2,454	2,951
Net exploration acreage (Km²)	94,032	98,152
Net proven reserves (Mbep)	109	154
Finished and ongoing exploratory wells [(1)]:		
Positive	3	-
Negative	1	2
Under evaluation	-	-
Ongoing	-	1
Finished development wells		
Positive	50	48
Negative	-	-
Under evaluation	6	1
Net production of liquids (MMb)	9	10
Net production of natural gas (bcf)	98	108
Total net output (Mbep)	27	29
Oil production wells	668	625
Gas production wells	70	82
Average crude oil realization price ($/bbl)	61.2	67.3
Average gas realization price ($/boe)	36.7	37.7

(1) Does not include appraisal wells: no activity in 2019 and 1 positive in 2018.

Sustainability performance	2019	2018
No. employees	610	736
% women	33	32
% of women in leadership positions	18	18
Hydrocarbon spills reaching the environment (t) [(1)]	0.57	-
O_2e emissions (Mt) (Scope 1 + 2)	8.62	7.83
TRIR	1.03	0.73
PSIR	-	0.37
Voluntary social investment (€ thousand)	1,335	602

(1)Oil spills exceeding one barrel and reaching the environment.

Period highlights

- **Indonesia: the country's largest gas discovery in the Sakakemang block and signing of the new contract in Corridor**

  In February, the largest gas discovery in Indonesia in 18 years was announced; it is also one of the 10 largest in the world of the past 12 months. The well, called Kaliberau Dalam-2X (KBD-2X), is located in the Sakakemang onshore block on the southern island of Sumatra. Repsol is the operator with a 45% stake. This discovery has a preliminary estimate of recoverable resources of at least 2 billions cubic feet (TCF) of gas. In August, preliminary work began on the development of this gas field. A memorandum of understanding has been signed with ConocoPhillips, the operator of the Corridor PSC, to work together on the feasibility of piping the Sakakemang gas through the Corridor facilities, given that this project is only about 20 km away, which would make it possible to speed up gas extraction and take advantage of synergies using existing facilities.

  In July, Repsol signed a Memorandum of Understanding (MoU) for the marketing of natural gas from the Sakakemang area with the company PGN. The signing of this MoU represents a key milestone for the development of Sakakemang.

  In November, the new 20-year contract for Corridor's PSC (Production Sharing Contract) in Indonesia was officially signed with the partners in this project: ConocoPhillips and Pertamina. Corridor is located in South Sumatra. Currently, Repsol has a 36% stake in the PSC that would end on December 19, 2023. During the 20-year extension, Repsol's stake will be reduced to 21.6% to accommodate a greater role for the national oil company, Pertamina, which will increase its stake from the current 10% to 30%, and a local public company, which will take a 10% stake. Pertamina also obtains the right to take over the operations of ConocoPhillips from 2026.

  The Corridor PSC makes a significant contribution to Repsol in terms of production and annual free cash flow generation, making it one of the company's most important assets.

  In December, the state-owned company Petronas acquired 49% of Repsol's stake in the offshore Andaman III block, which previously stood at 100%.

- **Russia: deal with Gazprom Neft and Shell for joint exploration of two blocks in Siberia**

  In June Repsol signed a memorandum of understanding with Gazprom Neft and Shell to form a joint venture for the exploration of two adjoining license blocks, Leskinsky and Pukhutsyayakhsky, located in the peninsula of Gyudan on the coast of Siberia. Gazprom Neft will have a 50% stake and Repsol and Shell 25% each. The agreement is expected to be completed in 2020 when the corresponding authorizations are in place.

  In December, a joint venture was entered into with Gazprom Neft to perform geological explorations in six license blocks in the area of Karabashsky in the autonomous region of Khanty-Mansi, in southwest Siberia. This synergy, with which Repsol acquired a 50.1% stake in the capital of Karabashsky-6 LLC, will make it possible to continue the expansion of prospecting work in Russia and, in the future, production.

- **Malaysia: discovery in the PM-03 CAA block**

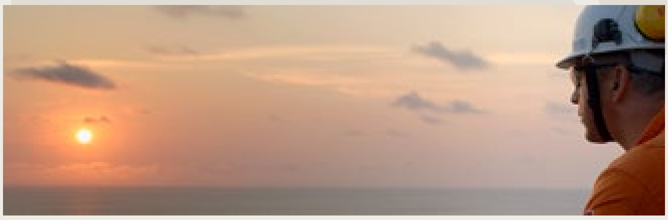
  In May, the Bunga Saffron-1 and Bunga Saffron-1 ST1 wells, located in the offshore PM-03 CAA block, were drilled with positive results. Repsol is the operator with a 35% stake.

- **Vietnam**

  The cessation of activities of the Ca Rong Do development project in offshore block 07/03 continues. (For further information, see Note 21.3 to the consolidated Financial Statements.)

Countries	Main assets (1)	% Repsol	P/D/E (2)	L/G (2)	Description
Russia	SNO	49.00%	P / D	L	Diverse assets in the Volga-Urals Basin
Russia	TNO	48.79%	P	L	Diverse assets in the Volga-Urals Basin
Russia	Karabashsky - Eurotek Yugra	70.78%	E	L-G	Exploration blocks located in the West Siberia Basin
Indonesia	Corridor	36.00%	P	L-G	Onshore asset in the South Sumatra basin
Indonesia	Sakakemang	45.00%	E	G	Onshore asset operated in the South Sumatra basin
Malaysia	PM3 CAA	35.00%	P	L-G	Production block in the offshore west of the Malay basin
Malaysia	Kinabalu	60.00%	P	L	Production block in the offshore west of the Malay basin
Vietnam	Block 15-2/01 (HST / HSD)	60.00%	P	L-G	Offshore Assets in the Cuu Long Basin

(1) Further information in Appendix Ic of the consolidated Financial Statements.
(2) P: Production / D: Development / E: Exploration / L: Liquids / G: Gas



Europe and Africa

Performance of operations	Europe 2019	Europe 2018	Africa 2019	Africa 2018
Net developed acreage (Km^2)	596	533	1.095	1.095
Net undeveloped acreage (km^2)	17,913	12.511	8.355	12.100
Net development acreage (Km^2)	1,132	1.122	2.605	2.605
Net exploration acreage (Km^2)	17,377	11.922	6.845	10.590
Net proven reserves (Mbep)	88	102	127	129
Completed and ongoing exploration wells [1]:				
Positive	1	-	-	-
Negative	3	3	-	3
Under evaluation	-	1	-	-
Ongoing	-	1	-	-
Finished development wells				
Positive	7	4	14	7
Negative	-	-	-	-
Under evaluation	-	-	-	-
Net production of liquids (MMb)	16	16	15	16
Net production of natural gas (bcf)	35	31	42	26
Total net output (Mbep)	22	22	22	21
Oil production wells	241	231	385	94
Gas production wells	11	12	92	93
Average crude oil realization price ($/bbl)	64.5	71.2	63.3	71.1
Average gas realization price ($/boe)	25.8	46.8	25.9	29.5

(1) Europe. Does not include appraisal wells: no activity in 2019 and no activity in 2018.
Africa. Does not include appraisal wells: 2 negative in 2019 and no activity in 2018.

Europe

17,377 km²
net exploration acreage

88 Mboe
net proven reserves

22 Mboe
net output

Africa

6,845 km²
net exploration acreage

127 Mboe
net proven reserves

22 Mboe
net output

Sustainability performance	Europe 2019	Europe 2018	Africa 2019	Africa 2018
No. employees	890	908	131	163
% women	31	32	15	14
% women in leadership positions	25	25	2	3
Hydrocarbon spills reaching the environment (t) [1]	-	-	-	-
O_2e emissions (Mt) (Scope 1 + 2)	0.05	0.05		-
TRIR	2.02	4.77	-	-
PSIR	-	-	-	-
Voluntary social investment (€ thousand)	430	444	354	2,672

(1) Oil spills exceeding one barrel and reaching the environment.

Period highlights: Europe

- **Bulgaria: new exploration block acquired**

  In April, the acquisition was announced of 20% of the Khan Kubrat offshore exploration block in Bulgaria, with Shell participating as operator with 50% and Woodside Petroleum taking the remaining 30%.

- **Greece: signing of a new exploration contract**

  In April, Repsol signed an exploration contract in Greece for the offshore Ionian block (located in the Ionian Sea north of Kefalonia and west of the islands of Lefkada and Corfu), thus increasing Repsol's presence in this country where it already has two other onshore blocks. The Ionian block has an area of 6,671 km2. Repsol has a 50% stake (operator) while the Greek company Hellenic holds the remaining 50%.

- **Norway: new awards, extensions, acquisitions and exploratory discovery**

  In January, the Norwegian Ministry of Petroleum and Energy announced that Repsol would be awarded stakes in three new exploration licenses and the extension of an existing one. The new licenses are located in the large Egersund Basin (2) and the Barents Sea (1) and further strengthen Repsol's position in the country.

  In February Repsol announced a deal to acquire from Total 7.65% of the Mikkel field in Norway, which currently produces a total of 50 thousand barrels of crude oil equivalent per day.

  In March, an exploration discovery was made with the Telesto well (7.7% Repsol) in the PL 120 production license located in the Tampen area, in the North Sea (Norway). Repsol participated in this oil discovery together with Equinor (operator), Petoro and ConocoPhillips. The early estimate is that the recoverable resources could be between 12 and 28 million barrels of oil.

  In August, the Norwegian authorities greenlighted the extension of the lifetime of the Rev field facilities (Repsol is the operator and has a 70% share) until April 1, 2021, when the current production license expires.

Countries	Main assets (1)	% Repsol	P/D/E (2)	L/G (2)	Description
Norway	Operating Assets (Varg, Gyda, Yme...)	Average 64.67%	P	L-G	Offshore assets located in the North Sea to the south of the country
Norway	Non-Operated Assets (Visund, Brage, Gudrun, Mikkel, etc.)	Average 18.53%	P	L-G	Offshore assets located in the North Sea to the south of the country
United Kingdom	RSRUK operated assets (Beatrice, Claymore, Orion, Piper ...)	Average 40.20%	P	L-G	Offshore assets located mainly in the Central North Sea basin
United Kingdom	RSRUK non-operated assets (Balmoral, Cawdor...)	Average 5.79%	P	L-G	Offshore assets located mainly in the Central North Sea basin

(1) Further information in Appendix Ic of the consolidated Financial Statements
(2) P: Production / D: Development / E: Exploration / L: Liquids / G: Gas

Period highlights: Africa

- **Libya**

  Repsol's average output in Libya in 2019 reached 29 kbbl/d (36 kbbl/d in 2018). The situation of political uncertainty continues, affecting the security conditions of the country and the oil industry. For further information, see Note 21.3 to the 2019 consolidated Financial Statements.

Countries	Main assets (1)	% Repsol	P/D/E (2)	L/G (2)	Description
Algeria	Tin Fouyé Tabankort (TFT)	22.62%	P	L-G	Production block located in the Illizi basin in the south east of the country.
Algeria	Reggane Nord	29.25%	P / D	G	Gas assets in the center of the country in the Reggane basin
Algeria	Greater MLN/ Menzel Ledjmet Sud-Est	35.00%	P	L	Assets located in the Ghadames/Berkine basin in the east of the country
Libya	NC-115	20.00%	P	L	Asset located in the Murzuk basin in the southwest of the country
Libya	NC-186	16.00%	P	L	Asset located in the Murzuk basin in the southwest of the country

(1) Further information in Appendix Ic of the consolidated Financial Statements
(2) P: Production / D: Development / E: Exploration / L: Liquids / G: Gas

5.2. Downstream

Our activities

- **Refining:** obtaining fuels, combustible materials and other petroleum by-products.
- **Chemicals**: production and marketing of a wide range of products. Includes basic and derivative petrochemicals.
- **Trading:** transport and supply of crude oil, and products to the refining system, marketing of crude oil, products outside the proprietary system.
- **Mobility:** marketing and sales (at service stations and directly) of oil products and other products, and services via service stations and direct sales, offering a differentiated service to industries such as aviation, shipping, heavy industries and end consumers.
- **LPG:** production, distribution and sale of wholesale and retail liquefied petroleum gases.
- **Lubricants, asphalts and specialties:** production and sale of lubricants, bases for lubricants, bitumen for asphalts, extender oils, sulfur, paraffins and propellant gases.
- **Gas wholesaling, marketing and trading:** LNG/ natural gas supply and trading, including LNG regasification and marketing to wholesale customers in North America and Spain.
- **Electricity and gas:** low emission power generation and trading of electricity and gas in Spain, as well as development of renewable energy projects .

Main operating figures	2019	2018
Refining capacity (kbbl/d)	**1,013**	**1,013**
Europe (includes stake in ASESA)	896	896
Rest of the world	117	117
Conversion rate in Spain (%)	**63**	**63**
Conversion utilization Spanish refining (%)	**103**	**107**
Distillation utilization Spanish refining (%)	**88**	**93**
Crude oil processed (millions of t)	**44**	**46,6**
Europe	39.6	41.6
Rest of the world	4.4	5.0
Refining margin indicator ($/b)	-	-
Spain	5.0	6.7
Peru	6.2	3.0
Number of service stations	**4,944**	**4,849**
Europe	4,138	4,121
Rest of the world	806	728
Sales of oil products (kt)	**49,932**	**51,766**
Europe	44,007	45,316
Rest of the world	5,925	6,450
Sales of petrochemical products (kt)	**2,787**	**2,610**
Europe	2,289	2,137
Rest of the world	498	473
LPG Sales (kt)	**1,253**	**1,330**
Europe	1,224	1,304
Rest ofthe world	29	26
Electricity generation capacity (MW)[1]	**2,952**	**2,952**
Electricity generation (GWh)	**6,308**	**N.A.**

(1) In May 2019 a capacity review of the Oviedo-Navia plant (see section 5.2.5.4) certified a 5 MW reduction with respect to December 31, 2018. The loss was made up by the start of production at the floating wind power project off the coast of Portugal.

Our performance in 2019 *Millions of euros*	2019	2018	Δ
Results from operations	1,928	2,143	(215)
Income tax	(446)	(526)	80
Investees and non-controlling interests	(26)	(34)	8
Adjusted net income[1]	**1,456**	**1,583**	**(127)**
Inventory effect	(35)	(68)	(33)
Special items	(112)	25	(137)
Net income	**1,309**	**1,540**	**(231)**
Effective tax rate (%)	23	25	(2)
EBITDA	**3,057**	**2,859**	**198**
Investments	**1,376**	**1,831**	**(455)**

(1) Detail by geographical area:

Geographical area	2019	2018	Δ
Europe	1,398	1,500	(102)
Rest of the world	58	83	(25)
Adjusted net income	**1,456**	**1,583**	**(127)**

Sustainability performance	2019	2018
No. employees	19,258	18,851
% women	36.9	35.8
% women in leadership positions	27.5	26.1

+1 million

customers in electricity and gas

Period highlights

The year 2019 stands out for the weakening of margins in the industrial businesses, and for the adaptation of our products to new specifications (in Refining to low-sulfur marine fuel - IMO) and certifications (Chemicals) to maximize the production of products with lower carbon intensity, improve their differentiation and focus on the Circular Economy. Also on account of the increase in Trading activity (chartered vessels and time charter travel) and in Gas Wholesale and Trading (new long-term purchase agreements and expansion in North America).

In the commercial businesses, the strategy as a multi-energy supplier (rapidly growing in electricity and gas) was further developed, focusing on the customer and the commitment to digitalization (Waylet and Pidetubombona) and electric mobility. The international expansion continues (in Mexico - Mobility; France - LPG; and South East Asia -Lubricants), while renewable electricity generation projects in Spain are also on the rise.

Refining: High levels of use and new bios in fuel formulation

- Utilization levels were maintained and shutdowns were conducted at the refineries in A Coruña, Bilbao, Cartagena and Puertollano.
- At the La Pampilla refinery, the Monoboya T4 terminal started operations.
- Advanced bios have begun to be used in the formulation of fuels.
- Production of marine fuel (in Spain and Peru) in compliance with the new specifications.

Chemicals: New products and certifications

- Membership of the *"Circular Plastics Alliance"* (CPA)
- First polyolefin producer to obtain Food Safety System Certification under the FSSC 22000 standard at all its sites.
- Award to the "Best Low Density Polyethylene Producer in Europe".
- Marketing of the first grade of polyethylene with 50% post-consumer plastic waste.
- Market launch of the first certified circular polyolefins.
- New extended range of polyolefins for the healthcare industry.

Trading: Seizing opportunities

- Seizing opportunities in highly-volatile markets over the course of the year (Fleet, LPG, fuel oils).
- Launch of marine oil fuel with a low sulfur content.

Mobility: Electric mobility and digitalization.

- The Waylet payment app exceeded 1.4 million registered users.
- The first two ultra-fast charging points for electric vehicles on the Iberian Peninsula was inaugurated: one of them is the most powerful facility in Europe.
- New alliance with Conforauto workshops to facilitate the adaptation of gasoline vehicles to LPG.

Gas wholesaling and trading: Increased activity

- New long-term LNG purchase contracts with producers in the US and with gas distributors.
- Expansion in natural gas trading in North America, increasing traded volume.

LPG: International expansion and digitalization

- Launch of propane gas in France.
- New "Pidetubombona" application that markets our products.

Lubricants, asphalts and specialties: International expansion

- We acquired 40% of the United Oil Company, which gives us a third production hub in South East Asia.

Petroleum product sales	**Europe**		**Rest of the world**		**Total**	
Thousand tons	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
Own marketing	**21,368**	**21,754**	**3,176**	**2,681**	**24,544**	**24,435**
Light products	17,792	17,978	2,997	2,473	20,789	20,451
Other products	3,576	3,776	179	208	3,755	3,984
Other sales (1)	**8,864**	**9,506**	**1,363**	**1,358**	**10,227**	**10,864**
Light products	8,712	9,337	1,016	995	9,728	10,332
Other products	152	169	347	363	499	532
Exports (2)	**13,775**	**14,056**	**1,386**	**2,411**	**15,161**	**16,467**
Light products	5,633	5,903	241	440	5,874	6,343
Other products	8,142	8,153	1,145	1,971	9,287	10,124
Total sales	**44,007**	**45,316**	**5,925**	**6,450**	**49,932**	**51,766**

(1) Includes sales to oil product operators and bunker sales.
(2) From country of origin.

1.4 M

Waylet users

USD 5.0 /bbl

refining margin index in Spain

Electricity and gas: Growth and new renewable projects

- The number of customers has exceeded one million (31% more than at the beginning of the marketing activity).
- New deal with El Corte Inglés for electricity and gas subscriptions at 47 of its centers.
- Start of production of a floating wind farm (25 MW of installed capacity) in Portugal.
- Acquisition of several renewable electricity generation projects in Spain (capacity of 921 MW).

5.2.1. Refining

Assets

The Repsol Group owns and operates 6 refineries, 5 in Spain (Cartagena, A Coruña, Bilbao, Puertollano and Tarragona), with a total distillation capacity of 896 thousand barrels of oil/day (including the stake in Asfaltos Españoles S.A. in Tarragona) and one in Peru, in which Repsol is the operator with a 92.42% stake, installed capacity amounts to 117 thousand barrels of oil per day.

Refining capacity	Primary distillation (Thousands of bbl/d)	Conversion rate (2) (%)	Lubricants (Thousands of t/d)
Cartagena	220	76	155
A Coruña	120	66	-
Puertollano	150	66	110
Tarragona (1)	186	44	-
Bilbao	220	63	-
Total Repsol (Spain)	**896**	**63**	**265**
La Pampilla (Peru)	117	24	-
TOTAL	**1,013**	**59**	**265**

(1) Includes 50% of the capacity of Asfaltos Españoles S.A. (ASESA), a company 50% owned by Repsol and CEPSA.
(2) Ratio of equivalent Fluidized Bed Catalytic Cracking ("FCC") capacity to primary distillation capacity.

Performance

The refining margin index in Spain in 2019 stood at $5.0 per barrel, lower than in 2018 ($6.7 per barrel). For Peru, the annual refining margin index stood at USD 6.2 per barrel, compared to USD 3.0 per barrel in 2018.

In 2019, volatility drove international refining margins. The increase in global demand was worse than expected due to the slowdown in the economy and trade relations between the United States and China. On the supply side, a large number of new projects were launched (especially in Asia), which was partially offset by an increase in maintenance shutdowns to maximize operation and profitability in the face of the new regulatory scenario regarding IMO specifications for marine fuel. This balance, together with additional disruptions, such as the attacks on Saudi Arabia, the contamination of Ural oil and the closure of the Philadelphia refinery, led to sharp variations in the margin throughout the year. In Peru, the indicator was impacted by price mechanisms in the country.

In this context, the Group's refineries in Spain processed 39.6 million tons of crude oil, 5% less than in 2018, and their average use of distillation was 88% in Spain compared with 93% the previous year, thus maintaining high utilization levels.
In Peru, the level of use was lower than in 2018, rising from 81.7% to 74.8% in 2019.

In 2019, shutdowns were conducted at the refineries in A Coruña, Bilbao, Cartagena and Puertollano:

- In A Coruña, multiple investments were made in technological innovation and safety, aimed at improving the integrity, energy efficiency and operational effectiveness of the facilities. The coke unit concentrated most of the actions.
- The Bilbao Refinery conducted a conversion shutdown dedicated to the maintenance and updating of production facilities, a highlight being the environmental improvements implemented in the Fluid Catalytic Cracking (FCC) unit, resulting in reduced particulate emissions. In addition, a shutdown was conducted to improve the efficiency of the units, such as Refinery 1, for investments in technology and improving efficiency, a highlight being the installation of an air pre-heater in the crude oil furnace to improve energy efficiency and reduce CO_2.
- In Cartagena, fuel and HDT shutdowns were carried out, with investments aimed at improving efficiency and reliability.
- In Puertollano, the Distillation area was shut down to improve energy efficiency, reduce emissions, and make the facilities more reliable and competitive. A standout was the investment in a new crude oil preheating system in the furnace of the distillation unit.

Additionally, in 2019, the following initiatives are to be highlighted:

- We achieved record biofuel use (1.5 million m^3) and started to use advanced commercial biofuels made from industrial and domestic waste. This line of work mitigated atmospheric emissions by 2.8 Mt of CO_2. Use of advanced biofuels may bring emissions savings of up to 90% compared to other automotive fuels.
- Start-up of the Monoboya T4 terminal at the La Pampilla refinery has begun, which will reduce costs due to inclement maritime weather.

39.6 Mt

crude oil processed in 2019 at refineries in Spain

- At the Group's refineries (Spain and Peru), 200,000 tons of the new marine fuel were produced with a reduced sulfur content (0.5%), in accordance with the new specification (IMO) which is compulsory from January 1, 2020.

(Thousand tons)

Processed raw material	2019	2018
Crude oil	43,978	46,565
Other refinery intake	8,736	8,292
Total	**52,714**	**54,857**

Sustainability performance	2019	2018
Oil spills reaching the environment > 1 bbl (t)	3.24	56.84
O_2e emissions (Mt) (Scope 1 + 2)	8.72	8.99
TRIR	1.90	1.95
PSIR	0.45	0.77
Voluntary social investment (€ thousand)	1,636	2,433

5.2.2. Chemicals

Assets

The production of Repsol's Chemicals business is concentrated in three petrochemical complexes, located in Spain (Puertollano, Tarragona) and Portugal (Sines), in which there is a high level of integration between base chemicals and derived chemicals, as well as with the Group's refining activities in the case of the Spanish complexes. Repsol also has a number of subsidiaries and affiliated companies, through which it produces polypropylene compounds, synthetic rubber and chemical specialties. In particular, these chemical specialties are produced through Dynasol, a 50% partnership with the Mexican KUO group, with plants in Spain, Mexico and China, the latter of which work with local partners.

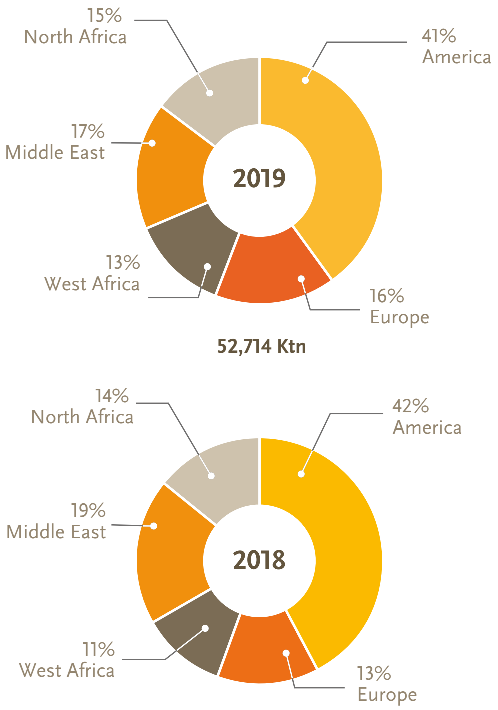
Production capacity	*(Thousand tons)*
Basic petrochemicals	**2,603**
Ethylene	1,214
Propylene	864
Butadiene	185
Benzene	290
Methyl tert-butyl ether / Ethyl tert-butyl ether	50
Derivative petrochemicals	**2,235**
Polyolefins	
Polyethylene (1)	793
Polypropylene	505
Intermediate products	
Propylene oxide, polyols, glycols and styrene monomer	937

(1) Includes ethylene vinyl acetate (EVA) and ethylene butyl acrylate (EBA) copolymers.

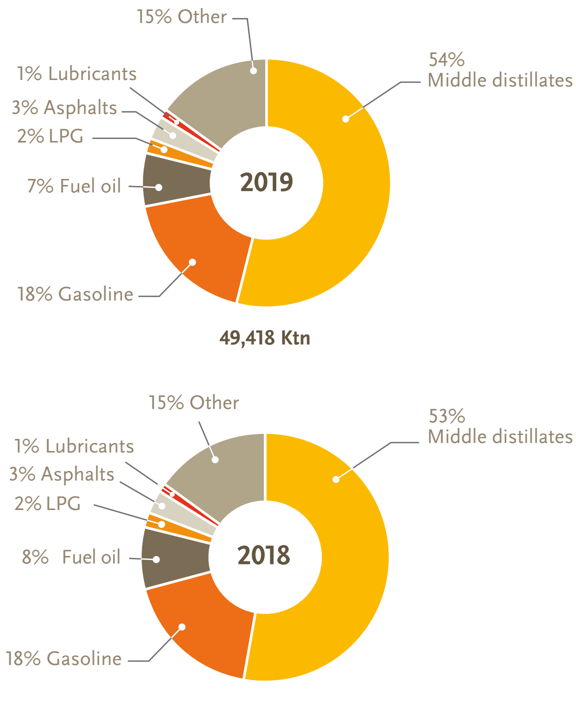
200 k/ton

output of new low-sulfur marine fuel

Source of processed crude oil



Refining production



2.8 Mt CO_2

emissions avoided using advanced biofuels

Chemicals

adhere to Circular Plastics Alliance

Performance

Throughout 2019, the Chemicals business has been affected by an international environment that shows weakening compared to the historic highs of the period 2015-2017, both in terms of demand and margins. This year has also been affected by the planned shutdown of the Tarragona complex.

In 2019, the volume of sales to third parties came to 2.8 million tons, exceeding volume in 2018 despite the multiyear stoppage of the Tarragona complex referred to earlier.

Thousand tons

Sales by product	2019	2018
Basic petrochemicals	829	808
Derivative petrochemicals	1,958	1,802
Total	**2,787**	**2,610**

Sales by market	2019	2018
Europe	2,289	2,137
Rest of the world	498	473
Total	**2,787**	**2,610**

In terms of investments, these were mainly aimed at improving and optimizing assets, boosting efficiency, reducing costs, differentiating and improving quality, safety and environmental standards.

In 2019, the following initiatives are worth note:

- Adherence to the "Circular Plastics Alliance" (CPA), an initiative launched by the European Commission that aims to increase the volume of plastic recycled in the EU market.
- Marketing of the first grade of polyethylene made from 50% post-consumer plastic waste, for the production of shrink film for packaging. This is one of the first developments by the Reciclex project (to boost the circular economy through the mechanical recycling of polyolefin waste without compromising the technical requirements of the applications).
- Obtaining the ISCC PLUS certification for the first tons of circular polyethylene and polypropylene produced by means of conventional raw material and chemical recycled oil from plastic waste not suitable for mechanical recycling.
- Obtained Food Safety System Certification (FSSC 22000) for the polyolefin centers in Puertollano and Sines.
- Presentation of the expanded range of polyolefins for healthcare, incorporating new grades of low density polyethylene.
- Recognition with the award for "Best Low Density Polyethylene Producer in Europe".

Sustainability performance	2019	2018
Hydrocarbon spills (>1bbl) reaching the environment (t)	-	-
O_2e emissions (Mt) (Scope 1 + 2)	3.36	3.10
TRIR	1.35	1.65
PSIR	0.14	0.50
Voluntary social investment (€ thousand)	265	456

5.2.3. Trading

1,635

vessels chartered in 2019

The main function of Trading is to optimize the supply and marketing of the Group's positions in international markets (integrated supply chain) and its activity consists of i) the supply of crude oil and products for Refining systems and other Group needs, ii) the marketing of crude oil and associated products from its own production, iii) the maritime transport of crude oil and derivative products associated with these activities, and iv) the management of product hedges in the financial derivative markets.

In 2019, a total of 1,635 vessels were chartered (1,489 in 2018) and 374 voyages were made through the fleet in Time Charter (333 in 2018).

Sustainability performance

With regard to safety and the environment, in 2019 the vetting area consolidated the review of the safety and environmental protection management systems of the Technical Operators of time charter vessels using the reference to the OCIMF-TMSA.

In addition, the following initiatives have been carried out:

- Member of the ISCC (International Sustainability and Carbon Certification) Association, which promotes the responsible development of society through the production of sustainable biomass in the context of environmentally appropriate, climate-friendly, socially acceptable, economically viable and traceable use. Repsol also extended the ISCC EU certification for the Singapore office.
- Registration as an agent, dealer and transporter of both hazardous and non-hazardous waste in compliance with Law 22/2011. In addition, Repsol aims to obtain registration in the SANDACH register for the marketing of animal by-products unsuitable for consumption for the manufacture of second-generation biofuels and to obtain ISCC PLUS certification, which will enable the Company to enter other sectors of the circular economy, such as petrochemicals, bio-plastics and sustainable packaging.

5.2.4. Gas Wholesaling and Trading

Assets and operations

On 31 December 2019, the Group has regasification and transport assets in its North American marketing businesses, including the Canaport regasification plant and the Canadian and US gas pipelines.

In the North East United States, where natural gas supply is usually restricted, cold weather scenarios can cause significant spikes in the area's reference prices. The company's activity in this area focuses on optimizing the margin from marketing of regasified LNG from Canaport and concentrating gas sales on days with the highest prices in the winter (peaks).

Additionally, Repsol markets and trades natural gas in North America from its own production in the United States (Marcellus) and Canada (Alberta), as well as production acquired from third parties.

Performance

	2019	2018
Regasified LNG (TBtu) at Canaport (100%)	24	16
Gas marketed in North America (TBtu)	608	520

In 2019, commercial activity in the North East United States was conducted in a context characterized by low price volatility during the winter and moderate temperatures. The realization margin was protected by the use of hedges. In the rest of North America, natural gas sales benefited from the high volatility on the West Coast during the first quarter of the year, and from low temperatures in the North Central United States. The marketing and trading of natural gas in the Gulf region of the United States from our proprietary facility in Marcellus continues to develop strongly.

Furthermore, Gas Wholesaling and Trading covers the gas supply requirements of the Repsol Group's electricity generation and industrial facilities, natural gas marketing in Spain and LNG trading. Outside North America, therefore, we marketed 206 TBtu. The gas volume managed in Spain accounted for 13% of the total Spanish market by volume. To securely underpin this supply, Repsol has in place medium and long-term gas/LNG contracts that are combined and optimized with LNG and Gas trading transactions in the Spanish system (PVB hub).

The main milestones for 2019 are as follows:

North America:

- A long-term gas sales contract was signed with a gas distribution company in the North East United States. This is in addition to the two long-term contracts signed in 2018.
- Expansion in natural gas trading in North America, increasing the volume marketed in the different regions and with a significant growth in economic contribution margin with respect to 2018.

Spain:

- Signing of the first contract in Spain for the supply of liquefied gas as fuel for the ships of the Brittany Ferries line, which operate on the route between the United Kingdom and Spain. The supply will be implemented at the ports of Bilbao and Santander from 2022 through fixed storage facilities.
- Several small-scale LNG supply operations have been carried out through the use of cisterns (at both LNG facilities and ships).

↑17%
gas volume sold in North America

5.2.5. Energy sales

5.2.5.1. Mobility

Assets

At December 31, 2019, Repsol had 4,944 service stations, with the following geographical distribution:

Country	No. of points of sale
Spain	3,354
Peru	572
Portugal	486
Italy	298
Mexico	234
Total	**4,944**

Performance

Repsol's challenge is to continue leading the sector in Spain, offering the best service to its customers and achieving the goals set out in the Strategic Plan. The soundness of the business model was demonstrated during the year in the course of operations. Highlights included:

- In Service Stations, despite the limited growth in market share of over 30% (in volume) by province, the level of sales of the previous year was sustained. Premium products and non-oil products and services all performed strongly.

4,944
points of sale worldwide in 5 countries

234
service stations in Mexico

- In Direct Sales, 2019 was a year of tough competition in the market that resulted in a drop in volume compared to 2018.
- In International Aviation, the increase in sales and results compared to the previous year is noteworthy, with good performance in all countries (Spain, Portugal and Peru).
- In Portugal, the Service Stations and Direct Sales businesses continued to perform well despite a harsher competitive environment.

The milestones of 2019 were:

- The Waylet payment app topped 1.4 million registered users, who can use the app to make payment at more than 3,500 service stations in the Repsol network, more than 4,600 affiliated retail outlets and 250 El Corte Inglés establishments thanks to a deal that reinforces the strategic alliance between the two groups.
- The expansion project for Direct Sales and International Aviation in France gathered momentum.
- The expansion plan in Mexico ended the year with 234 service stations operating out of a total of 341 flag contracts.
- We unveiled the first ultra-fast charging point for electric vehicles on the Iberian Peninsula, with a maximum power of 700 kW. The service station, located in Lopidana, Álava, allows electric vehicles to be recharged within five to ten minutes. In October the service station in Ugaldebieta, Biscay, was added to the project; it is now the most powerful facility of its kind in Europe, allowing a vehicle to be recharged with up to 400 kW. This means that Repsol's charging network has more than 230 publicly accessible charging points.
- Repsol and the Confortauto workshop network (110 facilities throughout Spain) have signed an alliance to facilitate the adaptation of gasoline vehicles to LPG. The DGT environmental label thus obtained allows drivers access to traffic-restricted areas in large capitals.

Sustainability performance	2019	2018
Hydrocarbon spills (>1bbl) reaching the environment (t)	63.73	41.13
O2e emissions (Mt) (Scope 1 + 2)	0.04	0.04
TRIR	0.66	0.77
% of contracts with human rights, environmental and anti-corruption clauses	100	100

+230
public charging points in Spain

5.2.5.2. Liquefied Petroleum Gas (LPG)

Repsol is one of the leading LPG[1] retail distribution companies, being top in Spain and third-largest in Portugal.

Thousand tons

LPG sales volume by geographical area	2019	2018
Europe	**1,224**	**1,304**
Spain	1,126	1,154
Portugal	98	150
France	0	0
Latin America	**29**	**26**
Peru (AutoGas)	29	26
TOTAL	**1,253**	**1,330**

In Spain, Repsol distributes bottled, bulk, and AutoGas networks, with over 4 million active customers. In Portugal, Repsol distributes LPG bottled, bulk and in AutoGas to end customers, while also supplying other operators.

Thousand tons

Sales volume of LPG by product	2019	2018
Bottled	650	678
Bulk, piped and others (1)	603	652
TOTAL	**1,253**	**1,330**

(1) Includes AutoGas sales, LPG operators and other.

- As part of the digitalization of processes and the improvement of the customer experience, a new app, Pidetubombona, was rolled out, offering the products to customers in a user-friendly and dynamic way.
- Implementation of the new RFID (Radio Frequency Identification) system in gas transport trucks, further enhancing safety and speeding up the loading process.
- Propane gas marketing in France began, leveraging the logistical proximity of our facilities.

1. In Spain, prices continue to be regulated for piped LPG and gas cylinders containing 8 kg to 20 kg and a tare of 9 kg, excluding hybrid cylinders for use of LPG as automotive fuel. For further information on the regulatory framework in Spain, see Appendix IV to the 2019 consolidated Financial Statements.

Sustainability performance	2019	2018
Hydrocarbon spills (>1bbl) reaching the environment (t)	-	-
O_2e emissions (Mt) (Scope 1 + 2)	0.01	0.01
TRIR	2.43	1.83
PSIR	1.64	-
% of contracts with human rights, environmental and anti-corruption clauses	100	100

5.2.5.3. Lubricants, asphalts and specialized products

Production is mainly concentrated in Spain, although in the case of *lubricants* and following the acquisition in 2019 of 40% of United Oil and in 2018 of 40% of Bardahl, lubricants are produced in Indonesia, Singapore and Mexico. In strategic countries there are deals in place with domestic producers to manufacture some product ranges locally.

As to business **performance** in 2019, compared to 2018 it should be noted that contribution margins improved in all product lines: Lubricants Spain (+ 14%), International Lubricants (+ 76%), Asphalts (+ 139%) and Specialties (+ 10%).

We invested to improve the capacity of the Puertollano lubricants plant, achieving output capacity of 145,000 t in 2019 (125,000 t in 2018).

Marketing and distribution are strongly international in scope, with sales in more than 93 countries throughout the world. Sales by geographical destination are presented below.

The main milestones in 2019 were as follows:

- In November, we completed the **acquisition of 40% of United Oi**l. This transaction allows for the production and marketing of lubricants in Indonesia, Singapore, Malaysia and Vietnam and will boost our position in the Southeast Asian lubricants market, one of the largest and fastest-growing worldwide. United Oil Company operates one lubricant plant in Singapore and another in Indonesia, with a total capacity of 140,000 tons. The deal gives us a third production hub alongside those in Spain (Puertollano) and Mexico.
- A range of lubricants for hybrid vehicles, Hybrid 5W-30 and OW-20, designed by Repsol's TechLab research team to respond to hybrid vehicles with petrol and electric motors, both plug-in (PHEV) and non-plug-in (HEV), was launched in October. These are fully synthetic, very stable, degradation-resistant low viscosity oils, designed to offer high engine protection and fuel savings and therefore contribute to the reduction of CO_2 emissions.

Sustainability performance	2019	2018
Hydrocarbon spills (>1bbl) reaching the environment (t)	-	-
CO_2e emissions (Mt) (Scope 1 + 2)	0.01	0.01
TRIR	0.44	0.83
% of contracts with human rights, environmental and anti-corruption clauses	100	100

36% increase in lubricant sales on the international market with respect to 2018

Thousand tons

Region	Lubricants	Asphalts	Specialized products [1]	Total 2019	Total 2018
Spain	72	495	328	985	857
Europe	32	248	154	434	489
Africa	2	0	244	246	277
Americas	54	2	14	70	34
Asia and Oceania	40	21	86	147	151
Sales to Traders	-	76	0	76	102
Total	**200**	**842**	**826**	**1,868**	**1,910**

(1) Includes mainly lubricant bases, extensor oils, sulfur, paraffin and propellant gases.

international sales in **93 countries**

2,952 MW
total capacity in operation

+2%
retail market share for electricity and gas in Spain

6,308 GWh
electricity output in 2019

5.2.5.4. Electricity and gas

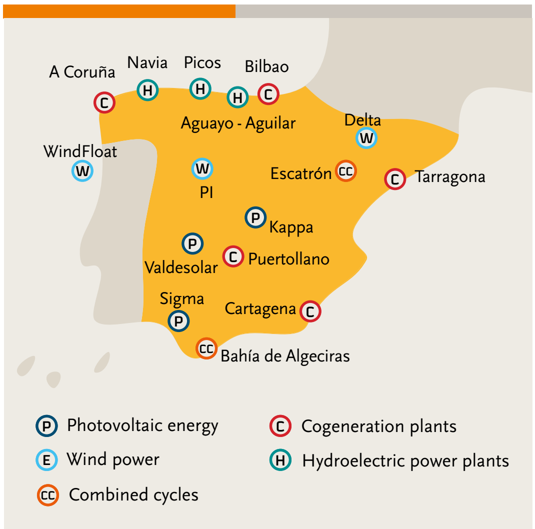
In 2018, Repsol reinforced its position as a multi-energy supplier by starting its electricity generation and gas and electricity trading activities with the acquisition of the unregulated low-emission electricity generation businesses and the gas and electricity trading company from Viesgo[1].

Electricity generation

In 2019, following the new strategic approach (see section 2.4), the objective of the Strategic Plan 18-20 of low carbon electricity generation capacity in 2025 was increased by 3,000 MW to 7,500 MW.[2] In addition:

- Four renewable electricity generation projects were acquired in Spain, with a total capacity of 921 MW. The projects are at different stages of execution and consist of a 335 MW wind farm located between the provinces of Zaragoza and Teruel; another located between Palencia and Valladolid, with a total installed capacity of 255 MW, a solar project in Cadiz of 204 MW and another in Ciudad Real of 126.6 MW. The implementation of these projects will take place over the next four years.
- The floating wind farm off the coast of Portugal, 20 kilometers from Viana do Castelo, started production, with an installed capacity of 5 MW (considering Repsol's participation in the project).

Repsol's electricity generation assets and projects



1. For further information, see Note 5 to the 2019 consolidated Financial Statements.
2. In December, the Board of Directors approved an investment in two photovoltaic projects and one wind power project for a total of 1,600 MW.

Repsol is a major player in the Spanish electricity **generation market**, with a total installed capacity in operation of 2,952 MW and capacity under development of 1,185 MW as of December 31, 2019.

Hydroelectric plants (1)	Installed capacity (MW)
Oviedo – Navia	195
Picos de Europa – Picos	114
Aguilar – Aguayo Aguilar	388
Total	**697**
Combined cycle plants	
Zaragoza – Escatrón	819
Algeciras – Bahía de Algeciras	831
Total	**1,650**
Cogeneration plants (2)	600
Renewable (offshore wind)	5
Total operating installed capacity	**2,952**
Wind projects	590
Photovoltaic solar projects	595
Total installed capacity under development	**1,185**

(1) Hydroelectric plants are a renewable and efficient source of electricity and serve to store usable electricity at times when there is a shortfall in other renewable sources.

(2) Plants belonging to the Group located in industrial complexes in Tarragona, Santander and Cartagena and their Chemical and Refining activities.

In 2019, electricity production excluding cogeneration plants amounted to 6,308 GWh, with a notable contribution from combined cycle plants that increased their output as a result of better market conditions.

Electricity and gas marketing

Amongst the services offered, Repsol has an attractive range including cutting-edge digital solutions, electricity certified as 100% low emissions, exclusive benefits for customers and discounts at our network of service stations.

Repsol sells electricity and gas in the retail sector with a portfolio of more than 1 million customers (share of more than 2% of the market) distributed throughout Spain. The objective is to have 2.5 million customers by 2025 (market share of 5%).

Sustainability performance	2019	2018
CO_2e emissions (Mt) (Scope 1 + 2)(1)	2.1	0.2
TRIR	-	0.5
Employees	454	386
Women	146	114
Men	308	172

(1) The difference with the year 2018 is due to the fact that during 2019 the cycles have increased their hours of operation, which has contributed to the displacement of coal in the Spanish energy mix.

5.3. Corporate and other

Mainly relates to the operating costs of the Corporate division and its financial results.

Our financial performance

Millions of euros	2019	2018	Δ
Corporate division and adjustments	(236)	(261)	25
Financial result	(390)	(462)	72
Income tax	167	168	(1)
Profit/(loss) from investees and non-controlling interests	(5)	(1)	(4)
Adjusted net income	**(464)**	**(556)**	**92**
Special items	(66)	358	424
Net income	**(530)**	**(198)**	**(332)**
Effective tax rate (%)	27	23	4
EBITDA	**(151)**	**(147)**	**(4)**
Net investments	**56**	**70**	**14**

Sustainability performance	2019	2018
People:		
No. employees	2,426	2,489
% women	53.8	53.6
% women in leadership positions	42.6	42.1

6. Sustainability

Sustainability Model

Repsol's Sustainability Policy reflects the company's commitment to best practices in sustainability and defines guidelines for managing and controlling impacts on society, the environment and the safety of operations throughout the value chain. This policy is implemented through a range of internal rules and procedures organized around Repsol's Sustainability Model. This model is structured in 6 axes that relate to material issues by reason of the type of company that Repsol is, as well as stakeholders' expectations, and the leading international standards.

This framework is specified annually in the Global and Local Sustainability Plans. In 2019, Repsol defined a new Global Sustainability Plan (GSP) that includes the key targets of the Company's strategic plan in the realm of sustainability. The 2019 Global Sustainability Plan cuts across domains, setting objectives in the supply chain, and has a longer time horizon, setting targets up to 2025. The Plan establishes 31 medium-term targets and 35 annual lines of action, articulated around the axes of the Sustainability Model and linked to the United Nations 2030 Agenda.

Based on the Global Sustainability Plan, Local Plans are rolled out in countries and main industrial facilities, incorporating commitments related to the local context and thus contributing to all the Sustainable Development Goals (SDGs). In 2019, Repsol had in place 22 Local Plans, with Algeria, the United Kingdom and Canada having joined in this year.

Repsol and the Sustainable Development Goals

Repsol supports the United Nations 2030 Sustainable Development Agenda and contributes to its 17 Sustainable Development Goals (SDGs). In 2019, an SDG Promotion Plan was launched to integrate commitment, dissemination and action in favor of this global agenda into the Company's culture.

As a starting point, the Company made known among its employees, with the involvement of the Executive Committee, the 2030 Agenda and the roadmap that Repsol has laid down to make a contribution.

In addition, the Company identified a range of indicators to measure Repsol's contribution to those SDGs to which, due to the features of our activity, we can best support: SDG 7, SDG 8 and SDG 13, for our role in access to energy, the contribution to socio-economic development and the fight against climate change; SDG 6, SDG 9 and SDG 12, highlighting innovation, sustainable management and efficient use of resources in operations; and SDG 17, relating to alliances with other actors and as active members of industry associations such as IPIECA, IOGP, CONCAWE, FUELS EUROPE, CEFIC, etc.

For further information on the Company's contribution to the SDGs and the 2030 Agenda, see www.repsol.com.

We have a firm and continuous commitment to Sustainability as a key element for value creation, today and in the future.

For further information about Sustainability, see Appendices III and IV to this report.

Our Sustainability plans (global, by country and by industrial facilities) are available at www.repsol.com, along with information for socially responsible investors, information on green bonds, and further information about each of the pillars of the Sustainability Model.

Repsol and the Sustainable Development Goals

€2,500 M investment in low carbon (2018-2020 Plan) | **2,952 MW** total low-emissions installed capacity

1,000,000 electricity customers

AFFORDABLE AND CLEAN ENERGY

CLIMATE ACTION

Reduction of **171 kt** in CO2e in 2019

0 net emissions by 2050

€13,052 M paid in taxes

4,888 suppliers, **of which 74% are local**

2,605 social impact analyses on **1,248 suppliers**

€20,5 M voluntary social investment in **681 projects**

+25,000 employees

633 differently-abled | **2,790** telecommuters

37.4% women | **89** nationalities

DECENT WORK AND ECONOMIC GROWTH

+200 initiatives included in the circular economy catalog

Reused waste:
3% hazardous | **4%** non-hazardous

Recycled waste:
5% hazardous | **10%** non-hazardous

Recovered waste:
31% hazardous | **5%** non-hazardous

RESPONSIBLE CONSUMPTION AND PRODUCTION

INDUSTRY, INNOVATION AND INFRASTRUCTURE

68 R&D projects | **6** new patents

+190 digital initiatives | **80 M€** R&D investment

CLEAN WATER AND SANITATION

75% increase in water reuse vs. 2015 | **22%** water reused of total water consumed[1]

(1) Water consumed is counted as water withdrawn, including water reused, excluding the Electricity and Gas business, since its usage and consumption are classified differently.

Governance Model

The Board of Directors approves, after supervision by the Sustainability Committee, the Company's strategy and policy on sustainability proposed by the Company's senior management and the Sustainability Committee itself which, among other functions, oversees and guides the policy, objectives and guidelines in the environmental, social and governance domains. In 2019, this Committee held 4 meetings and addressed the following matters:

- Oversight of non-financial information: 2018 Integrated Management Report
- Oversight of the Company's Sustainability strategy: proposal of 2019 objectives and monitoring, evaluation and close-out of 2018 objectives
- Global Sustainability Plan
- Sustainability risk map: emerging and climate change risks
- Analysis and regular monitoring of performance in:
  - Accident rate, KPI scorecard and safety and environmental strategy.
  - Community relations and human rights
  - Circular economy
- ESG (Environmental, Social and Governance) analyst and investor reports.
- Analysis and monitoring of initiatives relating to the Climate Disclosure Project (CDP) and the Task Force on Climate-related Financial Disclosures (TCFD).
- Energy transition and climate change: Sustainability Day, OGCI, targets monitoring, benchmark scenarios and trends
- Safety culture at Repsol
- Materiality analysis 2019.
- Crisis and emergency management procedure.
- Sustainable Development Goals (SDGs) promotion Plan.

The Company has an ongoing dialogue on environmental, social and governance (ESG) matters with stakeholders (including investors, associations, financial institution representatives, analysts and proxy advisors) to learn first-hand their opinion on these matters and explain the Company's practices. The management team also conducts specific ESG roadshows, some of which are led by the CEO himself.

The conclusions, messages and feedback obtained through the roadshows and other events such as Sustainability Day are presented to the Board of Directors on a regular basis.

As to ethics and transparency, the Audit and Control Committee and the Ethics and Compliance Committee are responsible for ensuring compliance with the Code of Ethics and Conduct and for reviewing the related projects and their modifications, ensuring that they comply with regulatory requirements and are appropriate for the Company.

Further, senior management, defines the Company's objectives, action plans and practices with respect to sustainability. In order to ensure deployment, the Sustainability objectives entailed, in 2019, up to 25% of the CEO's annual variable remuneration and up to 25% of the 2019-2022 Long-Term Incentive Program applicable to all management personnel, as well as other employees, including the CEO.

6.1. Climate change[1,2,3]

Repsol is committed to accessible, affordable and low-carbon energy.

7 AFFORDABLE AND CLEAN ENERGY

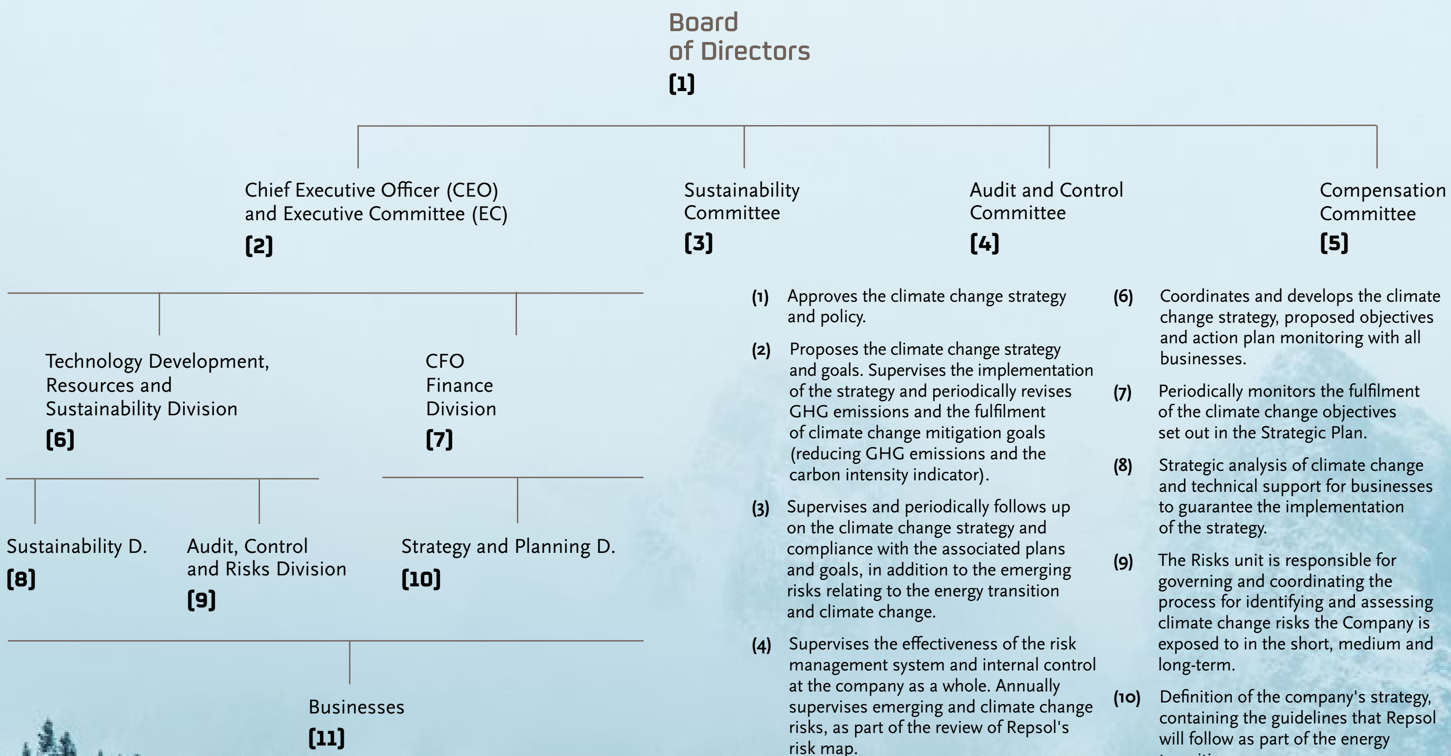
13 CLIMATE ACTION

Climate change roadmap

	RISKS	STRATEGY	OBJECTIVES
... 2025	• Regulatory changes • Harm to the Company's reputation, and/or the reputation of the oil and gas industry • Price signals generated by energy transition scenarios, which affect the exposure to market risks • Harder or more expensive to raise finance for the development certain projects	• Improved energy efficiency in operations • Production and incorporation of biofuels and advanced fuels • Sustainable mobility projects with lower CO_2 emissions • Set carbon price at $40/ton CO_2e • Monitor the EU's Action Plan on Sustainable Finance, take part in public consultations and in setting technical standards • New low-carbon businesses: renewable electricity generation and gas and electricity marketing	• 10% reduction in CII (Carbon Intensity Indicator) • Plan to reduce emissions by 3 Mt CO_2e • 25% reduction in emission intensity of CH_4 and 50% reduction of the routine gas flaring in E&P • Invest €2,500 M in low-carbon businesses • 7.5 GW low-emission electricity generation capacity • 5% share of electricity market and 15% share of gas market
2025-2040	• Changes in energy end-uses leading to less demand for our products • Shift in basket of primary energy to less carbon-intense sources • Late adoption of new practices / processes / novel or less mature technologies, or, on the other hand, premature adoption of technologies that fail to become winners	• Transition to low-emissions portfolio • Monitoring and execution of R&D projects and demonstration of emerging technologies • Carbon Capture, Use and Storage (CCUS)	• 40% reduction in CII • 20% recycled content in polyolefins • 600,000 t high-quality biofuels • Zero routine flaring 2030 • Update of CO_2 emission reduction targets • Investment in *low carbon* businesses (renewables, mobility, etc.) • Increase in capacity to generate low-emissions electricity and electricity and gas market share
2040-2050	ZERO NET EMISSIONS BY 2050		

1. The figures and indicators in this section have been calculated in accordance with corporate standards that set out the criteria and common methodology to be applied in Safety and Environment (S&E). As a general rule, safety and environmental information includes 100% of the data from companies in which the we hold a controlling interest or control over operations.
2. This section fulfills the recommendations of the *Task Force on Climate-Related Financial Disclosures* (TCFD), to which the Company adhered in April 2018.
3. Each year, Repsol publishes additional climate change information in the *Climate Disclosure Project* survey (CDP, available at www.cdp.net).

Climate change governance



(1) Approves the climate change strategy and policy.

(2) Proposes the climate change strategy and goals. Supervises the implementation of the strategy and periodically revises GHG emissions and the fulfilment of climate change mitigation goals (reducing GHG emissions and the carbon intensity indicator).

(3) Supervises and periodically follows up on the climate change strategy and compliance with the associated plans and goals, in addition to the emerging risks relating to the energy transition and climate change.

(4) Supervises the effectiveness of the risk management system and internal control at the company as a whole. Annually supervises emerging and climate change risks, as part of the review of Repsol's risk map.

(5) Proposes CEO and Senior Management remuneration linked to the achievement of energy and climate change targets.

(6) Coordinates and develops the climate change strategy, proposed objectives and action plan monitoring with all businesses.

(7) Periodically monitors the fulfilment of the climate change objectives set out in the Strategic Plan.

(8) Strategic analysis of climate change and technical support for businesses to guarantee the implementation of the strategy.

(9) The Risks unit is responsible for governing and coordinating the process for identifying and assessing climate change risks the Company is exposed to in the short, medium and long-term.

(10) Definition of the company's strategy, containing the guidelines that Repsol will follow as part of the energy transition.

(11) Those responsible for the implementation of the climate change strategy.

Governance

Strategic decisions concerning climate change and the corresponding lines of action are established at the highest executive level, being the Executive Committee (EC) directly responsible for the management of matters related to climate change. The EC also approves the multi-year objectives and annual targets for reduction of greenhouse gases (GHG).

The Executive Committee and the Sustainability Committee regularly review information on the implementation of the climate change strategy and GHG emissions.

In addition, every quarter the Board of Directors monitors compliance with the objectives included in the Strategic Plan, analyzing, among other matters, the indicators related to Sustainability and the energy transition (reduction of emissions, frequency and occupational and process safety rates, performance of the electricity and gas business, wholesale gas sales, generation capacity, investment in low-carbon generation, etc.).

The Company's climate change targets have a direct impact on employees' variable remuneration:

- Annual sustainability objectives, which include actions related to the reduction of GHG emissions, have a weight of between 10% in the Corporate Areas and 20% in the Businesses.
- Additionally, Repsol has a long-term incentive for the period 2019-2022 linked with a weighting of 10% to compliance with the GHG emissions reduction plan. This bonus is available to the CEO, senior management and other employees.

Recently, Repsol announced that it will link 40% of the long-term variable remuneration of its executives and leaders, including the CEO and members of senior management, to targets that will enable the Company to comply with the Paris Agreement and, therefore, with gradual decarbonization, with an ambition of zero net emissions by 2050.

Climate change risks

The Group's risk policy, approved by the Board of Directors, establishes that **risk management** is embedded in business processes, and that risks are identified, assessed and mitigated in order to keep them at levels tolerated by the Company. The risks arising from climate change, both physical and so-called transitional, are managed in the same way as the other risks to which the Group is exposed, except for the fact that their emerging nature makes them the subject of more detailed examination in the long term. The Group's risk profile, both in the short and in the medium and long term, is available to the Group's executive and governing bodies for decision-making purposes. To do so, they have available the information regarding the risk profile and the statement of risk tolerance set out in the risk policy. Management of such risks is overseen by the Sustainability Committee and by the Audit and Control Committee, each within the scope of their respective responsibilities.

The variables in the economic models on which key decision-making processes are based, such as the preparation of the annual budget and the preparation and regular updating of the strategic plan, are subject to risk analysis. Going beyond deterministic approaches, these analyses provide a probabilistic view of the relevant figures of the income statement, according to the values that the modeled variables are expected to take and considering correlations between them, within pre-established probability ranges.

Risks relating to the phenomenon of climate change are emerging risks, i.e. factors of growing uncertainty, in relation to others, in the medium and long term. Over the next five years, approximately 10% of the Group's risks analyzed are related to climate change to one extent or another.

To determine our exposure to these risks in the longer term, Repsol has developed its own analysis **methodology**, as there is no standard methodology available in the industry, adjusting the risk analysis approach in the short and medium term (typical 5-year horizon of a strategic planning cycle) to extend its scope to the long term (to 2025, 2030 and 2040). The main features are:

- Based on future scenarios for changes in the energy mix, taking as a yardstick the scenarios considered by the International Energy Agency (IEA). Probabilistic analysis of scenarios is carried out by a panel of the Company's experts in strategy, markets, technology and sustainability. Some of these risks may have an adverse or positive impact depending on risk mitigation and climate scenario adaptation strategies, since they imply the emergence of business opportunities that can be put to good use.
- The model identifies the key emerging and climate change risks for the company on the 2025, 2030 and 2040 horizons. Following the sequential process of identification, prioritization and analysis, 19 emerging and climate change risks have been identified and classified according to their features. A taxonomy of sustainable development, socio-political, operational, reputational and technological risks has therefore been developed. Of these 19 risks, the 10 that concentrate most of the exposure are prioritized for subsequent analysis.
- The model quantifies the impact of these risks on the Company's performance in each of the scenarios over the pre-determined time horizon.

In the **short term**, the climate change **risks** that concentrate the greatest exposure are:

- Regulatory changes that affect operations and/ or future investments, understood as those which directly affect the Company's results, arising either from the obligation to adopt measures to mitigate climate change, or changes relating to the environment, taxes or other.
- Harm to the Company's and/or industry's reputation caused by social disapproval, whether or not justified, of its performance in relation to sustainable development initiatives.
- Price signals generated by the energy transition scenarios, which modify the exposure to market risks such as the volatility of the price of crude oil, natural gas or other commodities such as greenhouse gas emission allowances.
- Greater difficulty or cost in raising funds to finance the development of certain projects, arising from the position that the financial sector or investors with exposure to the energy sector may adopt, either voluntarily or induced by the regulator.

Repsol has been a part of this initiative along with nine other leading sector companies, to collaborate in climate action sharing best practices and technological solutions.

OGCI
OIL AND GAS CLIMATE INITIATIVE

https://www.oilandgasclimateinitiative.com

GSP 2020

Target:
Net Zero Emissions.

In the **medium** and **long term**, the main **risks** are:

- Changes in energy end-uses that lead to a reduction in demand for marketed products, either as a result of natural market dynamics or induced by regulation (e.g. electrification of the car fleet, user preference for innovative forms of mobility, etc.)
- Changes in the basket of primary energy sources toward others with less carbon intensity, entailing decreased use of fossil fuel sources.
- Late adoption of new or immature practices/processes/technologies for energy production (including renewable energies), distribution and storage, which finally prevail in the market, or, at the other extreme, premature adoption of technologies that ultimately fail to become "winners".

In other words, the forecast is that over the next ten years **regulatory changes** and **society's perception** of the industry will be the main factors of uncertainty. These two phenomena are catalysts of the **energy transition** process, and therefore will foreseeably bring about changes in the final uses of energy, in the primary energy mix and in the technologies that will make these changes possible in the future.

Repsol is therefore more exposed to transitional risks than to physical risks. However, the Company is taking steps to reduce exposure to both. Climate change can exacerbate adverse weather phenomena to which Repsol is exposed (hurricanes, floods, changes in rainfall or temperature, patterns, etc.), which can have an impact on its activities. As an example of physical risk, Repsol operates in areas that are affected by water stress, where the rainfall regime could affect the operation of our facilities. In these operations, Repsol implements plans for reducing water consumption and supporting water reuse.

Strategy

Repsol supports the Paris Agreement and works to play an active role in the solution to climate change. The Company's commitment to energy transition is in line with the objectives of the Paris Summit and the United Nations Sustainable Development Goals.

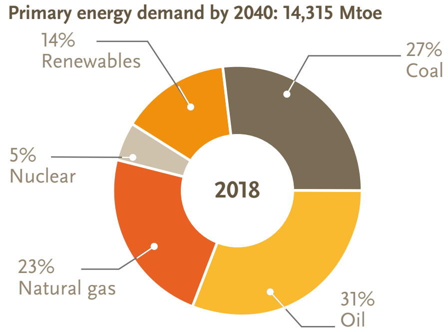
Repsol will orient its strategy to be a company with zero net emissions by 2050. This ambitious goal is intended to help limit global warming to below 2°C with respect to pre-industrial levels. To achieve this transition, a holistic approach is needed, involving analysis of future scenarios, identification of risks and opportunities associated with climate change, and development of a strategy aligned with the transition to a low-carbon economy. This requires taking into account all available and emerging technologies, their costs and the degree of maturity, while maintaining technological neutrality.

Repsol sets down future climate scenarios to anticipate how the energy sector will adapt to sustainably provide the energy that society will need in the future. Medium- and long-term scenarios have been analyzed, assessing the impact on the Company's strategic lines and competitiveness. The International Energy Agency's (IEA) guidelines have been taken as a yardstick, establishing the roadmap towards the performance that businesses should achieve by 2030 and 2040.

Scenario analysis is integrated with the strategy development process, taking into account the energy mix, the average price trend of oil and gas and the demand for products, in order to define the portfolio of the various businesses:

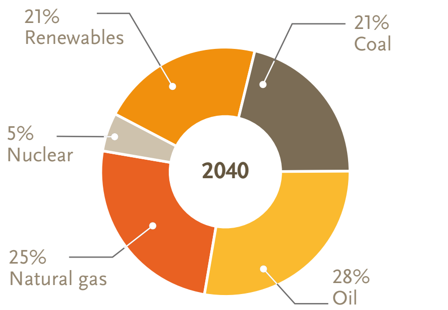
Energy mix

2018:
Primary energy demand by 2040: 14,315 Mtoe

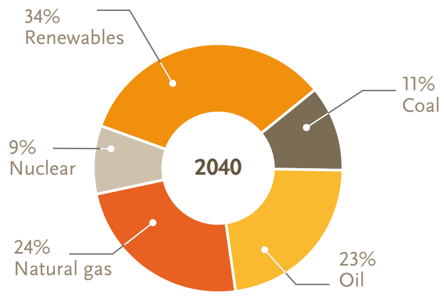


Energy mix

Stated Policies Scenario:
Primary energy demand by 2040: 17,724 Mtoe

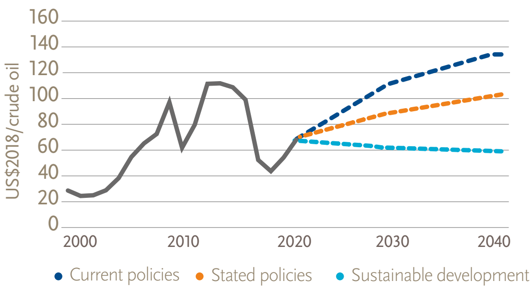


Sustainable Development Scenario:
Primary energy demand by 2040: 13,278 Mtoe



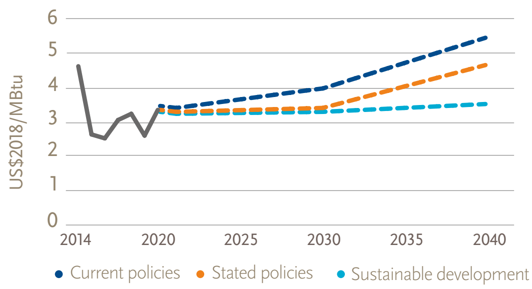
Source: IEA 2019 Energy Word Outlook

Average crude oil price, by scenario



Source: IEA World Energy Outlook 2019

Average Henry Hub price, by scenario



Source: IEA World Energy Outlook 2019

The future scenarios foresee a significant substitution of coal by natural gas for electricity generation, as it is a fuel with lower CO_2 emissions per energy unit, as well as providing greater performance in electricity generation. Switching from coal to natural gas represents a great opportunity to achieve large-scale CO_2 reductions in a cost-efficient manner, i.e. at a lower cost to society, and is one of the most effective solutions for promoting a structured transition to a low-emission future. Repsol has an Upstream gas portfolio of around 62% production and 71% reserves.

For more information on the Group's vision for the energy sector in the short and long term, see section 7.1.

The Sustainable Development Scenario (SDS) will be the basis for the implementation of the Strategic Plan 2021-2025, which will be presented to the market and investors in the first half of 2020. For further information, see section 2.4 Strategy.

Based on the possible ways of achieving a low-emission future and scenario analysis, Repsol has defined several lines of action that are integrated into its strategy:

- Reducing the carbon intensity of traditional businesses.
  - a) E&P. Prioritizing gas production over oil production, prioritizing short-cycle projects, and calculating the profitability of assets at prices consistent with the SDS.
  - b) Refining. Sustain the cost-effectiveness of operations and reduce carbon intensity by improving energy efficiency, electrifying facilities and integrating renewable electricity and by producing biofuels and waste-to-fuels)
  - c) Chemicals. Development of new chemical applications, increasing the energy efficiency of operations and promoting circular economy projects.
- New low-carbon businesses. As a multi-energy company, integration of low carbon electricity generation (renewables) with a combined offer of increasingly decarbonized products and services (electricity, gas, distributed energy).
- The role of new and emerging technologies. Exploration and development of new "zero emission" or negative emission technological solutions such as Carbon Capture, Use and Storage (CCS and CCUS), e-fuels, hydrogen produced from solar energy, or natural climate solutions (CO_2 sinks).

Methane Guiding Principles

Which addresses the guiding principles of proper methane management in terms of measurement, mitigation and reporting transparency, among others.

$40/t CO_2

CO_2 internal price in 2025

Thus, in the **short to medium term** (2020-2025), aspects that are closely related to competitiveness, such as energy costs and CO2, and the regulatory framework of the Company's activities are taken into account. Examples of this regulation are the EU-ETS, the Renewable Energy Directive (RED) and the Energy Efficiency Directive (EED) in Europe or the Canadian regulatory framework (Pan-Canadian Framework on Clean Growth and Climate Change). These laws are changing the use and consumption of energy, so new opportunities arise in the sector. These challenges are analyzed through the Integrated Risk Management System and are taken into account in the setting of the Company's strategy, resulting in ambitious business plans to meet these goals.

Operational efficiency is one of the cornerstones of the strategy (energy efficiency, methane management, reduction of routine flaring, etc.) to reduce Scope 1 and 2 emissions. With regard to improving Scope 3 emissions management, *biofuels*, *chemicals* and *natural gas production* are the most important levers.

Repsol has established emission reduction plans to reduce energy and carbon intensity through operational efficiency. These plans led to a reduction of 2 million tons in the period 2006-2019. In addition, the Company extended its 2014-2020 plan to a new 2018-2025 plan, including, among others, unit energy integration projects, process optimization and efficient operation of facilities. As part of this plan, reduction targets have been set down for methane emissions and gas flaring by 2025.

Repsol issued a 500 million euro green bond for refinancing in the period 2014-2016 and financing in the period 2017-2022 of energy efficiency projects in the facilities of the Refining and Chemicals businesses in Europe. Repsol strongly supports the use of financing as an instrument to promote sustainability and accelerate the energy transition. The Company is working on monitoring the EU Action Plan on Sustainable Finance so that it is inclusive with technological neutrality, progressive,

Low-emissions electricity production

Hydro and combined cycle plants

Three hydropower plants in northern Spain with an installed capacity of 700 MW, and two combined cycle plants with combined capacity of 1,650 MW.

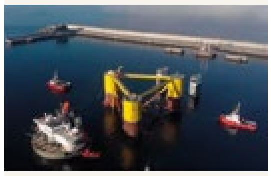
Solar photovoltaic plants

Valdesolar will be one of the largest solar plants in spain. With a capacity of 264 MW, it will come online in 2020. We also acquired Sigma, a 204 MW solar project.

Wind power projects

Two wind power projects in Spain: one in Aragon with 355 MW, and another in the Castilla y León region, with 255 MW.

Floating offshore wind power



Windfloat Atlantic is one of the largest floating offshore wind farms in the world, with planned capacity of 25 MW.

and ultimately allows for a sustainable energy transition at a reasonable cost.

The total volume of biofuels incorporated into the fuels marketed by Repsol in 2019 came to 1,498,275 m^3, of which 576,953 m^3 were produced at the Group's refineries and the remaining 921,322 m^3 have been purchased from external companies and mixed in the appropriate proportion to respond to the specifications of gasolines and diesel fuels and the requirements of our customers. These biofuels have reduced emissions released during transport by 2.8 M of CO_2. Repsol's biofuel production capacity is 871,000 m^3/year, divided up between BioETBE (429,000 m^3/year) and hydrogenated vegetable oil (GVO, 442,000 m^3/year).

Furthermore, internal carbon pricing is a critical element of climate policies aimed at carrying out the transition to a low-emissions future. For investment decisions on new projects, Repsol updated the internal CO_2 price pathway, starting at USD 25/ton in 2018, with an increase to USD 40/ton in 2025.

Other lines of work through which Repsol pursues its objectives are *renewable energies*, *sustainable fuels* and *sustainable mobility*, which will be its main levers.

In relation to *renewable energies*, in 2019 Repsol incorporated into its portfolio of assets the development of three new renewable projects, two wind and one solar, which add up to a capacity of around 800 megawatts (MW). And the Company has increased the target for low-carbon electricity generation capacity to 7,500 MW by 2025 with the intention of becoming a major international player in renewable energy. For further information, see section 5.2.5.4 Electricity and Gas.

With respect to sustainable fuels and sustainable mobility, see section 2.4, which describes the new strategic approach.

In the **long term** (2025-2050), we take into account the change in energy end-uses, the change in the primary energy mix and the development of new technologies, as well as future regulations applicable in that timeframe (derived from the EU Energy and Climate Roadmap 2050, sustainable financing at an EU level or national contributions of other countries to the Paris Agreement).

Within this timeframe it will be necessary to develop new technological solutions such as Carbon Capture, Use and Storage (CCUS), Natural Climate Solutions, Green Hydrogen, etc.

A key element of the company's strategy to reduce CO_2 emissions in the value chain is the use of CCS technologies. Repsol takes part in R&D and demonstration projects of these technologies that may allow their future application on a large scale. Through the investment fund OGCI - Climate Investments, Repsol, in coalition with other oil and gas companies, continues to invest in low-emissions projects and technologies. It will support projects where a collective effort is the key to achieving successful results. To this end, OGCI will invest more than €1,000 million over ten years.

The Technology and Corporate Venturing Units contribute to the Company's strategy by investing in low-emission technologies, such as biofuels and advanced mobility, among others (see details in section 6.5. Technology development for decarbonization).

Repsol firmly believes that its strategy, portfolio and financial framework lay the foundations for the company's resilience, providing the adaptability and flexibility necessary for future changes in the energy system in the long term.

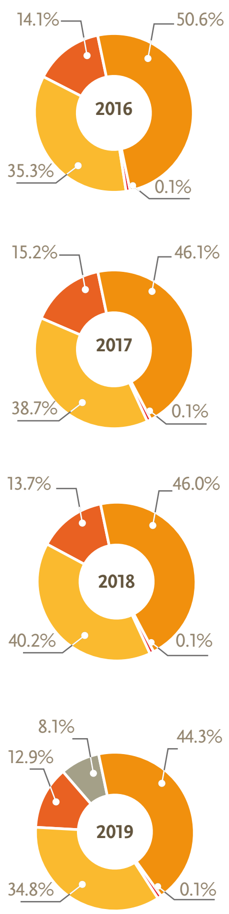
The Group has adjusted the book valuation of its assets to a pathway of oil and gas prices that in the short term has had an accounting effect on the current value of the assets (see section 4.1), mainly in the Upstream assets, which has shown the quality of the assets and the capacity to adapt business models in the Downstream segment.

Repsol is part of the international **Climate & Clean Air Coalition-O&G Methane Partnership** of UN Environment, a program for detecting, quantifying and reducing methane emissions.

https://www.oilandgasclimateinitiative.com

Targets and metrics

Scope 1 emissions by activity



- Exploration and Production
- Refining
- Chemicals
- Electricity and Gas
- Other

Direct and indirect emissions

		2019	2018	2017	2016
Emissions Scope 1[1][2][7] (CO_2, CH_4 and N_2O)	**Total GHG (Mt CO_2e)**	**24.7**[9]	**22.0**	**23.0**	**24.9**
	Upstream	10.9	10.1	10.6	12.6
	Refining[7]	8.6	8.9	8.9	8.8
	Chemicals	3.2	3.0	3.5	3.5
	Electricity and Gas	2.0	n/a	n/a	n/a
	Other[4]	0.01	0.01	0.02	0.02
	Total CO_2 (Mt CO_2)	**20.1**	**17.9**	**18.4**	**19.7**
	Upstream	6.5	6.0	6.3	7.7
	Refining	8.5	8.8	8.6	8.6
	Chemicals	3.2	3.0	3.4	3.4
	Electricity and Gas	2.0	n/a	n/a	n/a
	Other[4]	0.01	0.01	0.02	0.02
	Total CH_4 (CO_2e)	**4.5**	**4.1**	**4.3**	**5.0**
	Total N_2O (CO_2e)	**0.08**	**0.04**	**0.02**	**0.2**
Emissions Scope 2[1][3]	**(Mt CO_2e)**	**0.56**	**0.45**	**0.40**	**0.55**
Emissions Scope 3[5]	**(Mt CO_2e)**	**189**	**194**	**193**	**183**
	Use of sold products[6]	180	186	185	175
	Use of sold products based on Upstream production[6bis]	88	89	87	86
	Raw materials: Crude	7.6	7.5	7.2	6.9
	Raw materials: Hydrogen	0.7	0.6	0.7	0.6
Energy (Scope 1 + 2)[8]	(million GJ)	**278**	**234**	**239**	**243**
Energy (Scope 3)	(million TJ)	**2.8**	**2.9**	**2.8**	**2.7**
	Use of sold products	2.7	2.8	2.7	2.6
	Raw materials (crude+hydrogen)	0.08	0.08	0.07	0.07
TOTAL flared hydrocarbons (Mt)		0.32	0.38	0.29	0.47

(1) The Company's direct and indirect emissions (Scope 1 and Scope 2) will be subject to an additional verification under EU-ETS and international standard ISO 14064-1. Once verification is complete, these certificates will be available at www.repsol.com.

(2) Scope 1 (direct emissions deriving from Company activity).

(3) Scope 2 (indirect emissions related to purchase from third parties of electricity and steam).

(4) Includes LPG, Lubricants, Asphalts and Specialties, Mobility and Asset Management.

(5) In Scope 3, indirect CO_2 emissions associated with the purchase of goods and services and the use of products are considered significant.

(6) Scope 3: Use of sold products (sales base): These emissions have been calculated considering the sale of natural gas by the Exploration and Production business (Upstream) and sales of LPG, naphta, gasoline, kerosene, gasoil, fuel oil and coke produced in the Refining business (Downstream). The 2018 figure has been updated accordingly.

(6a) Scope 3: Use of sold products based on Upstream production: These emissions have been calculated considering the sale of natural gas plus the sales of LPG, naphtha, gasoline, kerosene, gas oils, fuel oils and coke from our Refining system, according to the production of the Exploration & Production business (Upstream).

(7) The Steam Cracker is included in the Chemicals business.

(8) Energy consumption calculation includes fuel consumption, flaring, fugitives and venting, as well as steam and electricity purchases (scope 1 and scope 2).

(9) In 2019, the emissions increase is mainly due to the incorporation of the Electricity and Gas business.

Energy intensity

In the Oil&Gas sector, it is important to establish a clear distinction between Downstream and Upstream energy intensity, owing to the difference between these operations.

In Refining, energy intensity is calculated as energy consumption per ton of crude processed, coming to 2.95 GJ/t crude in 2019 (2.84 GJ/t crude in 2018). It should be noted that this calculation does not include the Olefinas Cracker plant, which belongs to the Chemicals business.

In Exploration and Production, the data is calculated per barrel of oil equivalent (boe, gross production of assets operated by the Company), coming to 0.275 GJ/boe in 2019 (0.29 GJ/bep in 2018).

Both indicators include energy consumption associated with fuel consumption, flared gas burning, fugitive emissions and venting, in addition to the purchase of steam and electricity (scope 1 and scope 2).

Intensity of greenhouse gas emissions

The criteria for calculating emissions intensity are the same as for energy intensity; this value in 2019 for the Refining business came to 0.198 t CO_2e/t crude (0.19 tCO_2e/t in 2018) and to 60.17 t CO_2e/kboe for E&P (60.52 tCO_2e/kbep in 2018).

Plan to reduce equivalent CO_2 emissions

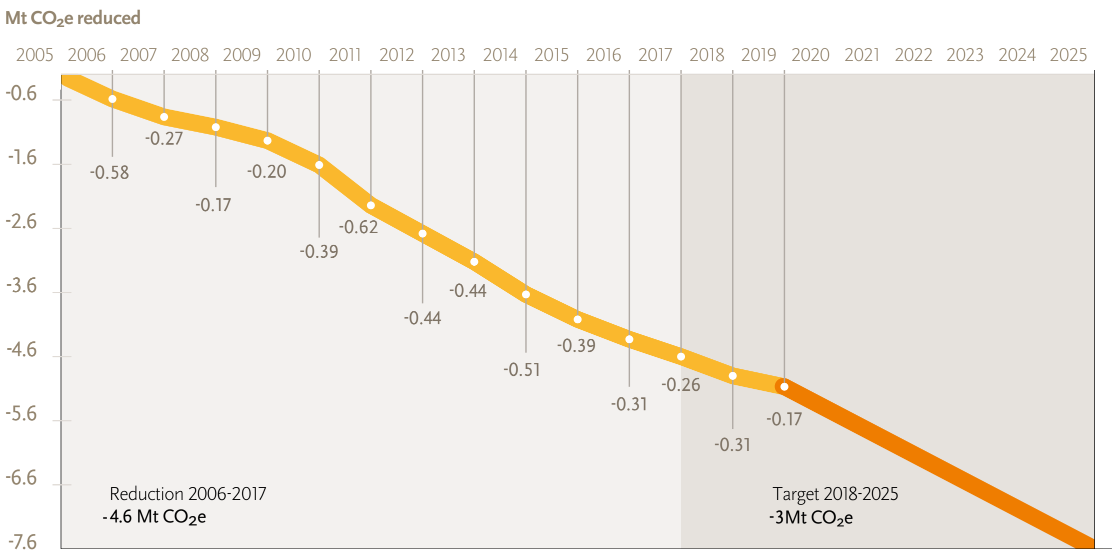
The target for the reduction of CO_2e emissions at the end of the period 2014-2020 is 2.1 Mt. DDuring 2019, Repsol has promoted several actions that have reduced 171 kt of CO_2e emissions, which means that an accumulated reduction of 2 million tonnes of CO_2e have been achieved for the period 2014-2019.

In energy terms, in 2019 a reduction of 2.3 million GJ was obtained, which means a cumulative reduction of 30.5 million GJ throughout the period.

In energetic terms, the company has accomplished a reduction of 2.3 million GJ, which translates to an accumulated reduction of 30.5 million GJ for the same period.

3 Mt CO_2e of reduction as a new target for 2018-2025

CO_2e emission reduction (millions of tons)



Repsol set a new, more ambitious goal: reduce CO_2e emissions by 3 Mt by 2018-2025. This objective can be achieved with the following levers:

- Reduction of methane emissions in Upstream.
- Reduction of routine flared gas in Upstream.
- Energy efficiency both in Upstream and Downstream.
- Use of low carbon technologies and renewable energies in our operations.

Carbon intensity indicator (CII) reduction

Repsol has defined a carbon intensity indicator in g CO_2e/ MJ to establish its emissions reduction targets based on the scope 1+2+3 over time, until the target of Net Zero Emissions is reached in 2050. To facilitate the monitoring of progress towards the long-term ambition and for the sake of transparency, Repsol considers it essential to set intermediate objectives. Thus, Repsol has set itself a reduction target with respect to the 2016 base year of 3% in 2020, estimates of 10% in 2025 and 20% in 2030, to achieve the ambition of 40% in 2040 in line with

5.1Mt of CO_2e reduced between 2006 and 2019

Principles for Responsible Investment (PRI) Methane Initiative

for the sharing of best practices in management of methane emissions.

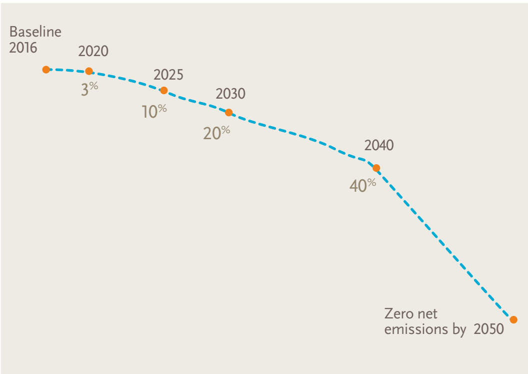
PRI Principles for Responsible Investment

www.unpri.org

the International Energy Agency (IEA) Sustainable Development (SD) scenario and in accordance with society's demands.

With regard to 2050, Repsol estimates that at least 70% reduction of the Carbon Intensity Indicator can be achieved with the technological evolution that we can anticipate today without major technological disruptions, and is committed to applying the best technologies available at that time to raise this figure, including the carbon capture, use and storage and, if this were not enough, to offset emissions through reforestation and other natural climate solutions.

Carbon intensity indicator (CII) reduction targets



Repsol's carbon intensity indicator takes into account in the numerator the emissions derived from the Company's activity (direct and indirect emissions derived from exploration and production, refining and chemicals operations, and emissions from the electric power generation) and emissions associated with the use of fuel products derived from our primary energy production (oil, and natural gas). In the denominator, the indicator includes the energy that Repsol makes available to society in the form of end products derived from the production of primary energy from oil and gas, biofuels and the electricity produced.

Carbon intensity	2019	2016
g CO_2e/MJ	75.5	77.7

In 2019 we achieved a 2.8% reduction via energy efficiency plans and methane emissions management, increasing use of biofuels in gasolines and diesels, the contribution of the low-emissions electricity business, and the Company's commitment to petrochemical businesses.

Reduction of methane emission intensity

Convinced of the importance of the role of natural gas in the energy transition, Repsol has taken on the goal of reducing the intensity of methane emissions in its operated assets by 25% in 2025 compared to 2017.

This commitment is in line with the joint objective of the OGCI (Oil and Gas Climate Initiative) established in 2018. The achievement of this objective is mainly based on three lines of action:

- Implementation of more accurate emission detection and quantification technologies.
- Identification and use of technologies for the reduction of emissions.
- Transition to a lower emissions portfolio.

Methane intensity(1)	2019	2018	2017
CH_4 emissions/ gas produced (%)	1.28	1.17	1.34

(1) Volume based calculation.

Reduction of flared gas

In June 2016, Repsol joined the World Bank's Zero Routine Flaring by 2030 initiative. Thus Repsol undertakes to seek solutions that are technically and economically viable to minimize routine gas flaring as soon as possible, and no later than 2030 at E&P facilities.

Since then, work has been done to improve the inventory of emissions due to gas flaring year by year, segregating this inventory into routine and non-routine flaring, applying the definitions of the Global Gas Flaring Reduction and standardizing criteria among OGCI companies.

Repsol set a target for reducing routine flaring of flare gas by 50% by 2025, referring to E&P operated assets and whose baseline was established in 2018. The lines of work are:

- Improvement in the design and operating procedures of the facilities
- Reutilization of gas as a fuel, to generate electricity or reinjection
- Commercial solutions to make use of the gas once it has been treated

Routine gas flaring	2019	2018
kt CO_2e Upstream routine flaring	280	344

In 2019, routine gas flaring has been reduced by 19% compared to 2018.

6.2. People[1]

6.2.1. Human capital

Repsol is a global and diverse company whose greatest strength is the people who, day by day, drive it with their experience and skills. Our more than 25,000 employees worldwide are part of a diverse, experienced and committed team. Mutual respect and trust are intrinsic values of the Company and a fundamental pillar to maximize the results.

	2019	2018
Number of employees	25,228	25,288
Average age	42.6	42.3
New employees	3.800	3.810
% of new employees under permanent contracts	33.3%	39.5%
Total turnover rate (1)	21%	23%

(1) Total turnover rate of permanent employees out of the total number of employees at year-end.

Value proposition

In the process of cultural transformation needed to drive the Strategic Plan, two of the key levers for achieving a more efficient and agile organization are leadership and talent.

During 2019, Repsol redesigned and updated its strategic lines for managing people and the organization, identifying the key elements that, in a comprehensive way, will support the transformation of the Company and ensure that Repsol's talent is prepared to face the challenges that the future holds: Employee Experience, New Ways of Working and Digitalization, Leadership and Talent, Labor and Compensation Framework, and Transformation in the People and Organization function itself.

1. Employee culture and experience

Repsol is immersed in a transformation process as a Company to achieve the objectives of the Strategic Plan. To do this, a robust culture that enables us to work in an agile, flexible and engaged way is essential.

To track progress in this process, a new edition of the Culture Survey was launched in 2019 with the slogan "We want to hear your best voice". As a novelty, the global questionnaire was simplified to make it more agile and easy to answer and the leadership indicator (which replaces the 180° Feedback evaluation) was added, to measure the performance of the executive team.

In 2019 new policies and ways of interacting were designed to improve the experience for the candidate, new employee, expatriate and manager, including reinforcement actions in communication, robotizing activities for speed and efficiency and developing new information content and learning.

2. Diversity and inclusiveness

At Repsol, we encourage all employees to have the opportunity to show their talent and develop their potential regardless of gender, culture, sexual orientation, ability or age.

In 2019, the **Diversity and Work-Life Balance Committee** promoted several initiatives in five lines of work: different abilities, gender, age, cultural diversity, flexibility and work-life balance.

With regard to the **differently abled**, Repsol has an integration action plan with objectives for 2020 that covers all areas of the organization. As of December 31, 2019, the Company had 633 differently abled employees (2.51% of the workforce). In Spain, in 2019, the applicable legislation under the LGD has been exceeded, with a percentage of 2.47%, 467 being direct employees.[2] Another measure is the incorporation of criteria for compliance with the **LGD in the grading of suppliers**.

Following the accessibility study carried out at the head offices in 2018 with the aim of diagnosing the level of accessibility of the environment, services and management, a new Campus Accessibility Project 2019-2021 was designed.

With regard to **gender diversity**, the percentage of women continues to increase in all groups and businesses. Repsol commitment is for 31% of leadership positions to be held by women by 2020.

Repsol, through its people management policy, promotes a working environment based on equal opportunities, diversity and inclusion.

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

GSP 2020

Target:
Go beyond the legal requirements in terms of professional opportunities for people with disabilities

1. All data, unless otherwise specified, refers to the number of employees at the companies in which Repsol establishes the policies and guidelines in people management. Societat Catalana de Petrolis S. A (formerly known as Petrocat) is excluded as a managed company.

2. Spain's law on the rights of disabled persons and their social inclusion.

25,228
number of employees

employees of
89 countries
different nationalities

GSP 2020

Target: Achieve a 31% increase of women in leadership positions.

Repsol has an Equal Opportunities Plan for the Group's companies in Spain to improve the employment position of women. Initiatives such as the study of the pay gap, parity in selection processes or gender analysis in talent management decisions, which will be continued in 2020, are the basis of a roadmap for female talent that seeks to achieve real equality of opportunity and parity in positions of seniority.

Gender indicators (1)	2019	2018
% women in the Company	37	37
% women among new hires	52	51
% women in worldwide leadership positions (2)	30	29
% women in management positions(3)	41	41

(1) Gender indicators are calculated including employees managed with effective time of emplayment in excess of 20%.
(2) Executives and leaders (outside collective agreement; no partial retirees).
(3) Executives, Technical Managers and Technicians (outside collective bargaining; no partial retirees).

By carrying out intercultural sensitivity workshops, we address the reality of a company that has employees in 34 countries of 89 different nationalities and more than 1,352 employees working in a country other than their country of origin. For more information, see Appendix III.

3. Employment, flexibility and work-life balance

In the area of **flexibility and work-life balance**, Repsol is a Company recognized for promoting new ways of working adapted to the uses and customs of each country, with the telecommuting programme being one of the most widely accepted by employees.

Telecommuting indicators	2019	2018
No. of teleworkers worldwide	2,790	2,267

In 2019 specific commitments were Introduced In terms of work-life balance and diversity In the sustainability plans in the countries where we operate. The scope of healthcare services for employees in Spain was widened and a new legal and admin help desk service has been launched, in addition to improvements in paid leave for childcare.

In relation to the **right to digital disconnection**, an agreement has been signed to encourage reasonable use of new technologies and promote a culture that, based on the principle of respect, will continue to promote the well-being of employees.

4. Total compensation

Repsol is committed to a flexible compensation system that seeks outward competitiveness and internal equity, based on meritocracy, and valuing performance, cooperation and teamwork.

The compensation model encompasses fixed pay, an annual bonus, long-term performance-related compensation and benefits that include the Stock Purchase Plan[1] and other items such as childcare, health insurance and additional contributions to the pension plan. Detailed information on average remuneration and the salary gap can be consulted in Appendix III.

Average personnel costs per employee[2] in 2019 amounted to €72.0 thousand (€70.7 thousand in 2018) and total social benefits amounted to €115.6 million (€106.2 million in 2018). Almost 80% of employee benefit spending goes to healthcare and pension funding.

Another key element in the total compensation scheme is non-monetary benefits. In 2019, the Insignia program was launched, which provides the opportunity for recognition among colleagues by awarding badges associated with the five behaviors desired by the Company, good practices in the area of SMA and contribution to their teams.

Finally, 2019 saw the first-time launch of a Global Share Purchase Plan for all employees ("Tu Repsol" Plan), enabling them to become Company shareholders on favorable terms.

5. Career development and leadership

Having an attractive career development model that offers opportunities for professional growth is key for Repsol.

Internal mobility promotes learning and career development. Repsol encourages employees to take on new challenges and responsibilities, outside or within their business, area or country. During 2019, we streamlined and improved the process, giving the manager more autonomy in leading the process and increasing the number of internal candidates, bringing available opportunities closer to employees (publishing vacancies, employee's selection of interests) and carrying out proactive searches by the HR area.

1. For further information, see Note 29.4 to the consolidated Financial Statements.
2. Personnel costs and benefits divided by accumulated average managed workforce (including Societat Catalana de Petrolis, S.A.): The personal cost include social charges and other concepts except indemnizations, remuneration to counselor and travel expenses.

Mobility	2019	2018
Number of internal movility	2,631	2,665
% women (of number of internal movility)	42%	37%

6. Training and learning

Repsol is now **evolving its learning model**, in a bid for greater autonomy and self-leadership in the development of employee skills and abilities. Employees themselves decide on their areas of interest and growth, while the manager is provided with data and information to be able to observe, support and reinforce the development of their colleagues. The availability of just-in-time, omnichannel, employee-centered learning experiences is increasingly important. In 2019, more than 2,000 digital resources were made available to employees and Peer Learning was launched, enabling employees to share 430 lessons.

Training[1]	2019	2018
Investment per employee(€)	583	613
Total investment in training (*millions of euros*)	14.3	14.5
Hours of training per employee	36	45

(1) Criteria changed in 2019 (accumulated average managed workforce) and the data for 2018 has been recalculated, as the Managed Workforce was used.

7. Employment Framework and Health

The Group's Framework Agreement, together with the collective agreements, is the basis for a framework of sustainability and trust underpinning the mutual interests of Company and employees.

In the Repsol Group's continuous effort to promote integrity and respect in the workplace, awareness actions have been carried out in various countries on the prevention of workplace harassment, promoting an environment free from intimidation, harassment and abuse and identifying the channels enabled by the Company to report unwanted situations.

Within the strategic framework of Health and Welfare, programs have been launched to help employees manage their working and personal environment with a healthier perspective. For more information, see Appendix III.

8. New Ways of Working

In 2019, we worked on an Agenda for Cultural Transformation, led by the Executive Committee, which includes initiatives related to evolving the work context, behaviors and management practices. The main lines of work were:

- Development of the functional model and review of the Company's processes, rolling out new "Repsol Lean&Agile" work methods, with a flatter, more liquid and flexible hierarchical structure, through multidisciplinary teams.
- Deployment of the Digital Workplace, to allow work and/or collaboration from any place or device (6,616 people have joined the digital collaboration platforms).
- On-site or online training in new ways of working (Design Thinking, Lean Startup, Agile, Scrum, etc.) and expansion of the network of facilitators to support teams in their implementation.

GSP
a

Ambition:
Be committed to people and drive their development.

GSP
2020

Target:
Improve employees' perceptions of diversity and work-life balance policies and practices.

GSP
2020

Target:
Improve employees' satisfaction index.

Repsol's policies and regulations are aligned with the United Nations Guiding Principles for Business and Human Rights.

6.2.2. Respect for human rights and community relations[1]

Our responsibility: to respect and remedy

Since 2008, Repsol has had in place a community relations (including indigenous populations) policy. The Company uses all the means at its disposal to prevent its activities or decisions from having adverse impacts on human rights, and will do all it can to repair the damage of any such impacts that do occur. In 2019, the **Human Rights and Community Relations Policy** was revised, strengthening Repsol's commitment to the United Nations' Guiding Principles on Business and Human Rights, the main international standard on the subject.

The Company's goal is to achieve and maintain solid relationships, based on recognition, trust, mutual respect and shared value, with 100% of the communities in the areas of influence of its projects and assets. To this end, Repsol has a team specialized in human rights and community relations of more than 70 people in the different countries and projects, and is supported by sector alliances such as active participation in the IPIECA social work group, or agreements with stakeholders such as the United Nations Development Programme (UNDP), the Organisation of Ibero-American States (OEI), etc.

1. For more information on human rights and community relations, see www.repsol.com.

The Company's management model has an anticipatory approach that focuses on identifying and mitigating risks and impacts and on seeking out opportunities, with a commitment to prevention and ongoing dialogue with all stakeholders. In the social sphere, this model is implemented through internal regulations that govern due diligence and Repsol's actions in the area of human rights and community relations.

In 2019, we set down a social investment strategy, reflected in a new regulatory framework that establishes common criteria throughout the organization, with the aim of maximizing the Company's positive impacts. 100% of operated assets are subject to strategies of participation with local communities that lead to local development projects.

When a new operation arises or a significant change occurs, a social impact assessment is carried out. 100% of the impact assessments conducted in 2019 included social and human rights aspects, with a total of 17 impact assessments conducted in 7 countries. It should be noted the 6 social impact assessments that were carried out in Mexico, where Repsol has been the only operator not receiving requirements from the regulator thanks to its collaborative approach with authorities and other stakeholders since the beginning of the project.

In 2019, moreover, the model for joint operations agreements (JOA)[2] was revised so that all new agreements include clauses relating to respect for human rights. This was done in 100% of agreements signed this year Furthermore, in 100% of due diligence processes for acquisition of assets in 2019, the human rights performance of the counterparties was evaluated in accordance with Repsol's regulatory framework in this area.

A reflection of Repsol's optimum performance in terms of Community Relations and Human Rights is the assessment of Repsol by the Corporate Human Rights Benchmark (CHRB), which in its 2019 analysis placed the Company as the best-rated oil and gas company, and 7th in the overall ranking of the 195 companies analyzed.

2. Joint Operating Agreements (JOAs) are the consortium agreements connected with acreage; they are negotiated following the 2012 model of the AIPN (Association of International Petroleum Negotiators).

Malaysia

Thalassemia awareness program

Repsol collaborates with the Malaysian Ministry of Health to reduce the transmission and improve the quality of life of those suffering from thalassemia, a hereditary blood disorder that requires monthly blood transfusions. Thalassemia can be prevented by awareness-raising campaigns. The area in which Repsol operates, the state of Sabah, has the highest rate of this disorder in Malaysia. Repsol promotes blood tests and donations to detect the illness and help patients, with the aim of involving the population and eradicating the illness by 2030.

Furthermore, this year, Repsol provided €30,000 of financing for a competition between students from 50 local schools to create a website to disseminate information on this illness.

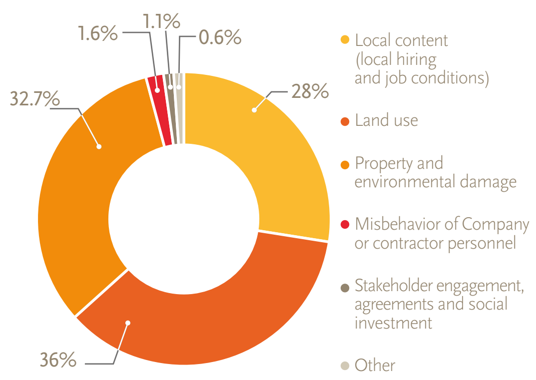
Operational level grievance mechanisms

One of the Company's priorities is to respond quickly and early to the complaints, concerns and grievances of the communities around our projects and assets (most often caused by operational impacts). This way of working helps us to anticipate and address the potential impacts of activities in the area of influence and therefore prevent human rights impacts and future conflicts. The nature of such mechanisms is special and unique in each setting. These mechanisms are designed on the basis of informed engagement and following the United Nations model.

This year, Repsol has continued to work on improving the legitimacy and accessibility of the grievance mechanisms in the highest human rights risk operations in accordance with the United Nations' Guiding Principles on Business and Human Rights, and on communicating the mechanisms among all stakeholders.

In 2019, 89% of all complaints received during the year were resolved.

Types of complaints received in 2019



Economic impact on communities

The Company identifies and strengthens positive impacts and shared value in the areas where it is present, as a result of a consensus with communities. The context determines the scope and focus of the investment. In 2019, social investment came to 50.78 million euros. See Appendix III for more information and examples of social investment projects.

Security and human rights

Since 2013, Repsol subscribes to the United Nations Voluntary Principles on Security and Human Rights to assure the security of operations in high risk or conflict areas through working procedures that ensure respect for human rights.

Repsol requires private security companies to ensure that 100% of the employees who work at Repsol facilities are trained in human rights. The Company ensures this training or holds courses for corporate security personnel. In addition, in some countries, public security forces receive specific training in human rights, with 261 members trained this year in Bolivia, Colombia, Ecuador, Peru and Malaysia.

Human rights	2019	2018
Number of employees trained in human rights (online)	207	266
Number of training hours in human rights (online)	255	532
Contracts with security firms that include human rights clauses (%)	95	100
Security providers evaluated according to human rights criteria (%)	100	100

Repsol has long-term agreements in place with indigenous communities in Peru, Bolivia and Ecuador that contribute to maintaining our social license to operate.

GSP

a

Ambition: Guarantee people's security with full respect for human rights.

Peru

Agreement with the Nuevo Mundo Native Community

In 2019, Repsol signed a positive agreement with the Nuevo Mundo Native Community, in the Amazonian region of Cusco, for the use of land necessary to continue using the logistics base and airport corresponding to Block 57 for a 10-year period.

This agreement reflects the relationship of mutual trust built with the communities, enhanced as part of the action plan to handle the controversy that occurred in Nuevo Mundo. This plan has made it possible to improve the relationship with the surrounding community, which also benefits as a user of the infrastructure set up for air transport.

The lessons learned have been included in the management model and applied to other projects and assets.

Partnerships

Repsol and the United Nations work together to support sustainable development

Since 2018, Repsol has had a worldwide agreement in place with the United Nations Development Program (UNDP) and the Organization of Iberoamerican States (OEI). Thanks to this agreement, in 2019, a new cooperation and development project has been undertaken in Peru, in the Amazon region of Cusco. This project sets out to promote sustainable territorial development, respect for human rights and the preservation of biodiversity, and to guarantee coordinated work with the State, communities and local players in areas where Repsol has presence. Having completed a comprehensive diagnosis of the area, the following priority lines of intervention have been defined: strengthening of territorial governance, preservation of the environment and local productive development. This agreement represents the consolidation of a 5-year partnership to work towards sustainable development in the Megantoni District, the area of influence of Block 57.

GSP

a

Ambition: Establish strong relations with communities in which the Company is present.

Repsol strives to create a safe, well-protected working environment.

8 DECENT WORK AND ECONOMIC GROWTH

6.3. Safe operation[1]

The Company is focused on a proactive risk management throughout the activity cycle to ensure the protection of people and safety at our facilities. This means guaranteeing proper identification, assessment and management of the risks associated with the processes and industrial assets throughout their lifespan.

Safe operation is based on:

- An internal regulatory body, subject to the most rigorous international standards, which sets the Company requirements for our operations throughout their lifecycle and supports standardized risk management throughout the Company. The process of reviewing and updating all corporate regulations initiated in 2016 was completed with the approval in 2019 of the regulations on maritime and river transport, asset integrity and emergency and crisis management.
- A process of regulatory and procedural roll-out to all businesses and assets, which in addition to compliance with corporate requirements, encompasses all necessary features arising from the specific nature of each business, specific legal requirements, national and local, and different modes of operation.
- Systematic and independent internal audit and verification processes that ensure the effectiveness and efficiency of the above processes.

1. The figures and indicators in this section have been calculated in accordance with corporate standards that set out the criteria and common methodology to be applied in Safety and Environment (S&E). As a rule, safety and environment disclosures include 100% of the data on the companies in which Repsol has a majority stake or operational control. Specifically, with regard to security, data is provided on contractors that provide services under a direct contract.

Process safety

Repsol has a proactive safety program that enables it to manage process safety at all times in order to prevent industrial accidents, keeping risks under control and properly managed. This program is being reinforced with initiatives established in the Key Action Lines up to 2025 in the three vectors involved (people, facilities and processes).

Repsol works on the proper management of critical processes and in an adequate design, implementation and maintenance of safety barriers to ensure the integrity of the installations. International standards such as API, NFPA, ISO, EN, IEC, IOGP or CCPS are applied.

Repsol carries out inspection and preventive maintenance programs to check the correct functioning of safety-critical systems and equipment. These programs are part of the Company's tools that help to improve and reduce the industrial accident rate at assets.

One of the main challenges of the process safety approach is to align the entire organization with the risk reduction goal. Workshops and specific sessions are therefore held at the Company's assets with the involvement of the personnel directly involved in the execution of the operational activities.

All of the above is part of normal operations at all facilities. However, in 2019 the **corporate Asset Integrity standard** was updated, providing a uniform and robust reference framework, establishing the basic requirements for ensuring the integrity of the Company's assets and preventing leaks of hazardous substances or uncontrolled release of energy during operation.

The management framework contained in this standard rests on three pillars: provision of safety barriers to control identified hazards, ongoing maintenance of technical requirements and performance to ensure effectiveness and, finally, verification on the condition of barriers and compliance with technical integrity requirements.

Process safety indicator [1]	2019	2018	2017
PSIR [2] TIER 1 + TIER 2	0.55	0.47	0.62

(1) A process safety accident is one in which the first line of control has been breached, with the following happening simultaneously: i) There is a process or a chemical involved ii) It occurs at a specific location, i.e. at a facility used for production, distribution, storage, auxiliary services (utilities) or pilot plants related to the chemical process or product involved and iii) It gives rise to an unplanned or uncontrolled release of material, including non-toxic and non-flammable matter (e.g. steam, hot water, nitrogen, compressed CO_2 or compressed air, with certain levels of consequences. The process safety accident will be classified as Tier 1 or Tier 2 according to the defined thresholds.
(2) 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.

Safety management and monitoring is performed through effective measurement of the indicators in alignment with the main international references (IOGP, API and CCPS). In 2019, this indicator has increased by 16% year-on-year. Despite this increase, this figure is now below the unit in an asymptotic trend since 2016, affected by slight changes. In absolute terms, Tier 1 incidents have decreased by 2 compared to 2018 and Tier 2 incidents have increased by 6. The ratio of Tier 1 plus Tier 2 to Tier 3 is 1 to 40, which means that most incidents are concentrated on the accident rate base in near misses that rather involve preventive action to reduce the most severe incidents before they occur.

Spills	2019	2018
Number of hydrocarbon spills > 1 barrel reaching the environment	25	25
Volume of hydrocarbon spills that reach the environment (metric tons) [1]	79	111

(1) Hydrocarbon spills of more than one barrel reaching the environment.

There were four significant spills in 2019: all four were the result of the overturning of the oil tank truck transporting goods. Two of them involved production water, in the Exploration and Production business, with 21 and 23 tons spilled. The other two involved hydrocarbons, in Repsol Peru business, with 31 and 19 tons spilled. Appropriate measures were taken for the remediation of the affected area in all cases.

If, despite all preventive activity, a spill should occur, the Company has internal and external emergency response mechanisms and specialized trained teams that use the most advanced detection tools and follow specific management and training protocols that ensure the assignment of the highest priority required in each case. Once the situation is under control, new preventive measures are established to prevent any repetition. These mechanisms are essential to reduce impacts on the environment and human beings as far as possible.

In the event of marine spills, in addition to its own response resources Repsol has contracts in place that assure the swift response of external specialists and equipment (Oil Spills Response Limited - OSRL, including access to the Global Dispersants stockpile, Wild Well Control, Helix, etc.).

2nd World Safety and Environment Conference

In June 2019, Madrid played host to the 2nd World Safety and Environment Days with the active involvement of more than 400 professionals from 19 countries. Over the course of these three days of work and debate, the new challenges coming up and the way in which the safety and environment fuction must respond to them were discussed, leading the implementation of the 2025 S&E strategy established in 2018.

The energy transition towards a future of low emissions, circular economy as a lever for transforming the economic model or the criticality of responsible, efficient water management were key topics at most of these sessions.

Furthermore, other topics that must contribute to Sustainability and to improving the Company's safety performance were discussed: transfer between generations as a way of incorporating new skills, a just culture in ensuring the commitment of the entire organization, opportunities to improve efficiency and minimize risks offered by digital tools or the vital importance of focusing on process safety.

Occupational safety

Repsol continues to work on reducing **occupational incidents.**

Personal safety indicators (1)	2019	2018
Lost Time Injury Rate (LTIF) (2)	0.86	0.89
Lost Time Injury Rate for own staff	0.79	0.76
Lost Time Injury Rate for contractor staff	0.91	1.01
Total Recordable incident rate (TRIR) (3)	1.24	1.59
TRIR for own staff	1.02	1.26
TRIR for contractor staff	1.42	1.90
No. of own staff fatalities	0	0
No. of contractor staff fatalities	1	2
Number of safety training hours	260,872	217,464

(1) A corporate standard establishes the criteria and methodology for recording incidents and is completed with a guide to incident management indicators.

(2) Number of personal consequences (fatalities with loss of days) during the year, for every million hours worked. It includes subcontractors and managed workforce.

(3) Total number of cases with personal consequences (fatalities, loss of days, medical treatment and restricted work) accumulated during the period, for every million hours worked. It includes subcontractors and managed workforce.

Regretfully, in 2019 we have to report a fatality among Repsol´s contractors in a road accident. The accident was due to a loss of control of the truck on a bend, causing the vehicle to overturn. An investigation was carried out to analyze the causes. Actions were taken to prevent the immediate and underlying causes. Some of them have focused improving the assessment of the usual routes from field sites to the main logistics points.

At Repsol, occupational safety indicators are reported in accordance with the internal incident management standard based on international standards (IOGP and OSHA). Incidents are classified according to the seriousness of both their real and potential consequences.

Occupational incidents	2019	2018
Very serious	1	2
Serious	1	1
Moderate	80	81
Minor	41	69
Trivial	4	-
TOTAL	**127**	**153**

The Company has set targets for reducing the TRIR since 2014. In 2019, the TRIR fell by 22% compared to 2018, for both own staff and contractors. This drop was mainly due to a 43% reduction in incidents whose consequences did not cause loss of worked days.

Repsol is driven by an ambition to achieve a zero accident rate, based on the conviction that all accidents are avoidable. To minimize the risks that can cause harm to the people involved in our operations, the Company has 10 Basic Safety Rules. These rules are mandatory for all employees and contractors, and represent a commitment by the Company to provide our people with the appropriate tools to reduce exposure to hazards in the performance of their jobs.

Additionally, we explore the possibilities offered by technology and digital tools to minimize exposure to hazards.

Norway

Safety coaching in the decommission of Gyda

In Norway, the assets in the Gyda field (North Sea) are being decommissioned. The scope of the works entails the sealing and abandonment of wells in addition to the dismantling of surface facilities.

Work began in January 2019 to seal and abandon the wells, involving a team of 80 people.

Three safety coaches recruited externally and that work independently are overseeing these tasks.

With their help, the project's focus on safety and the environment has been stepped up, involving all those on the platform and working as a team to achieve optimal safety results.

Development of a safety culture

Repsol continues to work so that the safety culture within the whole organization is increasingly robust and becomes a fundamental barrier in the prevention of major accidents. Only from the commitment of all the people who make up the organization is possible to build a work environment in which safety is consolidated as a fundamental value presents in all decisions and daily actions.

In addition to the diagnostics of the safety culture and reinforcement workshops of previous years, this year's diagnostics were carried out in the Engineering Division, Repsol´s service stations operated network in Spain and Portugal, the lubricants, asphalts and specialities business unit, and the mobility unit in Peru. A total of 16 Repsol businesses and assets have undergone safety culture assessment processes. The assessments are carried out by an independent team, following the best available practices. The outcome of each diagnostic focuses on identifying the organizational factors that may limit the efficiency of work processes.

Simultaneously, Repsol continues to drive consideration of Human and Organizational Factors in its processes, and is an active participant in the main sectoral associations (CCPS, IOGP) and in specific working groups, focused on aspects of Human Factors and Safety Leadership.

The driving force of transformation toward a safety culture is leadership. We have rolled out specific training and awareness actions such as Safety Leap, an ambitious worldwide program. In addition, both internal and external promotion activities are carried out, in which cultural and organizational elements that identify an excellent company are detailed.

Emergencies and crisis management

The Company does its utmost to prevent accidents. In addition, Repsol is working on mechanisms that aid early detection and swift and effective management of emergencies.

The Company continues to make progress in the deployment and improvement of the comprehensive emergency and crisis management model, which encompasses industry best practices. This model includes management of emergencies at facilities and businesses, and involves senior management for the most serious cases, with specific support teams that ensure the assignment of the highest priority required in each case. Proof of this is the approval and launch of the new **Crisis and Emergency Management Standard**, which ensures compliance with several key requirements:

- Implementation of internal requirements in emergency management throughout Repsol, providing uniformity regardless of location or business.
- Ensuring a minimum management standard that is more stringent than the most advanced regulations.

The standard also describes the model and levels of emergency and crisis management, and establishes the information flow that allows management to be raised to the appropriate level, as well as the minimum levels of training and simulation exercises at all levels.

The operation of this model is supported through frequent training activities, drills and exercises at all levels, including at least one annual crisis management drill at the highest level of the Company, led by the CEO. At its central offices and offices in countries in which the Company operates, Repsol has resources, technology and areas that are exclusively used for crisis management support and training.

GSP

a

Ambition:
0 accidents.

Safety Leap

Safety leadership program

In 2019, the global roll-out of the safety leadership program known as *Safety Leap* began. The Executive Committee participated in the first edition of the program as an example of leadership and commitment. Through this initiative, the Company has reinforced its message that a qualitative step forward is essential in the actions of leaders to continue improving our performance when it comes to safety.

The program is structured around increasing the perception of risk, not letting our guard down, promoting appropriate behavior and providing the necessary tools: open communication, consistency, fair recognition, positive error management or transparency.

In 2019, the training was imparted to a total of 1,970 people. Although the program was initially aimed at people in leadership positions at the company (executive personnel and managers), in 2020 it will be extended to other levels of the organization.

Repsol prioritizes efficient management of resources, promoting the Circular Economy.

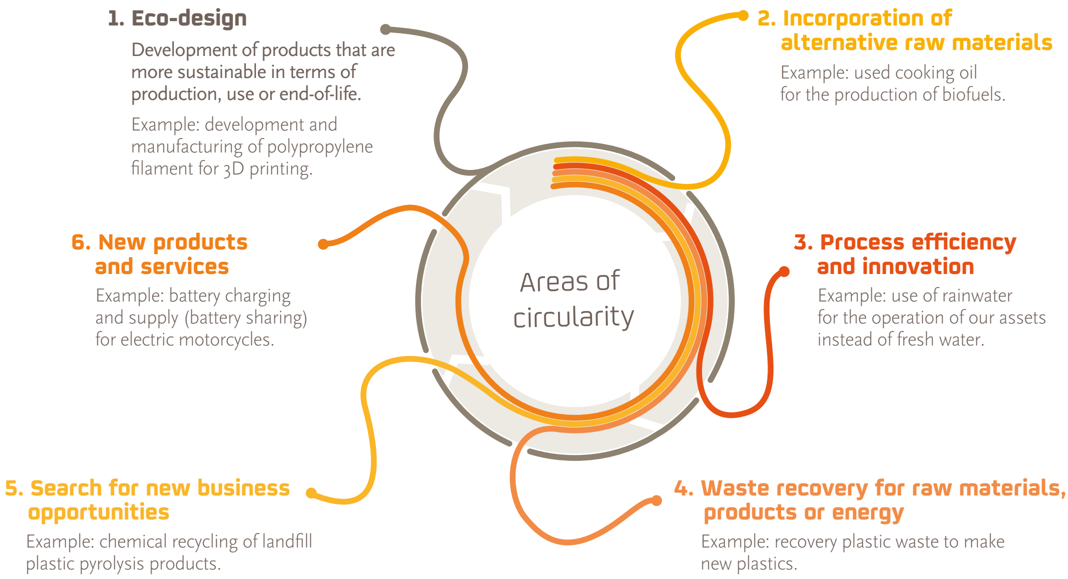
GSP 2025

Target:

Developing cross-cutting circular economy projects in cooperation with external institutions, working with all businesses across the Company.

6.4. Environment[1]

Areas of circularity



At Repsol, the priority is to carry out its activities while minimizing any potential environmental impacts, optimizing water and waste management, minimizing atmospheric emissions and considering biodiversity as a key aspect. Repsol relies on its team of specialized professionals, and on its active engagement in sector alliances such as IPIECA, CONCAWE, or IOGP.

Circular economy

The Circular Economy is a substantial part of the Global Sustainability Plan that operates within the scope of the efficient use of natural resources, applying criteria of maximum efficiency and minimum environmental impact, contributing to the mitigation of identified climate risks. The strategy on Circular Economy was approved by the CEO in December 2016 and is part of the key lines of action up to 2025 within the Company's sustainability strategy. With the Circular Economy, Repsol seeks to:

- Minimize consumption of virgin raw materials
- Extend product lifespan
- Optimize production processes
- Minimize waste
- Manage waste by applying the principles of the waste hierarchy: prevention, as the best option, followed by reuse, recycling and recovery, including energy recovery and, as a last option, safe disposal.

The key steps forward in 2019 were:

- More than 200 circular initiatives identified since 2016, in 13 business units and areas of the company, of which more than 60% are being evaluated with strategic partners.
- Expansion of the external network to more than 360 contacts to contribute to the proposal and implementation of new projects.
- Expansion of the internal network with experts from other businesses and areas of the Company. (13 different areas now involved)

1. The figures and indicators in this section have been calculated in accordance with corporate standards that set out the criteria and common methodology to be applied in Safety and Environment (S&E). As a general rule, (S&E) information includes 100% of the data from companies in which Repsol holds a controlling interest or control over operation.

- Active engagement in more than 10 national and international working groups, such as CEOE, Chamber of Commerce, UNE-ISO, COTEC, IPIECA, World Economic Forum, Plastics Europe, CEFIC, CONCAWE, European Commission, etc.
- Membership of the Circular Plastics Alliance (CPA) in February 2019. Repsol participates through Plastics Europe, PCEP, SCS and CEFIC in this initiative, which aims to increase the volume of recycled plastic on the market.

With the aim of framing and reinforcing current initiatives, developing new ones and making progress in integrating circularity criteria into decision-making processes, Repsol has created a specific committee for the Circular Economy in 2019, with the participation of representatives of the Company's main divisions. The committee has approved the Circular Economy Plan, which defines the main lines of action for the coming years. Key actions include:

- Move towards quantitative analysis of initiatives through environmental and economic indicators that enable a better tracking of the above-mentioned initiatives, accounting for benefits generated and improvement of environmental parameters.
- Standardize and promote the definition, analysis and implementation of Circular Economy opportunities.
- Set concrete objectives at the Company level in line with the 2018-2025 Safety and Environment Strategy.
- Promote opportunities for industrial symbiosis and collaborative economy with third parties.
- Move forward with development of and investment in technologies that support circular projects as a key line of the Repsol Technology Lab.
- Continue investment in strategic circular projects through the Corporate Venturing area.

Water

Water is a vital resource for society. Water management is one of the main environmental challenges facing the Oil&Gas sector.

Ensuring water supply is essential to continue with all the Company's operations, which makes this resource a key element at a strategic level, and necessary to retain the license to operate.

Repsol has managed water for decades at its facilities, focusing efforts on developing methods for risk assessment and management and seeking new solutions to minimize the use of this natural resource, preserve its quality and deal with the climate risks associated with this vector.

Risk analysis and the Repsol Water Tool (RWT)

The Company uses the Repsol Water Tool (RWT) to analyse the exposure of its operations to the risk of water shortages. Risks are assessed both internally (measurement quality, types of water use, treatment technologies, etc.) and externally (availability, quality and ecosystems that are withdrawal sources or discharge receiving bodies, future water availability, regulatory and business risks, etc.). The tool enables us to identify businesses and facilities where it is necessary to make a greater management effort and the needs for action are a priority.

Since 2013, RWT has been applied in refineries, chemical facilities and E&P assets that account for more than 90% of the fresh water captured by Repsol operations around the world.

Market launch of the first certified circular polyolefins (see 5.2.2).

GSP

a

Ambition: Excellent environmental management embedded in the decision-making process.

Bolivia

Hydrogeological survey of the Caipipendi area

The activities performed in the Caipipendi Area (area of potential "water stress") require the use of water and could potentially cause an impact on this resource, which is mainly sourced from the aquifers in the region.

Against this backdrop, a hydrological survey has been performed to establish how these aquifers behave, to assess the sustainability of water exploitation, obtaining a model that makes it possible to simulate different scenarios.

Using this model, it has been possible to conclude that the operating water balance of the aquifer is currently positive (extractions account for just 1%) and that it has a high supply capacity. Furthermore, it has been demonstrated that there has been no pollution of water bodies as a result of Repsol's activities.

The completion of this project has also entailed, for communities in the region, an opportunity to learn about improving the use of water sources to minimize pollution.

GSP 2025

Target:
Integrating water management into 100% of our assets and industrial facilities of the Exploration and Production, Refining and Chemicals businesses.

Water

Scheme of lines of action up to 2025

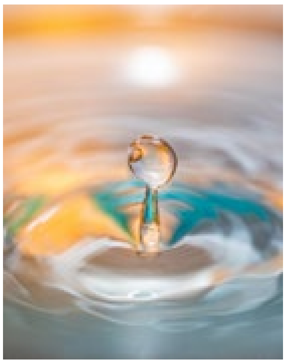
Use of alternative, non-fresh sources of water

The Company is committed to searching for and using alternative sources of water from third parties.

The industrial facilities in Tarragona uses non-fresh regenerated water from a wastewater treatment plant, thereby reducing the use of fresh water. In 2019, almost 11% of the total water consumed at the industrial facility (refining and chemical plant) came from the municipal waste water treatment plant.

Efficient use of water

The Company is working to reduce water consumption across its range of activities.



During the construction of the access road and platforms for the Boyuy X2 well, pits to collect rainwater were set up, avoiding the consumption of 4,480 m³ of surface water bodies, almost the entire amount needed. During the drilling stage, 6,775 m³ that had been recovered from the water treatment plant located on the site, were reused. This far exceeded the requirements under the environmental legislation in force (avoid extracting more than 10% of water sources), in addition to avoiding disputes with the local communities.

Internal reuse of water

Between 2015 and 2019, Repsol increased its use of reused water by 75%. In 2019, reused water accounted for 22% of the total water consumed by the Company, excluding water collected by the Electricity and Gas Business.

As part of non-conventional operations in Marcellus (USA) in 2019, internally reused water accounted for 19% of total water consumed in operations. This is a sign of the E&P business' commitment to the search for new uses of production and return water, reducing our reliance on the resource and reducing the need to extract fresh water from the environment.

Reducing the impact during discharges

In 2019, a total of 39,147 kt of water was discharged, excluding discharges from the Electricity and Gas business. This made for a reduction of 21% compared to 2015.

In this area, water management is based mainly on complying with the requirements defined by the national or local legislation, such as, for example, the requirements promoted by the European Union (Best Available Techniques Reference Documents, BREFs); or the specific Business regulations, such as those established in E&P through the Environmental Performance Practices (EPPs) relating to the quality of sanitary effluents and production water and their impact on the environment.

Repsol's CoOpera Aguas task force is dedicated to diseminating knowledge of issues such as improving the management of discharged by units by controlling these critical parameters at the source, the implementation of best measurement practices or developing guidelines for treating effluents.

Water
For further information on water,
see www.repsol.com

1. Water consumed is measured as water captured, including water reused.

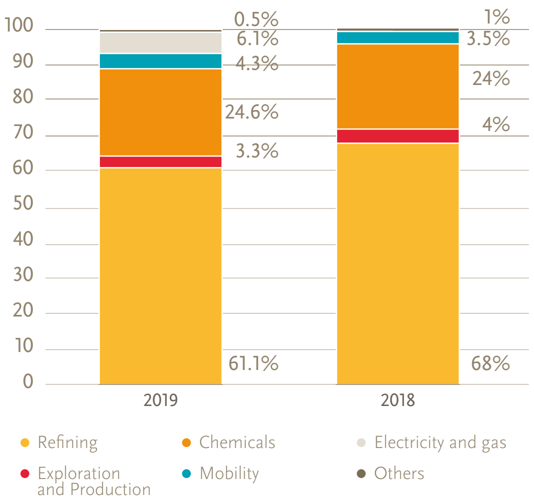
Actions for sustainable water management

Water is one of the main issues to work on in the coming years, with a range of objectives set for 2025 as a result of the strategic rethinking on safety and the environment carried out in 2018.

Achievement of these goals requires accurate analysis of water-related risks, incorporation of the real value of the resource in decision-making processes, and nurturing of a water culture in the Company, Progress in 2019 is discussed on page 72.

The main fresh water sources are the public network (59%), surface resources (36%), and, to a lesser extent, underground aquifers (5%). In 2019, the Electricity and Gas business, which accounts for 6% of water withdrawal, has been included in the Group's consolidation.

Water withdrawal by activity



Water management	2019	2018
Fresh water withdrawn (kilotons)	57,643	51,320
Reused water (kilotons)	15,679	17,368
Reused water (kilotons)/ Water withdrawal (kilotons)	0.27	0.34
Water discharged (kilotons)[(1)]	39,147	36,813
Hydrocarbons in water discharged (metric tons)	186	224
Water withdrawn in Refining /processed crude oil (tons)	0.80	0.75

(1) Refrigeration water in offshore operations is no longer classified as water discharged. The 2018 figure has been amended accordingly.

Discharged water of the Electricity and Gas Business is reported separately, as this water forms part of an open cooling circuit, non-fresh water is withdrawn and returned into the environment.

Discharged water Electricity and Gas business	2019
Non-fresh water withdrawn (kilotons)	205,084
Water discharged (kilotons)	205,172

The water discharged has increased by 6% with respect to 2018, mainly due to the incorporation of the Electricity and Gas business.

Natural capital and biodiversity

Natural capital is the set of ecosystem services provided by nature that contribute directly or indirectly to the well-being of people, the development of society and the global economy, Companies like Repsol depend on natural capital and their operations generate impacts on it.

Repsol is committed to mitigating potential impacts on biodiversity and ecosystem services throughout the entire life cycle of its activities. It follows the principles established by the United Nations (more information at www.repsol.com):

Ecuador

Yasuní biological monitoring

In the Amazonian region of Ecuador, operations are ongoing in blocks 16 and 67, in the Yasuní National Park and Waorani Ethnic Reserve. In line with its corporate standards, Repsol has an environmental management plan that promotes the prevention and mitigation of potential impacts to secure the conservation of biodiversity, considering the biological sensitivity of the region, in addition to the regulations and best practices available.

Biological monitoring represents an essential part of the plan; this began 25 years ago and has remained a constant ever since. This includes performing research and monitoring tasks across several years and seasons (dry/wet) in order to gather scientific information on the conservation of biodiversity and update fauna and flora species inventories. Based on the results, Repsol implements different biodiversity impact management initiatives, applying the mitigation hierarchy. An example of this can be seen in the replanting and reforestation actions that seek to protect habitats, control erosion, preserve native biodiversity and minimize the decrease of native coverage and decline in forests.

- Preventing, minimizing and restoring the environmental impact in all its operations, and especially in sensitive, protected or biologically diverse natural spaces.
- Integrate biodiversity and the protection of ecosystem services into the Company's management systems and decision-making processes, including environmental and social impact assessments.
- Taking part in projects of research, conservation, education and awareness-raising.

Repsol is working to enhance the integration of environmental factors in its decision-making process through the concept of natural capital in the financial assessment of impacts and dependencies on ecosystem-related services. To this end, it is developing a tool whose methodology is aligned to the Natural Capital Protocol, developed by the Natural Capital Coalition, of which Repsol has been an active member since 2017.

This tool will allow the Company to define which mitigation and restoration measures are most efficient and effective, more accurately follow their implementation and contribute to training and awareness raising on biodiversity matters and ecosystem-related services aimed at both Repsol employees and contractors, and local communities and other stakeholders.

Peru

Ecological restoration in Block 57: a sustainable synergy between communities, the State and the Company

Repsol is in the process of restoring two drilling platforms located in Block 57, in the Amazon rainforest in Peru, joining forces with local communities, the administrator of the Asháninka Communal Reserve and the State. To this end, the Company continued to focus on shared value, focusing on enhancing skills, the generation of local employment and restoration, supported by the local community.

In 2017 and 2018, the planning and analysis of alternatives was performed, in addition to the enhancement of capacities, the conclusion of inter-institutional agreements and calls for tender. In 2019, environmental permits were obtained and work began, completing the restoration of the area with more than 13,000 seedlings distributed across an area of 8.37 ha. Jobs have been created both directly and indirectly, and more than 35,000 man hours have been needed, resulting in zero accidents and zero social conflicts. In 2020 and 2021, reforestation maintenance work and environmental monitoring will be performed to ensure the sustainability of restoration efforts.

To share these environmental best practices, this project has been submitted to the 2nd Peruvian Symposium on the Restoration of Amazonian, Andean and Coastal Forestry Ecosystems, held in Lima last November. Additionally, a national Peruvian ecosystem restoration network has been set up, which Repsol forms a part of.

Furthermore, since 2019, Repsol has participated with other companies in the spanish energy sector as part of a collaborative project to share best practices and lessons learned in the field of natural capital. This alliance has generated more detailed and up-to-date information about the value that natural goods and services offer to stakeholders and society, which will make the decision-making process easier to contribute to their conservation.

6.5. Technology development for decarbonization

Indicators *(Million euros)*	**2019**	**2018**
Investment R&D[1]	80	84
Corporate Venturing and OGCI[2]	18	18
Total investment in R&D	**98**	**102**

(1) Indicator that includes the R&D investment corresponding to joint ventures in Brazil.

(2) Includes the investment of Repsol's investment funds in Corporate Venturing, and the Group's contributions to OCGI Climate Investments.

The development and incorporation of new technologies is a key process at Repsol to continue offering differential products. Against a backdrop of the transition towards a low-carbon economy, the systematic capacity to test, assess and adopt technologies and new innovative business models is essential in achieving the objectives defined in the new strategy rolled out by the Company.

In 2018, the Board predicted this trend and approved a new strategy in Technology and Corporate Venturing focuses on:

- Reduction of energy intensity and emissions of CO_2.
- Sustainable and efficient improvement of the profitability of assets.
- Creation of a significant proposal to differentiate energy products and services with a highly customer-oriented focus.

In 2019; in line with the new commitments assumed by the Company to make progress towards zero emissions by 2050, work has been stepped up relating to the energy transition and decarbonization, in addition to the **development of critical technologies** in new models of distributed generation to facilitate the optimal management of electrical charges, including electric vehicles, which will make it possible to connect solar panels or energy storage systems. Repsol has acquired capital in Ampere Energy, a company specializing in the design, development and production of storage and energy management systems. In this vein, it should be noted that Repsol has launched Solify, a new photovoltaic product for single-family houses that makes it possible to consume 100% renewable energy and enjoy savings in their electricity bills.

In addition, new developments have been made in terms of mobility, with projects to produce advanced biofuels with a low carbon footprint by harnessing waste. In terms of transport electrification, projects involving new electrochemical batteries and smart battery control systems are worth note.

In the field of **reducing energy intensity and CO_2 emissions**, the progress made with the SUN2HY project, undertaken with Enagás, a joint venture, in the design of a pilot plant to generate hydrogen using sun power as the main source is worth particular mention.

In terms of the initiatives linked to **circular economy** policies that support different lines of the Chemicals business, worth mention is the implementation of the ZERO project to harness synthetic oils produced by treating, using new chemical recycling technologies, plastic waste that cannot be recycled using traditional, mechanical methods. These technologies transfer plastic polymers into hydrocarbons or pyrolysis oil to be reused in the petrochemical industry.

Concerning the development of **carbon capture, storage and use technologies**, progress continues to be made in the use of CO_2 polymers to replace fossil energy sources. In 2019, the polycarbonate polyol production process was scaled up to an industrial level with the incorporation of up to 30% CO_2, to be marketed by Dynasol (a joint venture in which Repsol has a stakeholding). Through Repsol's participation in the OGCI Climate Investments. Repsol invests in different CCUS initiatives, to develop projects that use CO_2 as a raw material, through Solidia and Econic, and to develop capture and storage projects, through Investys, Clean Gas Project and Wabash Valley Resources, which is due to become the largest capture and storage project in the USA.

Furthermore, through OGCI Climate investment, Repsol invests in projects to reduce **methane emissions and the efficiency of E&P operations**, in companies such as:

- Kairos Aerospacial has developed a technology for detecting methane emissions through aerial inspections.
- SeekOps offers local methane emission detection and quantification services, using drones and mobile detectors. A pilot project is due to be carried out at Repsol, which is currently in the visualization and conceptualization phase.
- ClarkeValve, which has developed low-cost control valves that are capable of eliminating fugitive methane emissions from seal zones.

Venture Capital

Repsol aims to quicken the pace of incorporation of technologies and innovative business models in Company practices through an investment fund which is used to buy into start-ups offering solutions of advanced mobility, energy diversification, new materials, the Circular Economy, the reliability of our operations or digital technologies applied to exploration and production.

The Corporate Venturing operating model focuses on those six technological areas in order to complement the internal R&D capacities by bringing in external innovation. For the 2016-2020 fund, Repsol has committed to making a contribution of €85 million (by 2019, the fund had already invested €32 million). It currently holds more than fifteen stakes and joint development projects.

The investment process starts with the search for technological opportunities in the aforementioned fields and assesses the potential and suitability of the selected start-ups to Repsol's businesses. With a view to stepping up the harnessing of technology and the roll-out of investment, pilot tests have been planned at the company's operations that will make it possible to maximize the likelihood of success (further information at www.repsol.com).

In 2019, special mention must be made of the investments made in Artificial Intelligence firms, including Nnaisense or Belmont Technology, and in blockchain technology, such as Finboot, which was incubated as part of the Repsol Foundation Entrepreneurs Fund.

These investments contribute to the goal of sustainably improving the profitability of Repsol's assets and account for 22% of the investment made in 2019.

The investment in Low Carbon Technologies in 2019 came to 61%.

Furthermore, Repsol participated with its partners in the Oil&Gas sector in the OGCI Climate Investments (OCGI-CI), a vehicle for channeling $1,000 million in investments over a 10-year period in start ups with a view to **fighting climate change by reducing greenhouse gas emissions linked to the supply of energy**. In 2019, Repsol has invested $6 million in this initiative.

The investments made by OGCI in Climate Investments in 2019, in addition to the aforementioned Wabash Valley Resources y Seekops, are as follows: **Kelvin**, a US firm that

Repsol considers that innovation and technology are key components of energy transition.

7 AFFORDABLE AND CLEAN ENERGY

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

17 PARTNERSHIPS FOR THE GOALS

GSP **a**

Ambition:
drive technological innovation as a lever of transformation toward sustainable business models.

develops artificial intelligence-based control systems, making it possible to reduce the carbon footprint of industrial facilities; **Boston Metal**, a US firm that has developed technology to produce steel and other metals more efficiently and in a more environmentally sustainable manner; **XL Hybrids**, a US firm that produces electric hybridization systems that can be attached to internal combustion engines to reduce the CO_2 emissions of commercial fleets; **75F**, a US firm that develops advanced heating, air conditioning and lighting automation systems for commercial buildings that offers important savings on the consumption of electricity; **Norsepower**, a Finnish firm that designs and manufactures mechanical rotors that generate additional wind propulsion on large vessels.

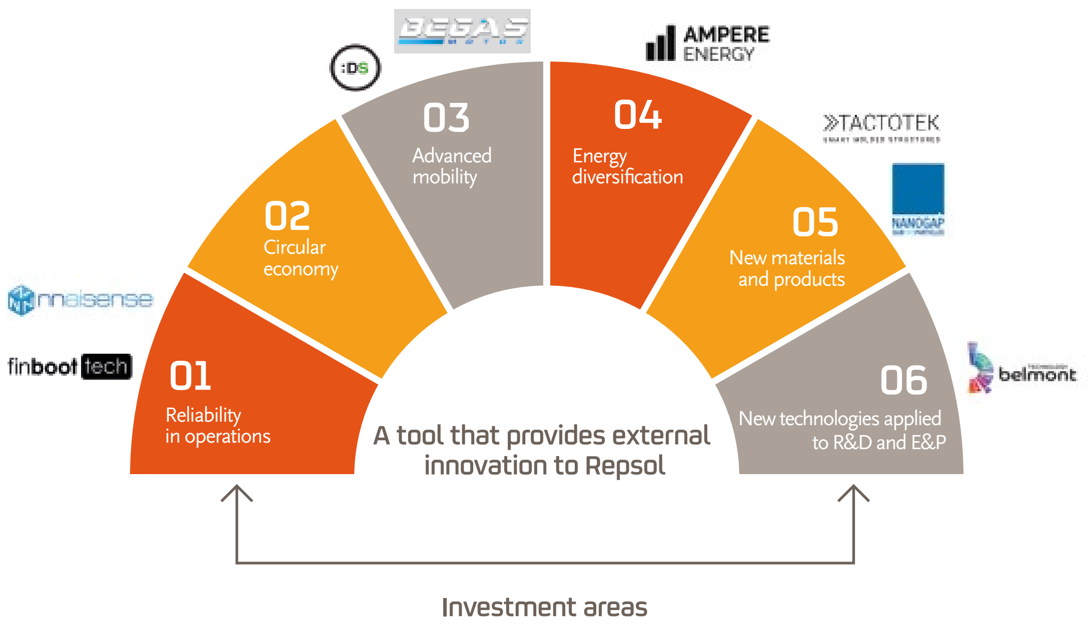
In 2019, Repsol has been approved as a professional private investor by the Centre for the Development of Industrial Technology (CDTI) to co-invest in Spanish technology start-ups through the COINVERSIÓN INNVIERTE program.

Repsol Corporate Venturing has its own website: http://ventures.repsol.com. to give start-ups and other investment funds information on the team and enable them to contact it with proposals. Below are just a few of the investments made.

In 2019, 68 R&D projects have been carried out and more than 15 investments made in start-ups, obtaining 6 new patents. The process has been led by the Repsol *Technology Lab*, meaning the Company has received international recognition for its technology.

Indicators	2019	2018
No. of external scientific partnerships	54	82
Projects supported by the Spanish government	14	15
Projects supported by the EU	12	19

Innovation in start-ups



GSP **2022**

Target:
40% of investment in R&D projects in line with the pillars of the Sustainability Model.

Digitalization

Repsol's Digitalization program launched in 2017, contributes directly to Repsol's sustainable development goals, with more than 60 cases focusing on the fight against climate change, protecting the environment, improving operational safety, optimizing resources and promoting digitalization and innovation in the areas in which Repsol operates.

GSP 2022

Target:
Complete the roll-out of the digitalization program across the Company, ensuring that >30% of digital initiatives have an impact on sustainability.

Digital initiatives with an impact on sustainability

Affordable, clean energy

Data-driven omnichannel offer
Electricity and Gas LPG

BIO certificate
Enhanced transparency using blockchain tech

Responsible production and consumption

Energy management system
Transparency and empowerment of Electricity and Gas customers

wible | **IBIL**
Improved user experience to support sustainable mobility

Decent work and economic growth

Workplace Repsol
Inclusive work environment

RPA (mWell)
Robotic process automation (software bots) for more enriching work

Climate action

SMART energy mgmt.
End-to-end optimization of energy use

HEAT X
Efficient energy transfers

Industrial mobility
Improved safety and enhanced incident management

Online support for utility management
Efficient use of steam

Clean water and sanitation

Worker safety and environmental security in drilling operations

Industry, innovation and infrastructure

Cognitive Challenge
Co-creation of Advanced Analytics ideas

In **2019**
+ 190 digital initiatives
+ 1,000 professionals involved

In Exploration and Production, worth particular note is the implementation of remote control operations centers, which makes it possible to connect all drilling equipment together using a single platform and state-of-the-art machine learning tools, making gains in efficiency and increasing the safety of operations. Along these lines, the development of virtual models of equipment, facilities and entire plants makes it possible to predict fault conditions and simulate their performance with a view to determining the best option to be implemented at the actual asset.

In the industrial areas, Refining and Petrochemicals, digital autonomous plant products have been designed that increase the security of operations and industrial mobility applications, helping to georeference and catalog incidents automatically, reducing repair times, improving safety and minimizing the impact on the environment.

Another is Smart Energy Management, which makes it possible to identify deviations of energy consumption with regard to the optimum in real time, proposing actions to correct them and reduce energy consumption.

In the Commercial area, Artificial Intelligence is used to support the Company's sustainable mobility initiatives by developing applications that make it possible to bring the client closer to Repsol's new range of low-carbon products.

The Company is also experimenting with Blockchain technology to promote transparency, improve traceability and identify new business models. This technology can revolutionize the way that emissions mitigation initiatives are measured, reported on and verified, which are an essential part of supervising progress with the implementation of emissions reduction commitments.

6.6. Responsible tax policy

Repsol is aware of its responsibility for the social and economic development of the countries where it operates and knows that the taxes it pays support development and welfare.

Therefore, the commitments assumed in the Group's tax policy result in responsible payment of taxes through application of good practices in the management of our tax affairs, transparency and the promotion of cooperative relationships with governments, while avoiding material risks and unnecessary disputes.

This tax policy, which is aligned with the mission and values of the Company and the Sustainable Development Goals, aids our being recognized as a Company that practices integrity and transparency in our tax affairs.

Repsol takes on a commitment to the best practices of responsible taxation and tax governance, through the voluntary monitoring of internationally accepted principles and recommendations (B-team, GRI 207, OECD standard for tax risk control). The effective compliance of such commitment is shown below:

PRINCIPLES OF RESPONSIBLE TAX MANAGEMENT[1]	APPLICATION AND EVIDENCE OF COMPLIANCE
1 Accountability and governance: Tax is a crucial part of corporate responsibility and is overseen by the Board of Directors.	• The Board of Directors approves the Tax Policy. • The Board of Directors supervises the enforcement of the strategy and tax risk management. • The Global Sustainability Plan contains tax objectives.
2 Compliance: Compliance with tax legislation and payment in due time in the countries where we create value.	• Regulations and internal control processes to ensure compliance with tax obligations. • Organizational structure and appropriate means for complying with tax obligations. • Internal procedure for setting transfer prices aligned with the creation of value and the arms' length principle.
3 Business structure: On commercial grounds of real substance. We do not seek abusive tax advantages.	• Corporate structure aligned with the business and adapted to legal requirements and corporate governance standards. • Corporate streamlining. • Non-use of special purpose entities in tax havens.
4 Relationships with authorities [2]: Development of cooperative relations with tax authorities, based on mutual respect, transparency and trust.	• Application of the Spanish Code of Good Tax Practices. • Submission of the voluntary report on tax transparency to the Tax Agency. • Participation in the OECD's *International Compliance Assurance program (ICAP)*[3][4]. • Classification as an Authorized Economic Operator in the European Union.
5 Seeking and accepting of tax incentives: With a view to ensure that they are transparent and consistent with the legislative and regulatory framework.	• Use of tax benefits in compliance with the letter and spirit of the regulations. • Verification that the incentives applied are generally available to all economic operators. • Support for the publication of oil contract tax incentives by authorities and governments.
6 Supporting effective tax system[4]: National and international dialog with governments, business groups and civil society to support the development of an effective taxation system.	• Collaboration with international organizations (OECD, UN or EU), governments and NGOs. • Participation in international responsible taxation and tax governance initiatives (*B-Team*).
7 Transparency: Regular provision of information to our stakeholders about our strategy and the taxes we pay (investors, policy makers, employees, civil society, and the general public).	• Pacesetters in Spain in terms of tax transparency according to reports published by different observatories. • Publication of tax payments by country and in our Country by Country Report. • Detailed tax information at www.repsol.com and annual reports.

(1) In line with the Principles defined by the *B-Team* (group of companies that seek to catalyze sustainable development and, in particular, responsible taxation and good governance in tax matters. For further information, see www.bteam.org)

(2) Repsol maintains a good relationship with the main tax administrations in the countries where it pays tax (Canada, Spain, Netherlands, Portugal, United Kingdom, Singapore, etc.), participating at different forums promoting transparent collaboration with the mutual objective of facilitating the application of the taxation system, improving fiscal certainty and reducing litigation. For further information, see www.repsol.com

(3) OECD initiative that seeks to enhance cooperation between the tax authorities to supervise tax risks at multinational groups, mainly in terms of transparency and permanent establishments. Repsol was supervised by the tax authorities of Spain, the United States, Canada, the Netherlands and the United Kingdom.

(4) Repsol is a member of several of the subcommittees created by the UN's Committee of Experts on International Cooperation in Tax Matters, which discuss and draw up tax guides for the authorities in developing countries. Repsol also sits on the tax committee of the OECD's *Business and Industry Advisory Committee* (BIAC).

Repsol applies responsible tax policies and practices.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

17 PARTNERSHIPS FOR THE GOALS

Principles of our tax policy

Responsible compliance, Tax efficiency and Protection of corporate interests

Cooperative relations, Transparency, Prevention of tax risks.

Certified good tax practices

Having taken part in the OECD's first ICAP program, Repsol was certified by the tax authorities of the main jurisdictions where it operates as a low-risk taxpayer due to its good tax practices.

Public Country by Country Report

As part of its commitment to transparency, Repsol has published its "Country by Country Report" on www.repsol.com.

Tax contribution and impact

In 2019, Repsol paid more than **€13,052 million in taxes** and similar government charges and filed close to 45,000 tax returns in more than 50 countries. Details of **payments by country** can be found in Appendix III of this Report and at www.repsol.com, but are summarized below:

Profit generated and taxes effectively paid by continent[(1)]

			Tax burden			Taxes collected					
Millions of euros	Profit 2019[(2)]	Profit 2018[(2)]	TOTAL	Income tax	Other income taxes	TOTAL	VAT	Hydrocarbons tax[(3)]	Other	Total 2019	Total 2018
Europe	881	1,257	858	341	517	9,696	3,187	6,094	415	10,554	11,105
Latam & Caribbean	12	303	526	129	397	637	279	290	68	1,163	1,161
Asia and Oceania	(331)	628	598	226	372	35	1	0	34	633	600
North America	(4,525)	42	100	12	88	67	(5)	0	72	167	168
Africa	146	111	528	458	70	7	(3)	1	9	535	566
TOTAL	**(3,816)**	**2,341**	**2,610**	**1,166**	**1,444**	**10,442**	**3,459**	**6,385**	**598**	**13,052**	**13,600**

(1) Only taxes actually paid during the year are counted: hence taxes accrued during the period but that will be paid in the future are not included. Refunds from previous years are not included.
(2) Net profit after tax and non-controlling interests, including the profit of joint ventures and other companies whose operations are managed as if they were joint ventures (for further information, see Appendix I), in addition to income from discontinued operations.
(3) Hydrocarbons tax. Includes receipts from logistics operators where the Company is ultimately liable for payment.

Transparency

Aware of the importance of its tax affairs, Repsol makes detailed tax information available to the public on its website ["Responsible tax policy" at www.repsol.com].

GSP 2020

Target: Eliminate presence in tax havens.

Presence in tax havens

Currently, there is no active controlled company registered in a tax haven within the Repsol Group. Participation in companies formed in tax havens is shown in the following table:

Group companies and non-controlling interests in tax havens

Company	Jurisdiction	Share	Status	Total income (€M)	Before profit (€M)	Nominal income tax rate	Profit tax accrued (€M)
Greenstone Assurance, Ltd.[(1)]	Bermuda	100%	Dormant	0.03	(0.07)	0%	0
Oil Insurance Ltd.[(2)]	Bermuda	5.54%	Active	23.65	(3.45)	0%	0
Oleoducto de Crudos Pesados (OCP) Ltd.[(3)]	Cayman Islands	29.66%	Active	27.36	26.79	0%	0
Transasia Pipeline, Co.[(4)]	Mauritius	15%	Active	0.89	(6.15)	15%	(1.89)

Sign convention: positive sign indicates revenue/profit; negative sign indicates expense/loss.
(1) Runoff insurer that only settles risks taken on in the past.
(2) Mutual insurer of the Oil&Gas industry that covers Group risks from Bermuda, a common jurisdiction for Upstream business asset reinsurance. Latest available figures are for 2018.
(3) Company under an international joint venture agreement to channel interests in an Ecuadorian operating company that manages oil infrastructure (Oleoducto Crudos Pesados).
(4) Joint venture to channel interests in an Indonesian operating company that manages oil infrastructure. Amounts are for the year 2018.

GSP 2020

Target: Promoting cooperative relations and seeking out amicable solutions.

Repsol is committed to not having a presence in tax havens, except for legitimate business reasons. In the event it should have a presence in a tax haven, the following is required: (i) authorization by the Board of Directors; (ii) performance of business activities; (iii) the application of the Group's general standards and procedures; and (iv) full transparency and cooperation with public authorities.

This commitment extends to the reduction of our presence in territories classified as non-cooperative tax jurisdictions on the EU list and other territories considered contentious for tax purposes by civil society organisations, although not included on official lists. In recent years, we have significantly reduced our presence in tax havens. Detailed information about our presence in tax havens and other controversial territories is available at www.repsol.com.

6.7. Ethics and compliance

Repsol has in place a range of procedures and an overarching action framework designed to ensure that internal and external duties and obligations are properly fulfilled. The Company's compliance function reinforces compliance culture across the Group and improves our ability to identify ethics and compliance risks. We focus especially on anti-corruption measures, money laundering and terrorist financing prevention, crime prevention, international sanctions, antitrust rules and personal data protection.

Ethics and Compliance	2019	2018
Number of employees receiving online training on Code of Ethics and Conduct(1)	18,395	16,687
Number of communications received through the ethics and compliance channel	66	60
Number of corruption mitigation controls (CPM)	432	311
Number of audit projects related to compliance with the Ethics and Conduct Code(2)	25	33
Number of ICFR controls related to mitigation of fraud	1,046	1,046
Number of serious and very serious offenses due to breach of the Ethics and Conduct Code	373	379
Written warnings	10	8
Employment and wage suspensions	294	291
Resignations	-	2
Number of dismissals due to breaches of the Ethics and Conduct Code	69	76

(1) Includes anti-corruption training.
(2) Generally speaking, in all Internal Audit projects matters related to compliance with the Ethics and Conduct Code (ECC) are reviewed, although specific reviews of Code-related or corporate social responsibility-related matters were conducted in 25 projects in 2019.

Code of Ethics and Conduct

The **Repsol Code of Ethics and Conduct** was approved by the Board and applies to all directors, executives and employees, whatever the nature of their contractual relationship with us. The Code creates a frame of reference for understanding and putting into practice the Company's expectations as to each person's behavior, in light of the Group's principles of action. This year, Repsol ran a new training action on the Code of Ethics and Conduct for all employees in an innovative and dynamic web series format. The material focuses on anti-corruption topics and personal data protection. In 2019 Repsol also introduced new rules to supplement the Code, dealing with gifts, hospitality, conflicts of interest and due diligence on third parties.

The Code of Ethics and Conduct is available at www.repsol.com.

The Company's Ethics and Compliance Committee manages the Repsol Group's system of oversight and compliance with the Code of Ethics and Business Conduct.

Our **Ethics and Compliance Channel** (ethicscompliancechannel.repsol.com) is opened 24 hours a day, 7 days a week, and is managed by an outside service provider. Employees and third parties can communicate with the Ethics and Compliance Committee directly, and confidentially or anonymously, in any language, to raise queries and report breaches of the Code of Ethics and Compliance or the Crime Prevention Model.

Fight against corruption and bribery

In its **Anti-Corruption Policy**, Repsol commits to preventing corruption and bribery by conducting its affairs in accordance with prevailing laws and regulations in all respects and in all countries where it operates, rejecting corruption in any form.

The **Ethics and Compliance Committee** is also Repsol's Crime Prevention Unit for the purposes of Article 31a(2)(2) of the Spanish Criminal Code. Repsol's prevention framework and response mechanisms facing breaches of the Code of Ethics and Compliance or suspected criminal offenses within the scope of the Repsol Crime Prevention Model are structured around its policies titled "Crime Prevention Model Management"[1] and "Internal Investigations by the Ethics and Compliance Committee."

Repsol has a Crime Prevention Manual, which was updated this year in line with the latest development in criminal law. The Manual is designed to aid understanding of crime risk and the behavior expected of employees. In 2019, we ran a specific training program including in-person sessions for new executives, industrial facility managers and key personnel in certain countries (Peru, Bolivia

1. The Crime Prevention Model adopted by Repsol's management bodies is the prevention, detection and response system addressing potential criminal conduct within the organization. Corruption is one class of crime risk within the scope of the Model.

and Ecuador). A new online course addressed Crime Prevention officers and managers of related whistleblower channels.

Protection of Fair competition

The Repsol Group is firmly committed to complying with the regulations on the protection of competition in all its areas of action and in all countries it operates in and, therefore, this is a fundamental element of our Code of Ethics and Conduct

At Repsol, we believe in fair and effective competition on the market and we do not get involved in inappropriate practices that could limit free competition. Nor do we seek to obtain competitive advantages using unethical or illegal business practices.

Furthermore, the Company has been undertaking awareness raising actions, such as preparing materials and face-to-face training. The Repsol Group has a mailbox and channel available 24 hours a day, 7 days a week through which any employee and/or third party can file any query concerning compliance with the regulations on the protection of competition.

6.8. Supply chain

Supply chain

Management of the supply chain has a significant impact on the generation of jobs and local economic development. It must be managed sustainably to satisfy the expectations of communities in which the company operates.

Repsol's management system ensures compliance with ethical, employment, environmental, security and social standards, and guarantees risk management as follows:

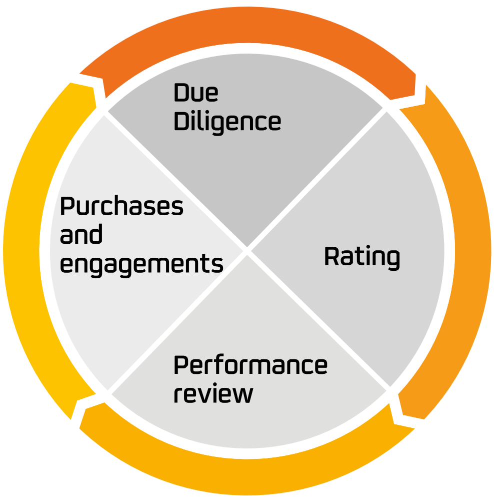
Supply chain risk management

Due Diligence

We examine matters relating to ethics, integrity, anti-corruption, sustainability, and more. Suppliers are required to adhere to the **Code of Ethics and Conduct for Suppliers**, which sets out ethical and social responsibility undertakings.

Purchases and engagements

In high-risk activities, bids are also considered in light of safety and environmental concerns. All suppliers subscribe to our **General Terms of Trade**, which covers safety, environmental, ethical and integrity matters.



Rating

Suppliers providing services and materials involving a higher degree of risk in economic factors are assessed on **quality**, **safety**, **environment**, and **technical aspects** as part of a continuous process. Furthermore, **rating audits** are performed.

Performance review

In the course of our relationship with a supplier and at contract expiration, **we assess their performance as to safety, environment, the community, human rights and management** to ensure that they met their commitments.

Environmental and social assessment of suppliers

Aspects of integrity, corruption and bribery were verified in 2019 by means of the Thomson Reuters external service World Check One on 5,733 suppliers. In 2019, a total of 67 supplier assessment audits were performed using the Repsol protocol, and among other aspects these carried out an on-site check with respect to human rights. 2 social audits were performed in 2019. No contracts were terminated in the course of the year due to the outcome of these audits. From the point of view of assessment of the tasks carried out by suppliers and contractors, 2,605 assessments were carried out in 2019 on 1,248 suppliers and contractors with respect to a range of environmental, employment, social and integrity issues.

Indirect economic impact. Encouragement of local contracts

Local suppliers have the advantage of supplying in close proximity to our operations, which occasionally makes for greater flexibility and adaptability to our needs, with a shorter response time.

Repsol creates opportunities for indirect employment in projects involving the construction of new plants or extensions to existing facilities, and also during drilling operations and shutdowns of industrial complexes. As a general rule there is a high percentage of local procurement and purchases, 81% of total purchases, especially in services involving logistics, civil engineering, catering, accommodation, vehicle and driver hire, doctors and rentals of warehouses and offices; and support services in information and management systems for local offices, waste management, parcel services, internal and external messaging.

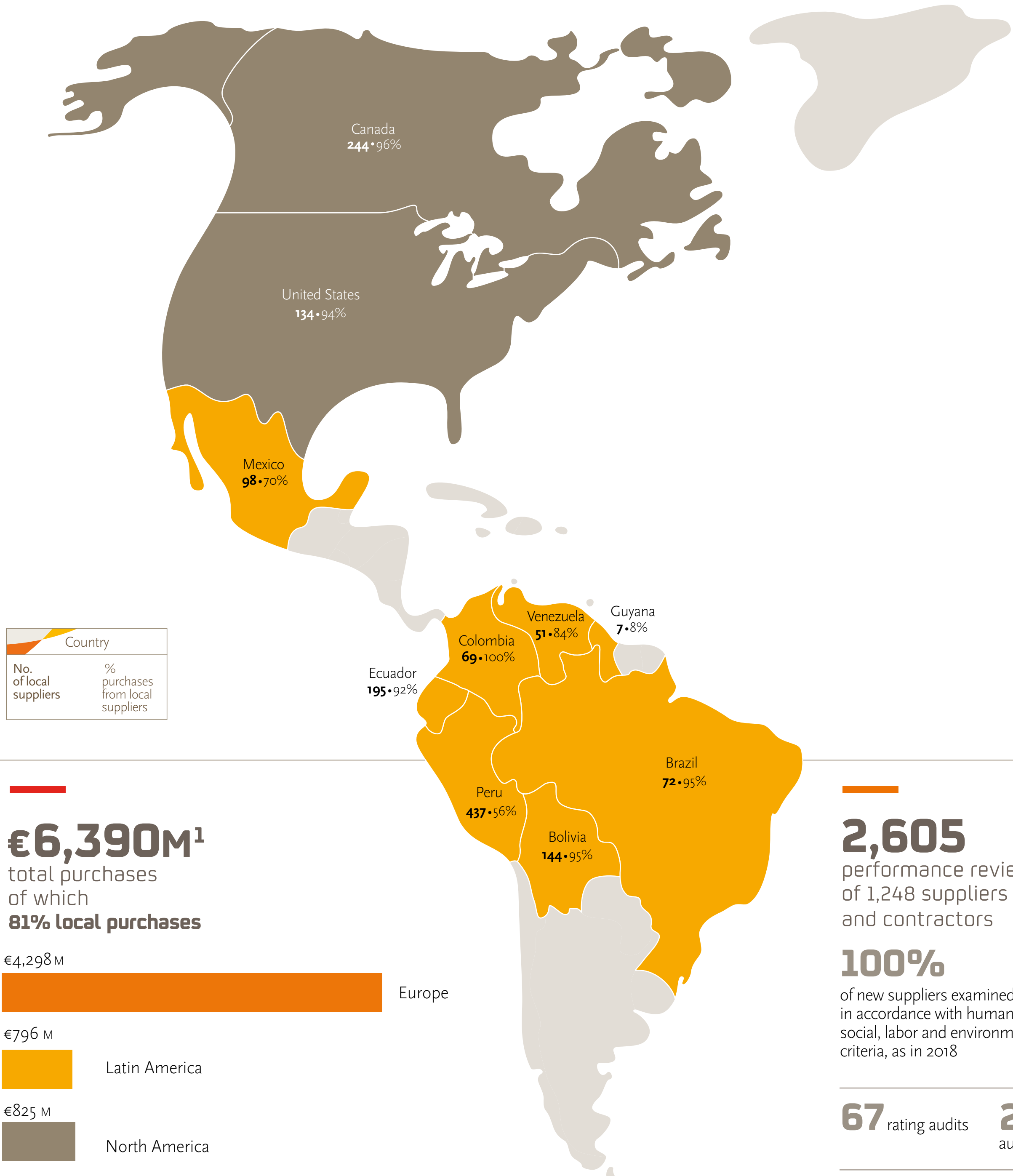
Product safety

The management of safety throughout the life cycle of the products that Repsol sells is a key aspect for the company.

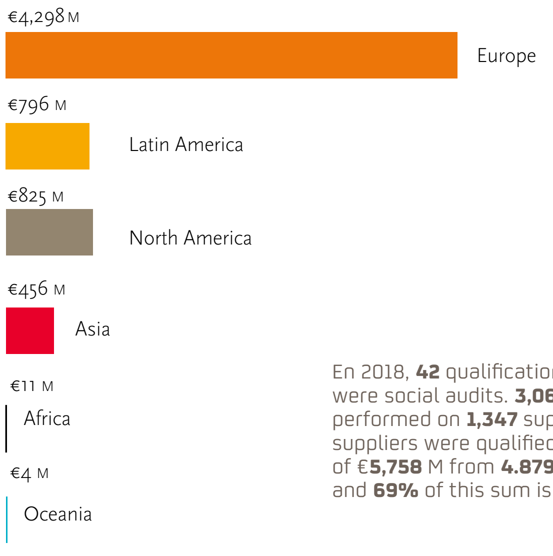
Safety is present throughout all phases, from design to the marketing of the products. Repsol has internal regulations in this field that establish the requirements for ensuring risks are appropriately managed:

- During design, by studying the possible adverse effects of products, identifying their uses and establishing risk management measures.
- During procurement, gathering information on raw materials.
- During operations, by means of the inherently safe design of facilities, the assessment of risks during operations and waste management.
- Safety measures are established for transportation. These internal regulations also include the requirement that when marketing a product, it must be accompanied by the necessary information to ensure that the customers can adopt the measures to handle products safely.

Furthermore, internally, a dedicated tool is in place that provides employees with product safety information.



€6,390M[1]
total purchases
of which
81% local purchases



2,605
performance reviews of 1,248 suppliers and contractors

100%
of new suppliers examined in accordance with human rights, social, labor and environmental criteria, as in 2018

67 rating audits

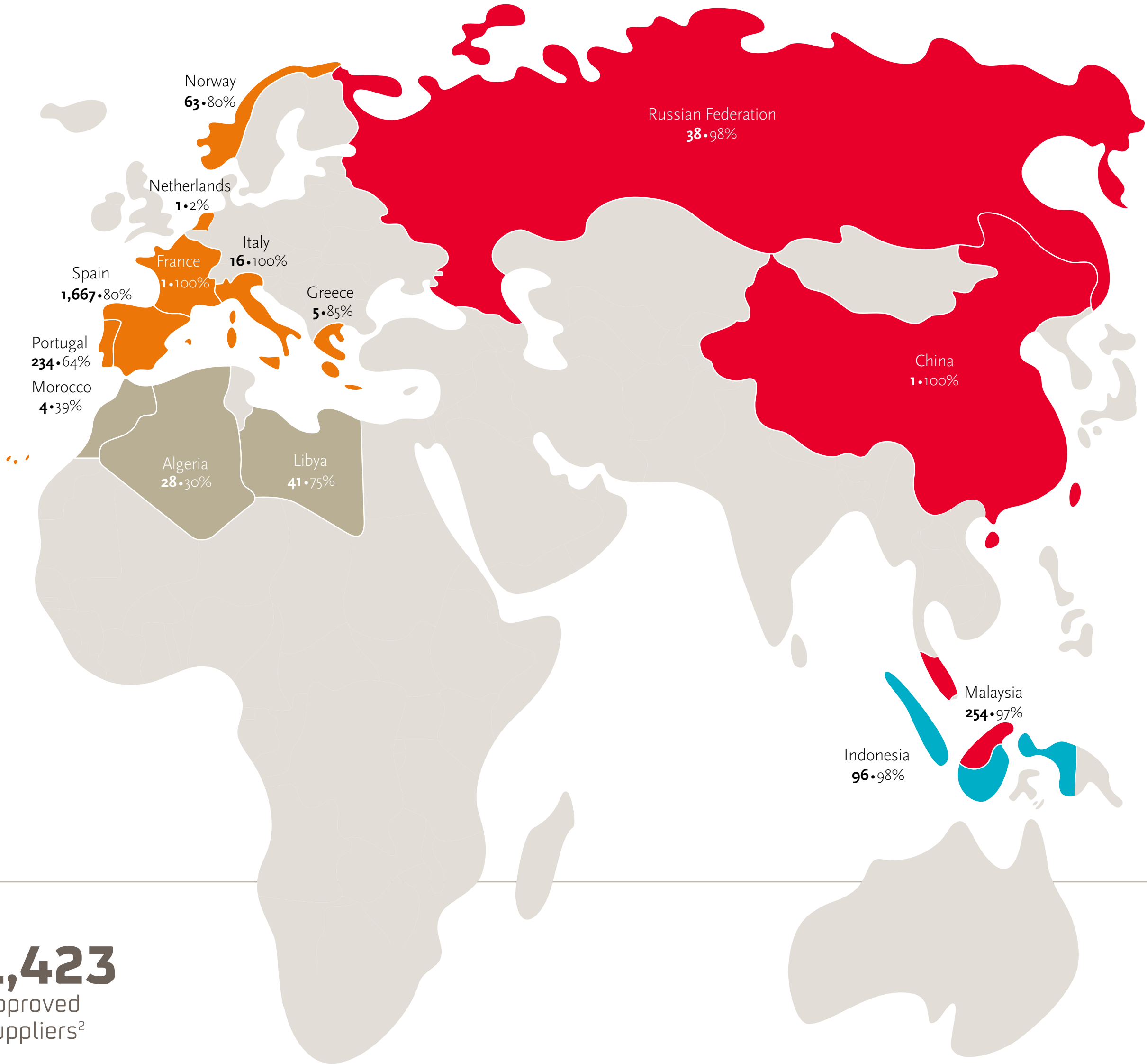
2 social audit

100%
of contracts include human rights, anticorruption and environmental clauses, as in 2018

0 breaches of contract due to security reasons, as in 2018

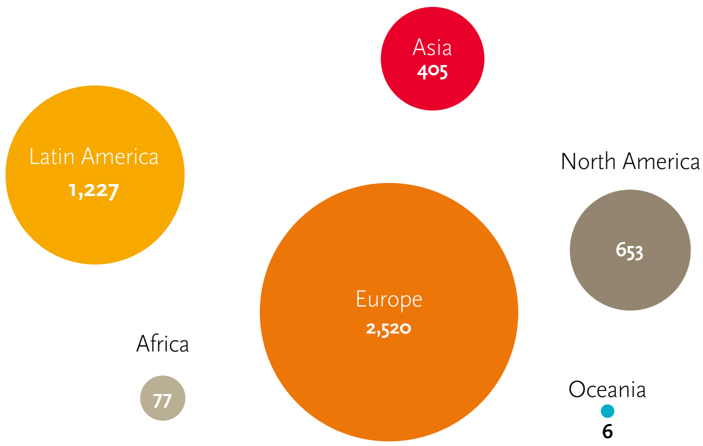
En 2018, **42** qualification audits were performed, **4** of them were social audits. **3,060** performance reviews were performed on **1,347** suppliers and contractors and **3,768** suppliers were qualified. Purchases were made for a total of €**5,758** M from **4.879** suppliers, **73%** of which were local and **69%** of this sum is attributable to local suppliers.

1. In 2019, the purchase reporting criteria was changed to the Total Amount Awarded rather than the Annualized Amount Awarded, as this is considered to be more representative of actual spending in the country. Furthermore, the Rating data point includes the number of suppliers rather than the number of processes. The 2018 data has been recalculated based on these new criteria.



1,423
approved
suppliers[2]

4,888
suppliers
worldwide
74% of which
local suppliers[3]



assessment of health
and safety impacts
on **100% of significant**
products and services

2. In 2019, as was the case in 2018, as part of qualification and audit processes, no supplier has been identified that breached the rights of freedom of association or collective bargaining of its employees, that has participated in child labor or that has submitted its employees to forced labor in any way.
3. Repsol defines "local suppliers" as companies established or nationalized under the laws of the country in which Repsol undertakes operations as part of which the supply will be made or service provided.

3.3% ↑

global GDP in 2020 (estimated)

7. Outlook

7.1. General outlook

Macroeconomic outlook

In 2018 and 2019, world economic growth has slowed down, particularly in the industrial sector. Furthermore, concern about the potential contagion in the services sector has seen central banks react with stimulus measures to prop up domestic demand. Against this backdrop, the latest forecasts of the International Monetary Fund (IMF WEO January 2020) estimate that global growth will recover to 3.3% in 2020 (2.9% in 2019).

The growth of advanced economies is expected to stabilize at around 1.6% in 2020. This stability hides a slight upturn in the Eurozone (1.3% vs. 1.2% in 2019) and a larger slowdown in the USA (2.0% vs. 2.3% in 2019) on account of better fiscal performance.

The upturn in world growth can be attributed to the emerging economies, where
it is expected that the growth rate will bottom out at 3.7% in 2019 before increasing to 4.4%
in 2020. In any case, the upturn in 2020 is due to the greater support provided by monetary policies and the recovery of countries under stress (Argentina, Turkey, Brazil, Mexico, India and Russia).

Activity is expected to decrease (greater likelihood that growth is lower than the base scenario). Amongst the risks, the possibility of a more sudden slowdown in China is worth particular note, given the current context of excessive indebtedness. Another risk would be the tightening of financial conditions due to the increase in commercial protectionism and uncertainties, which would be reflected in an additional drop in consumption and investment, generating a vicious circle between the real economy and financial markets.

Macroeconomic outlook. Key figures

	Real GDP growth (%)		Average inflation (%)	
	2020	2019	2020	2019
Global economy	3.3	2.9	3.4	3.6
Advanced countries	1.6	1.7	1.4	1.7
Spain	1.6	2.0	0.7	1.0
Emerging countries	4.4	3.7	5.1	4.6

Source: IMF *(World Economic Outlook* January 2020) and Repsol Research Unit.

Energy sector outlook

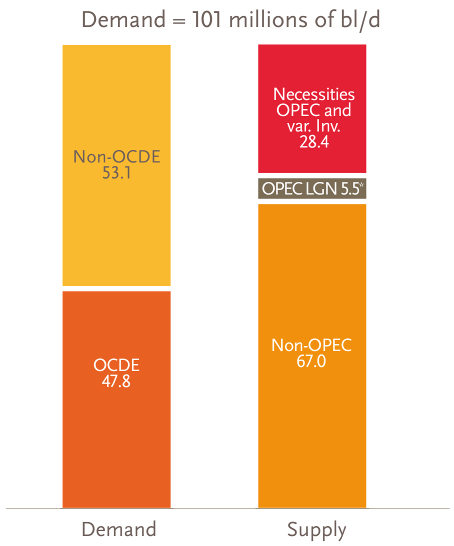
Short term

At the beginning of the year we expected that the gap between demand and supply seen in 2019 would narrow to form a closer balance in the oil market. However, we have had to revise that forecast in light of the outbreak of novel coronavirus, Covid-19, in Wuhan, China. Analysts' early estimates of the impact of Covid-19 on oil demand suggest a decline in the range of 200 kbbl/d to 500 kbbl/d in average growth for the year, concentrating in the first quarter and, to a lesser extent, the second quarter. On the supply side, too, output is falling off: around 1.5 Mbbl/d is being kept out of the market by geopolitical and technical difficulties in Libya, Nigeria, Iraq and Kazakhstan.

OPEC's response to the expected drop in demand is yet to be seen.

The International Energy Agency (IEA), after revising its estimate of global demand growth downward by almost 500 kbbl/d by reason of Covid-19, expects global demand in 2020 to rise by +830 kbbl/d to reach 101 Mbbl/d. Consumption by non-OECD countries is set to grow by +630 kbbl/d, while OECD economies will contribute an increase of +200 kbbl/d. The OECD category has seen positive growth in five of the past six years (with a slight drop in 2019). The IEA expects non-OPEC producers to raise output in 2020 by +205 Mbbl/d, with just over half of the increase coming from the United States +1.07 Mbbl/d forecast for 2020 vs. +1.67 Mbbl/d growth in 2019) and more modest contributions from Brazil and Norway. OPEC, for its part, may agree on fresh output cuts to counter the effect of Covid-19 on demand, although in its latest report the IEA expects OPEC crude oil requirements in 2020 to reach 28.4 Mbbl/d, almost 1.3 Mbbl less than the average for 2019.

World balance of supply/demand 2020



Source: *IEA* and *Repsol Research Unit*

(*) OPEC natural gas liquids excluded from output cuts.

As to **gas price behavior** in the short term, the weakness seen in 2019 is expected to continue into 2020. The current oversupply will be relieved to some extent by a slowdown in production in the United States. On the demand side, however, the mild winter so far and the coronavirus outbreak in China (the main driver of LNG demand) will put downward pressure on US gas exports, which will not not be easy to place elsewhere in Asia. Nonetheless, domestic demand is expected to be strong, especially for electricity generation and exports to Mexico.

Long-term energy sector outlook

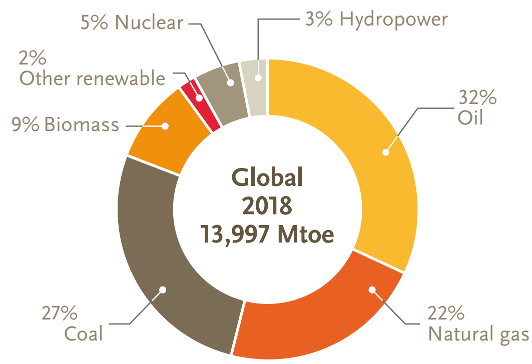
On a global scale, hydrocarbons contribute more than half of the primary energy consumed. Specifically, 32% of global primary energy consumption is derived from oil, which is the most commonly used energy source, followed by coal (27%) and natural gas (22%).

In the coming years, the world should move towards a more sustainable scenario in which all energies are involved in the energy matrix, hand in hand with technology and innovation. In this connection, the IEA has reflected a scenario of sustainable development (SD) in its 2019 *World Energy Outlook*. In this scenario, the Agency believes the policies required to achieve sustainability on three levels: 1) universal access to modern energy in 2030; 2) limitation of greenhouse gas emissions to comply with the objectives of the Paris Agreement; and 3) reduction in emissions of pollutant gases associated with energy and significant improvement in air quality. This scenario entails achieving the UN's Sustainable Development Goals relating to the use of energy, the fight against climate change and the fight against pollution.

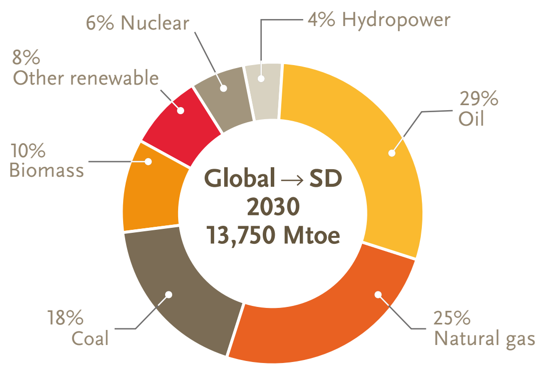
In this scenario, total primary energy employed would fall at an average pace of 0.1% per year, falling from 13,997 million tons of oil equivalent in 2019 to 13,750 million in 2030. Oil would contract by 3 percentage points in the energy matrix and coal by 9 percentage points, whilst natural gas would be the only fossil fuel to increase its share in the matrix, up from 22% to 25% in 2030. Despite the gas power generation sector reducing its consumption, its capacity would grow in comparison to the current situation, as gas would increase its capacity to make the system more flexible.

↑ 3%
Natural gas in the energy matrix in 2030 vs. 2018

World primary energy matrix in the IEA SD scenario



Source: IEA and Repsol Research Desk



Source: IEA and Repsol Research Desk

In the IEA's SD scenario, renewable energies (excluding hydroelectricity) experience significant growth, increasing their share in the primary energy matrix by 6 percentage points by 2030 to 8%, which translates to average yearly growth of 13% during this period.

720
KBoe/d
in 2019

7.2. Outlook for business

In 2020, all areas of the Company will focus on fulfilling the commitments under the Updated Strategic Plan for the period 2018-2020 (as to shareholder return, profitable growth of Upstream and Downstream businesses, and new businesses emerging from the energy transition), within the framework of our bid to be a zero net emissions company by 2050. We set ourselves this ambitious goal in December 2019 (see section 2.4), becoming the first oil and gas company to do so.

The ***Upstream*** business will prioritize creating value over production growth, focusing on the rotation and active management of its portfolio that offers high-quality barrels and cash generation.

In 2020, our organic investment is expected to be around $2,000 million with the aim of developing productive assets, with the main efforts focused on onshore projects or in shallow waters. By countries, the investment will be concentrated especially in the US, Norway, Trinidad, the UK, Brazil, Colombia, Russia, Mexico and Malaysia.

The ***Downstream*** business will move towards decarbonization by promoting of projects associated with the energy transition, in addition to generating new opportunities to create value. The main objectives are:

- In Refining and Chemical facilities, continue increasing plant reliability and flexibility, the orientation toward decarbonization and the introduction of energy efficient measures, which will contribute towards the continuous improvement of margins.
- Attracting value in the face of the new regulatory scenario set by the International Maritime Organization (IMO) concerning the specifications for marine fuel by the Refining and Trading businesses, through the optimization of refinery production and harnessing opportunities provided by the volatility of the market.
- Promotion of projects associated with the energy transition. In Electricity and Gas, the company will continue to expand its customer portfolio and implement the renewable energy generation projects currently in the development phase.
- In Mobility, make progress with our strategy as a multi-energy supplier focused on the customer, with an integrated and differentiated value proposition, service and maximize the value of the business and consolidate our competitive position, optimizing operations.
- Continue with the international expansion of other businesses such as Lubricants, Mobility, Trading and LPG.

Repsol's clear commitment to projects associated with the energy transition and other incentives to expand the *Downstream* business are reflected in the investor efforts anticipated; in 2020, these are expected to come to €1.9 billion.

In 2020, the focus will also stay on efficiency in **corporate areas** (Corporate), automating processes and contributing to the profitability of the entire organization.

In line with the commitment to improving shareholder returns, in 2020, the dividend, paid out using the scrip dividend formula, is due to increase to €1 per share, with reductions in capital through the amortization of treasury shares that will prevent the dilution of those choosing to receive their payout in cash. It is also worth note that, pursuant to the decision taken in June 2019 by the Board of Directors, the additional amortization of 5% of the Company's share capital at December 31, 2018 shall be submitted for approval at the Annual General Meeting.

In the current environment, Repsol expects that in 2020 it will be able to generate cash to finance its investment needs and remunerate its shareholders.

Repsol will continue to make progress with the Digital Transformation, promoting business models and projects that break the mould in the energy sector, with a view to offering solutions and offering value to the entire value chain. In 2020, Upstream will continue to work on projects that seek to reduce the profitability threshold, optimizing the development of assets, improving the efficiency of operations and guaranteeing safety. In the industrial areas, the aim will be to maximize the margin, improving integrated planning and programming, committing to operational excellence, reliability and operational safety. In the commercial businesses, digitalization projects seek to maximize the cash flow through integrated planning and operations, an analytical price strategy, workforce training, new business models and a customer-oriented approach. Finally, the aim of Corporate projects is to improve efficiency and employee satisfaction through robotic process automation (RPA), an improved user experience, *Big Data and Advanced Analytics*.

As an additional lever, the Technology strategy will allow us to have the best alliances and partners in innovative disciplines, giving support to businesses to improve their competitiveness in the medium and long term and providing agility and efficiency.

Appendices

Contents

Appendix I. Alternative performance measures

Repsol's financial disclosures contain figures and measurements prepared in accordance with the regulations applicable to financial information, as well as other measurements prepared in accordance with the Group's Reporting Model[1] known as Alternative Performance Measures (APMs). APMs are measures which are *"adjusted"* compared to those presented under IFRS-EU or with Information on Oil and Gas Exploration and Production Activities[2], and the reader should therefore consider them in addition to, but not instead of, the latter.

APMs are highly useful for users of financial information as they are the measures employed by Repsol's Management to evaluate its financial performance, cash flows, or its financial position when making operational or strategic decisions for the Group.

Certain APMs have been affected by the application of IFRS 16 (see Note 3.2.1 to the consolidated Financial Statements), which means that some of the measures compared between the periods are less representative.

1. Financial performance measures

Adjusted net income

Adjusted net income is the key financial performance measurement which Management (Executive Committee) consults when making decisions.

Repsol presents its segment results including joint ventures and other companies which are jointly managed in accordance with the Group's investment percentage, considering operational and economic indicators within the same perspective and degree of detail as those for companies consolidated under the full consolidation method. Thus, the Group considers that the nature of its businesses and the way in which results are analyzed for decision-making purposes is adequately reflected.

Adjusted net income is calculated as the ***Result from continuing operations*** at *Current Cost of Supply*(CCS[3]) net of taxes and the result from investments minority interests.without including specific income and expenses (***Specific items***) or the so-called ***Inventory effect***. ***Financial income*** corresponds to the adjusted net income under *"Corporate and other"*.

Adjusted net income is a useful APM for investors in order to be able to evaluate the performance of operating segments while permitting increased comparability with Oil&Gas sector companies using different inventory measurement methods (see the following section).

Inventory effect

This is the difference between the **Result from continuing operations at CCS** and the result calculated as the average weighted cost (AWC, which is an inventory valuation method used by the company to determine its results in accordance with European accounting regulations). It only affects the *Downstream* segment, in that for the **Result from continuing operations at CCS**, the cost of volume sold during the period is determined in accordance with supply costs, and production during the year. Apart from the above effect, the ***inventory effect*** includes other adjustments to the valuation of inventories (write-offs, economic hedges) and is presented net of taxes and minority interests. Repsol management considers that this measurement is useful for investors, considering the significant variations arising in the prices of inventories between periods.

The AWC is a generally-accepted European accounting method which measures inventories, in that it contemplates purchase prices and historic production costs, valuing inventory at the lower between this cost and its market value.

1. See Note 4, "*Segment reporting*," to the consolidated Financial Statements.
2. The oil and gas Exploration and Production information, which is compiled and disclosed by the Group annually, is prepared in accordance with the principles generally accepted in the oil and gas industry and, specifically, is based on the disclosure criteria outlined in Topic 932 issued by the Financial Accounting Standards Board (FASB).
3. The Current Cost of Supply (CCS), commonly used in this industry to present the results of Downstream businesses which must work with huge inventories subject to continual price fluctuations is not accepted under European accounting regulations, yet does enable comparability with other sector companies as well as monitoring businesses. As a result of the foregoing, Adjusted Net Income does not include the so-called Inventory Effect. Profit from continuing operations at the current cost of supply (CCS) is equal to EBIT CCS.

Special items

Significant items of which separate presentation is considered convenient to easily monitor the ordinary management of business operation. It includes capital gains/losses arising from divestment, restructuring costs, impairments, provisions for risks and expenses and other major income or expense items outside the ordinary management of the businesses. Special items are presented net of taxes and minority interests.

We present below the special items for the fourth quarter of 2019 and 2018 and the annual aggregate.

	Annual aggregate		Fourth Quarter	
Millions of euros	**2019**	**2018**	**2019**	**2018**
Divestments	49	83	4	24
Workforce restructuring	(64)	(55)	(31)	(13)
Impairment	(4,867)	(684)	(4,863)	(559)
Provisions and other	(941)	301	(822)	423
Discontinued operations	-	412	-	-
Total	**(5,823)**	**57**	**(5,712)**	**(125)**

The following is a reconciliation of the Adjusted Income under the Group's reporting model to Income as stated according to IFRS-EU:

	Fourth Quarter											
			Adjustments									
	Adjusted net income		Reclassification of Joint Ventures		Special items		Inventory Effect[1]		Total Adjustments		EU-IFRS profit/loss	
Millions of euros	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
Operating income	765	1,300	124	(611)	(6,408)	(487)	37	(480)	(6,247)	(1,578)	(5,482)	(278)
Financial result	(148)	(172)	21	39	(2)	24	-	-	19	63	(129)	(109)
Share of profit (loss) of entities accounted for using the equity method - net of dividends	6	(24)	70	610	6	72	-	1	76	683	82	659
Net income before tax	**623**	**1,104**	**215**	**38**	**(6,404)**	**(391)**	**37**	**(479)**	**(6,152)**	**(832)**	**(5,529)**	**272**
Income tax	(211)	(464)	(215)	(38)	691	266	(10)	124	466	352	255	(112)
Profit from continuing operations	**412**	**640**	**-**	**-**	**(5,713)**	**(125)**	**27**	**(355)**	**(5,686)**	**(480)**	**(5,274)**	**160**
Income attributed to minority interests for continuing operations	(7)	(8)	-	-	1	-	(2)	18	(1)	18	(8)	10
Net income from continuing activities attributable to the parent	**405**	**632**	**-**	**-**	**(5,712)**	**(125)**	**25**	**(337)**	**(5,687)**	**(462)**	**(5,282)**	**170**
Profit from discontinued operations	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NET INCOME ATTRIBUTABLE TO THE PARENT	**405**	**632**	**-**	**-**	**(5,712)**	**(125)**	**25**	**(337)**	**(5,687)**	**(462)**	**(5,282)**	**170**

(1) The inventory effect represents an adjustment to "*Supplies*" and "*Changes in inventory of finished goods*" of the income statement under IFRS-EU.

Millions of euros	Adjusted net income		Reclassification of Joint Ventures		Special items		Inventory Effect[1]		Total Adjustments		EU-IFRS profit/loss	
	At December 31		Adjustments									
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Operating income	3,661	4,396	(529)	(1,204)	(6,343)	(633)	(40)	(106)	(6,912)	(1,943)	(3,251)	2,453
Financial result	(390)	(462)	111	130	(22)	159	-	-	89	289	(301)	(173)
Share of profit (loss) of entities accounted for using the equity method - net of dividends	22	15	324	965	5	72	-	1	329	1,038	351	1,053
Net income before tax	**3,293**	**3,949**	**(94)**	**(109)**	**(6,360)**	**(402)**	**(40)**	**(105)**	**(6,494)**	**(616)**	**(3,201)**	**3,333**
Income tax	(1,227)	(1,569)	94	109	536	46	9	28	639	183	(588)	(1,386)
Profit from continuing operations	**2,066**	**2,380**	**-**	**-**	**(5,824)**	**(356)**	**(31)**	**(77)**	**(5,855)**	**(433)**	**(3,789)**	**1,947**
Income attributed to non-controlling interests for continuing operations	(24)	(28)	-	-	1	1	(4)	9	(3)	10	(27)	(18)
Net income from continuing activities attributable to the parent	**2,042**	**2,352**	**-**	**-**	**(5,823)**	**(355)**	**(35)**	**(68)**	**(5,858)**	**(423)**	**(3,816)**	**1,929**
Profit from discontinued operations	-	-	-	-	-	412	-	-	-	412	-	412
TOTAL NET INCOME ATTRIBUTABLE TO THE PARENT	**2,042**	**2,352**	**-**	**-**	**(5,823)**	**57**	**(35)**	**(68)**	**(5,858)**	**(11)**	**(3,816)**	**2,341**

(1) The inventory effect represents an adjustment to "*Supplies*" and "*Changes in inventory of finished goods*" of the income statement under IFRS-EU.

EBITDA:

EBITDA ("*Earnings Before Interest, Tax, Depreciation and Amortization*") is a financial indicator which determines the operating margin of a company prior to deducting interest, taxes, impairment, restructuring costs, and amortization. Since it does not include financial and tax indicators or accounting expenses not involving cash outflow, it is used by Management to evaluate the company's results over time, for a more straightforward exercise in making comparisons with other companies in the Oil&Gas sector.

EBITDA is calculated as Operating Income + Amortization + Impairment as well as other items which do not represent cash inflows or outflows from transactions (restructuring, capital gains/losses from divestment, provisions etc.). Operating income corresponds to the result from continuing operations at weighted average costs (WAC). In cases in which the ***Result from continuing operations*** **at current cost of supply** (CCS) is used, it is considered ***EBITDA at CCS.***

Millions of euros	Group Reporting Model		Joint Ventures reclassification and others		Inventory Effect		IFRS-EU[1]	
	Fourth Quarter							
	2019	2018	2019	2018	2019	2018	2019	2018
Upstream	1,058	1,224	(348)	(493)	-	-	710	731
Downstream	822	469	(9)	(50)	-	-	813	419
Corporate and other	(28)	(13)	(18)	4	-	-	(46)	(9)
EBITDA	**1,852**	**1,680**	**(375)**	**(539)**	**-**	**-**	**1,477**	**1,141**
EBITDA CCS	**1,815**	**2,160**	**(375)**	**(539)**	**37**	**(480)**	**1,477**	**1,141**

(1) Corresponds to "*Profit before tax*" and "*Result adjustments*" in the consolidated Cash Flow Statements prepared under IFRS-EU.

	At December 31							
	Group Reporting Model		Joint Ventures reclassification and others		Inventory effect		IFRS-EU[1]	
Millions of euros	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
Upstream	4,255	4,801	(1,664)	(1,782)	-	-	2,591	3,019
Downstream	3,057	2,859	(47)	(58)	-	-	3,010	2,801
Corporate and other	(151)	(147)	(21)	20	-	-	(172)	(127)
EBITDA	**7,161**	**7,513**	**(1,732)**	**(1,820)**	**-**	**-**	**5,429**	**5,693**
EBITDA CCS	**7,201**	**7,619**	**(1,732)**	**(1,820)**	**(40)**	**(106)**	**5,429**	**5,693**

(1) Corresponds to "*Profit before tax*" and "*Result adjustments*" in the consolidated Cash Flow Statements prepared under IFRS-EU.

ROACE:

This APM is used by Repsol Management to evaluate the capacity of its operating assets to generate profit, and therefore measures invested capital (equity and debt).

ROACE ("*Return on average capital employed*") is calculated as: (Adjusted Net Income - considering the expense for operating leases for the corresponding instalments specified in the contracts, instead of the expense for amortization of the right of use recognized under IFRS 16, excluding Finance Income + Inventory Effect + Special items) / (Average **Capital employed** of the period from continuing operations, which measures own and external capital invested in the company, and corresponds to Total Equity + **Net debt**). It includes that which corresponds to joint ventures or other companies whose operations are generated as such.

NUMERATOR (*Millions of euros*)	**2019**	**2018**
Operating profit EU-IFRS	**(3,251)**	**2,453**
Joint Ventures reclassification	529	1,204
Income tax [1]	(780)	(1,489)
Share of profit (loss) of entities accounted for using the equity method - net of tax	27	88
Impact IFRS 16	(46)	-
I. ROACE result at average weighted cost	**(3,521)**	**2,256**

DENOMINATOR (*Millions of euros*)	**2019**	**2018**
Total equity	25,337	30,914
Net Debt	4,220	3,439
Capital employed at year end	**29,556**	**34,353**
II. Average capital employed [2]	**31,955**	**33,730**
ROACE (I/II)	**(11.0)**	**6.7**

(1) Does not include income tax corresponding to financial results.
(2) Corresponds to the average balance of capital employed at the beginning and end of the year.

***ROACE* with leases** is calculated as: (Adjusted Net Income, excluding Financial Result + Inventory Effect + Special Items) / (Capital employed during the continuing operations period, which equals Total Equity + **Net Debt with leases**). It includes that which corresponds to joint ventures or other companies whose operations are generated as such.

NUMERATOR *(Millions of euros)*	**2019**
Operating profit EU-IFRS	**(3,251)**
Joint Ventures reclassification	529
Income tax (1)	(780)
Share of profit (loss) of entities accounted for using the equity method - net of tax	27
I. ROACE result at weighted average cost	**(3,475)**

DENOMINATOR *(Millions of euros)*	**2019**
Total equity	25,209
Net Debt (with leases)	8,083
Capital employed at year-end (with leases)	**33,292**
II. Average capital employed (2)	**35,685**
ROACE with leases (I/II)	**(9.7)**

(1) Does not include income tax corresponding to financial results.

(2) Corresponds to the average balance of capital employed at the beginning and end of the year.

2. Cash flow measures

Cash flow from operations, free cash flow, cash generated and liquidity:

The three main measurements used by the Group's management to evaluate the generation of cash flow in the period are **Cash flow from operations**, the ***Free cash flow*** and ***Cash generated***.

The ***cash flow from operations*** measures generation of cash from operating activities, and is calculated as: EBITDA +/- Changes to current capital (also called Working Capital) + Collection of dividends +Collections/-payments of income tax + Other collections/-payments from operating activities.

The ***free cash flow*** (FCF) measures cash flow generation from operating and investment activities, and is quite useful for evaluating the funds available for paying shareholder dividends, and debt service payments.

The ***cash flow generated*** corresponds to ***free cash flow*** after deducting all payments for dividends, remuneration of other equity instruments such as net interest and payments for leasing and treasury stock. This APM measures the funds generated by the Company before financial transactions (mainly from debt issuance and repayments).

The following is a reconciliation of ***free cash flow*** and ***cash flow generated*** with the consolidated statements of cash flow prepared under IFRS-EU:

	Fourth Quarter					
	Adjusted cash flow		Joint venture reclassification and other		IFRS-EU cash flow statement	
Millions of euros	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
I. Cash flows from / (used in) operating activities (cash flows from operations)	1,763	2,077	(21)	(317)	1,742	1,760
II. Cash flows from investment activities	(1,515)	(2,221)	7	153	(1,508)	(2,068)
Free cash flow (I+II)	**248**	**(144)**	**(14)**	**(164)**	**234**	**(308)**
Cash flow generated	**(502)**	**(1,017)**	**(6)**	**(163)**	**(508)**	**(1,180)**
III. Cash flows from/(used in) financing activities and others(1)	(996)	(332)	38	125	(958)	(207)
Net increase/(decrease) in cash and cash equivalents (I+II+III)	**(748)**	**(476)**	**24**	**(39)**	**(724)**	**(515)**
Cash and cash equivalents at the beginning of the period	3,966	5,497	(263)	(196)	3,703	5,301
Cash and cash equivalents at the end of the period	3,218	5,021	(239)	(235)	2,979	4,786

	At December 31					
	Adjusted cash flow		Joint venture reclassification and other		IFRS-EU cash flow statement	
Millions of euros	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
I. Cash flows from / (used in) operating activities (cash flows from operations)	5,837	5,428	(988)	(849)	4,849	4,579
II. Cash flows from investment activities	(3,777)	(372)	(630)	(987)	(4,407)	(1,359)
Free cash flow (I+II)	**2,060**	**5,056**	**(1,618)**	**(1,836)**	**442**	**3,220**
Cash flow generated	**(687)**	**2,706**	**(1,578)**	**(1,832)**	**(2,265)**	**874**
III. Cash flows from/(used in) financing activities and others(1)	(3,863)	(4,855)	1,614	1,820	(2,249)	(3,035)
Net increase/(decrease) in cash and cash equivalents (I+II+III)	**(1,803)**	**201**	**(4)**	**(16)**	**(1,807)**	**185**
Cash and cash equivalents at the beginning of the period	5,021	4,820	(235)	(219)	4,786	4,601
Cash and cash equivalents at the end of the period	3,218	5,021	(239)	(235)	2,979	4,786

(1) Includes payments for dividends and payments on other equity instruments, interest payments, other proceeds from/ (payments for) financing activities, proceeds from/(payments for) equity instruments, proceeds from / (payments for) financial liabilities and the exchange rate fluctuations effect.

The Group measures **Liquidity** as the total of "*Cash and cash equivalents*", the cash deposits of immediate availability contracted with financial institutions and undrawn long- and short-term committed credit lines at year end under facilities granted by financial institutions which may be drawn down by the Company in installments, the amount, and the remaining terms of the agreement.

	At December 31					
	Group Reporting Model		Joint venture reclassification and others		IFRS-EU	
Millions of euros	2019	2018	2019	2018	2019	2018
Cash and cash equivalents	3,218	5,021	(239)	(235)	2,979	4,786
Undrawn credit lines	1,818	2,265	(10)	(16)	1,808	2,249
Time deposits of immediate availability (1)	2,631	1,456	-	-	2,631	1,456
Liquidity	**7,667**	**8,742**	**(249)**	**(251)**	**7,418**	**8,491**

(1) Repsol contracts time deposits but with immediate availability, which are recorded under the heading "*Other current financial assets*" and which do not meet the accounting criteria for classification as cash and cash equivalents.

Operating investments

Group management uses this APM to measure each period's investment effort, as well as its allocation by businesses segment, and corresponds to investments in the operation of resources made by different Group businesses. It includes that which corresponds to joint ventures or other companies whose operations are generated as such.

	Fourth Quarter					
	Operating investments		Joint venture reclassification and other		IFRS-EU(1)	
Millions of euros	2019	2018	2019	2018	2019	2018
Upstream	915	550	(116)	(104)	799	446
Downstream	627	1,271	(13)	(39)	614	1,232
Corporate and other	14	34	-	-	14	34
Total	**1,556**	**1,855**	**(129)**	**(143)**	**1,427**	**1,712**

	At December 31					
	Operating investments		Joint venture reclassification and other		IFRS-EU(1)	
Millions of euros	2019	2018	2019	2018	2019	2018
Upstream	2,429	1,973	(499)	(365)	1,930	1,608
Downstream	1,376	1,831	(28)	(41)	1,348	1,790
Corporate and other	56	70	-	-	56	70
Total	**3,861**	**3,874**	**(527)**	**(406)**	**3,334**	**3,468**

(1) This corresponds to "*Payments on investments*" on the consolidated statement of cash flows prepared under IFRS-EU, and does not include items corresponding to "*Other financial assets*".

3. Financial position measures

Debt and financial position ratios:

Net Debt and **Net Debt with leases** are the main APMs used by management to measure the Company's level of debt. They are comprised of financial liabilities (including, as applicable, lease liabilities) less financial assets, cash and cash equivalents, and the effect arising from net market valuation of financial derivative (ex - exchange rates). They include the debt corresponding to joint ventures and other companies operationally managed as such.

	Net Debt	Joint venture reclassification (1)	Balance sheet IFRS-EU
Millions of euros	**Dec-19**	**Dec-19**	**Dec-19**
Non-current assets			
Non-current financial instruments(2)	130	823	953
Current assets			
Other current financial assets	2,655	137	2,792
Cash and cash equivalents	3,218	(239)	2,979
Non-current liabilities			
Non-current financial liabilities(3)	(5,306)	(2,914)	(8,220)
Current liabilities			
Current financial liabilities(3)	(5,313)	(801)	(6,114)
Items not included on the balance sheet			
Net mark to market valuation of financial derivatives (ex: exchange rate)(4)	396	(348)	48
NET DEBT(5)	**(4,220)**	**(3,342)**	**(7,562)**
Non-current net leases payables(6)	(3,372)	684	(2,688)
Current net leases payables(6)	(491)	75	(416)
NET DEBT with leases	**(8,083)**		**(10,666)**

(1) Mainly includes the net financing of the Repsol Sinopec Brazil Group, broken down in the following sections: Cash and cash equivalents of 14 million euros, current financial liabilities from intra-group loans of 2,946 million euros and 624 million euros from leases.

(2) Corresponds to the consolidated balance sheet heading, "Non-current financial assets" without including equity instruments.

(3) Does not include lease liabilities.

(4) The net mark to market value of financial derivatives different from exchange rate derivatives has been eliminated from this section.

(5) Reconciliations of this figure for previous periods are available at www.repsol.com

(6) Includes collection rights from sub-leases amounting to 29 million euros (21 million euros long term and 8 million euros short term).

Gross Debt and **Gross Debt with leases** are measurements used to analyze the Group's solvency and include its financial liabilities (including, as applicable, lease liabilities) and the net fair value of its exchange rate derivatives. They include the debt corresponding to joint ventures and other companies operationally managed as such.

Millions of euros	Gross debt Dec-19	Joint venture reclassification Dec-19	Balance sheet IFRS-EU Dec-19
Current financial liabilities [1]	(5,264)	(803)	(6,067)
Net valuation at the market rates of financial derivative, such as current exchange rate	40	-	40
Current gross debt	**(5,224)**	**(803)**	**(6,027)**
Non-current financial liabilities[1]	(5,235)	(2,914)	(8,149)
Non-current gross debt	**(5,235)**	**(2,914)**	**(8,149)**
GROSS DEBT[2]	**(10,459)**	**(3,717)**	**(14,176)**
Current lease liabilities	(499)	75	(424)
Non-current lease liabilities	(3,392)	683	(2,709)
GROSS DEBT with leases	**(14,350)**	**(2,959)**	**(17,309)**

(1) Does not include lease liabilities.
(2) Reconciliations of this figure for previous periods are available at www.repsol.com.

The following ratios are used by Group management to evaluate leverage ratios as well as Group solvency.

The ***Leverage ratio*** corresponds to ***Net Debt*** divided by ***Capital employed*** at year end. This ratio can be used to determine the financial structure and degree of indebtedness with regard to capital contributed by shareholders and entities which provide financing. It is the chief measure used to evaluate and compare the Company's financial position with others in the Oil&Gas sector.

Debt coverage correspond to ***Net debt*** divided by ***EBITDA***, and makes it possible to evaluate the company's capacity for repaying external financing over a number of years (x times), as well as to compare it to similar sector companies.

The ***Solvency ratio*** is calculated as ***Liquidity*** (section 2 of this Appendix) divided by ***Current Gross debt***, and is used to determine the number of times the Group may handle its current debt using its existing liquidity.

Interest cover is calculated in the same way as debt interest (which comprises finance income and expense, without considering the lease expenses, divided by EBITDA. This ratio is a measurement that can determine the company's ability to cover interest payments with its EBITDA.

	Fourth Quarter					
	Group Reporting Model		Joint venture reclassification		NIIF-UE	
Millions of euros	Dec-19	Dec-18	Dec-19	Dec-18	Dec-19	Dec-18
Net interest[1]	48	73	12	(14)	60	59
EBITDA[1]	1,751	1,680	(347)	(539)	1,404	1,141
Interest cover	**2.8 %**	**4.3 %**			**4.3 %**	**5.2 %**

(1) Does not include the effect of IFRS 16 Leases.

	At December 31					
	Group Reporting Model		Joint venture reclassification		NIIF-UE	
Millions of euros	Dec-19	Dec-18	Dec-19	Dec-18	Dec-19	Dec-18
Net interest[1]	211	288	31	(58)	242	230
EBITDA[1]	6,806	7,513	(1,626)	(1,820)	5,180	5,693
Interest cover	**3.1 %**	**3.8 %**			**4.7 %**	**4.0 %**

(1) Does not include the effect of IFRS 16 Leases.

Appendix II. Risk

Risk management

Repsol's Integrated Risk Management System - [SGIR]

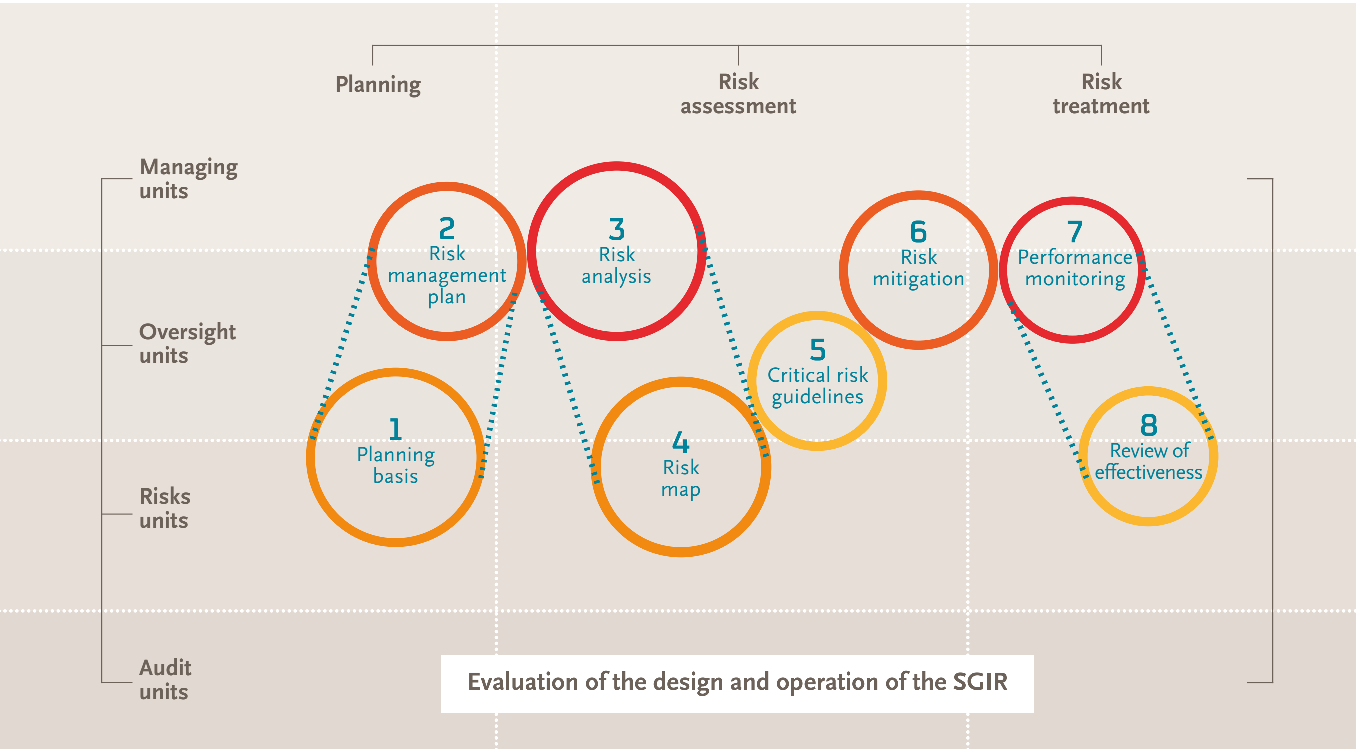
Repsol has an Integrated Risk Management System designed to identify, analyze, and manage risks from a global perspective. The Integrated Risk Management System (SGIR in Spanish) provides a comprehensive and reliable view of all risks that might affect the Company. The SGIR is based on a Risk Management Policy approved by the Board of Directors and its principles are specified in the Integrated Risk Management Standard approved by the Executive Committee.

The fundamental pillars of the SGIR are:

- Senior Management leads integrated risk management.
- The risk perspective is integrated into management and decision-making processes.
- Businesses and corporate areas play a role in the implementation of the model with different levels of responsibility and specialization (risk management units, supervisory units and audit units, in accordance with the Three Lines of Defense Model) as well as the Risk Unit , which governs and coordinates the system.
- It ensures that risks are identified, assessed and addressed in accordance with the guidelines of ISO 31000.
- Promotion of continuous improvement to gain efficiency and responsiveness.

Another key element is the risk tolerance declaration, which is set out in the Risk Management Policy along with the above principles. Repsol aspires to a low-to-medium risk profile that is appropriate for an integrated and diversified energy company, differentiating between risks in which the Company is ready to accept exposure within its overall tolerance threshold, and others in which it seeks to reduce exposure to levels as low as reasonably possible. The latter type would include accident, environmental, health, safety, ethics and conduct, image and reputation and compliance risks.

ISO 31000 Risk Management - Principles and guidelines



Below are details on the Company bodies involved in the definition, implementation, monitoring and supervision of the SGIR, as well as their responsibilities:

Board of Directors

Adopts the Company's overall **strategy and policies**, including the risk control and management policy and **oversight** of internal reporting and control mechanisms.

Audit and Control Committee

Regularly reviews the **performance** of Internal Control, Internal Audit and Risk Management systems to identify, manage and raise awareness of the main risks.

Sustainability Committee

Evaluates risk control and management systems in non-financial domains within its areas of focus.

Executive Committee

Approves **governance elements** in the field of risk management, monitors the correctness of the risk management implementation and **monitors** the Company's risk performance, including integration of the risk perspective in decision-making processes.

Risk Management Units

Responsible for the **direct risk management** in day-to-day operations (identify, analyze, evaluate and treat risks).

Risk Oversight Units

Oversight Units: governance units that specialize in certain risk classes and support wich oversee the implementation of **effective risk management** practices at Management Units by providing ongoing advice.

Risk Unit: ensures that risk management is comprehensive end-to-end, standardized and exhaustive, and effectively shapes **decision-making processes**. The Risks Unit seeks to ensure that the risk assessment process is based on standard methods of risk identification and evaluation across all areas concerned, so as to characterize risks simply and robustly, quantify their frequency or probability and potential fallout in terms of **economic loss, reputation,** image **and/or for people**. To create the **Group's Risk Map,** the Risks Unit annually coordinates the drafting of individual maps for each Management Unit.

Risk Audit Units

Risk Audit Units **evaluate the design and effectiveness** of risk management systems to ensure that risks are properly identified, measured, prioritized and controlled in accordance with current standards and best practices in the industry.

In accordance with the risk management system, Repsol decides to what extent each of the identified risks is assumed, mitigated, covered or averted as far as possible. Among the main measures adopted by the Company are the following:

- Establishment of policies, standards, procedures, manuals and guidelines.
- Analysis and measurement of different risk-related variables, as well as the performance of an analysis of their sensitivity.
- Definition, monitoring and continuous evaluation of the design and operation of the Group's internal control and compliance[1] systems.
- Contracting of insurance coverage.

In this regard, as part of the periodic updating of the Risk Map, the Company is working on identifying new lines of response and consolidating existing ones, mainly through mitigation actions, for the most relevant risks.

In particular, for certain highly-critical risks, Repsol is working on a methodology which makes it possible to gain an holistic understanding of the factors leading to their materialization and consequences, in order to prevent their occurrence and/or reduce their impacts (preventive and contingency measures).

In addition, Repsol has various units for analysis, supervision and independent and response control, specializing in various risk management areas [2]in addition to an Internal Audit Unit focused on evaluating and improving existing controls in order to verify that potential risks that could affect the achievement of the Group's objectives are reasonably identified, measured and controlled.

1. Repsol has an Integrated Internal Control model, inspired by the COSO reference framework, which consists, in addition to other tools, of the Group's formally developed Internal Control and Compliance Systems, including the Internal Financial Reporting Control System, the Regulatory Compliance Programme for the formal legal obligations of legal entities belonging to the Group and the Crime Prevention Model of the Group's Spanish companies.
2. The following areas are worth particular note: Sustainability, Corporate Security, Legal Counsel, Communications, CIO and CDO, Institutional Relationships, Strategy and Planning, Economic and Tax Matters, Financial Development and Rating Agencies, Technology and Corporate Venturing, Corporate Governance, People and Organization, Purchasing and Contracting, Technical Development and Safety and Environment E&P, Technical Industrial Area and Engineering.

System of Internal Control over Financial Reporting (ICFR)

The Repsol Group has a System of Internal Control over Financial Reporting (ICFR) whose correct functioning can reasonably ensure the reliability of the Group's financial reporting. The ICFR model is based on the methodological framework of COSO 2013 (*Committee of Sponsoring Organizations of the Treadway Commission*) as set out in their report *Internal Control-Integrated Framework*, which provides an integrated framework for internal control over financial reporting that is designed to ensure that transactions are recorded faithfully, in conformity with the applicable accounting framework, providing reasonable assurance in the prevention or detection of errors that might have a material impact on the information contained in consolidated Financial Statements. The Audit, Control and Risk Managing Division annually evaluates the design and functioning of the Group ICFR and draws conclusions on its effectiveness.

Main risks

In relation to the risks occurring in 2019, and considering the provisions of Note 15 regarding provisions and disputes, on Note 21 regarding impairment of assets and geostrategic risks, and on Note 23 regarding taxes, of the 2019 Financial Statements with the control systems employed by the Company having worked correctly, making it possible to manage these risks accordingly.

The main risks identified in section 2.3 of this document are detailed below:

Financial and market risks	
Fluctuations in the reference price of hydrocarbons, derivative products and other commodities (electricity and the price of CO_2 emission rights)	Crude oil prices are subject to exogenous factors and therefore to volatility, as a consequence of fluctuations in international supply and demand, impacted by the geopolitical and macroeconomic environment, OPEC influence, technological changes, the energy transition process or natural disasters. On average, the price of Brent crude in 2019 stood at 64$/bbl, 10% down on the 2018 average. On average, the HH gas price was 2.6$/Mbtu in 2019, 16.1% down on the 2018 average. For more information regarding the evolution of hydrocarbon price in 2019, see section 3.2. of this report, and its expected evolution in 2020 in section 7.1. The reduction in crude and gas oil prices adversely affects the profitability of Upstream activity, the valuation of its assets, its capacity to generate cash and its investment plans. A significant drop in capital investment could negatively affect Repsol's ability to replace its crude oil and gas reserves. In turn, the price of international crude oil and its derivatives can impact the value of inventories stored in the Downstream segment. The price of finished products can also affect demand for them. In addition to the macroeconomic environment, the scenarios associated with the energy transition process and the effects of climate change can affect the price of other commodities like electricity and CO_2 emission allowances. Finally, it is worth considering that any potential deviations in price with regard to the Group's forecasts may also be beneficial.

Competitive depositioning	The activity of the energy industry takes place in the context of a highly competitive sector. Such competition may be increased by a number of factors including the entry of new competitors, changes in market conditions, expiry of administrative concessions, technological obsolescence or insufficient differentiation. The combined effect of these factors may affect market share and margins.
Drop in demand	Should demand for crude oil, gas, electricity or oil derivatives drop beneath the Group's forecasts, the results of its main businesses would be adversely affected (E&P, Refining, Marketing, Chemicals, Trading, LGP, Electricity and Gas, etc.) as this would affect business volume. Amongst the factors that could affect demand, particular mention should be made of the slowdown in growth in countries where the Group is most exposed, trade tensions between the major powers and climate change and energy transition scenarios.
Regulatory and litigation risks	
Administrative, judicial and arbitration proceedings	The Repsol Group is subject to the effects of administrative, judicial and arbitration proceedings arising in the ordinary course of business whose scope, content and outcome cannot be predicted with precision. For further information on some of these proceedings, see Note 15.2 of the consolidated Financial Statements.
Regulatory risks:	The energy industry and the Group's activity is heavily regulated. The current regulatory framework affects aspects such as the environment, competition, taxation, employment, industrial safety and IT security, among others. Any changes that may be made to the applicable standards or their interpretation or any disputes in terms of compliance therewith, may adversely affect the business, results and financial position of the Repsol Group. In particular, the regulatory aspects that generate this exposure include tax regulations and their interpretation, the wide variety of environmental and safety regulations (environmental product quality, air emissions, climate change and energy efficiency, extraction technologies, water discharges, remediation of soil and groundwater and the generation, storage, transport, treatment and final disposal of waste materials), accounting and transparency regulations, competition rules, legal occupational regulations and data protection provisions. Furthermore, Repsol reports on proven oil and gas reserve estimates that involve inherent uncertainty in the assessment process that is subject to judgments and estimates (see Note 3 of the consolidated Financial Statements). In addition, Repsol may be affected by the existence of sanctions and trade embargo regimes adopted by the EU, its Member States, the US or other countries, as well as supranational bodies such as the United Nations, on certain countries in which it operates and/or companies or individuals based in them.
Geostrategic risks	
Arbitrary actions and loss of assets due to government decisions:	Part of Repsol's activities are carried out in countries that present or may present scenarios of social, political or economic instability that could lead to situations such as the increase of taxes and royalties, the establishment of production limits and volumes for exports, mandatory renegotiations or annulment of contracts, regulation of product prices, nationalization, expropriation or confiscation of assets, loss of concessions, changes in government policies, changes in commercial customs and practices or delayed payments, among others. Specifically, Repsol operates in countries with special geopolitical risk such as Venezuela, Libya, and Algeria. For further information, see Note 21.3 of the Group's consolidated Financial Statements.
Operational risks	
Accident rate	Repsol's industrial and commercial assets (refineries, petrochemical complexes, regasification plants, power generation plants, bases and warehouses, port facilities, pipelines, ships, tanker trucks, service stations, etc.) as well as E&P's own facilities (exploratory or production wells, surface facilities, oil platforms, etc.), both onshore and offshore, are exposed to accidents such as fires, explosions, toxic product leaks and environmental incidents with a large potential impact. Such accidents may cause death and injury to employees, contractors, residents in surrounding areas, as well as damage to the assets and property owned by Repsol and third parties as well as damage to the environment. The Repsol Group is exposed to impacts from any type of damage or temporary interruption of service associated with accidents in operations or involving land, sea, river and air transport vehicles for people, substances, goods and equipment.
Deviations in organizational management and employees management	The Repsol Group is exposed to negative impacts arising from the management of the organization and its employees, which constitute a key asset for the Group and which, in certain business contexts, may prove inadequate for achieving its objectives. The factors triggering such impacts include aspects such as talent attraction and retention, organizational structure, both in terms of design and dimensioning, and labor relations.
Errors and failures in production and/or transport processes	The Repsol Group is exposed to potential impacts related to failures or deviations from planned results in the operation and/or maintenance of industrial complexes (refineries, petrochemical complexes, regasification plants and so on) or logistics facilities for transporting raw materials or products (gas pipelines, oil pipelines and polyducts), as well as in reserve operation activities, among others.
Attacks against people or assets	In general, but especially in certain countries where it operates, Repsol is exposed to potential impacts deriving from acts of direct violence that may endanger the integrity of both the Company's assets, whether physical or logical, and of the persons linked to it as a result of the actions of persons or groups motivated by any interests, whether governmental or not, including, among others, acts of terrorism, delinquency and piracy. Noteworthy are the special safety conditions in Libya, where there have been intermittent stoppages of hydrocarbon production in 2019. For further information, see Note 21.3 of the consolidated Financial Statements.

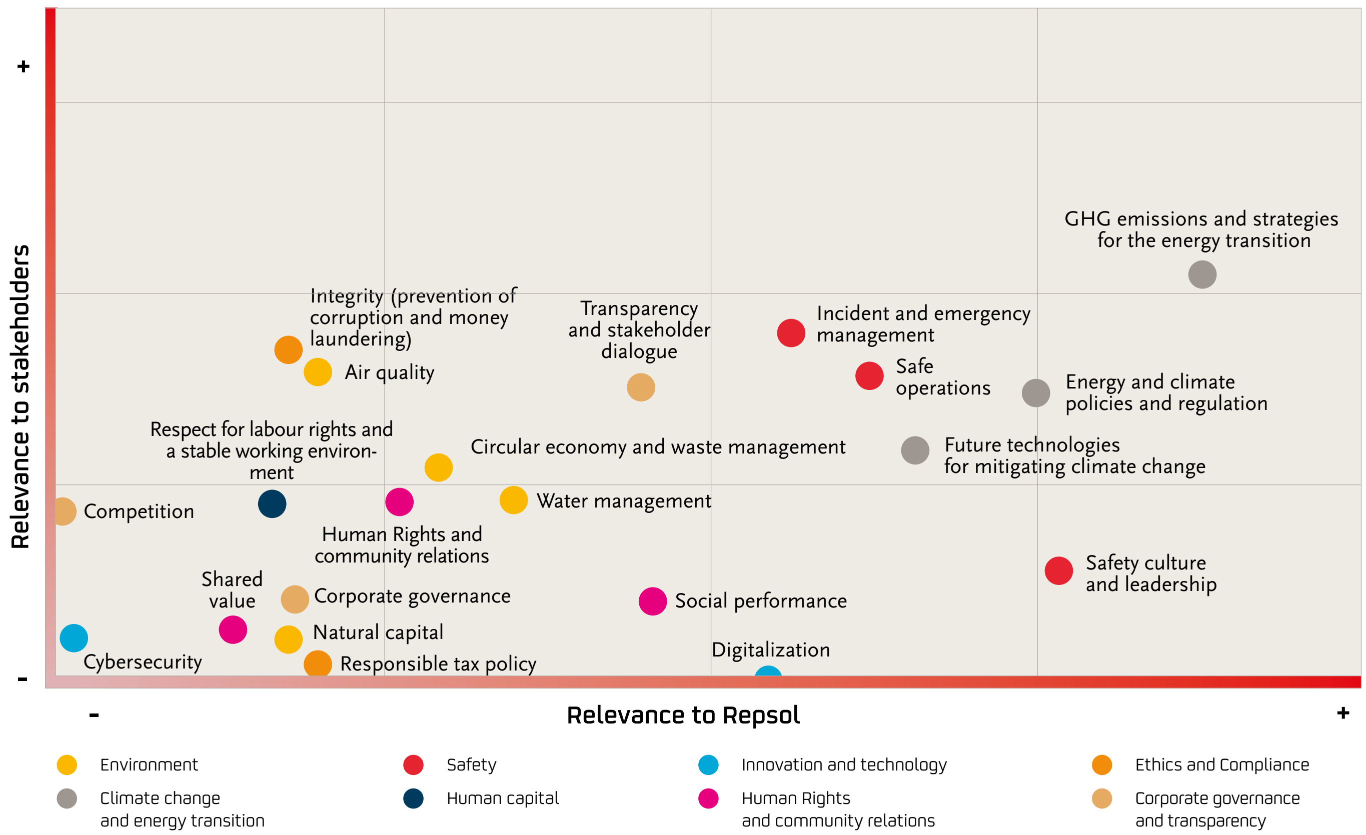
Appendix III.
Further information on Sustainability[1]

Materiality and stakeholder engagement

Materiality [102-46 to 47] and Stakeholder Engagement [102-40 and 102-42 to 44]

The following chart shows the results of the materiality study with regard to Sustainability.

Matters identified by stakeholders



Repsol has performed a new materiality study in 2019, which reflects the significance of Sustainability issues both for the Company and for its stakeholders. The elaboration of the new sudy has involved 19 areas of the organization, including the areas responsible for stakeholder relations at the Company and areas specializing in Sustainability. Business and corporate executive personnel and the Executive Committee itself also participated in this process.

The list of stakeholders considered in this analysis has doubled from 4 to 8. Furthermore, a stakeholder map has been created and the differente stakeholder groups have been prioritized.

The methodology has been based on interviews, surveys and the analysis of documents, considering the businesses and different countries where Company operates in. An overall Company matrix has been built in addition to matrices per business and stakeholder.

1. In this section, the numeric references in brackets correspond to GRI indicators.

Matters identified by stakeholders consulted:

Employees: Prioritize transparency and company/worker dialog, in addition to incident and emergency management, the energy transition and the adaptation to climate change. The Company has direct channels of communication and dialogue with its employees and also through their labor union representatives in negotiating committees to discuss issues of interest and reach agreements. Through committees and commissions meetings, monitoring and compliance are ensured of collective agreements and understandings applicable in Group companies. The European Works Council of the Repsol Group stands out for their capacity for dialogue with employees' representatives at an international level.

Partners, competitors and business associations: Repsol maintains a constant relationship with these stakeholders through negotiation processes, alliances (for example the OGCI [Oil and Gas Climate Initiative]), sector associations, conferences and events.Included in this stakeholder group are our partners and competitors in the energy sector, who share Repsol's interest in climate change and safety. Furthermore, in terms of their relations with Repsol, this group is particularly interested in the responsible management of business relations and transparency in communications and dialogue channels.

Public institutions and organizations: Contact with this stakeholder is frequent and mainly through meetings and events, in any case at the frequency required by the different international, national, regional and local public institutions and organisations. The most relevant matters for this stakeholder, in addition to climate change, are integrity, air quality, circular economy and equal opportunities.

Media: Climate change adaptation is the most relevant Sustainability issue to them, followed by integrity. Another fundamental matter for the media is transparency and stakeholder dialogue channels, in addition to air quality and water management.Repsol is regularly in contact with this stakeholder through press releases, interviews, articles, etc.

Customers: Repsol maintains a constant dial dialogue og with these stakeholders through its extensive commercial network, participation at specialist fairs and events, technical assistance services, customer service and the points of sale network. For this group, the most important Sustainability issues are associated with products and services: customer satisfaction, quality of these products and services, access to affordable energy and advertising and marketing.

Shareholders, investors and financial institutions: Repsol engages in continuous communication and dialogue with this group. The CEO of the Company, Josu Jon Imaz, leads senior management roadshows with investors to respond to their requests for information in this field. And for the fourth year in a row, he led the Sustainability Day in its sixth edition, with the assistance of Mariano Marzo, lead independent Director and chairman of the Sustaianabiliy Committee. The total number of investors visited during the year accounts for 92% of all the socially responsible shareholders, which at year end represents 31.4% of the Company's institutional shareholders.

Suppliers and contractors: Many members of this stakeholder group work at assets operated by Repsol and, therefore, share their interest in matters relating to safety: safe operation, incident management, emergency management and safety leadership.To them, it is also essential that the company manages its business relations in a responsible manner and maintains transparent communication with stakeholders.It has also been detected that for this stakeholder, matters relating to ethics and compliance and, in particular, integrity are important. Repsol maintains a regular engagement with this stakeholder throughout all the management process, from procurement to operations.

Society: This stakeholder group includes local communities, (including indigenous populations), trade unions, NGOs, academia, civil society and citizens. In addition to its concern for GHG emissions, energy transition strategies and climate change adaptation, they demand that the companies to prevent and mitigate the main environmental and social impacts of their activities and place great importance on business ethics. Contact and dialogue channels. with these stakeholders take on many forms, including meetings, social programs, commercial activities, social media, etc. Besides, the Sustainability information that Repsol publishes, the Company responds to requests for information and actively participates in cross-sectorial taskforces, presentations, conferences and debates on this matter.

Corporate governance

[102-23] Chair of the highest governing body

Since 2014, Repsol has separated the roles of Chairman of the Board of Directors and Managing Director, with Antonio Brufau Niubó serving as the non-executive Chairman of the Board of Directors and Josu Jon Imaz serving as the Managing Director of the Company and, therefore, heading up the Executive Committee.

On May 31, 2019, the Annual General Meeting of Shareholders resolved to re-elect the Chairman of the Board of Directors, Antonio Brufau Niubó, and the Chief Executive Officer, Josu Jon Imaz San Miguel, to their posts for the bylaw-mandated period of four years, so that both may continue to carry out the functions they have been entrusted with until now and which they have been performing in an outstanding manner. Mr. Imaz shall focus on executive tasks and Mr. Brufau on the tasks of supervision and institutional representation of the Company.

[102-37] Stakeholder involvement in remuneration

The Annual Report on the Remuneration of Repsol Directors is submitted to an advisory vote of shareholders. At the General Meeting of May 31, 2019, the report received wide support, as it was approved by a majority of the 95.6% of the capital attending the meeting.

Furthermore, and with the aim of assisting shareholders in understanding the information in the official model of the Report on Remuneration, and to continue increasing the transparency of remuneration schemes, the Company has also published an additional voluntary report in recent years on this topic that contains more detailed, comprehensive information on the remuneration of Executive Directors. With regard to 2019, the Company adhered to the option set out in Circular 2/2018 of the Spanish Securities Exchange Commission and chose to prepare a single, free-format Annual Remuneration Report, along with a statistical appendix, providing its shareholders and stakeholders with all the information corresponding to Executive Director remuneration.

Also, the General Shareholders' Meeting of Saturday, May 31, 2019 approved, with 95.4% of votes in favor, the Remuneration Policy of Directors of Repsol, S.A. for 2018, 2019 and 2020. The policy contains, among other matters, forecasts on the partial payment in shares of long-term variable remuneration and the policy on holding of shares.

The average remuneration of Directors, by gender, is shown below:

Average remuneration paid to Directors, by gender (€)

	2019		2018	
	Women	Men	Women	Men
Director average	291,025.61	330,378	278.311	325,151
Chairman	N.A.	2,500.000	N.A.	2,500.000

For more information, please see the Annual Remuneration Report.

Climate change

Energy efficiency and climate change

[G4-OG2] and [G4-OG3] Renewable energy generation

Repsol Energy Ventures has a shareholding in the American company Principle Power Inc. This company owns a patent for semi-submersible floating structures for offshore wind generation. In 2018, a contract was signed to install PPI technology at the KOWL (Kincardine) project in Scotland; currently, 2 MW of this is now online and a further 5 additional turbines of 9.5 MW are also due to be installed.

In 2019, the construction phase of the Windfloat Atlantic project (3 wind turbines with a total power of 25 MW) on the Portuguese coast was completed. Specifically, the manufacture of the wind turbines and the platforms was completed, although only one of them was connected to the grid. The other two platforms will come online during the first quarter of 2020. The project comes under a remuneration scheme approved by the Portuguese Government and attracts aid from the European Union, through the NER 300 programme, and the Portuguese Environment Agency (APA). In addition, the project has obtained a €60 million loan from the European Investment Bank under the InnovFin Program. Repsol's contributions to this project in 2019 came to 7.6 million euros.

Repsol Electricidad y Gas, S.A. is undertaking a wide range of renewable energy projects (see Section 5.2.5.4 of the Report).

Total investment in renewable energy, by type of technology

Technology	Investment (€ thousands)
Offshore wind power	7,600.0
R&D Biofuels 1st generation	585.3
R&D Advanced biofuels	1,636.5
Total	**9,821.8**

Total amount of renewable energy generated, by source

Source	Power generation (MWh)
Hydro < 10 MW	97,012
Hydro > 10 MW	910.436
Total	**1,007.447.8**

[302-5] Reductions in energy requirements of products and services

Repsol invests in sustainable mobility through electric mobility projects, automotive gas and energy diversification. Furthermore, it is committed to developing new products with less energy requirements for the end user.

Electric-mobility	Since 2010, Repsol has promoted electric mobility through **IBIL**, which is a 50% investee of Repsol and the Basque Energy Agency (EVE), for a comprehensive energy charging service that is 100% renewable, with smart facilities and terminals and an infrastructure control center. Between 2012 and 2019, this project saw a decrease of 1,297.36 tCO_2. In 2019, Repsol acquired the recharging network and energy marketing services for electric vehicles from **IBIL**. As a result, Repsol's public recharging network now consists of more than 230 points, which represents one of the biggest infrastructures of its kind in Spain. Of these, 35 are quick charge points located at the company's service stations, positioning Repsol as a leader in electric vehicle recharging. Furthermore, Repsol has set up the first two ultra-fast recharging points for electric vehicles on the Iberian Peninsula at its Repsol service stations. In 2018, Repsol invested in the US firm **Ample Inc**, which designs and sells robotized battery exchange systems for electric vehicles, which allows for the quick, automated replacement of dead batteries with charged batteries.
Digitization in mobility	The **Westmartpark** project is a Spanish company that has set up and manages a network of low-cost collaborative parking where customers can park with savings of up to 50%, and owners of the spaces can monetize them during hours of off-peak use through an online platform and IoT technology sensors. The **Drivesmart** project is a Spanish company that owns the Drivesmart application which applies metrics of safe, social and sustainable driving. Through a user's smartphone, Drivesmart compiles and processes information on a person's driving style. The result is an objective measurement of the quality user's driving, and it fosters improvement.
AutoGas	**AutoGas** is the most widely used alternative fuel for vehicles because it enables fuel savings of up to 40%. Repsol currently has 745 AutoGas supply points and is gradually expanding this network. **AutoGas** with bifuel vehicles are fitted with two tanks: one for gasoline and another for AutoGas, thus doubling the vehicle's autonomy. At Repsol we have taken a step further in the use of LPG. The company has launched a technology development project with the Spanish company **Begas Motor S.L.** to develop engines for heavy vehicles (buses) fueled with autogas (LPG), so that they can be certified as ECO vehicles. In 2019, a significant milestone was reached in terms of the approval of the engine, meaning it can now be listed in the ECO category of the Euro VI Directive.
Distributed generation	The Company has launched **Solify**, an integrated photovoltaic energy solution for individuals and companies that supplies 100% renewable energy, savings on electricity bills and efficient digital management. Furthermore, with a view to applying this self-consumption solution to its service stations and other facilities, the Company has rolled out a project to equip its service stations with solar facilities to supply them with their own electricity. The project's pilot phase involves 30 facilities spread across the Iberian Peninsula, six of which are already up and running. This project will be expanded to other Repsol service stations throughout 2020.
New polyolefins with lower energy requirements	In 2019, the Chemicals business developed the following products: • Three new grades of medium density metallocene polyethylene within the Repsol Resistex range, which contributes to reducing the thickness of flexible packaging and, therefore, less energy consumption per package, given the reduction in weight. • Change in the degree of high density polyethylene for milk bottles to achieve an increase in density that allows for a reduction in the thickness of packages, thus reducing the weight per package and therefore, consuming less energy.

[G4-OG14] Volume of biofuels produced, shared and sold

As part of its medium-term vision, Repsol helps to reduce CO_2 emissions released during transport through the use of biofuels incorporated in gasoline and gasoil. In addition, the Company is focusing on the promotion of projects of advanced biofuels (based on non-food raw materials) with a strong technological content and high reduction of the carbon footprint. Work is currently under way at the Technology Hub.

To guarantee the sustainability of its biofuels, Repsol has signed up to international frameworks that certify compliance with the sustainability parameters defined in the Renewables Directive (RED I) and the traceability of the raw materials employed throughout the chain of production, from their origin to the finished product. Specifically, at its industrial plants and centers, the Company's operations follow the ISCC sustainability frameworks[1] and they have been certified under the National Sustainability Verification System (SNVS). The percentage of biofuels physically incorporated into gasoline and diesel fuel in 2019 is higher than the minimum limits mandated by law.

It is worth noting that during 2019, biofuels manufactured using raw materials recovered from waste have been included in the portfolio, thus reducing emissions even further than is normally the case with conventional or first generation biofuels.

The total volume of biofuels incorporated into the fuels marketed by Repsol in 2019 came to 1,498,275 m^3, of which 576,953 m^3 were produced at the Group's refineries and the remaining 921,322 m^3 have been purchased from external companies and mixed in the appropriate proportion to respond to the specifications of gasolines and diesel fuels and the requirements of our customers. These biofuels have reduced emissions released during transport by 2.8 M of CO_2. Repsol's biofuel production capacity is 871,000 m^3/year, divided up between BioETBE (429,000 m^3/year) and hydrogenated vegetable oil (GVO, 442,000 m^3/year).

1. ISCC: *International Sustainability & Carbon Certification*. An international certification framework that covers all possible sustainable inputs for the production of biofuels, including agricultural raw materials, forestry biomass and other circular materials or renewable biological materials.

People

Employment[1]

At year-end 2019 the Company had 25,228 employees. The total workforce at December 31, 2019, was 27,389 and the total managed workforce was 24,876 (26,818 and 24,485 at December 31, 2018, respectively). The accumulated average managed workforce in 2019 was 24,681 (24,679 in 2018). Unlike the number of employees, FTE is calculated based on the percentage of occupation of each employee. The distribution of employees in the countries where the Company operates is shown below:

Nationalities by country

The table below details the countries that have the greatest number of nationalities (excluding those of their own country):

Destination country[(1)]	2019	2018
Spain	66	62
Canada	19	20
US	26	24
Algeria	16	17
Singapore	15	13
Portugal	11	12
Norway	12	12
Brazil	10	11
Malaysia	8	9
Libya	3	9
United Kingdom	8	7

(1) In certain countries, labor law does not require requesting certain personal information from employees. This is the case of Canada and the United States with respect to nationality.

Number of people by country

Country	2019	2018	País	2019	2018
Algeria	89	98	Luxembourg	3	4
Angola	1	8	Malaysia	390	487
Aruba	0	2	Mexico	110	72
Belgium	2	3	Morocco	1	1
Bolivia	248	275	Norway	254	248
Brazil	115	128	Papua New Guinea	1	1
Canada	538	722	Peru	3,032	2,991
Colombia	52	60	Portugal	1,412	1,293
Ecuador	419	430	Russia	58	59
France	16	16	Singapore	43	45
Gabon	0	1	Spain	17,496	17,316
Germany	4	2	Switzerland	2	1
Greece	2	1	The Netherlands	11	12
Guyana	1	1	Trinidad and Tobago	10	10
Indonesia	76	87	United Kingdom	18	18
Iraq	6	6	US	535	559
Italy	43	41	Venezuela	141	153
Libya	41	62	Vietnam	58	75

[102-8] Information about employees and other workers

Number of employees by contract type and gender

		2019	2018
Permanent contract	Men	14,486	14,669
	Women	8,316	8112
	Total	22,802	22,781
Temporary contract	Men	1,316	1,397
	Women	1,110	1,110
	Total	2,426	2,507
Total		**25,228**	**25,288**

There were no significant variations with respect to 2018.

Number of permanent employees by job type and gender

		2019	2018
Full time	Men	14,458	14,639
	Women	8,247	8,050
Part time	Men	28	30
	Women	69	62
Total		**22,802**	**22,781**

The data published reflect the number of permanent employees, irrespective of their percentage of employment.

Number of employees by region and gender

		2019	2018
Africa	Men	112	146
	Women	20	24
	Total	132	170
Asia	Men	424	518
	Women	208	241
	Total	632	759
Europe	Men	12,319	12,312
	Women	6,944	6,643
	Total	19,263	18,955
Latin America	Men	2,174	2,222
	Women	1,844	1,828
	Total	4,018	4,050
North America	Men	773	868
	Women	410	485
	Total	1,183	1,353
Oceania	Men		
	Women		1
	Total		1
Total employees	Men	15,802	16,066
	Women	9,426	9,222
Total		**25,228**	**25,288**

1. Figures for total workforce and accumulated average workforce relate to companies where Repsol sets policies and guidelines for people management, including Societat Catalana de Petrolis, S.A. (Petrocat).

Average annual number of contracts

	<30				30-50				>50							
	Permanent		Temporary		Permanent		Temporary		Permanent		Temporary					
Professional classification	**Full time**	**Part time**	**Full time**	**Part time**	**Full time**	**Part time**	**Full time**	**Part time**	**Full time**	**Part time**	**Full time**	**Part time**	**Full time 2019**	**Part time 2019**	**Full time 2018**	**Part time 2018**
Executives	**0.00**	**0.00**	**0.00**	**0.00**	**100.66**	**0.00**	**1.25**	**0.00**	**159.61**	**0.00**	**3.75**	**0.00**	**265.26**	**0.00**	**258.00**	**0.00**
Women	0.00	0.00	0.00	0.00	25.30	0.00	0.00	0.00	26.07	0.00	0.00	0.00	51.37	0.00	48.12	0.00
Men	0.00	0.00	0.00	0.00	75.36	0.00	1.25	0.00	133.54	0.00	3.75	0.00	213.89	0.00	209.88	0.00
Technical managers	**1.49**	**0.00**	**1.00**	**0.00**	**1,600.61**	**5.72**	**16.17**	**0.00**	**902.93**	**2.81**	**8.25**	**0.00**	**2,530.45**	**8.53**	**2,424.66**	**9.91**
Women	0.00	0.00	0.00	0.00	549.98	5.72	2.00	0.00	212.54	0.69	1.00	0.00	765.52	6.41	720.15	7.34
Men	1.49	0.00	1.00	0.00	1,050.63	0.00	14.17	0.00	690.39	2.12	7.25	0.00	1,764.93	2.12	1,704.51	2.57
Technicians	**1,192.89**	**0.00**	**256.04**	**1.02**	**8,134.55**	**19.71**	**239.55**	**1.00**	**2,074.26**	**6.57**	**10.68**	0.00	**11,907.95**	**28.30**	**11,659.70**	**21.65**
Women	676.52	0.00	95.66	0.41	3,394.99	18.74	48.78	1.00	496.71	6.57	1.91	0.00	4,714.58	26.72	4,516.73	21.29
Men	516.36	0.00	160.37	0.61	4,739.56	0.97	190.76	0.00	1,577.55	0.00	8.77	0.00	7,193.38	1.58	7,142.97	0.36
Administrative staff	**16.90**	0.00	**18.30**	**0.10**	**594.70**	**3.96**	**61.61**	**0.48**	**273.23**	**0.00**	**9.31**	**0.00**	**974.05**	**4.54**	**974.31**	**4.34**
Women	6.69	0.00	9.76	0.10	418.57	3.21	36.14	0.00	167.04	0.00	8.54	0.00	646.74	3.30	663.90	2.65
Men	10.21	0.00	8.54	0.00	176.13	0.75	25.47	0.48	106.19	0.00	0.77	0.00	327.31	1.23	310.41	1.69
Manual workers junior personnel	**364.59**	**2.19**	**669.32**	**76.17**	**4,685.04**	**32.62**	**1,035.52**	**95.97**	**1,755.42**	**10.42**	**130.29**	**11.42**	**8,640.19**	**228.80**	**8,669.73**	**210.12**
Women	130.05	1.24	281.64	36.31	1,439.39	22.75	546.58	62.23	402.32	6.13	69.82	6.26	2,869.81	134.93	2,714.98	120.90
Men	234.54	0.95	387.67	39.86	3,245.65	9.87	488.95	33.74	1,353.10	4.29	60.48	5.16	5,770.38	93.87	5,954.75	89.21
2019 General total	**1,575.87**	**2.19**	**944.66**	**77.29**	**15,115.56**	**62.01**	**1,354.09**	**97.46**	**5,165.45**	**19.81**	**162.28**	**11.42**	**24,317.90**	**270.17**	**23,986.40**	**246.01**
2018 General total	**1,455.19**	**1.72**	**918.54**	**67.30**	**14,730.43**	**54.01**	**1,548.54**	**88.09**	**5,167.07**	**21.64**	**166.63**	**13.26**				

There were no significant variations with respect to 2018.

[202-2] Proportion of top executives hired from local community

	% Executives, Managers and Technical Managers from the local community(1)	
Country	**2019**	**2018**
Algeria	6.25%	8.11%
Bolivia	86.36%	88.89%
Brazil	55.88%	50.00%
Canada	83.33%	58.39%
Colombia	64.71%	75.00%
Ecuador	94.12%	90.48%
Indonesia	54.55%	65.22%
Libya	60.00%	28.57%
Malaysia	80.00%	75.32%
Mexico	55.00%	50.00%
Norway	69.23%	67.80%
Peru	86.03%	79.46%
Portugal	89.04%	90.77%
Russia	47.06%	53.85%
Spain	89.46%	88.39%
US	65.68%	23.30%
Venezuela	93.75%	87.10%
Vietnam	66.67%	45.15%

(1) Includes Executive and Technical Managers: excluded from certain aspects of the collective agreement for matters that are governed by the individual contract applicable to these groups (except in Brazil, where no filter is applied), in countries with more than 50 employees. Repsol remains committed to, and continues to increase its management teams with individuals from the local community in most countries where it has a significant presence. This enhances the Company's cultural diversity, enabling it to better respond to the needs of the societies in which it is present, while also contributing to their development.

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Retaining talent	**2019**	**2018**
Voluntary turnover rate(1)	6%	6%
Total executive turnover rate(2)	7%	8%

(1) Number of voluntary terminations to total number of employees at year-end.

(2) Total number of terminations executives to total executive personnel .

[401-1]: New employee hiring and staff turnover(1)

Number and percentage of new hires

Region		<30				30-50				>50			
		2019		2018		2019		2018		2019		2018	
		No	%	No	%	No	%	No	%	No	%	No	%
Africa	Women	0	0%	1	100%	2	12%	1	5%	0	0%	0	0%
	Men	0	0%	1	50%	4	4%	1	1%	0	0%	0	0%
	Total	**0**	**0%**	**2**	**67%**	**6**	**6%**	**2**	**1%**	**0**	**0%**	**0**	**0%**
Asia	Women	6	40%	0	0%	6	3%	9	4%	2	10%	0	0%
	Men	4	17%	2	7%	11	3%	6	1%	0	0%	0	0%
	Total	**10**	**26%**	**2**	**5%**	**17**	**3%**	**15**	**2%**	**2**	**2%**	**0**	**0%**
Europe	Women	573	87%	445	79%	699	14%	640	13%	61	5%	50	5%
	Men	637	73%	599	71%	599	8%	586	8%	83	2%	53	1%
	Total	**1,210**	**79%**	**1,044**	**74%**	**1,298**	**10%**	**1,226**	**10%**	**144**	**3%**	**103**	**2%**
Latin America	Women	385	64%	427	70%	201	17%	316	28%	1	1%	2	3%
	Men	269	63%	310	68%	179	13%	218	16%	7	2%	14	3%
	Total	**654**	**64%**	**737**	**69%**	**380**	**15%**	**534**	**40%**	**8**	**2%**	**16**	**4%**
North America	Women	5	21%	12	41%	11	4%	26	8%	6	5%	7	5%
	Men	13	22%	11	14%	32	6%	66	11%	4	2%	7	3%
	Total	**18**	**21%**	**23**	**22%**	**43**	**6%**	**92**	**11%**	**10**	**3%**	**14**	**4%**
Total	Women	969	75%	885	73%	919	14%	992	15%	70	5%	59	4%
	Men	923	67%	923	65%	825	8%	877	9%	94	2%	74	2%
TOTAL	**Total**	**1,892**	**70%**	**1,808**	**69%**	**1,744**	**10%**	**1,869**	**11%**	**164**	**3%**	**133**	**2%**

(1) Calculated as the number of first-time hires divided by the total number of employees at December 31, 2019.

The rate reflects the new hires with no previous working relationship with company compared to the origin population of the tranche analyzed.

33,3% of these new hires have permanent contracts and, of these, 60.5% are in Peru.

Voluntary employee turnover

Region		<30				30-50				>50			
		2019		2018		2019		2018		2019		2018	
		No	%	No	%	No	%	No	%	No	%	No	%
Africa	Women	0	0%	1	100%	2	12%	3	15%	0	0%	0	0%
	Men	1	0%	0	0%	4	4%	2	2%	0	0%	0	0%
	Total	**1**	**100%**	**1**	**33%**	**6**	**6%**	**5**	**4%**	**0**	**0%**	**0**	**0%**
Asia	Women	3	20%	7	50%	20	12%	14	7%	0	0%	4	24%
	Men	5	22%	10	36%	30	9%	116	29%	4	6%	11	13%
	Total	**8**	**21%**	**17**	**40%**	**50**	**10%**	**130**	**21%**	**4**	**4%**	**15**	**14%**
Europe	Women	114	17%	96	17%	191	4%	166	3%	14	1%	16	1%
	Men	134	15%	113	13%	174	2%	159	2%	10	0%	13	0%
	Total	**248**	**16%**	**209**	**15%**	**365**	**3%**	**324**	**3%**	**24**	**0%**	**29**	**1%**
Latin America	Women	217	36%	247	40%	170	15%	161	14%	2	3%	4	5%
	Men	140	33%	138	29%	108	8%	155	11%	18	4%	21	5%
	Total	**357**	**35%**	**385**	**35%**	**278**	**11%**	**316**	**12%**	**20**	**4%**	**25**	**5%**
North America	Women	2	8%	6	21%	20	8%	33	11%	6	5%	4	3%
	Men	10	17%	9	12%	50	10%	34	6%	1	1%	5	2%
	Total	**12**	**14%**	**15**	**14%**	**70**	**9%**	**67**	**8%**	**7**	**2%**	**9**	**2%**
Total	Women	336	26%	357	29%	403	6%	376	6%	22	2%	28	2%
	Men	290	21%	270	19%	366	4%	466	5%	33	1%	50	1%
TOTAL	**Total**	**626**	**23%**	**627**	**23%**	**769**	**5%**	**843**	**5%**	**55**	**1%**	**78**	**1%**

The employee turnover rate in Latin America is concentrated in the Marketing business and is in line with economic and occupational growth in the country.

Total employee turnover

Region		<30				30-50				>50			
		2019		2018		2019		2018		2019		2018	
		No	%	No	%	No	%	No	%	No	%	No	%
Africa	Women	0	0%	1	100%	3	18%	5	20%	0	0%	0	0%
	Men	1	0%	0	0%	7	8%	4	3%	2	9%	0	0%
	Total	**1**	**100%**	**1**	**33%**	**10**	**9%**	**9**	**5%**	**2**	**8%**	**0**	**0%**
Asia	Women	3	20%	7	50%	43	25%	18	9%	2	10%	5	29%
	Men	8	35%	10	36%	75	23%	127	32%	18	26%	35	40%
	Total	**11**	**29%**	**17**	**40%**	**118**	**23%**	**145**	**24%**	**20**	**22%**	**40**	**38%**
Europe	Women	648	98%	520	91%	1150	23%	1,200	24%	202	17%	199	17%
	Men	735	84%	642	75%	932	12%	1,025	13%	442	12%	697	19%
	Total	**1,383**	**90%**	**1,162**	**81%**	**2,082**	**16%**	**2,225**	**18%**	**644**	**13%**	**895**	**19%**
Latin America	Women	246	41%	300	47%	197	17%	202	17%	7	9%	6	8%
	Men	170	40%	192	40%	167	12%	234	17%	64	16%	43	10%
	Total	**416**	**40%**	**492**	**44%**	**364**	**15%**	**436**	**17%**	**71**	**15%**	**49**	**9%**
North America	Women	4	17%	7	24%	62	24%	62	20%	40	31%	37	25%
	Men	12	20%	11	14%	112	22%	73	13%	50	26%	44	20%
	Total	**16**	**19%**	**18**	**17%**	**174**	**22%**	**135**	**15%**	**90**	**28%**	**81**	**22%**
Oceania	Women	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
	Men	0	0%	0	0%	0	0%	1	100%	0	0%	0	0%
	Total	**0**	**0%**	**0**	**0%**	**0**	**0%**	**1**	**100%**	**0**	**0%**	**0**	**0%**
Total	Women	901	69%	835	67%	1,455	22%	1,487	22%	251	17%	247	18%
	Men	926	67%	855	59%	1,293	13%	1,463	14%	576	13%	818	19%
TOTAL	**Total**	**1,827**	**68%**	**1,690**	**64%**	**2,748**	**16%**	**2,950**	**18%**	**827**	**14%**	**1,065**	**19%**

Number of dismissals

	<30		30-50		>50		General total 2019	General total 2018
	2019	2018	2019	2018	2019	2018		
Men	**20**	**20**	**142**	**99**	**83**	**251**	**245**	**370**
Administrative staff	0	0	3	3	0	2	3	5
Technical managers	0	0	30	16	31	21	61	37
Technicians	5	7	70	45	40	175	115	227
Manual workers junior personnel	15	13	38	32	12	52	65	97
Executives	0	0	1	3	0	1	1	4
Women	**16**	**20**	**104**	**78**	**20**	**39**	**140**	**137**
Administrative staff	1	0	9	6	0	11	10	17
Technical managers	0	0	10	3	2	0	12	3
Technicians	11	16	62	41	14	19	87	76
Manual workers junior personnel	4	4	23	28	4	8	31	40
Executives	0	0	0	0	0	1	0	1
Total	**36**	**40**	**246**	**177**	**103**	**290**	**385**	**507**

Remuneration and benefits

[102-38] and [102-39] Ratios of annual total compensation and percentage increase in annual total compensation

Repsol analyzes salary markets in the countries and business sectors in which the Company operates and sets its internal objectives on the average salary positioning of its employees with these external market wage benchmarks. The criteria for establishing the sought-after salary positioning are generally similar in all employee and executive groups. Accordingly, with the compensation policy, in general terms, the data in the table are affected by the typical salary dispersion of the country and business sector in which the Company operates.

On an annual basis, the budgets for salary increases are decided by employee group, and criteria are established for maximum individual increases. The increase of the average salary of the entire workforce reflects the salary bills of the workforce of each professional group and the salary increase percentages applied to each group, both those approved by the company and those established through collective bargaining or by legal requirement. Further, the compensation of the highest-paid individual may also increase or decrease owing to variable components, which take on greater weight in positions involving higher responsibilities, even if the base salary remains unchanged.

In general there have been no substantial changes with respect to the previous year. In Bolivia, however, the increase was affected by variations in the variable remuneration of the highest-paid person.

	Annual total compensation of the highest-paid (1) individual /median annual total compensation for all employees (2)		Percentage increase of annual total compensation of highest-paid individual/Percentage increase of median annual total compensation of all employees	
Country	2019	2018	2019	2018
Bolivia	3.43	1.99	(0.69)	(2.08)
Ecuador	11.14	11.09	1.17	(0.26)
Peru	13.50	13.23	0.58	(3.14)
Portugal	5.18	4.98	(2.36)	20.46
Repsol S.A.(3)	39.73	38.70	0.23	19.02
Spain(3)	13.94	14.41	(3.90)	3.21

(1) The highest-paid individual has been identified without taking into account expatriate staff or employees who departed prior to December 31 of the year in question.

(2) Cash compensation has been considered as total compensation. The following items of personnel costs have been included: Base salary and fixed supplements, seniority, variable supplements in cash or shares, overtime and other remuneration.

(3) Data on the Senior Management of the Group at world level are not included in Spain and are reported in the disclosures of the company Repsol, S.A.

[202-1] Ratio of standard entry level salary by gender to local minimum salary

	Country minimum salary (local currency/month)		Repsol minimum salary (2)(local currency/month)		Repsol/national minimum wage	
Country(1)	2019	2018	2019	2018	2019	2018
Bolivia	2,122	2,060	10,000	12,568	4.71	6.10
Ecuador	394	386	979	878	2.49	2.28
Spain	900	736	1,137	1,124	1.26	1.53
Peru	930	930	930	930	1.00	1.00
Portugal	600	580	620	590	1.03	1.02

(1) Data includes those countries that are most representative in terms of turnover, headcount and availability of the required information.

(2) The Repsol minimum salary reflected in the table includes only base salaries and fixed allowances, excluding other remuneration such as variable bonuses or incentives or remuneration in kind.

In accordance with Repsol's equal opportunities policy, salaries are established for a position without taking into account the gender of the person holding the position, including entry-level salaries.

Repsol's fixed minimum wage is above the local minimum salary in all countries except Peru.
Considering Repsol's total annual remuneration, Peru also exceeds the country's minimum salary.

[401-2] Benefits for full-time employees that are not granted to part-time or temporary employees

Social benefits by region (thousands of euros)

	Life insurance		Medical insurance		Pension fund		Food allowances		Subsidized loans		Study assistance		Social Assistance	
Country	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
Africa	75.8	50.6	97.8	260.6	15.4	0.0	146.5	150.0	0.0	0.0	127.5	155.7	9.8	(1.3)
Asia	817.0	176.6	1,722.4	1,470.8	4,135,3	5,349.0	68.3	63.2	0.0	0.0	1,122.7	1,034.1	0.0	0.0
Europe	2,684.5	3,726.8	13,865.3	13,368.2	42,511.6	33,396.9	11,426.4	10,758.1	696.9	159.0	2,257.0	2,375.6	257,1	294.4
Latin America	571.1	808.1	6,307.8	6,100.7	1,546.8	1,404.3	2,776.2	2,706.1	0.0	0.0	12,9	(46.8)	77.9	75.3
North America	250.4	539.5	6,374.9	6,855.6	13,945.9	14,786.2	199.1	109.5	0.0	0.0	372,0	(0,6)	1,113,9	92.4
Total	**4,398.8**	**5,301.4**	**28,368.2**	**28,055.9**	**62,154.9**	**54,936.5**	**14,616.5**	**13,386.9**	**696.9**	**159.0**	**3,892.1**	**3,519.1**	**1,458.7**	**460.8**

The information shows the benefits for all employees (full-time, part-time, temporary and permanent).

The different agreements address the differences between benefits for full time, part time and temporary employees.

[405-2] Ratio of basic salary and remuneration of women to men

Ratio of basic salary of women to men (1) (2)

	Executive personnel(3)		Technical manager		Technicians		Technicians II		Administrative staff		Manual workers junior personnel	
Country	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
Bolivia	N.A.	N.A.	N.S.	1.01	1.03	1	N.S.	-	N.A.	N.D.	N.S.	N.D.
Ecuador	N.A.	N.A.	N.S.	N.S.	0.85	0.74	N.S.	-	N.A.	N.D.	N.A.	N.D.
Spain	0.94	0.89	0.93	0.93	0.98	0.93	N.A.	-	0.85	N.D.	0.70	N.D.
Peru	N.S.	N.S.	0.94	0.82	0.87	0.89	0.75	-	1.03	N.D.	0.74	N.D.
Portugal	N.S.	N.A.	0.94	0.99	0.91	0.93	0.89	-	0.89	N.D.	0.55	N.D.

(1) Data includes those countries that are most representative in terms of turnover, headcount and availability of the required information.

(2) In categories with a non-representative female or male workforce (fewer than 5), the ratio is not given, as it is considered statistically non-significant (N.S.).
Where there is no employee in either gender, we indicate "not applicable" (N.A.).
Where there is no data available, we indicate "non data" (N.D.)

(3) Includes all executives, except the two Executive Directors.

Although there have not been significant changes in the values of the reported ratios, change with respect to 2018 is generally positive.

In the case of the manual workers in Spain, Peru and Portugal –a data point reported for the first time this year– the joint ratio that results from grouping the different businesses with their different salary realities shows a greater difference than each of the companies/businesses analyzed separately. For example, in Portugal the company with the highest difference among the various companies shows a 0.7 ratio.

The following shows the ratio of women's average pay to men's average pay, and data on the pay gap. The required data have been prepared maintaining the criteria and segmentation of the standard GRI indicators and following the requirements of the spanish legislation RDL 11/2018.

Clarification figures in salary table	
-	No female employees, or no male employees.
IC	Confidential information (would reveal the remuneration of an individual employee).

Exchange rates at€	
0.89346	USD
0.26565	PES
0.13019	BOB

Average compensation by occupational category [1]

Occupational category	Average compensation[1]											
	Executives [2]		Technical managers		Technicians		Technicians Manual workers		Administrative staff		Manual workers and junior staff	
Country	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
Spain	279,853	320,230	93,909	99,284	51,341	58,029	-	-	40,043	52,601	26,259	40,307
Peru	IC	289,111	101,058	104,197	34,937	43,806	5,651	8,114	21,545	29,069	16,284	13,416
Portugal	-	IC	84,922	88,749	37,800	49,738	21,275	28,953	31,828	42,915	11,832	29,726
Ecuador	-	IC	114,435	128,513	38,248	48,813	21,274	28,109	-	25,278	-	25,499
Bolivia	-	-	142,553	144,231	70,835	72,064	-	42,979	-	-	65,612	57,357

Compensation broken down by age range [1]

Age	Average compensation [1]					
	<30		30-50		>50	
Country	Women	Men	Women	Men	Women	Men
Spain	32,610	37,499	47,571	54,529	56,417	69,019
Peru	8,493	18,400	15,417	35,685	46,324	56,934
Portugal	15,897	21,503	21,058	35,755	34,375	53,247
Ecuador	22,350	26,765	39,746	41,490	101,008	65,909
Bolivia	33,931	39,224	73,789	75,394	96,155	110,208

Gender gap

Occupational category	Executives[2]	Technical managers	Technicians	Technicians Manual workers[3]	Administrative staff [3]	Manual workers and junior personnel [3]	Adjusted gap in country [4]
Country	Women / Men	Women / Men	Women / Men	Women / Men	Women / Men	Women / Men	Women / Men
Spain	0.88	0.95	0.93	-	0.96	0.92	0.95
Peru	1.08	0.99	0.86	0.78	1.04	1.56	0.95
Portugal	-	1.00	0.84	0.76	0.90	0.84	0.92
Ecuador	-	0.89	0.78	0.76	-	-	0.82
Bolivia		0.99	0.98			1.14	0.99

(1) Includes all compensation items extracted from the company's accounting systems, stated in euros.

(2) Includes senior management and other executives except the two Executive Directors, whose remuneration is disclosed in section 30.1. of the consolidated Financial Statements, in detail and in itemized form, both for their executive and Board functions.

(3) Repsol operates in Spain, Peru and Portugal in different sectors and through different corporate entities that are subject to different collective bargaining agreements, which means widely different salaries, depending on the company and the sector. Most employees in these categories are paid salaries directly determined by the relevant collective bargaining agreements, which in no case set gender-based differences in pay. A combined analysis of the pay realities of different sectors under different agreements might be misleading. The gap reflected in the table is therefore the weighted average gap of the different companies operating in these three countries.

(4) To state a value that represents all employees in a country together and allows a more meaningful comparison, we have taken into account three differentiating factors: business/collective bargaining agreement concerned, occupational category and employee age. This adjusted gap is reported here, calculated as the weighted average ratio of women's average pay to men's average pay, segmented by company, occupational category and age range. Considering together the employees of these countries, without any segregation, the average remuneration of all women divided by the average remuneration of all men would offer a gross gap of 0.74.

As to remuneration history, due to the change in approach only data from Spain (recalculated according to the new criteria) can be presented, representing the majority of the workforce.

Average compensation by occupational category

	Spain (2019)		Spain (2018)	
Occupational category	**Women**	**Men**	**Women**	**Men**
Executives	279,853	320,230	284,856	319,688
Technical managers	93,909	99,284	95,361	104,842
Technicians	51,341	58,029	51,074	57,257
Skilled manual workers				
Clerical staff	40,043	52,601	40,253	43,139
Manual workers and junior staff	26,259	40,307	26,276	40,051

Compensation broken down by age range

	Spain (2019)		Spain (2018)	
Age	**Women**	**Men**	**Women**	**Men**
< 30 years	32,610	37,499	32,660	37,421
30-50 years	47,571	54,529	48,311	55,064
> 50 years	56,417	69,019	57,461	69,398

Gender gap

	Spain (2019)	Spain (2018)
Gender gap	**Women/Men**	**Women/Men**
Executives	0.88	0.88
Technical managers	0.95	0.92
Technicians	0.93	0.93
Skilled manual workers	-	-
Clerical staff	0.96	0.99
Manual workers and junior staff	0.92	0.93
Adjusted gap in country	0.95	0.95

For comparison with 2018 figures in Spain, values for 2018 were recalculated by applying the segmentation and calculation criteria adopted in 2019 to the data for that year.

For the remaining countries, indicator 405-2 in this report provides a comparison of 2018 and 2019 data.

Variations with respect to 2018 in average remuneration and the gender gap are not very significant, and are mainly due to the incorporation of the Electricity and Gas business in 2019 and the workforce turnover.

Employment framework, health and safety at work

[102-41] Collective bargaining agreements

Repsol has employees under collective bargaining agreements in Spain, Brazil, Italy, France, Norway, Peru and Portugal. More than 86.95% (85% in 2018) of employees in these countries are covered by collective agreements.

The detail for each country is shown below:

- In Brazil, more than 93.97% of the regional workforce is covered by a collective bargaining agreement, corresponding to 100% of the local workforce of Repsol Sinopec Brazil.
- In Spain, 100% of the regional workforce is under a collective bargaining agreement, although a certain percentage is excluded from the agreement in different matters that are governed by the individual contract for such groups.
- In France, 100% of the workforce is covered by the industry-wide collective bargaining agreement.
- In Italy, 100% of the workforce comes under the industry-wide collective bargaining agreement.
- In Norway, more than 23% of the regional workforce is covered by collective bargaining agreements for workers on offshore platforms.
- In Peru, 10.57% of the regional workforce is covered by a collective bargaining agreement, corresponding to 43% of the La Pampilla refinery's workforce.
- In Portugal, 99.47% of the regional workforce comes under a collective bargaining agreement.

The Company has a **strategic framework for Health and Well-Being** matters that is being rolled out internationally to raise awareness and help employees take care of themselves. Specifically, initiatives are being launched to accompany employees in the management of their occupational and personal circumstances, with a greater emphasis on health. The following initiatives are worth particular mention:

- International health and well-being campaigns, adapting to the specific needs of the country, such as campaigns to raise awareness of colon, breast and prostate cancers, heart disease, etc.
- Benefits of early diagnosis and raising awareness of health habits that affect the likelihood of suffering from the disease by 30%-50%. Minimize absenteeism, boost employee satisfaction and quality of life.
- Detection of individual and collective risk factors by analyzing the data obtained through health examinations.
- Training in needs-based skills: training, workshops, talks, online resources and light bites on the online learning platform (for example, stretching videos, relaxation audio exercises and mindfulness).

- Working with the Businesses to design and implement well-being plans adapting to their needs and the type of activity, focusing on the most relevant aspects based on the health information available.

[403-1]: Representation of workers in formal worker-company health and safety committees

Repsol has health and safety committees on a parity basis between company management and workers. The committees are local (workplace) or national, although this depends on the applicable legislation in each country. Some countries have coordination committees for risk prevention activities between Repsol and contractors. In total, 86.70% of the Company's workers are represented on these committees.

These committees' general areas of action are: information on potential risks, assessment and preventive and mitigation measures of risks; monitoring of collective health; information and research on incidents and improvement actions; health promotion plans at the workplace; training related to risk prevention, among others.

Health and safety committees meet at least once per half year.

Country	Committees
Algeria	In November 2019, a Health and Safety Committee was set up on which workers from the office in Algiers sit. Workers on international secondment are represented on the Campus Health and Safety Committee.
Bolivia	Currently, there is no formally existing Joint Committee for Occupational Health, Safety and Welfare. The remit of the Santa Cruz committee is limited to administrative offices, the central archive and central warehouse in Santa Cruz; the Caipipendi and Mamoré committees are also limited to their geographical scope
Colombia	Joint Committee on Health and Safety in the workplace COPASST: meets once a month, with workers accounting for 15% of its members (8/53 people); management representatives and employee representatives are represented in the same proportion. Occupational Cooperation Committee CCL: meets once a quarter and workers account for 23% of its members (12/53 people). This body is responsible for monitoring the actions for preventing psychosocial risk factors.
Ecuador	Central Committee in Quito and two subcommittees in Block 16 (NPF and SPF). Each committee or subcommittee has 6 employer representatives (Repsol) and 6 worker representatives. The information managed in the committees must be sent annually to the authorities. The number of workers represented comes to 430.
Italy	Workers are represented by one representative chosen by them. An annual meeting is held to discuss health and safety topics and to plan prevention activities. All workers are represented.
Malaysia	Main Company-wide Health and Safety Committee, divided into 12 committees that represent the business units and facilities. All workers are represented.
Mexico	The Occupational Health and Safety Committee was set up in February 2019. This Committee represents 80% of workers (office workers).
Norway	2 Committees, one onshore and another offshore. Constituted by the same number of company and worker representatives. All workers are represented.
Peru	Three committees and four workplace health and safety subcommittees. These committees and subcommittees have a parity-based membership, with an equal number of representatives of management and of employees. All workers are represented.
Portugal	Industrial: Occupational Health and Safety Committee which examines health issues. Marketing and LPG: There is no formal committee. Periodic technical meetings with the technical managers of workplace health and safety, and technical visits to facilities.
Russia	There is no formal committee, although there are good practices pursuant to Company policy.
Spain	Parity-based health, safety and environment committees by workplace and/or company. They represent all Group employees in Spain. In the main workplaces, coordination committees of business activities with contractors. Group Health and Safety Committee (under Framework Agreement).
Venezuela	Internal committee with three delegates representing workers. 75.5% of workers are represented.

[403-2] Types of accidents and frequency rates of accidents, occupational diseases, days lost, absenteeism and number of deaths due to an accident at work or occupational disease

Repsol recorded no occupational illnesses in 2019, as documented in almost all countries by certificates issued by health insurance or medical care services. Only in some countries, due to data protection/privacy rules, it was not possible to access employees' health information.

In 2019, 1,640,064.92 hours of absence were recorded, compared to 1,247,096 hours in 2018. The 31% variation is due to the inclusion of data from Brazil, Bolivia, the United States and Canada, the companies Repsol Gas y Electricidad and Sesema, and an increase of absenteeism at Campsared. Hours of absenteeism caused by occupational accidents or professional illnesses are not included in the calculation of hours of absenteeism reported at the company's discretion.

[403-3] Workers with high incidence or high risk of diseases related to their occupation

Repsol generally carries out occupational risk assessments by job position. The specific procedure includes an analysis of risks, and assessment of them and corrective/mitigating measures with their corresponding periodic controls. Ergonomic and psychosocial risks are also assessed.

The assessments did not identify job positions carrying a high risk of occupational diseases. In some units and positions there is a risk assessed as tolerable due to exposure to noise, physical stress and/or repetitive movements, use of data display screens or exposure to chemical risks. To minimize these risks, we plan preventive activities, including technical improvements, health checks, worker health tracking, training and information, and emergency action plans.

In some locations we also consider a risk of contracting infectious illnesses, such as dengue fever, malaria, yellow fever, leishmaniasis, among others). Repsol provides vaccination programs, fumigation and pest control, continuous monitoring of vectors with these biological studies, among other relevant preventive measures.

One of the most significant general actions performed in 2019 in terms of specific risks was the unification of health information for each country: level of health risk, most frequent illnesses, general prevention advice, preventive advice for specific illnesses, vaccination advice, malaria prevention guidelines. Thanks to this initiative, the updating of information on changes to illness rates has been streamlined.

In addition to these general actions, the Company undertake various activities, by country:

Country	Activity
Algeria	Specific sessions on health, focusing on medicine in the workplace for both BU employees and visitors.
Bolivia	Annual medical check-up and immunization campaigns.
Colombia	Smart musculoskeletal epidemiological, cardiovascular and psychosocial risk prevention systems.
Ecuador	Flu vaccination campaigns and worming campaigns for all staff in Quito - Bloque. Talk to prevent the physical risk caused by noise, measurements in workplaces. Nutritional talks, food health and food handling by catering staff. Safety talks: working at heights. Health week in Quito for staff and their family members.
Malaysia	Risk mitigation through health monitoring, control of exposure to noise and chemical products (mercury-vapor lamps).
Mexico	Informative prevention talks: ergonomy, active guidelines and fatigue when driving.
Venezuela	Prevention talks: Mental health, postural hygiene, prevention of illnesses transmitted by water, visual hygiene, stroke prevention, immunization, prevention of diarrhea and prevention of thrombosis when traveling.
Vietnam	Medical emergency drills. Update of emergency response protocols.

[403-4] Health and safety topics covered in formal agreements with labor unions

The Company uses specific instruments in each country where it operates to track the implementation of occupational health and safety policies, standards and procedures.

Health and safety-related agreements with unions:

- Spain: An Occupational Health and Safety Committee comprising three members of Management and three representatives of each of the unions with a presence on the Negotiating Committee for the 9th Repsol Group Framework Agreement. The Committee examines the underlying philosophy and lines of action of prevention plans and general policies on occupational health and safety, and promotes measures to improve risk prevention performance at Repsol Group companies in Spain, covering 100% of relevant topics.
- Norway: Agreement whereby the Occupational Health Department, in partnership with the Health and Environment Committee and the Norwegian authorities will implement a two-year health and lifestyle advisory program. The program will run independently from health measures implemented in response to identified and assessed workplace risks. The aim of the initiative is prevention and early detection of health disorders, based on the Recommendations for Clinical Preventive Services (RCPS) produced by the American Academy of Family Physicians (AAFP).
- Peru: Agreement of the Occupational Health and Safety Committee to aprove the Annual Safety Program, as well as, the Annual Occupational Health Plan in La Pampilla Refinery.

Training and development

[404-1] Average hours of training per year per employee

Average training hours per year by person and by gender

Job category	Hours of training/year	Total 2019	Total 2018
Executives	Hours of training/year	18,642	10,071
	Person	70	39
	Women	81	51
	Men	68	37
Technical managers	Hours of training/year	109,662	112,641
	Person	43	47
	Women	49	54
	Men	41	44
Technicians	Hours of training/year	406,352	561,832
	Person	34	48
	Women	33	46
	Men	34	50
Clerical staff	Hours of training/year	15,686	24,319
	Person	16	27
	Women	17	23
	Men	14	36
Manual workers junior personnel	Hours of training/year	334,151	358,518
	Person	38	42
	Women	18	19
	Men	48	53
Total	Hours of training/year	884,493	1,067.380
	Person	36	45
	Women	29	36
	Men	40	50

(*) Data obtained from the average accumulated workforce,

[404-2] Programs for upgrading employee skills and transition assistance programs

Learning in Repsol aims to develop the professional capacities needed for effective performance in pursuit of the company's strategic goals.

Programs carried out in 2019 were based on initiatives designed to acquire knowledge, develop skills and encourage the commitment of everyone in the company to its plans, culture and values throughout their working lives:

Area	Subject
General	In Repsol's culture and career development model, leaders play a fundamental role; therefore, efforts are ongoing to strengthen inspirational leadership and an entrepreneurial attitude: organization of internal events with relevant figures from the academic and business worlds; active participation in internal training programs for leaders or strategic meetings for executive personnel (87% have participated) to share points of view on the challenges facing the company and sector.
Health, Safety and Environment	An ambitious safety leadership program was launched company-wide with a view to taking the company one step further in raising awareness of risks and preventing any possible complacencies in the absence of incidents. The goal is to roll out this program (in the form of an 8-hour face-to-face workshop) over the course of 2019 and 2020, reaching all levels of leadership at the company (around 4,000 employees).
Master Programs	In June, the E&P Master 18-19 came to an end, with 32 professionals joining the sector. And in September, the new 19-20 edition was launched with 23 new participants. Given the success of the last edition, the same content and timeline has been preserved for the new program. For the first time in 30 years, parity has been achieved in terms of gender diversity. In the case of the Industrial Master, this year, the approved design changes are being implemented, with new professionals starting in their roles at the Industrial Complexes as a first point of contact with the Company. At these locations, they are developing the basic knowledge of security and organization of the function and will continue with their training in person at our Advanced Training Center (Móstoles) once they complete this initiation program. From that moment on, the program features the same content as previous editions, including project development and resolving practical cases.
Upstream	Stimulus of soft skills (effective communication, impact and influence, fast teams, innovation, continuous improvement) and new methodologies (agile, lean, etc.) to transform groups of people into high-performing teams. Continuous training in maintenance and update of technical knowledge.
Refining and Chemical	In terms of Industrial Safety, a focus has been placed on actions deriving from the strategic plan with a significant emphasis on process safety, through functional workshops for all areas involved. Training in risk analysis has also been carried out, in addition to the remediation of soil contamination and actions relating to product safety. Continuous training in technical knowledge and the development of training pathways that go hand in hand with the technical course in Process Optimization and Control. Promotion of skills required by specific groups, such as negotiation skills for the Chemicals salesforce.
Marketing and LPG	Launch of an expert University program adapted to the new market environment and Digital and Relational Marketing program (3 editions for different areas). New Working Methods for 200 professionals and senior members of staff from the Commercial Division. Road Safety and Welfare Workshops for more than 1,500 people from across the Commercial Division. Management transformation plan for managers at the LPG factory. And training for more than 150 managers and supervisors at the Stop&Go franchise who have signed a contract with Repsol.
Training for Occupational Integration and Employability Programs	Repsol is committed to professional integration programs at all levels, becoming a European Ambassador for the FP Dual program. In addition, during 2019 we had 34 students in this field (ex Petronor) Training programs and non-employment internships for disabled persons and other vulnerable groups (non-employees) to promote their employability in the sector. No. of training actions: 7 editions. No. of beneficiaries: 65 people.

[404-3] Percentage of employees receiving regular performance and career development reviews

Performance and career development reviews

	2019(1)			2018		
	Women	Men	Total	Women	Men	Total
Executives	49	197	246	50	195	245
Technical managers	758	1,709	2,467	712	1,648	2,360
Technicians	2,773	5,257	8,030	2,742	5,222	7,964
Clerical staff	557	218	775	575	227	802
Manual workers junior personnel	360	2,553	2,913	296	2,428	2,724
Total	**4,497**	**9,934**	**14,431**	**4,375**	**9,720**	**14,095**

(1) Information regarding 2019 is the best data available because a part of the assessment process had not been completed at the date of disclosure of this report.

Diversity and equal opportunities

Repsol has an **Equal Opportunities Plan** in place at Repsol Group companies in Spain, whose goal is to improve the occupational position of women in terms of their employment and career (see Chapter 6.2. People). With a view to strengthening Repsol's commitments to Equality, the following initiatives are worth particular mention:

- Renewal of the "Equality at the Company" certificate awarded to companies that are particularly committed to the application of equality policies.
- Adhesion to the Ministry of Equality and Social Affairs' anonymous curriculum protocol, designed to eliminate any possible gender bias that could occur in staff selection processes.
- Design of female talent maps in areas of business with specific initiatives to boost female leadership by 2020.
- In addition, we are members of the ClosinGap cluster, whose objective is to analyze the opportunity cost of the gender gap, the sixth edition of the "Women On the Way to Employment" program, the sponsorship of the "Hay Salida" race against gender violence, and the launch of REPSOL Digital Girls, an initiative to awaken STEM (science, technology, engineering, and mathematics) vocations in girls and young women.

With a view to enhancing inclusion, the Group has signed up to RED!, a reference forum dedicated to diversity and the inclusion of LGBTI+ employees.

[405-1] Diversity in governing bodies and employees

Number of employees by category, age and gender

		2019			2018		
Job category		**<30**	**30-50**	**>50**	**<30**	**30-50**	**>50**
Executives	Women	-	26	25	-	28	24
	Men	-	78	135	-	81	139
	Total	-	104	160	-	109	163
	% F		25%	16%	-	26%	15%
Technical managers	Women	-	551	207	1	562	195
	Men	3	1,047	690	8	1,061	720
	Total	3	1,598	897	9	1,623	915
	% F	-	34%	23%	11%	35%	21%
Technicians	Women	821	3,473	513	788	3,409	494
	Men	702	4,954	1,803	702	4,902	1,811
	Total	1,523	8,427	2,316	1,490	8,311	2,305
	% F	54%	41%	22%	53%	41%	21%
Clerical staff	Women	19	457	200	29	520	200
	Men	21	204	115	26	196	95
	Total	40	661	315	55	716	295
	% F	48%	69%	63%	53%	73%	68%
Manual workers and junior personnel	Women	460	2,179	495	410	2,099	463
	Men	658	3,771	1,621	690	3,969	1,666
	Total	1,118	5,950	2,116	1,100	6,068	2,129
	% F	41%	37%	23%	37%	35%	22%
Total	**Women**		**9,426**			**9,222**	
	Men		**15,802**			**16,066**	
	Total		**25,228**			**25,288**	
	% F		**37%**			**36%**	

The percentage of women in this section includes all employees, including those that have working hours of less than 80%.

[401-3] Parental leave

The figures of this indicator are based on the number of employees. Reported data only includes Spain and personnel with permanent and temporary contracts during the year and the previous year.

Return to work		2019	2018
Total employees entitled to leave	Women	204	199
	Men	389	376
	Total	**593**	**575**
Total employees that took leave	Women	200	192
	Men	377	340
	Total	**577**	**532**
Total employees that returned to work after leave	Women	187	186
	Men	359	320
	Total	**546**	**506**
Return to work rate(1)	Women	94%	97%
	Men	95%	94%
	Total	**95%**	**95%**

Retention		2019	2018
Total number of employees that were still employed 12 months after their return to work	Women	175	210
	Men	315	386
	Total	**490**	**596**
Retention rate(2)	Women	94%	98%
	Men	98%	97%
	Total	**97%**	**98%**

(1) Number of employees returning to work after maternity or paternity leave/ Number of employees due to return after leave.

(2) Number of employees keeping job 12 months after returning from maternity or paternity leave/Number of employees returning after leave in the previous year.

The difference between individuals who have taken maternity or paternity leave and those who have returned to work after leave it's because they continue to enjoy such leave or they take a leave for child care.

Human Rights and Community Relations

Indirect economic effects

[203-1] Investments in infrastructure and services supported and [203-2] Significant indirect economic impacts Figures of social investment

Social investment figures

The Company identifies and strengthens positive impacts and the shared value of regions where it is present. The context determines the scope and focus of the investment. In 2019, the social investment came to €50.78 million, of which €20.49 million (40.4%) consisted of voluntary contributions and €30.28 million (59.6%) were made under a legal or contractual obligation. The following page provides examples of social investment projects.

Monetary contributions to foundations and non-profit entities in 2019 amounted to 8.49 million euros. In 2018, the contribution was 6.97 million euros. This year a new Company tool was implemented to improve the robustness and traceability of reported information.

Country	SDG	Project
Ecuador	4 QUALITY EDUCATION 8 DECENT WORK AND ECONOMIC GROWTH	**Yasuní: Leadership School** The program is aimed at 20 young people from the Waorani and Kichwa indigenous communities, both close to our operations, who have been nominated by their leaders. The participants are provided with tools for social and cultural awareness, conflict resolution, teamwork and project design, in order to obtain the specialist knowledge required to allow them to design local or community development projects that are technically viable in the short-term. The investment in the project comes to more than €18,000.
Ecuador	5 GENDER EQUALITY	**Enterprising women enhancing their income** The aim of the project is to generate a sustainable source of income for women from the Waorani community close to our operations through the development of businesses that last over time in three categories: community tourism, cocoa and handicrafts. The investment comes to more than €38,000 in 2 years.
Libya	6 CLEAN WATER AND SANITATION	**Improving access to water** In a country in conflict, where access to water is scarce, 9 projects are taking place to install water pumps and storage tanks for the total sum of €1.6 million. The specifications and requirements were defined by the local authorities, who will now assume responsibility for maintaining this equipment. The project began in 2019 and will last 3 years.
Peru	10 REDUCED INEQUALITIES 17 PARTNERSHIPS FOR THE GOALS	**Nuevo Mundo Community Development Fund** The project encourages the creation of a multi-stakeholder platform that brings together the State and other private entities together to develop community interventions from a territorial and environmental perspective. This fund undertakes programs and activities in line with the Coordinated Development Plan, which promote development and contribute to the well-being of the Nuevo Mundo Native Community, closing the gap of technical and management skills in the community. With an investment of $ 2 million over 4 years, the project has been created with a collaborative approach and will benefit 1,200 people in the area surrounding our operations.
United States	4 QUALITY EDUCATION 10 REDUCED INEQUALITIES	**Collaboration with the Space Center Houston to promote STEM skills and inclusion** Repsol collaborates with the Space Center Houston to involve students in activities relating to STEM (science, technology, engineering and mathematics) skills, innovation and exploration. Repsol contributes to programs structured around robotics. Sensorial events are also held that offer students with sensorial processing difficulties, such as autism disorders, the opportunity to participate in these programs in a reduced sensorial environment. In total, 1,800 people have benefitted from this project, with an investment of more than €80,000.
Guyana	4 QUALITY EDUCATION	**Cultural support for the Makushi indigenous language through music** The project consists in the creation and printing of a songbook in the indigenous Makushi language, including a collection of indigenous songs translated into English and typical Guyanese songs translated into Makushi. The book contributes to the preservation and documentation of the indigenous language and its culture, as no similar project has ever been performed in Guyana. The project has also been organized to coincide with the UN's International Year of Indigenous Languages in 2019.
Colombia	13 CLIMATE ACTION 17 PARTNERSHIPS FOR THE GOALS	**Strengthening of community skills to adapt to climate change** In the Alta Extrema Guajira, Colombia, a vulnerable area to climate change, spaces have been set up to facilitate communication, awareness raising and the analysis of solutions, encouraging relations between communities and State entities that make it possible to work together on climate change adaptation mechanisms, 320 teachers and students from the Wayuu indigenous community participated in this project.
Malaysia	8 DECENT WORK AND ECONOMIC GROWTH	**Projects to diversity the family economy** In Malaysia, a range of projects have been performed to diversity and increase the economic activity and source of income of local fishing communities in our area of operations. Fishermen and their families are trained to prepare and market products with a high-added value such as fish preserves and honey or to grow vegetables, increasing their family's income and thus eliminating their exclusive reliance on fishing as a means of sustenance. Repsol has invested more than €20,000 to help 30 families in the area.

Voluntary social investment

This includes the social programs carried out on a voluntary basis, or which arise from voluntary agreements with communities.

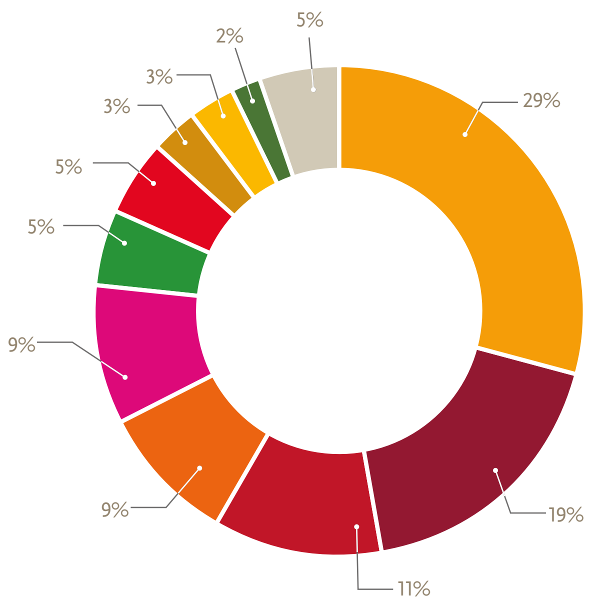
Voluntary social investment *(millions of euros)*

	2019	2018
Repsol	10.85	11.57
Repsol Foundation	9.65	9.69
Total	**20.49**	**21.26**

Voluntary social investment by type of contribution *(millions of euros)*

	2019	2018
Contribution in cash	18.35	17.45
Contributions in time	0.31	0.52
Contributions in kind	1.17	2.65
Management costs	0.66	0.64
Total	**20.49**	**21.26**

Contribution of voluntary social investment to the SDGs*



- SDG 11-Sustainable cities and communities
- SDG 8-Decent work and economic growth
- SDG 4-Quality education
- DSG 9-Industry, innovation and infrastructure
- SDG 10-Reduced inequalities
- SDG 3-Good health and well-being
- SDG 1-No poverty
- SDG 12-Responsible consumption and production
- SDG Affordable and clean energy
- SDG 13- Climate action
- Other SDGs

* Management costs without specific allocation to projects are not included: : €0.30 million

Voluntary social investment by country *(millions of euros)*

	2019	2018
Bolivia	1.08	1.46
Brazil	0.79	0.63
Canada	0.41	0.86
Colombia	0.85	0.14
Ecuador	1.35	1.03
Greece	0.01	0.06
Guyana	0.11	0.1
Indonesia	0.09	0.1
Libya	0.35	2.67
Malaysia	0.39	0.37
Mexico	0.02	0
Norway	0.33	0.38
Papua New Guinea	0	0.08
Peru	2.91	2.09
Portugal	0.09	0.22
Russia	0.82	0.02
Spain	10.36	10.82
Trinidad and Tobago	0.12	0
United States	0.28	0.12
Venezuela	0.07	0.03
Vietnam	0.06	0.07
Total	**20.49**	**21.26**

Mandatory social investment

We make contributions owing to legal or regulatory requirements, or stipulations set out in the operating contract. These contributions may be fully managed by the company, through social programs, or by a third party (such as the national hydrocarbon company, institution or government agency) to whom we deliver the due sum.

Mandatory social investment in 2019 amounted to €30.28 million, which was made in:

Mandatory social investment by country *(millions of euros)*

	2019	2018
Brazil	14.31	9.24
Ecuador	0.86	1.07
Guyana	0.06	0
Portugal	0.17	0
Russia	0	0.95
United States	12.74	10.77
Venezuela	2.15	0
Total	**30.28**	**22.04**

Mandatory social investment is made pursuant to contractual obligations and is usually linked to the volume of activity carried out. In 2019 it increased by 37% over the previous year due to increased activity in Brazil, the United States and Venezuela.

Human rights

[412-2] Training of employees in human rights policies or procedures

Repsol promotes a culture of respect for human rights among its employees.

Since 2012, an online course has been provided on Human Rights Principles based on the United Nations Guiding Principles on Business and Human Rights. In 2019, the course has been taken by a total of 48 employees, which is equivalent to 96 hours of training. The course "Prevention of Harassment" was attended by 39 people, equivalent to 39 hours, and "Overcoming Barriers" was attended by 120 people, equivalent to 120 hours.

[406-1] Cases of discrimination and corrective response[1]

In 2019, seven harassment cases were undertaken in Spain pursuant to the protocol for the prevention of harassment of the Repsol Group. Under Spanish legislation, the company is unable to provide any further details on the claims, investigations, handling or resolution of harassment cases for reasons of confidentiality.

Two complaints of discrimination were received the United States. Both were resolved. The discrimination complaint filed in 2017 was also resolved this year.

In Canada, no new cases were recorded in 2019. The complaint about possible discrimination on the grounds of race/nationality filed in 2018 has yet to be resolved. One dispute from 2017 concerning discrimination on the grounds of disability remains pending and has been taken to the Alberta Human Rights Commission and is awaiting a verdict.

In Norway, one case of harassment was filed in 2019. After an analysis performed by an external agent, a conclusion was reached that there was no discrimination and therefore the case has been closed.

Of cases reported in 2019, two cases of harassment were confirmed at by year-end, and none of discrimination, corruption or human rights violations.

Of cases reported in 2018, one case of harassment was confirmed, and none of typologies hereby mentioned.

[407-1], [408-1], [409-1] Operations and suppliers whose right to the freedom of association and collective bargaining could be at risk, or involve significant risk in cases of child, forced or mandatory labor.

The Company's Code of Ethics and Conduct, which is applicable to all directors, executives and employees at Repsol and to our partners, joint-ventures operated by third parties, contractors, suppliers and other collaborating companies in all countries in which Repsol operates, complies with the requirements established by local legislation. In addition, Repsol is committed to respect of internationally recognized human rights, which include the rights set out in the Universal Human Rights Declaration and the principles relating to the rights established by the International Labor Organization (ILO) in the Declaration on Fundamental Principles and Rights at Work and the eight Fundamental Conventions.

Although some countries in which we operate are not signatories to ILO international conventions, Repsol is committed to respecting the human rights of the members of the most vulnerable groups or collectives when carrying out activities in those countries, regardless of the location in which we operate. This includes: Indigenous peoples; national, ethnic, linguistic or religious minorities; children, the elderly, the disabled; and refugees, displaced persons and migrant workers, as well as their families.

[G4-OG9] Operations where indigenous communities are present or affected by activities and where specific engagement strategies are in place

Repsol is currently conducting fourteen operations in seven countries (Bolivia, Canada, Colombia, Ecuador, Indonesia, Peru and Russia) that are taking place near or are adjacent to the territories of indigenous communities.

All the aforementioned operations have at least one of the following elements: public consultation and consultation plans; reference studies; social impact evaluations and action plans; relocation plans, community development plans; claim and complaint procedures; and other documents from community information centers.

100% of significant assets have development programs for local communities based on the needs of the latter and participation plans for stakeholders based on their geographic distribution

1. For cases of harassment of employees at Spanish companies included in the scope of application of the Repsol Group's Framework Agreement, the Harassment Prevention Protocol defined for Spain is applied; in other jurisdictions, the legal requirements at local level apply. In any case, the Code of Ethics and Conduct contains the general principles applicable to workplaces free from harassment.

Country	Description	Participation strategy
Bolivia	Margarita: Caipipendi and Huacaya. 5 indigenous communities pertaining to the Guaraní people of Itaka Guasu. Mamoré, Monteagudo and Cambeiti: 1 indigenous community belonging to the Guarani people in Cambeiti.	Process of prior consultation for environmental license in new projects and ongoing dialog with communities in active projects. Impacts are assessed and monitored. Continuous execution of action plans and continuous contact with communities through participative dialog. Monthly meetings with communal and community leaders. Operational level formal grievance mechanisms in place. Social investment projects carried out with communities and in conjunction with municipality of Huacaya and Entre Rios.
Canada	Greater Edson, North Duvernay & South Duvernay, Chauvin. 16 indigenous communities of First Nations and Metis.	Management plans are in place for the communities in the 5 operating areas, including plans for local development, impact evaluations, identification and updates of the plan relating to stakeholders, consultation processes to report activities in Alberta in accordance with regulatory requirements, as well as social investment projects, etc. In 2019, those plans include the aboriginal communities that may be potentially impacted by reclamation procedures. In addition, there are specific consultation processes in accordance with regulatory requirements for both First Nations and for Metis.
Colombia	RC-12: 18 Wayuu communities; CPE-8: Four Sikuani and Curripacos ethnic communities; PUT-30: One Pijao community.	Prior consultation process according to permanent interactive participative model. Impact assessment in human rights with communities within area of direct influence. Establishment of communication and grievance mechanism according to model of requests, complaints, claims and suggestions. Relationship strategies that directly involve these communities, taking into account their cultural particularities: Desert communities, piedmont communities and high-plains and jungle communities. Their representative organizations, leaders and traditional authorities have been identified to build fluid and ongoing relationships. Social investment projects are undertaken with indigenous communities.
Ecuador	Active Block 16 and 67 - Waorani community and the Kichwa people in the nine communities within the direct influence area.	There is a permanent dialog of cooperation and management of agreements and commitments, including a current agreement for compensation for the Waiti project, and permanent voluntary cooperation via a cooperation agreement pursuant to "Waemo Kewingi" (Good Living) with the Waorani Nationality of Ecuador (NAWE), the representative body of the entire Waorani ethnic group. Projects are governed by Ecuadorian legislation and by the Environmental Management Plan. Plans are being made for community development, emergency plans, environment and an anthropological contingency plan. Strategy based on continuous participation of communities through dialog plans that identify key stakeholders, frequency of contacts and periodic meetings, etc. In addition, local development projects are carried out, such as specific training courses for farmers and women, and social investment projects.
Indonesia	25 families of the nomadic indigenous community Suku Anak Dalam (SAD) within the area of influence.	Development programs have been designed with the participation of the SAD community and the government.
Peru	Block 57: 8 native communities in the area of direct influence.	Operations being carried out are covered during three stages of community relations (insertion, residence and departure) through participation strategies, which are carried out in accordance with the Community Relations Plan under social impact management programs (community monitoring and citizen vigilance; compensations and indemnities; grievance register; promotion of local employment; community communication and relations) and social investment and contribution to local development. Community relations are conducted with respect for the cultural patterns of each ethnic group (Machiguenga, Kakinte, Ashaninka, Yine). The socio-economic situation of each community and stakeholder group has also been taken into account.
Russia	6 indigenous communities of the Khanty and Mansy ethnic groups in the area of influence.	The strategy is based on prior studies to identify stakeholders, including indigenous communities in our area of influence, although not in the operating area.

Local communities

[413-2] Operations with significant negative effects - actual and potential - on local communities

Activity	Potential impacts identified
Downstream Industrial complexes and Repsol Gas and Electricity	Smells, noise, gas emissions into the atmosphere, dust, visual impacts and, to a lesser extent, discharges.
Onshore exploration and production	Potential health effects on the people living locally as a result of the inhalation of gases associated with exploration activities Temporary use of land to carry out the exploration work. Hiring of local manpower to carry out the exploration work Migratory movements toward operations they may cause on use of local services.
Offshore exploration and production	Temporary change in fishing routes to accommodate the presence of boats and other equipment related to oil and gas operations. Temporary change in fishing sector revenue due to the installation of equipment and facilities for offshore exploration purposes. Economic activity related to tourism. Hiring of local manpower to carry out the exploration work.

[OG-11] Sites dismantled and in the process of being dismantled

At the end of a facility's useful life, the Company establishes dismantling plans to ensure that the necessary measures are taken to minimize the impact on the environment. Repsol also collaborates with the corresponding authorities to transfer the necessary responsibilities, once the Company no longer has a presence in the area.

The company has internal regulations on asset integrity and risk management, which ensure that any serious accident scenarios that may occur during dismantling are identified and evaluated, including those that may arise from interference with assets in operation. For each scenario identified, measures are implemented that seek to preferably eliminate or minimize these dangers, and when this not possible, control and/or mitigate them, so that the risks to health and the environment are tolerable.

In 2019, 50 service stations and 1 LPG factory (San Fernando de Henares) were dismantled in Spain, and the thermal power stations at Escucha, Puertollano and Tarragona are in the process of being dismantled.[1] In the Exploration and Production business, work has been done in 2019 on the dismantling of 7 Lots. In the dismantling of Lot 57 in Peru, which affects the Mapi and Mashira regions, an environmental restoration plan is being carried out in both regions in agreement with the indigenous organization Eco Asháninka. The dismantling and reforestation work was completed in 2019. Between 2020 and 2021, maintenance and monitoring of the reforestation work will continue, as will the social investment plan provided for in the exit strategy.

In 2018, there was no dismantling activity in the Exploration and Production business.

Environment

Non-GHG emissions

[305-7] Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions,

SO_2, NOx and NMVOCs emissions (t)	2019	2018
SO_2	26,949	29,924
NOx	19,876	20,603
NMVOC	31,747	35,890

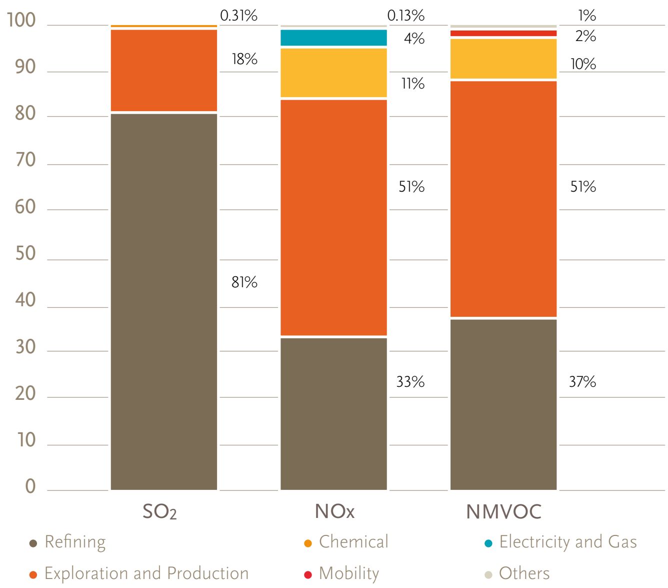
SO_2 and NOx emissions in the Refining and Chemicals businesses are measured with continuous concentration and smoke flow analyzers. When there is no continuous analyzer, internal environmental parameter guideline are applied, where the methodology for calculating these emissions is established.

In the rest of the businesses, the environmental parameters guidelines are applied when the applicable regulations do not define a direct calculation or measurement methodology.

In the case of NMVOC emissions, it is estimated using the methodology established in the environmental parameter guidelines in cases where there is no applicable local regulation.

Disclosure of major atmospheric emissions by activity

Disclosure of major atmospheric emissions by activity



1,For the first time, the numbers reported considers the Downstream businesses, including Repsol Gas y Electricidad, SO2 emissions were down by 10% compared to 2018; NOx emissions were down by 4% and NMVOC emissions by 12%. Mainly in the Refining business due to several maintenance shutdowns and emission factor updates.

Intensity of significant air emissions

tmospheric emissions per ton of processed crude oil in refineries and per barrel of oil equivalent (boe) in exploration and production assets are as follows:

Refining	2019	2018
Tons of SO_2 /thousands of tons of processed crude oil	0.50	0.53
Tons of NO_x/thousands of tons of processed crude oil	0.15	0.18
Tons of NMVOC/thousands of tons of processed crude oil	0.26	0.28

Exploration and production(1)	2019	2018
Tons of SO_2/thousands of boe produced	0.027	0.030
Tons of NO_2/thousands of boe produced	0.055	0.062
Tons of NMVOC/thousands of boe produced	0.088	0.115

(1) The intensive figures have been calculated using gross production of our operated assets, as reported atmospheric emissions include 100% of emissions for such assets, irrespective of Repsol's percentage of them.

[G4-OG8] Benzene, lead and sulfur content in fuels

At the Company's refineries, processes are being improved to ensure compliance with the required technical specifications at all times. Furthermore, both the commercial businesses and industrial facilities are working within the environmental limit established as a preventive measure for professional exposure. This involves contributing to improving the environment by reducing the release of volatile components into the atmosphere. All our facilities have been improved to limit the content in compounds, such as aromatics, sulfur and benzene; our most recent investment was in the construction of new units in Peru to produce diesel and gasolines with a 0.005% sulfur mass with additional limits on the content of aromatics and benzene. The Commercial businesses are also reducing the release of volatile organic compounds through the installation of operating procedures and systems.

The fuel that Repsol markets meets the current quality specifications applicable. Repsol sells mainly in Spain, Portugal, France, Italy, Peru and Mexico. Where fuel was not produced at Repsol's facilities, the Company has agreements with independent laboratories that carry out product analysis to ensure compliance.

Maximum content	Europe	Mexico(1)	Peru(3)
Sulfur mg/kg	10	30	50
Benzene %v	<1	<1 or <2	(2)

(1) The maximum benzene content depends on the region of Mexico in which the fuel is marketed.
(2) Repsol specifications: National gasolines: 1% max vol.
Export gasoline: not specified, Engine gasolines: 2% max vol.
(3) The maximum sulfur content depends on the type of fuel.

Repsol fuels have a safety sheet and a technical sheet, where consumers can consult information on the benzene and sulfur content in gasolines and diesel fuels. This information is made available to customers and/or end consumers when requested.

Effluents and waste

In Repsol has internal requirements for Environmental Performance Practices (EPP) relating to the management of wastewater in Exploration and Production activities. In particular, the Company establishes water disposal plans (WDPs), where it assesses the impact of effluents on the environment where they are discharged and, in simultaneously, it uses the internal Repsol Water Tool (RWT) to identify the bodies of water involved, analyzes the risks in accordance with their importance for both biodiversity and for local communities and adopts mitigation plans.

[303-2] Water sources significantly affected by water extraction

There are 13 significantly affected water bodies, of which:

- 7 are rivers and 5 are reservoirs.
- 8 are part of or in the area of influence of regionally, nationally or internationally recognized protected areas, including 2 in Ramsar sites.
- 10 are classified as Key Areas for Biodiversity according to IBAT because of the value they bring to biodiversity.
- None has a use or value that is inconsistent with our activity, so it does not interfere with local communities or indigenous peoples in the area.

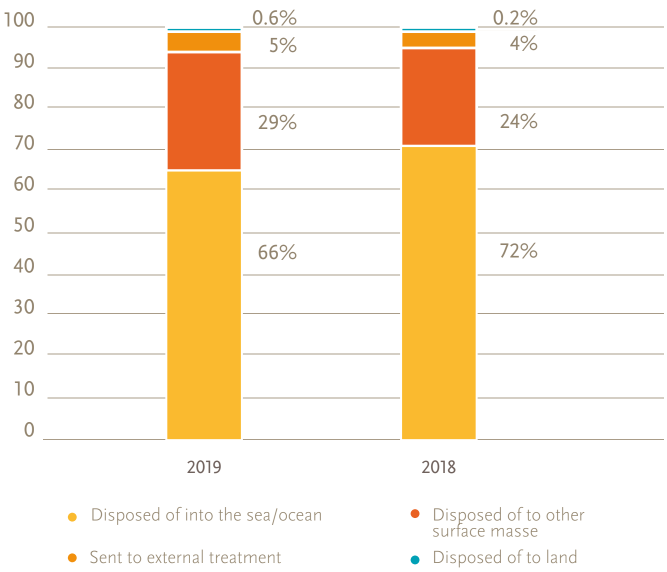
The standards, methods and assumptions used:

- % of water collected compared to the average value of the annual volume of the water body
- World Database on Protected Areas (IBAT)
- Ramsar Sites Information Service
- World Database of Key Biodiversity Areas (IBAT)
- IUCN Red list of threatened species

[306-1] Discharge of water according to quality and destination

A total of 39,147[1] tons of water were discharged. (In 2018, 36,813[2] tons were discharged.) Water discharged by destination is shown below:

Water discharged by destination



Treatment of discharged water

The fluid effluents from the facilities of the Company are subjected to purification processes to minimize their environmental impact and ensure compliance with legal requirements. The type of wastewater treatment process is specific to the activity and the characteristics of the site. Treatment may be a physical-chemical (primary) process, completed with a biological (secondary) process, or even include more advanced treatment (tertiary process) or other specific processes for contaminants that are non-degradable using non-conventional treatments.

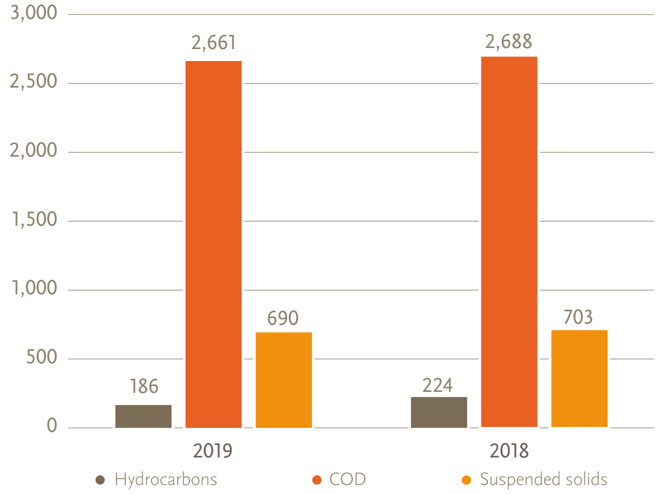
Main contaminants discharged

The main contaminants discharged at Repsol facilities are: hydrocarbons, suspended solids, and organic matter likely to undergo oxidation, measured as chemical oxygen demand (COD).

1. Water discharged does not include data for the Electricity and Gas business, which was incorporated to the Company's reporting in 2019.

2. Refrigeration water in offshore operations is no longer classified as water discharged. The 2018 figure has been amended accordingly.

Main contaminants discharged[1]



(1) These are discharges to the exterior, discounting amounts reported in Puertollano chemicals and asphalt, which are contaminant discharges in water treated in the wastewater treatment facility of the Puertollano refinery.

Hydrocarbon spills in 2019 by activity

Activity	2019	%	2018	%
Exploration and production	123.54	66.4%	170.9	76.3%
Refining	55.65	29.9%	45.2	20.2%
Chemicals	1.34	0.7%	4.2	1.9%
Mobility	5.14	2.8%	3.3	1.5%
Electricity and Gas	0.00	0.0%	N.A.	N.A.
Other	0.52	0.3%	0.4	100%
Total	**186.19**	**100.0%**	**224**	**100.0%**

[G4-OG5] Volume and disposal of water

The following is the water produced and injected in the Company's exploration and production assets:

Water	2019	2018
Produced (thousands of tons)	59,198	62,129
Injected (thousands of tons)	51,772	54,431

[306-5] Water bodies affected by water discharges and/or run-offs

There are 12 water bodies significantly affected by discharge, of which:

- 3 correspond to maritime zones, 7 are rivers and 2 are smaller bodies.
- 4 are part of or in the area of influence of regionally, nationally or internationally protected areas, including 1 in Ramsar sites.
- 11 are classified as Key Areas for Biodiversity according to IBAT[3] because of the value they bring to biodiversity.
- None has a use or value that is inconsistent with our activity, so it does not interfere with local communities or indigenous peoples in the area.

3. Integrated Biodiversity Assessment Tool

[306-2] Waste by type and method of disposal

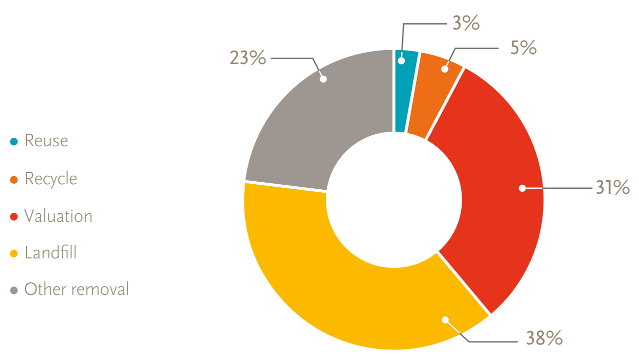
Disclosure of hazardous and non-hazardous waste per activity in 2019.

	Hazardous waste (metric tons)		Non-hazardous waste (tons)	
Activity	**2019**	**2018**	**2019**	**2018**
Exploration and Production	7,609	24,681	174,126	73,333
Refining	23,116	25,956	48,209	45,810
Chemicals	16,601	15,090	17,535	21,526
Marketing	3,688	4,358	5,534	5,032
Lubricants and Specialist Products	127	131	416	688
LPG	205	29	835	554
gas and electricity	18	-	45	-
Other	70	97	634	496
Total	**51,434**	**70,343**	**247,334**	**147,440**

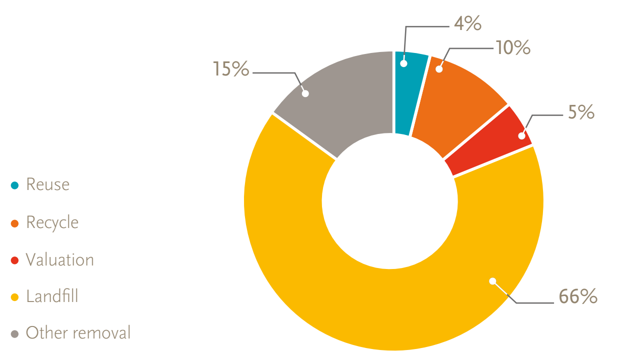
Hazardous waste production decreased 27% mainly because in 2018 we completed a recovery project in the water capture area in Canada. Non-hazardous waste increased 68% as a result of a soil remediation project in Canada

The charts below report the actions carried out in 2019 for each category:

Hazardous waste management



Non-hazardous waste management



[G4-OG7] Amount of drilling waste (drill mud and cuttings) and strategies for treatment and disposal

These data do not include the amount of waste generated in drilling activities, the figures for which are shown below:

	2019	**2018**
Water-based cuttings and fluids	31,796	42,605
Non water-based cuttings and fluids(1)	39,614	48,409

(1) The 2018 figure has been corrected because some of the cuttings and non-aqueous-based fluids from exploratory drilling in Bolivia were not accounted.

Management of waste from drilling operations (cuttings and fluids) is regulated by the company's internal rules and regulations called Environmental Performance Practices (EPP). These guidelines establish a set of standards that must be followed in Upstream activities and that are applicable to all geographical areas in which the company operates and regardless each country's specific legislation.

Biodiversity

[304-1] Owned, leased or managed operations centers located within or adjacent to protected areas or areas of high biodiversity value outside protected areas

As in 2018, Repsol has an internal information research and screening tool to assess potential overlapping of operating blocks with protected areas. The input data comes from the Proteus consortium with UNEP-WCMC[1] where the World Database on Protected Areas (WDPA) is obtained, which is integrated into the internal tool. This information is taken into account as a criterion in decision-making throughout the life cycle of projects.

In addition, Repsol applies the IPIECA and IPIECA[2] and IOGP[3] management framework for biodiversity and ecosystem services (BES). The framework quantifies the risk to biodiversity (species and habitats) and to ecosystem services, and the data is added to the business case of each asset.

Of all assets analyzed, those located in areas adjacent to protected areas and/or areas of high biodiversity value were:

Bolivia	Adjacent to an IUCN[4] area Cat, Not assigned or published
Ecuador	34% of Block 16 and 100% of the Tivacuno block are in IUCN Cat. I.
Peru	20% of Block 57 is located in the protected area of Machiguenga communal reserve, classified as IUCN: VI

Although there is overlap in the areas under concession by the state (blocks), our operating facilities are not located in areas protected by the IUCN nor any international convention. Even so, due to the high biodiversity that exists in these three sites and as we have been reporting in recent years, we are implementing a

1. United Nations Environment Programme's World Conservation Monitoring Centre.
2. The Global Oil and Gas Industry Association for Environmental and Social Issues.
3. The International Association of Oil&Gas Producers.
4. International Union for Conservation of Nature.

biodiversity action plan in each of these assets to avoid, minimize and restore our impacts.

[304-2] Significant impacts of activities, products and services on biodiversity

Applying the mitigation hierarchy of potential impacts on biodiversity is fundamental for Repsol. The Company applies the IPIECA IOGP BES Management methodology. This methodology can be used to analyze the current situation of current exploration and production assets and projects and identify next steps to be taken. It is based on the study of the following areas: Integration of biodiversity and ecosystem services in management of the business, relations with stakeholders, construction of a biodiversity baseline, identification and management of potential impacts and selection of indicators. Further details at the following link:

http://www.ipieca.org/resources/awareness-briefing/biodiversity-and-ecosystem-services-fundamentals-a-summary/

In this regard, Repsol continues to work on putting this methodology into practice in its operated assets and projects, setting medium-term objectives and developing work plans to achieve them.

Repsol's way of putting this methodology into practice was presented in 2018 at the international congress "SPE International Conference and Exhibition on Health, Safety, Security, Environment, and Social Responsibility" held in April 2018 in Abu Dhabi.

In addition, Repsol has developed a tool called "*Repsol Biodiversity and Ecosystem Services Tool (BEST-R)*" to facilitate the implementation of this methodology.

This tool can implement a systematic and consistent approach when assessing Biodiversity and Ecosystem Services in the Company's operations worldwide, since it is applicable to:

- The entire life cycle of the activities (projects and assets)
- All countries
- All ecosystems (e.g., land/marine, rainforest, tundra, etc.).

Although the impacts are assessed for each project using the company methodology, in general, the nature of the impacts on biodiversity in our activities tends to be: disturbance of wildlife, removal of vegetation, loss and/or fragmentation of habitats; alteration of ecosystem quality and diversity and introduction of alien/invasive species.

[304-3] Habitats protected or restored

Restoration is the third steps in the mitigation hierarchy. It consists of a process to assist in the recovery of an ecosystem that has been degraded, damaged or destroyed. Repsol has internal regulations that establish the requirements to be implemented in this connection based on the best practices in the industry. Repsol is implementing asset abandonment plans at its operations that ensure the restoration of habitats. In 2019, Repsol restored 234 hectares of land corresponding to different types of habitats, for example: forests, wetlands, crops, etc.) following the abandonment of its Exploration and Production operations (wells and pipelines, in addition to others). These activities took place at the Business Units in Canada, Ecuador, USA-Marcellus and Peru. The standards and methods employed were supervised by the corresponding independent local organizations and the condition of the areas restored at the end of activities is higher than 90% in all cases.

Country	Size of restored area	Location	Restored habitat type	State of area on restoration completion	Implementation of restoration measures approved by independent experts
Peru	8.4	Block 57 (2 exploration wells)	Tropical rainforest	100% restored	Yes: approved by regulator
Ecuador	8	1 location (AMO A Block 16)	Inland (temporarily/ permanently flooded)	100% restored	Yes: approved by regulator
United States	156.1	Marcellus Pensylvania (11 wells and 19 pipes) Trenton Black River in New York State (2 wells)	Wetlands, plains, riverbank areas and streams	Wells: 100% restored Pipes: 90% -100% restored	Yes: approved by regulator
Canada	61.2	36 locations (wells and ancillary facilities)	Forest and cultivated land	100% restored	Yes: approved by regulator

(1) Reported data include Exploration and Production activities in 2019.

[304-4] IUCN Red List species and national conservation list species with habitats in areas affected by operations

Repsol participates in the Proteus Consortium, where the UNEP WCMC make available to participating extractive companies information related to the distribution of the species listed in the IUCN Red List of Threatened Species and the protected areas. Repsol uses this information as one of the criteria in its decision making. Similarly, Repsol prepares environmental impact studies in all new projects, with the compilation of detailed information. Related to the presence of species in the territory. Repsol has the book created with the Smithsonian Institute that provides a catalog of indicator species of the health of largest habitats of the planet with the aim of being more effective in the management of impacts.

The following table shows the number of species classified by the IUCN with a potential presence in the Company's Exploration and Production assets.

Number of species in areas affected by exploration and production operation(1)	
Critically endangered species	22
Endangered species	73
Vulnerable species	355
Endangered species	429

(1) The data reported includes species of Exploration and Production assets with activity in 2019. The data are similar with respect to 2018.

[G4-OG4] - Number and percentage of significant operating sites in which biodiversity risk has been assessed and monitored

	Result (%)
Centers where biodiversity-related risks have been assessed	100
Centers where biodiversity-related risks have been found	100(1)
Centers in which the area of influence has been calculated	100
Centers with specific biodiversity management and ecosystem services	100
Degree of implementation of specific biodiversity management and ecosystem services	100

(1) The indicator is 100% under the assumption that all assets the Company operates have potential biodiversity-related risks. The data are similar with respect to 2018.

Responsible Tax Policy

Result generated and taxes effectively paid in 2019, by countries[1]

Millions of euros	Profit 2019[2]	Profit 2018[2]	Tax burden: TOTAL	Tax burden: Income tax	Tax burden: Other taxes on profits	Tax collected: TOTAL	Tax collected: VAT	Tax collected: Hydrocarbons tax[3]	Tax collected: Other	Total 2019	Total 2018
Spain	881	486	712	243	469	8,375	2,846	5,181	348	9,087	9,700
Portugal	56	60	32	21	11	1,1168	307	841	20	1,200	1,174
Italy	(29)	(12)	26	-	26	102	29	72	1	128	82
Norway	62	97	41	40	1	46	23	-	23	87	89
The Netherlands	102	24	36	36	-	-	-	-	-	36	41
United Kingdom	(212)	678	9	-	9	3	(20)	-	23	12	13
Luxembourg	65	62	-	-	-	-	-	-	-	-	(1)
Germany	-	1	-	-	-	1	1	-	-	1	-
France	-	-	2	1	1	5	5	-	-	7	-
Switzerland	-	-	-	-	-	-	-	-	-	-	-
Romania	(1)	(98)	-	-	-	-	-	-	-	-	-
Greece	(1)	(4)	-	-	-	-	-	-	-	-	-
Irland	(25)	-	-	-	-	-	-	-	-	-	-
Bulgaria	(238)	(37)	-	-	-	(4)	(4)	-	-	(4)	7
Europe	**881**	**1,257**	**858**	**341**	**517**	**9,696**	**3,187**	**6,094**	**415**	**10,554**	**11,105**
Peru	47	69	100	27	73	606	300	290	16	706	621
Brazil	160	193	219		219	20	1	-	19	239	266
Colombia	(51)	88	68	67	1	17	-	-	17	85	74
Bolivia	45	66	31	22	9	29	23	-	6	60	67
Venezuela	(11)	(97)	5	4	1	2	1	-	1	7	8
Ecuador	5	88	7	4	3	6	-	-	6	13	77
T&T	(163)	(17)	95	4	91	(43)	(46)	-	3	52	48
Aruba	(6)	(11)	-	-	-	-	-	-	-	-	-
Chile	-	-	-	-	-	-	-	-	-	-	-
Barbados	9	(74)	1	1	-	-	-	-	-	1	-
Guyana	(23)	(2)	-	-	-	-	-	-	-	-	-
Latam & Caribbean	**12**	**303**	**526**	**129**	**397**	**637**	**279**	**290**	**68**	**1,163**	**1,161**
Indonesia	96	470	192	192	-	7	3	-	4	199	202
Malaysia	19	89	277	-	277	18	(7)	-	25	295	239
Timor Leste	0	28	-	-	-	-	-	-	-	-	-
Russia	(14)	41	87	13	74	16	15	-	1	103	98
Vietnam	(311)	(6)	41	20	21	(6)	(8)	-	2	35	55
Singapore	10	-	1	1	-	-	(2)	-	2	-	6
Australia	(2)	26	-	-	-	-	-	-	-	-	-
Iraq	(2)	(1)	-	-	-	-	-	-	-	-	-
Kazakhstan	-	-	-	-	-	-	-	-	-	-	-
Papua New Guinea	(127)	(19)	-	-	-	-	-	-	-	-	-
Asia and Oceania	**(331)**	**628**	**598**	**226**	**372**	**35**	**1**	-	**34**	**633**	**600**
US	(1,790)	(178)	50	1	49	29	-	-	29	79	99
Canada	(2,715)	240	23	-	23	34	3	-	31	57	60
Mexico	(20)	(20)	27	11	16	4	(8)	-	12	31	9
North America	**(4,525)**	**42**	**100**	**12**	**88**	**67**	**(5)**	-	**72**	**167**	**168**
Libya	162	196	396	361	35	2	-	-	2	398	520
Algeria	(65)	36	132	97	35	5	-	-	5	137	44
Angola	40	(40)	-	-	-	2	-	1	1	2	-
Morocco	1	(16)	-	-	-	1	-	-	1	1	-
Mauritania	-	-	-	-	-	-	-	-	-	-	-
Namibia	11	-	-	-	-	(3)	(3)	-	-	(3)	-
Tunisia	(2)	(65)	-	-	-	-	-	-	-	-	-
Gabon	(1)	-	-	-	-	-	-	-	-	-	-
Sierra Leona	-	-	-	-	-	-	-	-	-	-	2
Africa	**146**	**111**	**528**	**458**	**70**	**7**	**(3)**	**1**	**9**	**535**	**566**
TOTAL	**(3,816)**	**2,341**	**2,610**	**1,166**	**1,444**	**10,442**	**3,459**	**6,385**	**598**	**13,052**	**13,600**

(1) Only taxes actually paid during the year are counted: hence taxes accrued during the period but that will be paid in the future are not included. Refunds from previous years are not included.

(2) Net profit after tax and minority interests, including the profit of joint ventures and other companies whose operations are managed as if they were (for further information, see Appendix I), in addition to income from discontinued operations.

(3) Hydrocarbon tax. It includes what is received through the logistic operators when the Company is the ultimate responsible for the payment.

Ethics and Compliance

Anti-corruption

[205-2] Communications and training regarding anti-corruption policies and procedures

Employee training

The company has three online training courses on the fight against corruption:

- “Code of Ethics and Conduct”: includes anti-corruption policies (available to all employees) and a "Code of Ethics and Conduct Game", a quiz to test and refresh knowledge of the Code.
- "Crime Prevention Model" (available to all employees).
- "Anti-Money Laundering and Terrorist Financing Prevention" (available to employees in Peru).

Public policy

[415-1] Contributions to political parties and/or representatives

In 2019 (as in 2018), Repsol made no political contributions. Repsol is in favor of lobbying activity being carried out in a transparent manner.

In Europe and in Spain, the Company has taken part in debates and public consultations, with the aim of working with the institutions and society in the development of different legislative initiatives. Accordingly, the Company reports such activity in all areas where formal registration is required, and pursuant to the requests made by competent authorities, where such information is public and accessible.

Specifically, such activity is registered in the following jurisdictions: the European Union, the United States at the federal level and in Canada at federal and provincial level (Alberta).

Links to official lobby registration pages and further information at www.repsol.com.

Number and percentage of employees that have received training regarding anti-corruption measures by region

	Governance Bodies		Executives		Technical managers		Technicians[1]		Clerical staff		Manual workers and junior personnel	
Region	**No.**	**%**	**No.**	**%**	**No.,**	**%**	**No.,**	**%**	**No.**	**%**	**No.**	**%**
Africa			3	100%	41	98%	79	80%				
Asia			6	55%	150	86%	433	79%	59	82%		
Europe	6	67%	175	79%	1,592	89%	5,880	80%	772	83%	5,400	47%
Latin America			19	100%	296	98%	2,432	52%	21	100%	43	42%
North America			14	82%	261	70%	550	67%	25	63%	138	64%
Total 2019	**6**	**67%**	**217**	**80%**	**2,340**	**87%**	**9,374**	**70%**	**877**	**82%**	**5,581**	**48%**
Total 2018	**-**	**-**	**217**	**79%**	**2,062**	**80%**	**8,474**	**63%**	**683**	**60%**	**5,251**	**45%**

(1) Data obtained from the maximum accumulated average workforce.

Compliance[1][2][3]

[307-1] Non-compliance with environmental law and regulations

As in 2019 (as in 2018), there were no significant fines or sanctions levied against Repsol Group in 2019 as a result of lawsuits or administrative proceedings ending with a final decision.

[206-1] Legal actions related to unfair competition and monopolistic practices and against free competition

Litigation (1) for anti-competitive practices (Number of cases initiated)

	2019	2018
Cases filed	0	0

(1) Number of lawsuits or administrative procedures initiated during the year that are significant for the Repsol Group.

In order to foster growing awareness and stay permanently abreast of anti-trust legislative developments, the company continued to provide subject-specific training throughout 2019.

[416-2] Cases of non-compliance relating to health and safety effects of product and service categories.

The number of lawsuits and administrative proceedings ending in 2019[4] with a final decision, imposing significant fines or sanctions levied against the Repsol Group due to its failure to adhere to European Product Safety regulations (REACH and CLP regulations) is 0.

Supply Chain

Management of the supply chain and its impacts where the company operates

[308-2] Negative environmental impacts on the supply chain and measures taken

A total of 2,605 evaluations (3,060 in 2018) were made of environmental aspects on 1.248 suppliers (1,347 in 2018), 45 evaluations (265 in 2018) were found for 41 suppliers (232 in 2018) with an environmental performance score of less than 5 out of 10. Poor scores are associated with, among others, logistics contracts and installation and maintenance of equipment. As in 2018, after the negative evaluations were identified, improvements were agreed with 100% of the suppliers.

No relationships were ended with suppliers for environmental reasons.

[414-2]: Negative social impacts on the supply chain and measures taken

A total of 2,605 social issue evaluations (3,060 in 2018) were performed on 1,248 suppliers (1,347 in 2018). Some 67 evaluations (120 in 2018) on 53 suppliers (102 in 2018) were found with a social issue performance score below 5 out of 10. The negative evaluations are associated with the Code of Ethics and Human Rights, among other things. After the negative evaluations were identified, improvements were agreed with 100% of the suppliers. No relationship with any supplier has ended due to social issues (human rights or labor matters, among other things) as in 2018.

Economic Performance

[201-1] Economic value generated and distributed and 201-4 Financial assistance received from the government

Item *(Millions of euros)*	**2019**	**2018**
Direct economic value generated	**50,348**	**51,185**
Sales and other operating income	50,053	50,946
Finance income	148	177
Gains on disposal of fixed assets	147	62
Economic value distributed	**47,140**	**47,623**
Operating expenses (payments for raw materials, product components, facilities and services acquired; property rentals, license fees, facilitation payments, royalties, subcontracting of workers, employee training or protective equipment costs)	36,491	36,902
Salaries and employee benefits (except training)	1,932	1,859
Payments to capital providers (dividends to shareholders and interest payments to interest providers)	836	768
Public Administrations: Tax accrued in the year and included as expenses in the company's consolidated Financial Statements, including Corporate Income Tax and Excise Duties,	7,881	8,094
Investments in communities (this value is calculated by the CR area)	51	43
Retained economic value	**3,260**	**3,562**
Economic aid granted by government entities (subsidies)	19	20

1. The information corresponds to companies operated and controlled by Repsol.
2. Only includes lawsuits filed by competition authorities, excluding those filed by companies or individuals.
3. Only includes lawsuits with a final ruling during the reporting year.
4. Indicator reported for the first time this year.

Appendix IV. GRI Index

GRI 2016	Indicator description	Reference in Management Report, Reports or website	Page/Omission	Verification
GRI 101	**Fundamentals**			
GRI 102	**General contents**			
	Organizational Profile			
102-1	Company Name	2019 Consolidated Financial Statements - Note 2 About the Repsol Group		√
102-2	Activities, brands, products and services	Section 2.1. Value chain and business segments Section 5.1. Upstream Section 5.2. Downstream		√
102-3	Location of the headquarters	2019 Consolidated Financial Statements - Note 2 About the Repsol Group	8, 28, 38	√
102-4	Location of operations	Section 2.2. Repsol around the world Section 5. Our business in 2019		√
102-5	Property and legal form	2019 Consolidated Financial Statements 2019 - Note 2 About the Repsol Group 2019 Consolidated Financial Statements - Note 7 Equity	10, 28	√
102-6	Markets served	Section 2.2. Repsol around the world Section 5.1. Upstream Section 5.2. Downstream		√
102-7	Organizational Size	Section 2.1. Value chain and business segments Section 2.2. Repsol around the world Section 2.6. Corporate Structure	10, 28, 38	√
102-8	Information about employees and other workers	Section 6.2.1. Our team Appendix III: Further information on Sustainability - People	8, 10, 16	√(1)
102-9	Supply Chain	Section 6.8. Supply Chain	61, 107	√(2)
102-10	Significant changes in the organization and its supply chain	2019 Consolidated Financial Statements - Note 2.4 Main changes in the year	82	√
102-11	Precautionary approach or principle	Section 2.5. Corporate Governance Section 6.1. Climate Change Section 6.3. Safe operation Section 6.4. Environment Appendix II: Risks	14, 51, 66, 70 , 99	√
102-12	External Initiatives	https://www.repsol.com/en/sustainability/reports-kpis-and-partnerships/memberships-in-global-initiatives/index.cshtml		√
102-13	Affiliation to associations	https://www.repsol.com/en/sustainability/reports-kpis-and-partnerships/memberships-in-global-initiatives/index.cshtml		√
	Strategy			
102-14	Statement from senior decision-makers	Message from the Chief Executive Officer	1	√
102-15	Main effects, risks and opportunities	Section 2.3. Risks Section 6.1. Climate Change Appendix II: Risks	12, 51, 99	√
	Ethics and integrity			
102-16	Values, principles, standards and norms of conduct	Code of ethics and conduct (https://www.repsol.com/imagenes/global/en/repsol_code_of_ethics_and_business_conduct_en_20190719_tcm14-17053.pdf) Section 6.7. Ethics and Compliance About this Report"	81	√
102-17	Advisory mechanisms and ethical concerns	Repsol ethics and compliance channel. (ethicscompliancechannel.repsol.com) Section 6.7. Ethics and Compliance	81	√
	Governance			
102-18	Governance structure	Section 2.5. Corporate Governance Appendix VII: 2019 Annual Corporate Governance Report - B.2 List the direct and indirect holders of significant stakes, excluding directors Appendix VII: 2019 Annual Corporate Governance Report - B.3.1 Members of the Board of Directors Appendix VII: 2019 Annual Corporate Governance Report - B.5 Members of senior management Appendix VII: 2019 Annual Corporate Governance Report - B.4 Committees of the Board of Directors	14, 148	√

GRI 2016	Indicator description	Reference in Management Report, Reports or website	Page/Omission	Verification
102-19	Delegation of authority	Section 2.5. Corporate Governance Section 6.1. Climate Change	14, 51	√
102-20	Executive-level responsibility for economic, environmental and social issues	Section 2.5. Corporate Governance Appendix VII: 2019 Annual Corporate Governance Report - B.4.2 Committees of the Board of Directors - Audit and Control Committee Appendix VII: 2019 Annual Corporate Governance Report - B.4.5 Committees of the Board of Directors - Sustainability Committee	14, 148	√
102-21	Consultation of stakeholders on economic, environmental and social issues	Section 6. Sustainability	48	√
102-22	Composition of the most senior governance body and its committees	Appendix VII: 2019 Annual Corporate Governance Report - B.3.1 Members of the Board of Directors Appendix VII: 2019 Annual Corporate Governance Report - B.4 Committees of the Board of Directors	148	√
102-23	President of the most senior governing body	Section 2.5. Corporate Governance	14	√
102-24	Nomination and selection of the most senior governing body	Policy for the selection of directors: https://www.repsol.com/imagenes/global/en/Politica_Seleccion_Consejeros_EN_tcm14-13033.pd Appendix VII: 2019 Annual Corporate Governance Report - B.3.1 Procedures for the selection, appointment, re-election, evaluation and removal of Directors"	148	√
102-25	Conflicts of interest	Appendix VII: 2019 Annual Corporate Governance Report - B.6 Competent body and procedure for the approval of transactions with related and intragroup parties Appendix VII: Annual Corporate Governance Report 2019 - B.6 Describe the mechanisms for detecting, determining and resolving possible conflicts of interest between the company and/or its group, and its directors, executives or significant shareholders	148	√
102-26	Role of the most senior governance body in the selection of objectives, values and strategy	Rules of Procedure of the Administrative Board - Article 5 https://www.repsol.com/imagenes/global/en/Reglamento_del_Consejo_27-07-2016_ENG_tcm14-13029.pdf		√
102-27	Collective knowledge of the most senior governing body	Section 2.5. Corporate Governance	14	√
102-28	Evaluation of the performance of the most senior governance body	Section 2.5. Corporate Governance Rules of Procedure of the Administrative Board - Article 11 https://www.repsol.com/imagenes/global/en/Reglamento_del_Consejo_27-07-2016_ENG_tcm14-13029.pdf Appendix VII: 2019 Annual Corporate Governance Report - B.2.2 Description of the evaluation process and the areas evaluated of the Board of Directors Articles of Association -Article 45d	14, 148	√
102-29	Identification and management of economic, environmental and social effects	Appendix VII: 2019 Annual Corporate Governance Report - B.8.1 Control and risks management systems Appendix VII: 2019 Annual Corporate Governance Report - B.8.2 Internal control and risks management systems related to the financial reporting process (ICSFR)	148	√
102-30	Effectiveness of risk management processes	Appendix VII: 2019 Annual Corporate Governance Report - B.8.1 Control and risks management systems Appendix VII: 2019 Annual Corporate Governance Report - B.8.2 Internal control and risks management systems related to the financial reporting process (ICSFR)	148	√
102-31	Evaluation of economic, environmental and social issues	Appendix VII: 2019 Annual Corporate Governance Report - B.8.1 Control and risks management systems Appendix VII: 2019 Annual Corporate Governance Report - B.8.2 Internal control and risks management systems related to the financial reporting process (ICSFR)	148	√
102-32	Role of the most senior governance body in sustainability reporting	Appendix VII: 2019 Annual Corporate Governance Report - B.4 Committees of the Board of Directors	148	√
102-33	Communication of critical concerns	Section 2.5. Corporate Governance	14	√
102-34	Nature and total number of critical concerns	Section 2.5. Corporate Governance	14	√
102-35	Remuneration policies	Appendix VII: 2019 Annual Corporate Governance Report -B.4 Committees of the Board of Directors- Remuneration Committee-B.4.4 2019 Annual Report on Directors' Remuneration 2019-2021 Director Remuneration Policy: https://www.repsol.com/imagenes/global/en/2019_2021_remuneration_policy_directors_tcm14-150990.pdf	148	√
102-36	Process for determining remuneration	2019 Consolidated Financial Statements - Notes 29 and 20. Remuneration of members of the Board of Directors and executive staff Appendix VII: 2019 Annual Corporate Governance Report - B.4 Committees of the Board of Directors - Remuneration CommitteeB.4.4 Annual Report on Directors' Remuneration 2019	148	√
102-37	Involvement of stakeholders in remuneration	Appendix III: Further information on Sustainability - Corporate Governance	105	√
102-38	Annual total compensation ratio	Appendix III: Further information on Sustainability - People - Remuneration and benefits	112	√(3)

GRI 2016	Indicator description	Reference in Management Report, Reports or website	Page/Omission	Verification
102-39	Ratio of percentage increase in total annual compensation	Appendix III: Further information on Sustainability - People - Remuneration and benefits	112	√(4)
	Stakeholder engagement			
102-40	List of stakeholders	Appendix III: Further information on Sustainability - Materiality and stakeholder engagement	103	√
102-41	Collective bargaining agreements	Appendix III: Further information on Sustainability - People - Employment framework, health and safety at work	115	√
102-42	Identification and selection of stakeholders	https://www.repsol.com/en/sustainability/our-sustainability-model/our-model/index.cshtml Appendix III: Further information on Sustainability - Materiality and stakeholder engagement		√
102-43	Approach to stakeholder engagement	Appendix III: Further information on Sustainability - Materiality and stakeholder engagement	103	√
102-44	Key issues and concerns mentioned	Appendix III: Further information on Sustainability - Materiality and stakeholder engagement	103	√
	Reporting practices			
102-45	Entities included in the consolidated financial statements	Section 2.6. Corporate Structure 2019 Consolidated Financial Statements - Appendix I: Main companies making up the Repsol Group	16	√
102-46	Definition of the contents of the reports and the Coverage of the topic	Appendix III: Further information on Sustainability - Materiality and stakeholder engagement	103	√
102-47	List of material topics	Appendix III: Further information on Sustainability - Materiality and stakeholder engagement	103	√
102-48	Re-expression of information	No relevant re-expressions in the period.		√
102-49	Changes in reporting	The changes in relevant topics and their coverage is included in the materiality matrix.	103	√
102-50	Reporting period	2019		√
102-51	Date of last report	2018 Integrated Management Report published in February 2019		√
102-52	Reporting cycle	Annual		√
102-53	Contact point for questions about the report	Address any doubts, queries, suggestions or other matters relating to it, through the Shareholder Office whose telephone number is 900 100 100 or by email to infoaccionistas@repsol.com or to repsolteescucha@repsol.com		√
102-54	Declaration of preparation of the report in accordance with GRI Standards	About this report		√
102-55	GRI Content Index	Appendix IV. GRI Index	125	√
102-56	External verification	See PwC's verification letter at www.Repsol.com		√

Material Themes

GRI 2016	Indicator description	Reference in Management Report, Reports or website	Page/Omission	Verification
	Economic dimension			
GRI 201	Economic performance			
103	Management approach	Section 6.1. Climate change Consolidated 2019 report on payments to public administrations for hydrocarbon exploration and production activities Section 6.6. Responsible Tax Policy Appendix III: Further information on Sustainability - Economic performance"	51, 79, 134	√
201-1	Direct economic value generated and distributed	Appendix III: Further information on Sustainability - Economic performance	134	√(5)
201-2	Financial implications and other risks and opportunities arising from climate change	Section 6.1. Climate change	51	√(8)
201-3	Obligations of the defined benefit plan and other retirement plans	Consolidated Financial Statements 2019 - Note 29 Obligations to employees		√
201-4	Financial assistance received from the government	Appendix III: Further information on Sustainability - Economic performance	134	√
GRI 202	Presence in the market			
103	Management approach	Appendix III: Further information on Sustainability - People	108, 112	√
202-1	Ratio of standard entry level salary by gender to local minimum wage	Appendix III: Further information on Sustainability - People - Remuneration and benefits	112	√
202-2	Proportion of senior executives hired from the local community	Appendix III: Further information on Sustainability - People - Employment	108	√
GRI 203	Indirect economic effects			
103	Management approach	Section 6.2.2. Respect for Human Rights and Relationship with Communities Section 6.8 Supply Chain Appendix III: Further information on Sustainability - Respect for Human Rights and Community Relations - Indirect economic impacts	64-65, 82, 121	√
203-1	Investments in infrastructure and supported services	Section 6.2.2. Respect for Human Rights and Relationship with Communities Section 6.8. Supply chain Appendix III: Further information on Sustainability - Respect for Human Rights and Community Relations - Indirect economic impacts	64, 82, 121	√
203-2	Significant indirect commendable effects	Section 6.2.2. Respect for Human Rights and Relationship with Communities Section 6.8. Supply chain Appendix III: Further information on Sustainability - Respect for Human Rights and Community Relations - Indirect economic impacts	64, 65, 82, 121	√
GRI 204	Procurement practices			
103	Management approach	Section 2. Our Company Section 5.1. Upstream Section 6.8. Supply Chain	8, 28, 82	√
204-1	Proportion of expenditure on local suppliers	Section 6.8. Supply Chain	82	√(2)
OG1	Volume and characteristics of the production estimate and identified reserves	Section 2. Our Company Section 5.1. Upstream"	8, 28	√
GRI 205	Anti-corruption			
103	Management approach	Section 6.7. Ethics and compliance Appendix III: Further information on Sustainability - Ethics and compliance - Fight against corruption	81, 133	√
205-1	Operations assessed for corruption-related risks	Section 6.7. Ethics and compliance	81	√(14)
205-2	Communication and training on anti-corruption policies and procedures	Appendix III: Further information on Sustainability - Ethics and compliance - Fight against corruption	133	√
205-3	Confirmed corruption cases and measures taken	Section 6.7. Ethics and compliance	81	√(13)
GRI 206	Unfair competition			
103	Management approach	Appendix III: Further information on Sustainability - Ethics and compliance - Regulatory compliance	134	√
206-1	Legal actions related to unfair competition and monopolistic practices and against free competition	Appendix III: Further information on Sustainability - Ethics and compliance - Regulatory compliance	134	√

GRI 2016	Indicator description	Reference in Management Report, Reports or website	Page/Omission	Verification
	Environmental dimension			
GRI 301	Materials			
103	Management approach	Section 5. Our business in 2019 Appendix III: Further information on Sustainability - Environment - Non-GHG emissions	41, 127	√
301-1	Materials used by weight or volume	Section 5. Our business in 2019	41	√(6)
301-2	Recycled inputs	N/A		Not verified
OG8	Benzene, lead and sulfur content in fuels	Appendix III: Further information on Sustainability - Environment - Non-GHG emissions	1, 127, 30	√
301-3	Reused products and packaging materials	N/A		Not verified
GRI 302	Energy			
103	Management approach	Section 6.1. Climate change Appendix III: Further information on Sustainability - Climate change - Energy efficiency and climate change	51-60, 105-106	√
302-1	Energy consumption within the organization	Section 6.1. Climate change	58	√(7)
302-2	Energy consumption outside the organization	Section 6.1. Climate change	58	√
302-3	Energy Intensity	Section 6.1. Climate change	59	√(7)
OG2	Total investment in renewable energy	Appendix III: Further information on Sustainability Indicators - Climate change - Energy efficiency and climate change	105	√
OG3	Total amount of renewable energy generated, by type	Appendix III: Further information on Sustainability Indicators - Climate change - Energy efficiency and climate change	105	√(8)
302-4	Reduction of energy consumption	Section 6.1. Climate Change	59	√(7)
302-5	Reduced energy requirements for products and services	Appendix III: Further information on Sustainability Indicators - Climate change - Energy efficiency and climate change	105-106	√(8)
OG14	Volume of biofuels produced, bought and sold	Appendix III: Further information on Sustainability Indicators - Climate change - Energy efficiency and climate change	106	√
GRI 303	Water			
103	Management approach	Section 6.4. Environment Appendix III: Further information on Sustainability Indicators - Environment - Effluents and waste	71-73, 127	√
303-1	Water extraction by source	Section 6.4. Environment	73	√(15)
303-2	Water sources significantly affected by water extraction	Section 6.4. Environment Appendix III: Further information on Sustainability - Environment - Effluents and waste	127	√
303-3	Recycled and reused water	Appendix III: Further information on Sustainability - Environment - Effluents and waste	73	√
GRI 304	Biodiversity			
103	Management approach	Section 6.4. Environment Appendix III: Further information on Sustainability - Environment - Biodiversity	73, 129-131	√
304-1	Owned, leased or managed operations centers located within or adjacent to protected areas or areas of high biodiversity value outside protected areas	Appendix III: Further information on Sustainability - Environment - Biodiversity	129	√ (9)
304-2	Significant effects of activities, products and services on biodiversity	Appendix III: Further information on Sustainability - Environment - Biodiversity	130	√(10)
304-3	Protected or restored habitats	Appendix III: Further information on Sustainability - Environment - Biodiversity	130	
304-4	Species appearing on the IUCN Red List and national conservation listings whose habitats are in areas affected by operations	Appendix III: Further information on Sustainability - Environment - Biodiversity	131	
OG4	Number and percentage of significant operational centers where biodiversity risks have been assessed and monitored	Appendix III: Further information on Sustainability - Environment - Biodiversity	131	
GRI 305	Emissions			
103	Management approach	Section 6.1. Climate change Appendix III: Further information on Sustainability - Environment - Non-GHG emissions	51-60, 126	√
305-1	Direct GHG emissions (Scope 1)	Section 6.1. Climate change	58	√(7)
305-2	Indirect GHG emissions from energy generation (Scope 2)	Section 6.1. Climate change	58	√(7)

GRI 2016	Indicator description	Reference in Management Report, Reports or website	Page/Omission	Verification
305-3	Other indirect GHG emissions (Scope 3)	Section 6.1. Climate change	58	√(11)
305-4	Intensity of GHG emissions	Section 6.1. Climate change	59	√(7)
305-5	Reduction of GHG emissions	Section 6.1. Climate change	59	√(7)
305-6	Emissions of ozone-depleting substances (ODS)	N/A		Not verified
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions	Appendix III: Further information on Sustainability - Environment - Non-GHG emissions	126	√
GRI 306	**Effluents and waste**			
103	Management approach	Section 6.1. Climate Change Section 6.3. Safe Operation Section 6.4 Environment Appendix III: Further information on Sustainability - Environment - Effluents and waste	58, 67, 73, 128-129	√
306-1	Discharge of water according to its quality and destination	Appendix III: Further information on Sustainability - Environment - Effluents and waste	128	√
306-2	Waste by type and disposal method	Appendix III: Further information on Sustainability - Environment -Effluents and waste	129	√
306-3	Significant spills	Section 6.3. Safe operation	67	√
OG5	Volume and elimination of water	Appendix III: Further information on Sustainability - Environment - Effluents and waste	128	√(16)
OG6	Volume of hydrocarbons sent to flare or vented	Section 6.1. Climate change	58	√
OG7	Amount of drilling waste (drilling muds and cuttings) and treatment strategies	Appendix III: Further information on Sustainability - Environment - Effluents and waste	129	√
306-4	Transport of hazardous waste	N/A		Not verified
306-5	Water bodies affected by water discharges and/or run-offs	Appendix III: Further information on Sustainability - Environment - Effluents and waste	128	√
GRI 307	**Environmental compliance**			
103	Management approach	Appendix III: Further information on Sustainability - Ethics and compliance - Regulatory compliance	134	√
307-1	Non-compliance with environmental legislation and regulations	Appendix III: Further information on Sustainability - Ethics and compliance - Regulatory compliance	134	√
GRI 308	**Environmental evaluation of suppliers**			
103	Management approach	Section 6.8. Supply chain Appendix III: Further information on Sustainability - Supply chain	82-85, 134	√
308-1	New suppliers that have passed evaluation and selection filters according to environmental criteria	Section 6.8. Supply Chain	82-85	√
308-2	Negative environmental effects on the supply chain and measures taken	Appendix III: Further information on Sustainability - Supply chain	134	√
	Social dimension			
GRI 401	**Employment**			
103	Management approach	Section 6.2.1. Our team Appendix III: Further information on Sustainability - People - Employment	61-63, 109, 113, 121	√
401-1	New employee hiring and staff turnover	Appendix III: Further information on Sustainability - People - Employment	109	√
401-2	Benefits for full-time employees that are not given to part-time or temporary employees	Appendix III: Further information on Sustainability - People - Remuneration and benefits	113	√
401-3	Parental leave	Appendix III: Further information on Sustainability - People - Diversity and equal opportunities	121	√
GRI 402	**Labor/management relations**			
103	Management approach	Repsol respects the period of notice established in the legislation of the countries in which it operates, as well as those provided for in collective or political agreements, if applicable.		√
402-1	Minimum notice periods for operational changes	Repsol respects the period of notice established in the legislation of the countries in which it operates, as well as those provided for in collective or political agreements, if applicable.		√

GRI 2016	Indicator description	Reference in Management Report, Reports or website	Page/Omission	Verification
GRI 403	**Health and safety at work**			
103	Management approach	Section 6.3. Safe Operation Appendix III: Further information on Sustainability - People - Employment framework, health and safety at work	66-68, 116-118	√
403-1	Representation of workers in formal worker-company health and safety committees	Appendix III: Further information on Sustainability - People - Employment framework, health and safety at work	116	√
403-2	Types of accidents and frequency rates of accidents, occupational diseases, days lost, absenteeism and number of deaths due to an accident at work or occupational disease	Section 6.3. Safe Operation Appendix III: Further information on Sustainability - People - Employment framework, health and safety at work	68, 117	√(17)
403-3	Workers with a high incidence or high risk of diseases related to their activity	Appendix III: Further information on Sustainability - People - Employment framework, health and safety at work	117	√
403-4	Health and safety issues addressed in formal agreements with trade unions	Appendix III: Further information on Sustainability - People - Employment framework, health and safety at work	118	√
OG13	Number of process safety claims and near misses by type of activity	Section 6.3. Safe operation	67	√
GRI 404	**Training and teaching**			
103	Management approach	"ection 6.2.1. Our team Appendix III: Further information on Sustainability - People - Training and development	63, 118-119	√
404-1	Average hours of training per year per employee	Appendix III: Further information on Sustainability - People - Training and development	118	√
404-2	Employee skills improvement programs and transition assistance programs	Appendix III: Further information on Sustainability - People - Training and development	118-119	√
404-3	Percentage of employees receiving periodic performance and professional development evaluations	Appendix III: Further information on Sustainability - People - Training and development	119	√(18)
GRI 405	**Diversity and equal opportunities**			
103	Management approach	Section 2.5. Corporate Governance Appendix III: Further information on Sustainability - People - Diversity and equal opportunities	15-16, 113, 120	√
405-1	Diversity in governing bodies and employees	Section 2.5. Corporate Governance Appendix III: Further information on Sustainability - People - Diversity and equal opportunities	15-16, 120	√
405-2	Ratio of basic salary and remuneration of women versus men	Appendix III: Further information on Sustainability - People - Remuneration and benefits	113	√(19)
GRI 406	**Non-discrimination**			
103	Management approach	Section 2.5. Corporate Governance Section 6.2.1. Our team Appendix III: Further information on Sustainability - People - Diversity and equal opportunities	15-16, 61-62, 113, 120	√
406-1	Cases of discrimination and corrective actions taken	Appendix III: Further information on Sustainability - Respect for Human Rights and Community Relations - Human rights	124	√(12)
GRI 407	**Freedom of association and collective bargaining**			
103	Management approach	Section 6.8. Supply chain Appendix III: Further information on Sustainability - Respect for Human Rights and Community Relations - Human rights	82-85, 124	√
407-1	Operations and suppliers whose right to freedom of association and collective bargaining may be at risk	Section 6.8. Supply chain Appendix III: Further information on Sustainability - Respect for Human Rights and Community Relations - Human rights	85, 124	√(8)
GRI 408	**Child labor**			
103	Management approach	Section 6.8. Supply chain Appendix III: Further information on Sustainability Indicators - Respect for Human Rights and Community Relations - Human rights	82-85, 124	√
408-1	Operations and providers at significant risk of child labor cases	Section 6.8. Supply chain and product safety Appendix III: Further information on Sustainability - Respect for Human Rights and Community Relations - Human rights	85, 124	√(8)

GRI 2016	Indicator description	Reference in Management Report, Reports or website	Page/Omission	Verification
GRI 409	**Forced or compulsory labor**			
103	Management approach	Section 6.8. Supply Chain Appendix III: Further information on Sustainability - Respect for Human Rights and Community Relations - Human rights	82-85, 124	√
409-1	Operations and suppliers with significant risk of forced or compulsory labor cases	Section 6.8. Supply chain and product safety Appendix III: Further information on Sustainability - Respect for Human Rights and Community Relations - Human rights	85, 124	√(8)
GRI 410	**Safety practices**			
103	Management approach	Section 6.2.2. Respect for Human Rights and Relationship with Communities	65	√
410-1	Security personnel trained in human rights policies or procedures	Section 6.2.2. Respect for Human Rights and Relationship with Communities	65	√
GRI 411	**Rights of indigenous peoples**			
103	Management approach	Section 6.2.2. Respect for Human Rights and Relationship with Communities Appendix III: Further information on Sustainability - Respect for Human Rights and Community Relations - Human rights	64-65, 124-125	√
411-1	Cases of violations of the rights of indigenous peoples	As was the case in 2018, in 2019 there have been no incidents related to violations of indigenous people's rights reported to the Company's whistleblower channel.		√
OG9	Operations at sites where indigenous communities are present, or in areas affected by activities, and percentage of these sites covered by specific engagement strategies	Appendix III: Further information on Sustainability Indicators - Respect for Human Rights and Community Relations - Human rights	124-125	√
GRI 412	**Human Rights Assessment**			
103	Management approach	Section 6.2.2. Respect for Human Rights and Relationship with Communities Section 6.8. Supply Chain Appendix III: Further information on Sustainability - Respect for Human Rights and Community Relations - Human rights	64-65, 82-85, 124	√
412-1	Operations subject to human rights impact reviews or assessments	Section 6.2.2. Respect for Human Rights and Relationship with Communities	64	√
412-2	Training of employees in human rights policies or procedures	Section 6.2.2. Respect for Human Rights and Relationship with Communities Appendix III: Further information on Sustainability - Respect for Human Rights and Community Relations - Human rights	65, 124	√
412-3	Significant investment agreements and contracts with human rights clauses or subject to human rights assessment	Section 6.2.2. Respect for Human Rights and Relationship with Communities Section 6.8. Supply Chain	64-65, 84-85	√
GRI 413	**Local communities**			
103	Management approach	Section 6.2.2. Respect for Human Rights and Community Relations Appendix III: Further information on Sustainability - Respect for Human Rights and Community Relations - Local communities	64-65, 126	√
413-1	Operations with local community participation, impact assessments and development programs	Section 6.2.2. Respect for Human Rights and Relationship with Communities	64-65	√
413-2	Operations with significant negative effects - actual and potential - on local communities	Appendix III: Further information on Sustainability - Respect for Human Rights and Community Relations - Local communities	126	√
OG10	Number and description of significant disputes with local communities and indigenous peoples	As was the case in 2018, in 2019 there were no significant disputes with local communities and indigenous peoples		√(20)
OG11	Sites dismantled and in the process of being dismantled	Appendix III: Further information on Sustainability - Respect for Human Rights and Community Relations - Local communities	126	√
OG12	Cases of involuntary resettlement necessary for the activities of the organization	As was the case in 2018, in 2019, there were no cases of involuntary resettlements as a result of the activities of the organization.		√
GRI 414	**Social evaluation of suppliers**			
103	Management approach	Section 6.8. Supply chain Appendix III: Further information on Sustainability - Supply chain and product safety	82-85, 134	√
414-1	New suppliers that have passed selection filters according to social criteria	Section 6.8. Supply Chain	84-85	√
414-2	Negative social effects on the supply chain and measures taken	Appendix III: Further information on Sustainability - Supply chain	134	√

GRI 2016	Indicator description	Reference in Management Report, Reports or website	Page/Omission	Verification
GRI 415	**Public policy**			
103	Management approach	Appendix III: Further information on Sustainability - Ethics and compliance - Public policy	133	√
415-1	Contributions to political parties and/or representatives	Appendix III: Further information on Sustainability - Ethics and compliance - Public policy	133	√
GRI 416	**Customer health and safety**			
103	Management approach	Section 6.8. Supply Chain	83, 85, 134	Not verified
416-1	Assessment of health and safety effects of product or service categories	Section 6.8. Supply Chain	83, 85	Not verified
416-2	Cases of non-compliance relating to health and safety effects of product and service categories	Appendix III - Additional Sustainability Indicators - Ethics and compliance - Regulatory compliance	134	Not verified
GRI 417	**Marketing and labelling**			
103	Management approach	Non-material		Not verified
417-1	Requirements for information and product and service labelling	Non-material		Not verified
417-2	Cases of non-compliance related to information and labelling of products and services	Non-material		Not verified
417-3	Cases of non-compliance related to marketing communications	Non-material		Not verified
GRI 418	**Customer privacy**			
103	Management approach	Non-material		Not verified
418-1	Substantiated complaints regarding violations of customer privacy and loss of customer data	Non-material		Not verified
GRI 419	**Socio-economic compliance**			
103	Management approach	2019 Consolidated Financial Statements - Note 15.2 Lawsuits and Note 23.4 Government and legal proceedings with tax implications		√
419-1	Non-compliance with laws and regulations in the social and economic spheres	2019 Consolidated Financial Statements - Note 15.2 Lawsuits and Note 23.4 Government and legal proceedings with tax implications		√

√ Content revised according to the scope of the information described in PwC's Independent Review Report.

(1) Only own personnel are reported on.

(2) Information on the supply chain refers exclusively to significant purchases made by the corporate purchasing and contracting department, and excluding purchases of crude oil, gas and materials.

(3) For the calculation of this information, the average annual remuneration in cash accrued, for the workforce, and that effectively paid in the period, for executive functions and not as a Director, of the highest paid person, has been taken.

(4) For the calculation of this information, the variation between the remuneration of the highest paid person in the previous year and the remuneration of the highest paid person in the current year has been taken into account.

(5) The referenced report on payments to Public Administrations by country has not been subject to verification, and only the overall reasonableness of the evolution of payments has been analysed. The information on taxes effectively paid includes payments for liquidity of taxes and duties, not including effective tax returns or surcharges and penalties.

(6) The main material that is the processed crude oil is broken down.

(7) The overall reasonableness of the data has been verified. The data are subject to modification once the audits of the emissions of each center and active under ISO 14064-1 are carried out.

(8) It is reported qualitatively.

(9) The value for biodiversity outside protected areas is not reported.

(10) Nature of effects not reported.

(11) Scope 3 emissions do not include upstream transport categories in E&P as well as fixed asset and investee categories.

(12) Incidents of discrimination against own staff are reported.

(13) Sanctions or warnings derived from breaches of the Code of Ethics are reported.

(14) The information included refers to the number of ICSFR controls.

(15) Only information on water withdrawal is reported on except for the Electricity and Gas business, which also includes non-fresh water withdrawn.

(16) The volume of hydrocarbons discharged into water produced is not reported on.

(17) Information is not provided on absenteeism rates or loss of days. Nor are accidents rates broken down by gender or region.

(18) Information is not provided as a %.

(19) Information is not provided on the % of employees on governing bodies by gender and age.

(20) Incidents related to violations of indigenous peoples rights received through the Company's whistleblower channel are reported on.

Appendix V: Statement of non-financial information

The table set out below presents the non-financial and diversity information requirements established by Law 11/2018 (December 28) and the sections of the Integrated Management Report in which this information is disclosed:

Contents	GRI Standards	Reference in Management Report, Reports or website	Comments
0. General contents			
a) Business model: 1) business environment, 2) organization and structure, 3) markets in which it operates, 4) objectives and strategies, 5) the main factors and trends that may affect its future evolution.	102-2, 102-6	Section 2.1. Value chain and business segments Section 2.2. Repsol around the world Section 2.4. Strategy Section 2.6. Corporate Structure Section 3. Context Section 5.1. Upstream Section 5.2. Downstream Section 7. Outlook	
b) Policies	103	Section 6. Sustainability	
c) Policy outcomes. KPIs	103	About this report Section 6. Sustainability Appendix III. Further information on Sustainability	
d) Risks at ST, MT and LT	102-15, 205-1, 413-1, 407-1, 408-1, 409-1	Section 2.3 Risks Section 6.1 Climate change Appendix II: Risks Appendix VII: Annual Corporate Governance Report - Section 8: Control and risks management	
e) KPIs	102-54	About this report	
1. Environmental issues			
a) General: • Real and foreseeable effects of the company on the environment • Environmental assessment or certification procedures • Resources dedicated to the prevention of environmental risks • Principle of precaution, provisions and environmental guarantees	103, 102-11, 201-2, 307-1, 308-1, 308-2	Section 2.5. Corporate Governance Section 6.1. Climate Change Section 6.3. Safe operation Section 6.4. Environment Section 6.8. Supply Chain Appendix II: Risks Appendix III: Further information on Sustainability - Supply chain Appendix III: Further information on Sustainability - Regulatory compliance	The data on resources dedicated to foreseeing environmental risks and provisions are provided in Note 31 of the 2019 Consolidated Financial Statements. The data on environmental guarantees are provided in Note 27.2 of the 2019 Consolidated Financial Statements. Furthermore, Repsol has ISO14001 Environmental Management Systems that it uses to ensure that the limits in the regulations in force are not broken and that help to prevent and improve the management of environmental impacts, risks and opportunities at the Company.
b) Pollution	103, 305-5, 305-7	Section 6.1. Climate change Appendix III: Further information on Sustainability - Environment - Non-GHG emissions	Light contamination is not reported on as it is not considered a material issue (see Materiality Matrix on page 103).
c) Circular economy and waste prevention and management	103, 306-2	Section 6.4. Environment Appendix III: Further information on Sustainability - Environment - Effluents and waste	The actions taken to combat food waste are not reported on as this is not considered a material issue (see Materiality Matrix on page 103).
d) Sustainable use of resources			
• The water consumption and water supply according to local limitations	103, 303-1, 303-2, 303-3	Section 6.4. Environment	
• Consumption of raw materials and measures taken to improve the efficiency of their use	103, 301-1, 301-2	Section 5. Our business in 2019	The improved efficiency in the use of raw materials is not reported on as it is not considered a material issue (see Materiality Matrix on page 103).
• Direct and indirect consumption of energy, measures taken to improve energy efficiency and the use of renewable energies.	103, 302-1, 302-2, 302-3, 302-4, 302-5	Section 6.1. Climate Change	
e) Climate Change	103, 305-1, 305-2, 305-3, 305-4, 305-5, 305-6, 305-7, 201-2	Section 2.3. Risks Section 2.4. Strategy Section 6.1. Climate change Appendix III: Further information on Sustainability - Environment - Non-GHG emissions	

Contents	GRI Standards	Reference in Management Report, Reports or website	Comments
f) Protection of biodiversity	103, 304-1, 304-2, 304-3, 304-4, 306-5	Section 6.4. Environment Appendix III: Further information on Sustainability - Environment - Biodiversity	
2. Social and personnel matters			
a) Employment			
• Total number and distribution of employees by gender, age, country and professional classification	103, 102-8, 405-1	Section 2.5. Corporate Governance Section 6.2. People - Our team Appendix III: Further information on Sustainability - People - Employment Appendix III: Further information on Sustainability - People - Diversity and equal opportunities	
• Total number and distribution of employment contract types	102-8	Section 6.2. People - Our team Appendix III: Further information on Sustainability - People - Employment	
• Average annual number of contracts, temporary contracts and part-time contracts by gender, age and professional classification	102-8, 405-1	Section 2.5. Corporate Governance Section 6.2. People - Our team Appendix III: Further information on Sustainability - People - Employment	
• Number of dismissals by gender, age, country and professional classification	401-1	Appendix III: Further information on Sustainability - People - Employment	
• Average remunerations and their development broken down by gender, age and professional classification or equal value	405-2	Section 6.2. People - Our team Appendix III: Further information on Sustainability - People - Remuneration and benefits	
• Salary gap, remuneration of equal or average jobs in society	405-2	Section 6.2. People - Our team Appendix III: Further information on Sustainability - People - Remuneration and benefits	
• The average remuneration of directors and executives, including variable remuneration, plus expenses, indemnities, payment to long-term savings pension systems and any other payment broken down by gender	103, 102-35, 102-36	Appendix III: Further information on Sustainability - Corporate Governance Appendix VII: Annual Corporate Governance Report. Remuneration of directors and senior management Annex VII: Annual Corporate Governance Report. Committees of the Board of Directors - Remuneration Committee	Remuneration of members of the Board of Directors and executive staff is included in Note 30 to the 2019 Consolidated Financial Statements
• Implementation of labor right to disconnect policies	103	Section 6.2. People - Our team	
• Employees with disabilities	405-1	Section 6.2. People - Our team Appendix III: Further information on Sustainability - People - Diversity and equal opportunities	
b) Organization of work	103, 403-2	Section 6.2. People Appendix III: Further information on Sustainability - People - Employment framework, health and safety at work"	
c) Health and safety	103, 403-1, 403-2, 403-3, 403-4, 407-1	Section 6.3. Safe Operation Section 6.8. Supply Chain Appendix III: Further information on Sustainability - People - Employment framework, health and safety at work	Repsol does not break down occupational accident rates by gender
d) Social relations	103, 102-41, 407-1, 403-4	Section 6.8. Supply Chain Appendix III: Further information on Sustainability - People - Employment framework, health and safety at work	
e) Training	103, 404-1, 404-2	Appendix III: Further information on Sustainability - People - Training and development	
f) Universal accessibility for disabled persons	103	Section 6.2. People	
g) Equality	103	Section 6.2. People Appendix III: Further information on Sustainability - People - Diversity and equal opportunities	
3. Human rights	103, 102-16, 102-17,412-1, 412-2, 412-3, 410-1, 406-1, 407-1, 408-1, 409-1	About this report Section 6.2.2. Respect for Human Rights and Relationship with Communities Section 6.7. Ethics and Compliance Section 6.8. Supply Chain Appendix III: Further information on Sustainability - Respect for Human Rights and Community Relations	

Contents	GRI Standards	Reference in Management Report, Reports or website	Comments
4. Corruption and bribery			
• Measures taken to prevent corruption and bribery	103, 102-16, 102-17, 205-1, 205-2, 205-3	About this report Section 6.7. Ethics and compliance Appendix III: Further information on Sustainability - Ethics and compliance - Fight against corruption	
• Measures to combat money laundering	205-2	Section 6.7. Ethics and compliance Appendix III: Further information on Sustainability - Ethics and compliance - Fight against corruption	
• Contributions to foundations and non-profit entities	413-1	Appendix III: Further information on Sustainability - Respect for Human Rights and Community Relations - Indirect economic impacts	
5. Company			
a) The company's commitment to sustainable development	103, 102-12, 102-13, 102-43, 202-1, 202-2, 203-1, 203-2, 204-1, 411-1, 413-1,413-2	Section 6.2.2. Respect for Human Rights and Relationship with Communities Section 6.8. Supply Chain Appendix III: Further information on Sustainability - Materiality and stakeholder engagement Appendix III: Further information on Sustainability - Respect for Human Rights and Community Relations - Indirect economic impacts Appendix III: Further information on Sustainability - Respect for Human Rights and Community Relations - Local communities	
b) Subcontracting and suppliers	103, 102-9, 308-1, 308-2, 414-1, 414-2	Section 6.8. Supply Chain	
c) Consumers	103, 416-1, 416-2	Section 6.8. Supply Chain Appendix III: Further information on Sustainability - Ethics and compliance - Regulatory compliance	
d) Tax information			
• Profits obtained country by country. Tax on profits paid	103, 201-1	Section 6.6. Responsible Tax Policy Appendix III: Further information on Sustainability - Economic performance	
• Public grants received	201-4	Appendix III: Further information on Sustainability - Economic performance	
6. Other significant information			
a) Other information on the Company's profile	102-1 TO 102-7,102-9, 102-10, 102-14, 102-15	Section 2.1. Value chain and business segments Section 2.2. Repsol around the world Section 2.6. Corporate Structure Section 5.1. Upstream Section 5.2. Downstream Section 6.8. Supply Chain	
b) Corporate Governance	102-18 TO 102-34; 102-37	Section 2.5. Corporate Governance Appendix III: Further information on Sustainability - Corporate Governance	
c) Stakeholder engagement	102-40, 102-42 TO 102-44	Appendix III: Further information on Sustainability - Materiality and stakeholder engagement	
d) Other useful information on the preparation of the document	102-45 A 102-55, 201-3, 206-1, 306-1, 306-3, 401-3, 402-1, 404-3, 415-1, 419-1, OG1 to OG14	See Appendix IV: GRI Index	

Appendix VI:
table of conversions and abbreviations

			Oil				Gas		Electricity
			Liters	Barrels	Cubic meters	tep	Cubic meters	Cubic feet	kWh
Oil	1 barrel[1]	bbl	158.99	1	0.16	0.14	162.60	5,615	1,7X10^3
	1 cubic meter[1]	m3	1,000	6.29	1	0.86	1,033	36,481	10,691.5
	1 ton of oil equivalent[1]	tep	1,160.49	7.30	1.16	1	1,187	41,911	12,407.4
Gas	1 cubic meter	m3	0.98	0.01	0.001	0.001	1	35.32	10.35
	1,000 cubic feet = 1.04x106 Btu	ft3	27.64	0.18	0.03	0.02	28.3	1,000	293.1
Electricity	1 megawatt hour	MWh	93.53	0.59	0.10	0.08	96.62	3,412.14	1,000

(1) Measurement of reference: 32.35° API and relative density 0.8636

			Meter	Inch	Foot	Yard
Length	Meter	m	1	39.37	3.281	1.093
	Inch	in	0.025	1	0.083	0.028
	Foot	ft	0.305	12	1	0.333
	Yard	yd	0.914	36	3	1

			Kilogram	Pound	Ton
Mass	Kilogram	kg	1	2.2046	0.001
	Pound	lb	0.45	1	0.00045
	Ton	t	1,000	22.046	1

			Cubic foot	Barrel	Liter	Cubic meter
Volume	cubic foot	ft3	1	0.1781	28.32	0.0283
	Barrel	bbl	5,615	1	158.984	0.1590
	Liter	l	0.0353	0.0063	1	0.001
	cubic meter	m3	35.3147	6.2898	1,000	1

Term	Description	Term	Description	Term	Description
bbl / bbl/d	Barrel/ Barrel per day	**kbbl**	Thousand barrels of oil	**Mm3/d**	Million cubic meters per day
Bcf	Billion cubic feet	**kbbl/d**	Thousand barrels of oil per day	**Mscf/d**	Million standard cubic feet per day
Bcm	Billion cubic meters	**kboe**	Thousand barrels of oil equivalent	**kscf/d**	Thousand standard cubic feet per day
Bep	Barrel of oil equivalent	**kboe/d**	Thousand barrels of oil equivalent per day	**MW**	Megawatt (million watts)
Btu/MBtu	*British thermal unit/ Btu/million Btu*	**km2**	Square kilometer	**MWh**	Megawatts per hour
LPG	Liquefied Petroleum Gas	**Kt/Mt**	Thousand tons/million tons	**TCF**	Trillion cubic feet
LNG	Liquefied Natural Gas	**Mbbl**	Million barrels	**tep**	Ton of oil equivalent
Gwh	Gigawatts per hour	**Mboe**	Million barrels of oil equivalent	**USD / Dollar / $**	US dollar

Appendix VII: Annual Corporate Governance Report

The 2019 Corporate Governance Report is included as an Appendix and forms an integral part of this report, as required by Article 538 of the Spanish Companies Act.

Management Report
Information on the Group's business, results and financial position (sustainability), and the main risks and uncertainties it faces

Financial Statements
Information on equity and financial position at December 31, and income, changes in equity and cash flows for the period

Information on oil and gas exploration and production
Information on acreage, exploration and development activities, proven net reserves, future cash flows, production, results and investment

Report on payments to government bodies for oil and gas exploration and production activities
Information on payments to government bodies as a result of Extraction operations, by country, by project and by government body

Annual Corporate Governance Report
Information on the Company's corporate governance structure and practices

Annual Board Remuneration Report
Detailed information on the application of the Board remuneration policy

Audit and Control Committee activity report[1]
Membership and main activities of the Audit and Control Committee

Audit and Control Committee Report on the independence of the external auditor
Opinion of the Audit and Control Committee on the independence of the auditor and assessment on the provision of non-audit services

1. Published alongside the notice convening the Annual General Meeting.

Repsol, S.A. and
and investees comprising the Repsol Group

Independent Verification Report
31 December 2019

This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Independent Verification Report

To the shareholders Repsol, S.A.:

Pursuant to Article 49 of the Code of Commerce, we have verified, under a limited assurance scope, the accompanying Statement of non-financial information (hereinafter "NFS") attached for the year ended 31 December 2019 of Repsol, S.A. (the Parent company) and investees comprising the Repsol Group ("Repsol" or "the Group") which forms part of Repsol's 2019 Consolidated Management's Report.

The content of the consolidated management report includes additional information to that required by current commercial legislation on non-financial reporting which has not been covered by our verification work. In this respect, our work has been restricted solely to verifying the information identified in Appendix V "Statement of non-financial information" and Appendix IV "GRI Index" in the accompanying consolidated management report attached.

Likewise, we have carried out a moderate assurance engagement of the application of the principles of inclusivity, materiality and responsiveness, related to the information included in the section "Materiality and Stakeholder Engagement" of Appendix III of the accompanying consolidated management report, in accordance with the provisions of the 2008 AccountAbility Principles Standard AA1000 (AA1000APS) issued by AccountAbility.

Responsibility of the directors of the parent company

The preparation of the NFS included in Repsol's consolidated management report, and the content thereof are responsibility of the board of directors of Repsol, S.A. The NFS has been drawn up in conformity with the provisions of prevailing mercantile regulations and the Sustainability Reporting Standards of the Global Reporting Initiative ("GRI Standards") in accordance with the Comprehensive Option, and Oil and Gas Sector Disclosures of the GRI G4 Guidelines (Oil and Gas Sector Disclosures) in line with the details provided for each matter in the table included in Appendix V "Statement of non-financial information" and Appendix IV "GRI Index" of the consolidated management report.

This responsibility also includes the design, implementation and maintenance of the internal control that is considered necessary to ensure that the NFS is free from material misstatement, due to fraud or error.

The directors of Repsol, S.A. are also responsible for defining, implementing, adapting and maintaining the management systems from which the information required to prepare the NFS is obtained, and for the application of AA1000AP principles (2008).

Our independence and quality control

We have complied with the independence requirements and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants ("IESBA") which is based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies the International Standard on Quality Control 1 (ISQC 1) and therefore has in place a global quality control system which includes documented policies and procedures related to compliance with ethical requirements, professional standards and applicable legal and regulatory provisions.

The engagement team has been formed by professionals specialising in non-financial information reviews and specifically in information on economic, social and environmental performance.

Our responsibility

Our responsibility is to express our conclusions in an independent limited assurance verification report based on the work carried out. Our work has been aligned with the requirements set by the current International Standard on Assurance Engagements 3000 Revised, Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000 Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and with the Guidelines for verification engagements on non-financial statements issued by the Spanish Institute of Auditors ("Instituto de Censores Jurados de Cuentas de España"). We have also carried out our moderate assurance engagement (type 2) in accordance with AA1000 Assurance Standard issued by AccountAbility.

In a limited assurance engagement, the procedures performed vary in terms of their nature and timing of execution and are more restricted than those carried out in a reasonable assurance engagement. Accordingly, the assurance obtained is substantially lower.

Our work has consisted of posing questions to management and various Group units that were involved in the preparation of the NFS, in the review of the processes for compiling and validating the information presented in the NFS and in the application of certain analytical procedures and review sampling tests, as described below:

- Meetings with Repsol personnel to ascertain the business model, policies and management approaches applied and the main risks related to these matters, and to obtain the information required for the external review.

- Analysis of the scope, relevance and integrity of the content included in the NFS for 2019 based on the materiality analysis performed by Repsol and described in section "Materiality and Stakeholder Engagement" of Appendix III of the consolidated management report and considering the content required under current commercial legislation.

- Analysis of the procedures used to compile and validate the information presented in NFS for 2019.

- Review of information concerning risks, policies and management approaches applied in relation to material issues presented in the NFS for 2019.

- Analysis of the documentation and actions related to the application of the inclusivity, materiality and responsiveness principles of the AA1000APS (2008).

- Verification, through sample testing, of the information relating to the content of the NFS for 2019 and its adequate compilation using data supplied by Repsol's information sources.

- Obtainment of a management representation letter from the directors and the management of the Parent company.

Conclusions

Based on the procedures performed and the evidence we have obtained, no matters have come to our attention which may lead us to believe that:

- NFS for 2019 of Repsol, S.A. and investees comprising the Repsol Group for the year ended 31 December 2019 has not been prepared, in all of their significant matters, pursuant to prevailing mercantile regulations and GRI Standards, in conformity with the Comprehensive Option and the Oil and Gas Sector Disclosures, in accordance with each topic discussed in the tables included in Appendix V “Statement of non-financial information” and Appendix IV “GRI Index” of the consolidated management report.

- The information included in the section ”Materiality and Stakeholder Engagement” of Appendix III of the consolidated management report, regarding the application of the principles of inclusivity, materiality and responsiveness, has not been prepared, in all of their significant matters, in accordance with the provisions of the AA1000APS (2008).

Recommendations

Regarding the observations and recommendations for improvement which have arisen during the assurance engagement, a summary is set out below of the main recommendations suggested for improving and empowering the application of principles of inclusivity, materiality and responsiveness under the AA1000APS (2008), which do not modify the assurance conclusion expressed in this report.

Inclusivity and materiality:

The Group, committed to its stakeholders’ relationships, has updated during 2019 its materiality analysis in order to reflect more precisely the current context in which it operates. As indicated in the section “Materiality and Stakeholder Engagement” of Appendix III, the main changes are briefly described. Indeed, the main changes executed during this year’s exercise are:

- Inclusion of new stakeholders in the analysis: the stakeholders involved have been those included in previous years’ analyses (employees, investors, financial entities, suppliers and subcontractor, and society and the media), and in 2019, clients, partners, competitors, business associations and public institutions have been additionally incorporated into the analysis. Overall, 8 big stakeholders have been considered. In addition, in order to improve stakeholders’ representation and inclusivity, a prioritization process of the different stakeholders has been carried out by the Group´s executive team in 2019 at a global scale.

- Development of a new methodology for the materiality analysis based on a benchmark and by defining a new list of matters, new prioritization criteria and materiality thresholds.

- From an external viewpoint, in addition to conducting enquiries and surveys to certain stakeholders, the management team has continued developing during 2019 specific ESG (Environmental, social and governance) Roadshows. In this way, it has enabled the team to learn about its stakeholders' opinion firsthand and its positioning in relation to these matters, some of which were led by the Chief Executive Officer.

- As a result of the 2019 analysis, three final materiality matrices have been established: one for the Group as a whole, one for Upstream and another for Downstream, with the objective of achieving results that are more adjusted to the intricacies of each type of activity. Furthermore, a materiality matrix has been developed for every stakeholder group (8 additional matrices), enabling the Group to gather a deeper insight of their respective expectations.

- The materiality process has been integrated in the Group, with the participation of the executive team, the business team and corporate areas, the team in charge of the relationship with the stakeholders and the countries where the Group carries out significant operations.

In regards to improving representation and inclusivity of the different stakeholders and for prioritizing the most relevant matters, it is recommended to increase direct consultations through surveys, at least to the most representative stakeholders from the main countries of activity, in order to include the consideration of their expectations directly in the analysis.

Responsiveness:

In 2019, Repsol has developed a new Global Sustainability Plan that incorporates, amongst other things, the most relevant objectives of the Strategic Plan for the Group in the field of sustainability, supply chain objectives and by establishing a longer time horizon, allowing the establishment of targets for 2025.

During 2019, the Group has progressed on the approval of new Local Sustainability Plans, incorporating Algeria, the UK and Canada. These Plans enable the company to expand at a local level the six strategic axes set by the Global Sustainability Plan (Climate Change, People, Safe Operation; Environment, Innovation and Technology, Ethics and transparency), currently including 22 Local Plans (published in the corporate website).

Future action should focus on the implementation of these Local Sustainability Plans in other countries, as well as on ensuring that public annual reporting includes the degree to which objectives have been achieved, considering the company's commitment with the new Global Sustainability Plan of 2019.

Use and distribution

This report has been drawn up in response to the requirement laid down in current Spanish commercial legislation and therefore might not be suitable for other purposes or jurisdictions.

PricewaterhouseCoopers Auditores, S.L.

Pablo Bascones

20 February 2020

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